

أرامكو السعودية
Saudi Aramco



SAUDI ARAMCO CORPORATE CITIZENSHIP '09



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Focusing on the Future: Our Citizenship Outlook



King 'Abd Allah Ibn 'Abd Al-'Aziz Al Sa'ud
THE CUSTODIAN OF THE TWO HOLY MOSQUES



His Royal Highness Amir Sultan Ibn 'Abd Al-'Aziz Al Sa'ud
THE CROWN PRINCE, DEPUTY PRIME MINISTER, MINISTER OF DEFENSE AND AVIATION,
AND INSPECTOR GENERAL



Chairman's Message

The year 2009 marks another milestone in the history of Saudi Aramco: the publication of the first-ever Saudi Aramco Corporate Citizenship Review.

This inaugural Review comes at an important time for Saudi Aramco and for Saudi Arabia. By completing the largest capital program in its history and raising the maximum sustainable crude oil production capacity to 12 million barrels per day – the highest in its history – the Company has set a new standard for the petroleum industry. The start of production at the Petro Rabigh venture marks another significant achievement: It is the first step for the Company in the petrochemical industry and a landmark for diversifying our economy and creating new jobs in the Kingdom.

These are internationally important achievements, but the Company believes that even the most successful organizations can achieve much more through teams that focus and multiply the members' various strengths. Many of Saudi Aramco's successes have been through strategic collaborations and work with businesses, government and other stakeholders.

Saudi Aramco has a proud legacy of collaboration and corporate citizenship. The spirit of responsible and sustainable business has existed within Saudi Aramco since its founding in 1933. Even then, at the signing of the initial exploration concession with Standard Oil of

California, King 'Abd al-'Aziz Al Sa'ud ensured that the agreement contained provisions for ongoing education and transfer of skills to the local Saudi work force.

More than three-quarters of a century later, the Saudi economy continues to prosper, thanks to the leading role that businesses such as Saudi Aramco have played in the Kingdom's development. To grow further, we will need to increase our shared efforts to deepen knowledge, nurture innovation, diversify the economy, create employment opportunities and promote environmental protection.

The 2009 Corporate Citizenship Review highlights many of the exciting and innovative ways that Saudi Aramco is contributing to a prosperous society.

I hope you enjoy reading this landmark publication, and I invite you to join me in applauding both the successes in this report and the values behind Saudi Aramco's Corporate Citizenship Vision: "To be an influential leader in creating sustainable social and economic opportunities for the welfare of the Kingdom and in other locations where we do business."

Ali I. Al-Naimi

Minister of Petroleum & Mineral Resources,
and Chairman of the Board of Directors

President's Foreword



I am pleased to introduce Saudi Aramco's first Corporate Citizenship Review. It is a new chapter in our history and comes at a time when we begin to execute a new strategy to help us reach higher levels of achievement in our corporate citizenship activities.

At Saudi Aramco, corporate citizenship has always been a core value that influences all that we do. Corporate citizenship is not only writing checks to worthy charitable or educational institutions. Being a strong corporate citizen means that our values are encoded into the way we operate and innovate.

Throughout our history, Saudi Aramco's legacy has been synonymous with creating local jobs, enabling educational attainment, promoting environmental protection and supporting the social fabric of the Kingdom. Our track record has been one of leading and collaborating with organizations to achieve results that benefit our company and society as a whole.

Integral to our achievements has been the ability to create strategic relationships. Teaming allows us to work across our businesses with suppliers, contractors, academic institutions and other stakeholders in effective project teams. It has also enabled Saudi Aramco to maintain its global leadership, and it will be

essential as we move into a new era for our citizenship activities.

Our citizenship strategy is built on four key pillars, each one aligned with our core business expertise and the Kingdom's strategic priorities. Our priorities are economic development and diversification, community building, knowledge creation and environmental protection. Already we have launched transformative programs such as our Traffic Safety Signature Program, which builds stakeholder capacity and promotes safety on our roads, and our new landmark initiative, the Youth Talent Development Signature Program, which aims to fortify youth with character development and enhanced critical thinking skills.

Saudi Aramco has been, and will continue to be, a leading corporate citizen. This first Corporate Citizenship Review is a landmark that demonstrates our commitment to our employees, our communities and other stakeholders, and it demonstrates how we will continue to deliver energy to the world in a safe, reliable and responsible way.

A handwritten signature in black ink, appearing to read 'Khalid A. Al-Falih'. The signature is fluid and stylized, with a long horizontal stroke at the end.

Khalid A. Al-Falih

President and Chief Executive Officer,
Saudi Aramco

Introducing Saudi Aramco



Saudi Aramco is a reliable supplier of petroleum energy to the world. Owned by the Government of Saudi Arabia, Saudi Aramco is a fully integrated, global enterprise managing 260 billion barrels of proven oil reserves, more than 275 trillion cubic feet of gas reserves, and major refining and petrochemical assets. We are committed to providing a dependable supply of energy to the Kingdom and to the international community.

In 2009, Saudi Aramco completed significant work on a multi-year, multiple mega-project program that included new or expanded oil, gas and petrochemical facilities. Maximum sustainable crude oil production capacity was raised to 12 million barrels per day, and significant increases were achieved in gas production and processing capacities. In addition, key support facilities such as water injection and distribution networks were also expanded or upgraded.

Saudi Aramco provides a safe environment for its employees. Last year, for example, there were zero on-the-job fatalities among our employees, and over 1 million work-hours were completed at Jiddah, Riyadh and Yanbu' refineries without an occupational injury or illness involving days away from work.

Our excellent safety record and business success enable us to attract and retain an excellent work force. We employ 55,066 men and women, 87 percent of whom are Saudi nationals. Our headquarters is located in Dhahran, but we also have connections to a network of affiliate and subsidiary offices in China, Japan, India, the Netherlands, the Republic of Korea, Singapore, the United Arab Emirates, the United Kingdom and the United States. Collaborating in this manner enables us to meet domestic and international demands and to ensure global energy needs are met for generations to come.



We provide a safe working environment for our 55,066 employees, many of whom are based at our headquarters in Dhahran.

- ▼ Khurais, the largest oil increment program in our history, opened in July 2009 and enabled Saudi Aramco to raise its maximum sustainable oil production capacity.

Saudi Aramco's Citizenship



As a leading corporate citizen, Saudi Aramco has actively promoted social and economic development since its inception in 1933. Our corporate citizenship values underpin the way we do business, from the way we manage our oil reservoirs for the maximum long-term benefit of the Kingdom, to the way we treat our workers, engage contractors in meaningful training, promote environmental protection and volunteer in local communities across the Kingdom.

Over the past year, leaders within the Company have worked to articulate this passion in a Corporate Citizenship Vision. Our goal is to be "an influential leader in creating social and economic opportunities for the welfare of the Kingdom and in other locations where our affiliates do business." This Citizenship Vision will guide us in the future development and delivery of world-class activities and programs for our employees, our youth and our communities.

Implementing this vision will require us to forge and maintain strong collaborations. Teaming with local communities and Government agencies to achieve shared goals is core to Saudi Aramco's approach. We have a strong

Our goal is to be "an influential leader in creating social and economic opportunities for the welfare of the Kingdom and in other locations where our affiliates do business."

track record of success in building infrastructure, promoting environmental awareness, volunteering in the community and enabling children to access better and more diverse educational opportunities.

Our corporate citizenship activities benefit communities throughout the Kingdom of Saudi Arabia and guide the work of our affiliates around the world. In each country, our projects aim to promote good practices and to align with key societal needs, whether it is natural-disaster relief work in Japan or providing world-class educational programs and facilities across Saudi Arabia.


This review demonstrates our role in supporting economic, social and environmental development in the Kingdom of Saudi Arabia and beyond. It illustrates our current activities and our historical contributions, and describes our plans for the future.



The Saudi Aramco Medical Services Organization has developed an extensive volunteer program for employees to promote health initiatives within their local communities.

- Many of our community outreach activities are aimed at the Kingdom's younger generation and ensuring a future of prosperity.

A Glimpse of Saudi Aramco's 2009 Corporate Citizenship Around the World



USA: Our Houston-based affiliate, Aramco Services Company (ASC), sponsored the Aramco Houston Half Marathon for the fifth consecutive year. The 2009 event drew 11,000 runners from around the world, and 350 ASC team members contributed as event volunteers.



Western Province: Construction completed on the King Abdullah University of Science and Technology, a state-of-the-art global research institute and the first building in Saudi Arabia to receive the U.S. Green Building Council's Platinum-level certification.

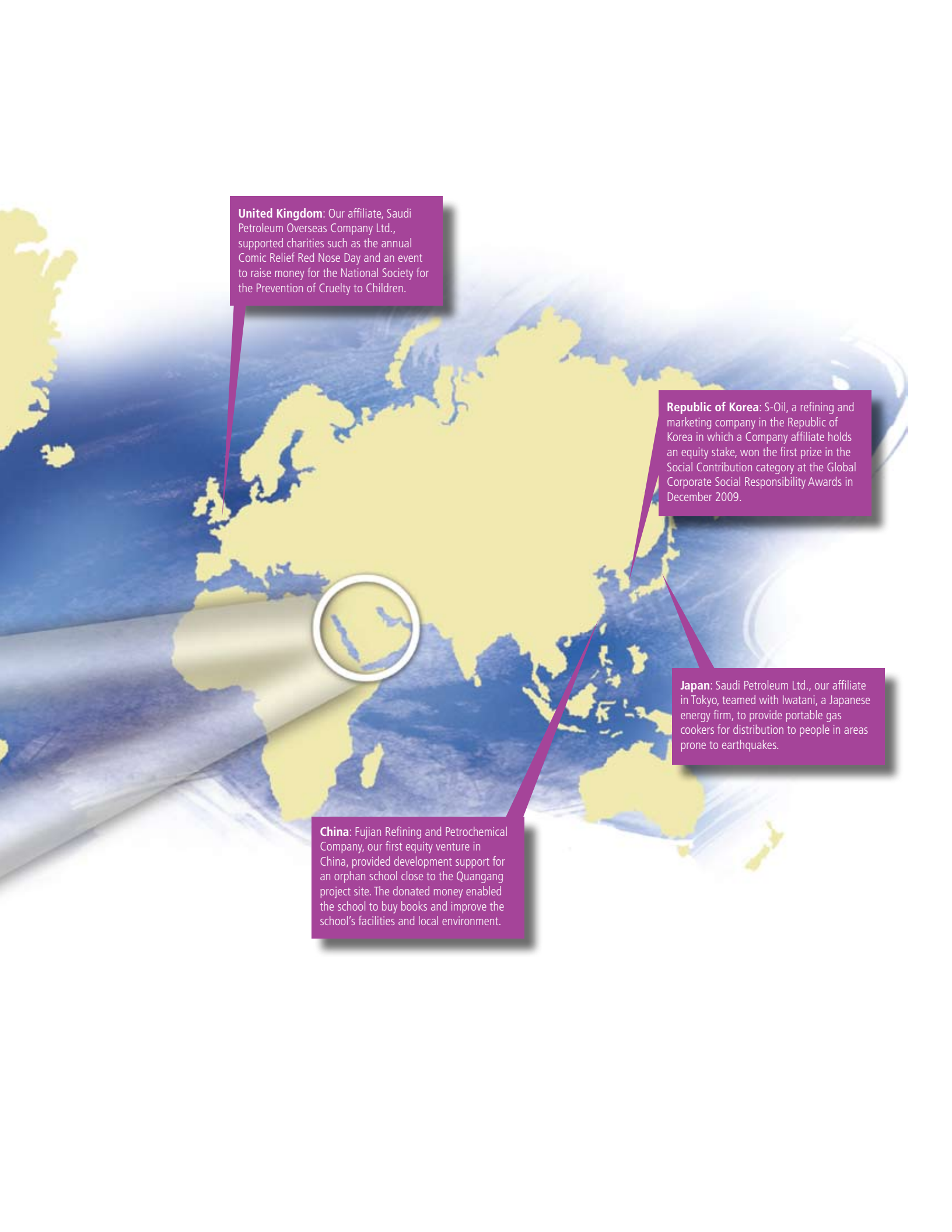
Eastern Province: Design and funding approved for the King Abdulaziz Center for World Culture. Once opened, the Center will provide world-class cultural experiences to a projected 2 million people each year.

Thuwal: Oversight provided for a special town-wide development project, which included a marina with two new harbors, a public beach, a fish market, retail shops and a National Guard complex.

Kingdom of
Saudi Arabia

Al-Hasa: Memorandum of Understanding signed with the Technical and Vocational Training Corporation to provide land and help manage the new National Industrial Training Institute. When completed, it will accommodate 2,000 trainees for key jobs needed by the petroleum, gas and petrochemical industries.

Riyadh: Design and start-up assistance contributed to the King Abdullah Petroleum Studies and Research Center, a future-oriented research and policy institution for energy and environmental excellence.



United Kingdom: Our affiliate, Saudi Petroleum Overseas Company Ltd., supported charities such as the annual Comic Relief Red Nose Day and an event to raise money for the National Society for the Prevention of Cruelty to Children.

Republic of Korea: S-Oil, a refining and marketing company in the Republic of Korea in which a Company affiliate holds an equity stake, won the first prize in the Social Contribution category at the Global Corporate Social Responsibility Awards in December 2009.

Japan: Saudi Petroleum Ltd., our affiliate in Tokyo, teamed with Iwatani, a Japanese energy firm, to provide portable gas cookers for distribution to people in areas prone to earthquakes.

China: Fujian Refining and Petrochemical Company, our first equity venture in China, provided development support for an orphan school close to the Quangang project site. The donated money enabled the school to buy books and improve the school's facilities and local environment.

76 Years and Counting: Highlights of our Corporate Citizenship

An aggressive public-health campaign to fight malaria is launched after a serious epidemic in the Eastern Province. By 1956, the problem is nearly eradicated.

1943

The Company's first college scholarship program for Saudi students is started.

1947

The Home Ownership Program is launched with the Government. Aramco develops roads and utilities, and offers employees interest-free loans. The program enables many Saudis to own their first home and underpins the development of strong, vibrant and safe communities. Five decades later, this program has provided loans to over 58,000 employees.

1951



1941

Aramco opens the Jabal School to train boys under age 18 in mathematics, English and Arabic.



1949

The first company-wide training program for Saudi nationals begins. It combines on-the-job training with classroom instruction in English. Over the next five years, expenditures increase nearly tenfold to benefit over 12,000 Saudi employees.

1953

Aramco issues its first policy statement on training, outlining that there are no limits to Saudi advancement.

1964

Aramco supports the development of the College of Petroleum and Minerals (which becomes King Fahd University of Petroleum and Minerals, or KFUPM, in 1986) to bring experts into the work force. By 2010, over 50 percent of the Company's general management and above are graduates of the institution.

Infrastructure Era (1933 – 1970s)

The Master Gas System project, the largest industrial project in the world at the time, is launched by Aramco. The project captures previously unutilized natural gas and improves air quality in the Eastern Province by reducing the need for flaring. The system now recovers more than 3,500 tons of sulfur per day from associated gas.



1975

A multi-billion dollar Environmental Master Plan enhances Saudi Aramco's capabilities for protecting the environment. The plan also encompasses downstream projects to produce cleaner gasoline and diesel fuels to reduce urban pollution.

2001

Saudi Aramco begins a program to build a world-class university, the King Abdullah University of Science and Technology. Custodian of the Two Holy Mosques, King Abdullah, inaugurates the institution two years later.



2007



1987

The Aramco Exhibit opens in Dhahran to help educate the Kingdom's people about the petroleum industry.

1991

Saudi Aramco plays a major role in combating the world's largest oil spill during the Gulf War.

2002

An initial group of 57 contractors starts training at Saudi Aramco's first Contractor Training Center in Abqaiq.

2009

The design is finalized and funding is secured for the King Abdulaziz Center for World Culture, a flagship cultural center for the Kingdom of Saudi Arabia.

Industrial Era (1970s – 2000)

Knowledge Era (2000 – present)

Both corporate citizenship and the ability to team with strategic stakeholders have been integral to the continued growth of Saudi Aramco. Since 1933, when Saudi Arabia granted the Company an oil exploration concession, our success has helped spread prosperity and innovation throughout the Kingdom.

From its early days, Aramco worked hard

and utilities), local facilities (such as schools and hospitals), and secure access to provisions (such as healthy food and reliable sources of water). Setting these basic elements in place was essential to making our communities flourish and our business succeed.

Alongside broader infrastructure investments such as the railway from Dammam to Riyadh,



In the early days of the Kingdom's petroleum industry, we were involved in developing an educated work force and local businesses.

to provide for its work force and for local communities. Since then, our activities have continued to shape our communities and transform the nation into a leading global economy.

In the first main period from 1933-1970, referred to as the Infrastructure Era, Aramco helped build the foundations of a strong economy: basic infrastructure (such as roads



the Company laid the foundations for long-term success. Creating a high-performing, healthy and capable work force was imperative. The Home Ownership Program, which now has provided loans to over 58,000 employees, enabled Saudi workers to raise their living standards and own homes for the first time, and supported the development of major communities such as al-Khobar, Dammam and Yanbu'. Saudi Aramco

also began a major company-wide training program to provide skills for employees to develop and grow in their professional careers.

During this era, Aramco also launched its first major awareness campaign on public health. In 1943, Aramco initiated a campaign to reduce malaria in the Eastern Province. It saw Company employees raise awareness in the local community,

eyesight of 80–85 percent of Saudis at the time. This initiative, together with improvements in hygiene and increased awareness, significantly reduced the number of trachoma cases in the local population and helped to improve working conditions for Aramco personnel.

A second period, referred to as the Industrial Era, began in the 1970s in conjunction with



The Company's early outreach efforts involved helping to ensure the health of the local population and a reliable food supply.

and local waterways were stocked with *Gambusia* fish that thrive on mosquito larvae. By 1956, when the Government took control of the program, the malaria problem was nearly eradicated.

Another successful effort to improve health was launched in 1954. In association with Harvard University's School of Public Health, Aramco began funding a research effort to vaccinate against trachoma, bacteria that affected the



the introduction of the Kingdom's first five-year development plan. During this era, the national economy began to diversify, with major industries opening up across the Kingdom, including the new industrial cities of Yanbu' and Jubail.

At the same time, Aramco played a major role in two vital industrial projects, establishing the Master Gas System and an electricity

distribution network. The Master Gas System captured immense quantities of associated gas during the oil extraction process and converted this gas into a valuable commodity that could be used to generate power and as a petrochemical feedstock. This new energy source helped run water desalination plants and other industries in the Kingdom. The electricity network eventually grew into today's Saudi Electricity Company.

announced plans in 1980 to hire 30,000 more Saudis over the next five years, more than doubling the Saudi work force. By 1984, Aramco had grown to 55,819 employees, including 34,226 Saudi nationals.

This rapid expansion of the work force was accompanied by enhancements to the Company's training programs. Aramco redesigned existing programs and created courses for workers to improve language



The Company has built 139 Government schools for the Kingdom and continues to maintain these schools to this day.

In 1980, the Saudi Government completed a phased acquisition of all of the Company's assets that had started in 1973. Under this new ownership structure, a far greater share of the revenue generated by the Company was available to the Government to help build new schools, hospitals and roads throughout the Kingdom. In the most ambitious recruitment program in the Company's history, Aramco

skills, receive job-specific training and access opportunities to build soft skills. During that period, about 400 employees were accepted each year into the Professional Development Program. To ensure quality, Aramco's internal training organization began benchmarking and seeking accreditation from the leading international bodies such as the U.S.-based Accrediting Council for Continuing Education

and Training.

The importance of keeping local workers competitive in a global economy has remained a priority for Saudi Aramco into the 21st century. Actively cultivating a knowledge-based society with an awareness and appreciation for life-long learning underpins the third and latest period in our corporate citizenship history, the Knowledge Era.

environmentally friendly product in many of our facilities, and we have helped to develop a manufacturing base in the Kingdom for the flare and other industrial products.

Saudi Aramco is also working to create institutions that will help the Kingdom compete in the Information Age. At the request of King Abdullah, the Company designed and built King Abdullah University of Science and Technology, a groundbreaking graduate research institution on



Our Home Ownership Program for employees has contributed to the development of vibrant communities.

Talent and a culture of creativity are central to the Kingdom's new knowledge economy, and Saudi Aramco has contributed in a number of ways. We continue to support entrepreneurship and innovation, including inventions such as the smokeless flare. The award-winning flare, designed by a Saudi Aramco engineer, is a cost-effective solution that reduces gas flaring and air pollution. Saudi Aramco is installing this

the Kingdom's west coast. It is also constructing the King Abdulaziz Center for World Culture, which will enable citizens to acquire knowledge of world cultures through creative, interactive programs and exhibitions. In addition, Saudi Aramco is supporting the King Abdullah Petroleum Studies and Research Center to help develop a sustainable energy future. Our Youth Talent Development Signature Program will



The King Abdulaziz Center for World Culture will be a flagship cultural center for the Kingdom of Saudi Arabia.

cultivate the technological and social skills they will need to contribute as future members of the nation's work force. These projects all look to inspire innovation and help future generations of Saudis to prosper in the knowledge economy.

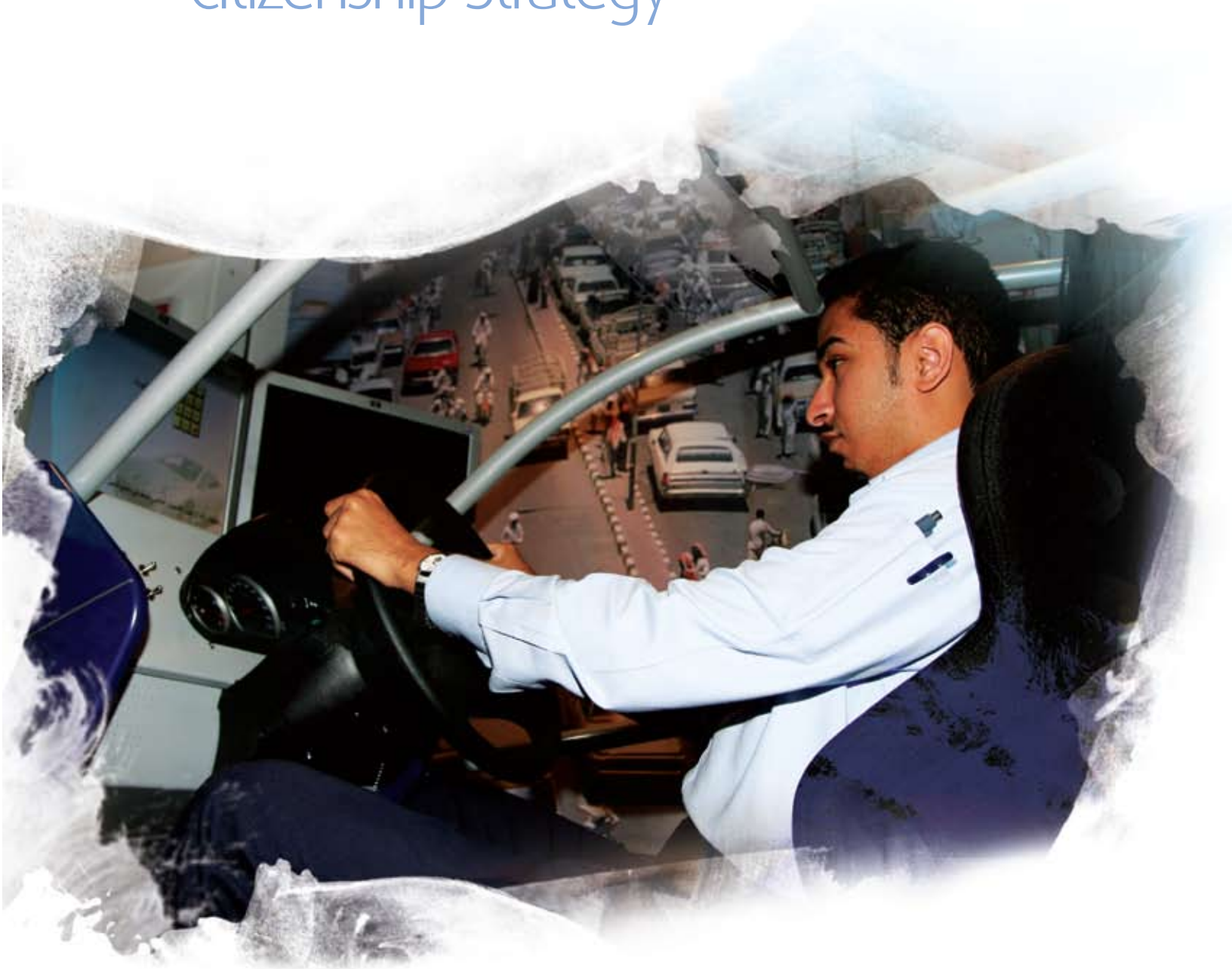
Saudi Aramco has a long and storied legacy that inspires our current citizenship activities. We are committed to building on that heritage in support of sustainable development and prosperity across the Kingdom.



The King Abdullah University of Science and Technology opened in 2009 to nurture scientific advancement in men and women from around the world.

Our Traffic Safety Signature Program is an example of how we strive to ensure that our citizenship efforts address the most pressing needs of the Kingdom's communities. ▀

Our Corporate Citizenship Strategy



Our Corporate Citizenship Vision is to be an influential leader in creating sustainable social and economic opportunities for the welfare of the Kingdom and in other locations where we do business. This vision, articulated in 2009, is based on the values that have inspired our work for the past 76 years, and it lays the foundation for the Company's continued planning and execution of its citizenship activities.

Corporate citizenship is part of Saudi Aramco's legacy and will continue to play a role in its future success. Since its inception, the Company's activities have complemented the ongoing development of the Kingdom as a whole. We continue to strive to meet our broad responsibilities to society, and we aim to remain a key player in the formation of a diverse, knowledge-based Saudi economy.

Recognizing societal needs and priorities is essential to our citizenship strategy. To be successful, it requires bold action, effective governance and responsive systems.

Saudi Aramco has developed four organizing principles that guide our Corporate Citizenship Vision and ensure its successful implementation. These principles are to:

- *Build on our core business strengths.* In so doing, we can maximize our impact on society and demonstrate excellence in delivering corporate citizenship programs in Saudi Arabia.
- *Respond to the needs of society.* Each of our programs is based on clearly defined needs within the communities in which we operate and on the objectives of the Kingdom as a whole.
- *Create strategic collaborations.* Teaming with others helps to build scale and optimize the outcomes of our work. This type of activity builds on our business strengths and leverages the shared values of others.
- *Evaluate our performance on an ongoing basis.* We continue to assess and revise all of our corporate citizenship activities against a rigorous framework to ensure they remain relevant both to our core business objectives and the communities in which we operate.

In support of these four principles, the Company has enhanced its governance process accordingly. Good governance is crucial for clarifying roles and responsibilities and coordinating our internal planning, coordination and reporting processes.



Our citizenship strategy envisions Saudi Aramco as an influential leader in the further development of the Kingdom of Saudi Arabia.



Structure of Saudi Aramco's Corporate Citizenship

These organizing principles establish a framework for how Saudi Aramco goes about meeting its citizenship goals and the expectations of local communities.

These principles underpin the four pillars that support our corporate citizenship portfolio. These pillars reflect the broad areas in which the Company has determined it can make a positive impact on society and its surroundings, namely:

1. **Economy:** We team with Government agencies, academic institutions and suppliers to make strategic investments in entrepreneurship and innovation, build professional and vocational skills, and ensure local job creation. (See pages 22-26)
2. **Community:** We support local communities by offering awareness campaigns and volunteer opportunities, along with charitable donations, to promote a prosperous, responsible and inclusive society. (See pages 27-31)

3. **Knowledge:** We encourage the Kingdom's transformation into a knowledge hub and innovation leader by empowering individuals through world-class educational opportunities. (See pages 32-36)

4. **Environment:** We work to minimize the environmental impact of our operations and promote new strategies to lighten the environmental footprint of petroleum consumption and enhance energy efficiency. (See pages 37-41)

The following sections discuss each of these four pillars in greater detail and demonstrate how they align with the core objectives of the Company, illustrate how they are being achieved in practice, and highlight recent successes from which future activities can be modeled.

Pillar 1: Economy



A strong economy is one that supports the long-term development of local communities through job creation, training programs, cutting-edge research and the promotion of entrepreneurship.

For the past 76 years, our Company has been working to develop a strong domestic economy that provides jobs for Saudi nationals and to support new business opportunities throughout the Kingdom.

We are committed to leading the way forward in the Kingdom's continued economic development, both through the activities we oversee and our contribution to Government revenues, 86 percent of which come from the petroleum sector.

Enabling Entrepreneurship and Innovation

Saudi Aramco has a legacy of supporting entrepreneurs and empowering individuals to contribute to the economy competitively and responsibly. Many of the country's finest entrepreneurs began their careers with Saudi Aramco. Their contributions, and those of others like them, have created a ripple effect of innovation that has helped shape the Kingdom and delivered benefits to Saudi society.

Building on this legacy of promoting entrepreneurship, we are exploring the establishment of an Entrepreneurship Center that offers end-to-end support for small and medium businesses, with the focus on leveraging our technical requirements.

We continue to identify promising individuals and nurture them in development of the skills necessary to innovate and lead. For the last 25 years, our Specialist Development Program (SDP) has trained high-caliber Saudi engineers

and scientists. The program strives to instill the attributes necessary to become a future leader of the Company. In 2009, 24 employees graduated from the program, joining 123 others who graduated previously. Another example is the Saudi Aramco Leadership Forum, a five-and-a-half day course that enables employees to think strategically and manage innovation.

Saudi Aramco provides opportunities for workers to share entrepreneurial ideas. Our Idea Management System, an innovative web-based platform, removes formal hierarchy in the creativity process and empowers employees at all levels to contribute ideas. Since its inception in 2002, over 82,000 ideas have been submitted and more than 3,700 have been implemented. Listening to and acting on these ideas enables Saudi Aramco to continue to improve the safety of the working environment, enhance operational performance and identify new business opportunities.

▼ Petro Rabigh, Saudi Aramco's first venture into petrochemicals, provides local job opportunities and supports economic diversification in the Kingdom.

2009 Highlights

12%
of the world's crude oil production.

27,000
new jobs created for
Saudi nationals in contractor companies.

350
contractor employees completed
our training program.

2.25 billion
dollars in material procurements
awarded to the local market.



A young Saudi student shows off his international award-winning invention — a shoe for the visually impaired, an innovation nurtured by a Saudi Aramco initiative.

Saudi Aramco has worked closely with King Abdulaziz City for Science & Technology to improve the innovation culture in the Kingdom. In 2009, we were an active member of the National Innovation Ecosystem, an initiative that aims to catalyze the flow of knowledge, technology and information across a range of stakeholders. We also worked with King Abdulaziz City for Science & Technology on a project focusing on the protection of intellectual property rights, an essential requirement for highly innovative economies.

We are also active in numerous national

and international conferences to share our experiences. In 2009, Saudi Aramco participated in 11 regional and international exhibits, including the 5th Businesswomen's Innovation Meeting in Riyadh, the Water Arabia Conference in Bahrain and the European Association of Geoscientists and Engineers Conference in the Netherlands.

Developing Standards and Professionalism

Since the 1940s, Saudi Aramco has been developing and implementing its standards, helping to shape how best-practice business is conducted in the Kingdom. We work not only to promote our way of doing business at the company level but also at the national level.

Saudi Aramco is an active contributor to the International Standards Organization, and we currently have representatives participating on dozens of technical committees. We regularly work hand-in-hand with the Saudi Arabian Standards Organization (SASO) and with the Government to create and review standards suitable for local conditions. Saudi Aramco is currently involved in 12 SASO committees, and we lead four technical committees in the Gulf Standards Organization. We successfully



Saudi Aramco Medical Services Organization strives to ensure that employees, their families and the wider communities have access to health care that meets the highest standards.

developed the Cathodic Protection Standard to reduce corrosion in electrical supplies, and we contributed to the design of the Kingdom's first "green" building standard as well as helping to develop a National Energy Efficiency Program (See Case Study on page 41).

Over the last 15 years, we have developed a network of private hospitals that support health-care excellence across the Kingdom. Through Saudi Aramco Medical Services Organization (SAMSO), we supported the development of 44 remote area clinics, two rehabilitation centers and 37 hospitals, including 12 in rural areas. Our health-care facilities have met Joint Commission International Accreditation standards since 2002, as we strive to ensure that our employees, their dependents and the wider community can access world-class medical facilities.

We work to deepen technical and professional expertise in the Kingdom. With the Ministry of Transport, we opened the Kingdom's first Marine Academy in 2009, and 125 seamen have been equipped with the skills to operate safely on board our contractors' vessels. Our Advanced Fire Training Center near Ju'aymah is a state-of-the-art facility that can simulate a wide variety of fire-fighting scenarios, and our Fire Protection Department annually trains approximately 25,000 company personnel and 500 Plant Emergency Response Team members in fire safety and the operation of fire-fighting equipment, as well as contributing with community and school awareness campaigns.

Another way Saudi Aramco supports the Kingdom's economy is through its involvement in professional societies. Our employees participate in over 30 such organizations, many of which see active participation by the Company's senior management. We were a founding member of the Gulf Cooperation Council Board Directors Institute, a regional initiative that helps companies enhance their corporate governance, and we were active in creating the Saudi Arabian chapter of the Society for Petroleum Engineers (SPE), the industry's largest professional organization.



We forge strategic alliances to ensure that training opportunities meet our needs and those of other industrial enterprises in the Kingdom.

Supporting Local Businesses

We also work to help Saudi businesses move up the value chain from providing low-value products and services to competing against international rivals. Among our success stories has been the smokeless flare, a transformative product that reduces air pollution. The patented flare, developed by a Saudi Aramco engineer, is being manufactured in a Saudi-based joint venture and could be marketed internationally.

Bringing skilled local contractors into Saudi Aramco's supply chain is an important goal of the Company. Since the 1960s, we have aimed to procure products from companies located in close proximity to key work sites, with facilities that meet environmental criteria, and that employ a high percentage of Saudi nationals. In

2009, 83 percent of our \$15.4 billion in service contracts and amendments were awarded to local companies and contractors, and \$2.25 billion in material procurements were awarded to the local market.

Our commitment to developing our contractors' work forces includes offering comprehensive programs covering academic and vocational skills, as well as health and safety training. We team with community colleges such as Dammam and Hafr-Al-Batin colleges to enhance local talent, and we engage with the Royal Commission to ensure that industrial colleges in Jubail and Yanbu' teach the skills we need. For the last five years, we have worked with the Technical and Vocational Training Corporation (TVTC) and currently offer 12 major programs with them. We expect to add four new courses in 2010.

A total of 350 contractor employees completed job-specific training in 2009. Last year also saw completion of an agreement with the TVTC to participate in development and construction of the National Industrial Training Institute in al-Hasa, a facility that, upon completion, will accommodate 2,000 trainees and serve as a model for vocational training facilities in the Kingdom.

Case Study: Lost Opportunity Initiative

Sourcing from local suppliers makes sense from a business, social and environmental perspective. We work to ensure that local suppliers can meet our expectations. One way that we do this is to work with suppliers who fail to win a bid and analyze how they can improve their performance in future contract bids. We call this our Lost Opportunity Initiative.

The Lost Opportunity Initiative is a win-win proposition for local suppliers and for our core business. It builds expertise in our local community and cultivates a qualified supply of competitive businesses, while reducing our need to pay for shipping or storage of crucial components.

Our Local Content Unit, part of our Material Supply organization, provides consultancy services to vendors who are unsuccessful in their bids. This free service enables them to identify ways to enhance their production techniques, create environmental management systems and develop products to meet our quality standards. It builds on our core engineering expertise and nurtures local business enterprise.



Saudi Aramco sources as much as possible from local manufacturers. In 2009, \$2.25 billion in material procurements were awarded to the local market.

To promote cultural awareness and provide entertainment and fun for people of all ages, Saudi Aramco organizes a variety of public events such as 'Id al-Fitr activities. ►

Pillar 2: Community



Vibrant, inclusive local communities help ensure a healthy and prosperous future for society as a whole.

Saudi Aramco's commitment to local community development has positive impacts throughout the Kingdom of Saudi Arabia. We assess each region's priority issues and how they might be addressed. In 2009, we also introduced a series of new internal mechanisms to ensure that we maximize the benefits that our investments produce.

Recent programs have included public awareness campaigns, volunteer programs and charitable donations in the areas of health, culture, recreation, environmental protection and safety throughout the Kingdom.

Encouraging Volunteerism

It is our belief that healthy employees create safe, happy and productive environments, both in the workplace and in their communities.

Saudi Aramco's Recreation Services Division facilitates many community activities for our workers. Over 50 volunteer-run employee groups have formed, covering a wide variety of outreach activities including cancer awareness programs, charity runs, baseball and football leagues, competitive swimming teams, environmental restoration efforts and many others.

For the past 20 years, SAMSO has offered a volunteer program for employees to promote health initiatives within their local communities. In 2009, SAMSO's Summer Program attracted over 700 applications, and a

2009 Highlights

0

occupational injuries or illnesses involving days away from work in 1 million work-hours at Jiddah, Riyadh and Yanbu' refineries.

2.7 million+

visitors attended festivals featuring our health and safety exhibits.

90,000

people visited the Safe Driving Challenge, a mobile safe-driving simulator.

1.25 million

Saudi Riyals raised by Saudi Aramco employees to buy children's school kits.

select number of high-quality candidates were chosen to spend their summer months gaining valuable volunteer experience.

Our employee volunteers also helped staff education facilities supported by the Company. For instance, volunteers have been active in the development of the King Abdulaziz Center for World Culture, whose purpose is to spread cultural understanding and creativity throughout the Kingdom. In return, they receive valuable opportunities to improve their own knowledge and capabilities. These volunteer programs mirror the management structures within the Company, so volunteers also gain practical experience that can be applied to their professional responsibilities.

Reaching out to the Community

Saudi Aramco's slate of community outreach programs reached hundreds of thousands of people in the Kingdom in 2009. We conducted cultural and entertainment programs for children with cancer at King Faisal Specialist Hospital, for patients at al-Nagaha Hospital in Riyadh, and

nine nationally recognized artists who judge the entries. Winning artwork is featured in our publications and elsewhere.

With the outbreak of the H1N1 flu pandemic in 2009, SAMSO volunteers ran an H1N1 awareness program for 3,400 teachers working in Government schools throughout the Kingdom. As part of this larger health campaign, we also educated 22,000 local community members and employees on the primary risk factors for H1N1



Volunteers from Saudi Aramco Medical Services Organization work to promote health and well-being in the local community.

for orphans at similar events in al-Kharj and as-Sulayyil governorates.

Saudi Aramco often reaches out to young people to create opportunities and showcase their talents. Three times a year, volunteers from our staff provide entertainment to about 400 orphans across the Kingdom. For more than 25 years, we have also been running the Children's Art Contest to nurture talent and promote creativity. Youngsters aged 5 to 18 years old are invited to submit artwork to a panel of

flu, such as smoking and diet. Because nutrition and physical education are also important preventive tools, particularly for school-age children, we teamed with the Ministries of Education and Health to draft a proposal that would offer continued support to our volunteers for ongoing work.

We also produced a new educational exhibition called the Traveling Experience Exhibit Trailer. This interactive display allows visitors to learn more about the history and recent developments



Many children in the Kingdom have tapped into their creativity for the Saudi Aramco Children's Art Contest, an annual competition open to all youth aged 5-18 in the Kingdom.

of the Kingdom's petroleum industry as well as the role Saudi Aramco plays. In 2009, it reached more than 15,000 visitors during its tour.

Saudi Aramco exhibits are regularly featured at festivals and other public events to spread the Company's community development messages to the general public. We organize the Midsummer and 'Id al-Fitr programs for people in the Dhahran area to raise cultural awareness. In July 2009, we participated in the 1.2 million-person Rabwat ar-Riyadh Festival, and similar exhibitions in Buraydah and Onaiza, and in total, more than 1.5 million people attended.

Targeting our Corporate Giving

To better align our corporate giving with both the Company's business objectives and the Kingdom's policy aims, donations are now targeted to meet specific community needs, rather than our traditional annual donations.

Our financial support is focused on three areas: charities, research and development, and medical treatment. We are supporting the Prince Sultan Bin Abdul Aziz Fund for Supporting Small Business Projects for Women, and the King Faisal University Palm Weevil Research Project. We also support the Prince Sultan Center for Science and Technology, known as SciTech, in al-Khobar, a museum to promote awareness of astronomy, oceanography and the natural world. Last year, in affiliation with KFUPM, we bought tickets for 30,000 students to visit SciTech.

In addition to corporate donations, 5,500 employees donated 1.25 million Saudi Riyals to purchase and distribute 14,000 school kits to 50 charitable societies Kingdom-wide in 2009.



Saudi Aramco employees and their dependents can take advantage of a variety of recreational opportunities, many of which depend on the efforts of employee volunteers.

Case Study:

Traffic Safety Signature Program

One of the most serious problems confronting the Kingdom is poor traffic safety. Saudi Arabia has one of the highest motor vehicle accident fatality rates in the world. In 2008 alone, more than 6,400 traffic fatalities occurred among the Kingdom's population of 25 million people.

Of the 13 administrative regions in the Kingdom, traffic-related fatalities were the second highest in the Eastern Province, where Saudi Aramco's global headquarters is located. As a result, we launched our Traffic Safety Signature Program (TSSP) in April 2008 to promote awareness of the problem and help protect our employees, their families and members of local communities.

The TSSP addresses traffic safety comprehensively through a combination of public education campaigns, improved engineering standards, enhanced enforcement of traffic regulations and better emergency medical response to accidents. The program focuses on building capacity to address this social challenge. During 2009, we upgraded the police's command and control center, providing GIS systems



Over 500,000 people were reached through various TSSP education and awareness programs in 2009. Programs included interactive games and simulations.

to enable them to respond to accidents quicker. We also conducted a traffic-safety audit of the Dammam-Jubail Highway, the second most travelled road in the Kingdom, worked with emergency medical service providers to improve their response times, delivered a traffic-safety education program to 2,500 Saudi high school boys, and sent our safe-driving simulator truck all across the Eastern Province.

As part of the Gulf Cooperation Council's Traffic Week, Saudi Aramco developed and distributed more than 800,000 traffic-safety educational items to employees, their families, and residents of 36 cities and towns Kingdom-wide to help raise awareness about the seriousness of unsafe driving practices and how to prevent traffic accidents.

With the support of the Eastern Province Council for Traffic Safety and the Traffic Safety Technical Committee, which we helped establish in 2009, the TSSP aims to increase its impact. Our goal is to scale up our programs, team with internal and external stakeholders, and reduce the number of traffic accidents by 30 percent over the next five years.



Among the TSSP's awareness activities in 2009 was a child safety seat campaign.

Pillar 3: Knowledge



The 21st century symbolizes the start of the global knowledge economy. Successful individuals, businesses and nations will understand the role of knowledge and innovation in unleashing new business opportunities and supporting social and economic development. Promoting access to knowledge is essential in helping the Kingdom with its aim of diversifying the national economy.

Saudi Aramco has a legacy of empowering individuals to access education and build knowledge. Alongside long-standing programs such as the Summer Program for Gifted Children and the Mobile Library, we are helping create new institutions to add to the Kingdom's intellectual and vocational development. Our 2009 commitments included support for the King Abdullah Petroleum Studies and Research Center, backing for the National Industrial Training Institute in al-Hasa, and funding for King Abdulaziz Center for World Culture, a new center for knowledge and culture that is to open in 2013.

Our history of providing opportunities for educational growth demonstrates how important ongoing human development is to us. Our efforts to empower individuals with knowledge are fundamentally aligned with our core business objectives and society's needs.

Empowering Employees through Education

Saudi Aramco strives to create a culture of life-long learning and to equip our employees with the skills to prosper in the knowledge

2009 Highlights

180

schools visited by our Mobile Library program.

1,800

high school students participated in our Summer Student Program A.

700,000

visitors to our 'Id and Summer Programs Kingdom-wide.

50,000

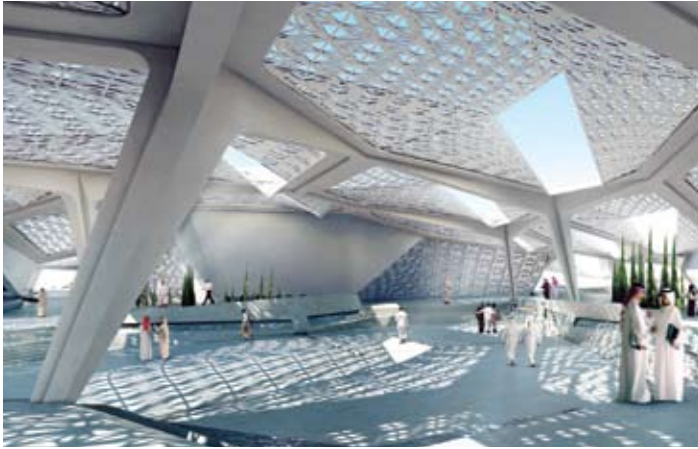
children will benefit from science education through the Discovery Box Initiative launched in 2009.

economy. In 2009, we offered 3,612 e-Learning courses, an 11 percent increase from 2008. E-Learning offers flexibility to our employees, of whom 53,896 volunteered to attend at least one course in 2009, compared to 48,160 the previous year. Over the same period, total accesses to the system rose by more than 28 percent to 1.3 million.

We continue to nurture leadership qualities in our employees to contribute to the Company's success and development of the community. In 2009, more than 12,780 workers received training through our Strategic Leadership Program to strengthen critical thinking skills and the ability to implement strategic thinking.

Our extensive and respected training organization has maintained the certification

▼ Saudi children learn scientific principles through the Discovery Box program, an initiative that will promote scientific exploration in 50,000 students.



King Abdullah Petroleum Studies and Research Center, a leading research facility in development near Riyadh, will contribute to a sustainable energy future.

standards developed by the Accrediting Council for Continuing Education and Training for the past 17 years. It runs programs for every career level, ranging from apprentices and new graduates to experienced engineers and technicians.

The Company's Education Refund Plan helped more than 1,900 employees to pursue academic degrees and professional certifications, with 401 of our employees enrolled in our advanced degree and specialist programs in 2009. We also helped 70 employees find short-term secondments at host companies in the United States where they gained a variety of firsthand experience in the oil, gas and electricity sectors.

Investing in Academic Excellence

In addition to employees, we invest across all age levels. We work with SciTech, supporting its youth science and math programs as well as its defensive driving workshops and entrepreneur

competition. We invest in the Kingdom's most promising high school graduates, sponsoring more than 1,000 Saudis to study at universities in the United States, the United Kingdom and elsewhere, where they pursue degrees from associate to doctoral levels. We team with scientific societies to provide training for 150 Saudi high school teachers in science and math. We also support 10 University Chairs at leading academic institutions in the Kingdom such as KFUPM, King Saud University and King Abdulaziz University. These Chairs span a range of disciplines; each is aligned with the university's research needs and the Company's strategic direction, and each maintains clear lines of accountability.

Saudi Aramco also gave form to the Custodian of the Two Holy Mosques King Abdullah's dream by planning and building King Abdullah University of Science and Technology, the new international graduate university north of Jiddah. The university aims to become a global center of excellence for research and education. It is dedicated to inspiring a new age of scientific achievement and has opened its doors to men and women from over 60 countries.



Saudi Aramco supports 10 academic chairs across the Kingdom, including at institutions such as the King Fahd University of Petroleum and Minerals.

Building Cultural Awareness

The King Abdulaziz Center for World Culture is an example of how Saudi Aramco's commitment to knowledge extends beyond the conventional reach of research and technology. The Center will offer visitors a dynamic, state-of-the-art environment in which they can explore their passion for learning, creativity and cross-cultural engagement. When completed, the Center will house, among other facilities, a world-class museum and a public library.

The King Abdulaziz Center exemplifies

our commitment to the Kingdom and its communities. It will help Saudis connect with their culture, empower them to explore other world cultures, and catalyze the development of new ideas, perspectives and relationships. These soft skills help people learn how to interact in an increasingly interconnected 21st century world and to promote social progress and intellectual achievement.

Even the staff at the Center, chosen through a collaborative volunteer program, will expand their knowledge and skills while helping the facility to achieve its transformative mission. Individuals, particularly those in the Kingdom's under-25 population, will be able to access tools to channel their creativity and energy.

Case Study: The Youth Talent Development Signature Program



Our Youth Talent Development Signature Program will build on our previous programs that benefit the development of the youth of Saudi Arabia.

Developing the youth of Saudi Arabia is crucial if the Kingdom is to continue diversifying the economy and creating local jobs. Almost 40 percent of Saudi citizens are under 18 years old, and just over 4.25 million are currently enrolled in the education system. Creating future employment opportunities for these Saudis will be a pressing societal concern.

Globally, creating a high-performing work force requires the cultivation of both technological and social skills in young people. Therefore, young minds must learn to understand not only science, technology, engineering and

mathematics, but also develop other core attributes, such as a strong work ethic and the ability to work effectively in teams.

To support the Kingdom's transformation into a knowledge economy, the Youth Talent Development Signature Program (YTDSP) builds on our existing work with children and young people from ages 3 to 25. It will bring together the expertise of school administrators, parents, social entrepreneurs and others to develop the minds and characters of 10,000 young people by 2012 and 200,000 by 2020.

Saudi Aramco's Various Commitments to Youth Education

3-7
year-olds

The Discovery Box initiative: In association with the Ministry of Education and Siemens Saudi Arabia, Saudi Aramco launched Discovery Box to enhance creative thinking, research and exploration skills in children aged 3 to 7. The pilot project will reach 400 students and 30 teachers in the Eastern Province, with the goal to roll out the program to 50,000 students in early school grades across the Kingdom by 2011.



8-13
year-olds



The Mobile Library, a fleet of vehicles, visits boys and girls schools in the Western and Central regions of the Kingdom. The objective is to provide literature on geography, history and science to children and enable them to expand their access to a variety of reading materials. Last year, our mobile libraries visited over 180 schools.

14-18
year-olds

The Gifted Children Program is a collaboration of Saudi Aramco, the Ministry of Education and the King Abdulaziz and His Companions Foundation for Giftedness and Creativity. Last year, the program selected 220 gifted 10th- and 11th-grade boys and girls from across the Kingdom to develop their critical thinking skills at the month-long summer school.



The Math and Science Initiative is offered in association with the Saudi Math Society. It trains 175 high-school students in advanced mathematics and develops critical thinking skills necessary for scientific discovery.

The Summer Student Program A is a seven-week summer course for male and female high school students in the 10th and 11th grades. It accommodates nearly 2,000 students and offers training in mathematics, science, information technology (IT) and technical skills. High-potential students are offered a special academic program to help them better prepare for university applications. The Summer Student Program B enables nearly 600 Saudi college students to develop interpersonal skills and gain practical work experience in our operations.

Our employees and their families volunteer to clean up public spaces, such as the al-Khobar corniche. ▀

Pillar 4: Environment



Safeguarding the environment and the world's natural resources are two of Saudi Aramco's basic responsibilities. We are committed to environmental protection, energy conservation and research on how to lighten the environmental footprint of petroleum.

The Arabian Gulf region contains some 50 to 60 percent of the world's proven reserves of petroleum, and the Kingdom of Saudi Arabia alone holds about 20 percent of the world's crude oil reserves.

We have maintained a long-standing leadership position in environmental protection since our first formal commitments in the 1950s. Early on, we upgraded the efficiency of electricity distribution in the Eastern Province and introduced the Kingdom-wide Master Gas System to utilize the gas produced with crude oil.

Environmental compliance in and of itself is no longer adequate; it needs to be central to every decision we make. Because of this, we continue to improve our core operations, support appropriate new regulations, raise awareness and explore innovative energy solutions. Saudi Aramco is investing \$5 billion in its Environmental Master Plan to support these activities.

Protecting the Natural Environment

Environmental protection is integral to the way Saudi Aramco does business. Since the adoption of our first Environmental Protection Policy in 1963, we have consistently conducted environmental assessments for the projects we undertake, and we ensure that our employees adhere to strict standards and quality controls.

2009 Highlights

800

tons of paper and 12 tons of plastic and glass recycled.

18%

reduction in the volume of flared gas from the extraction process.

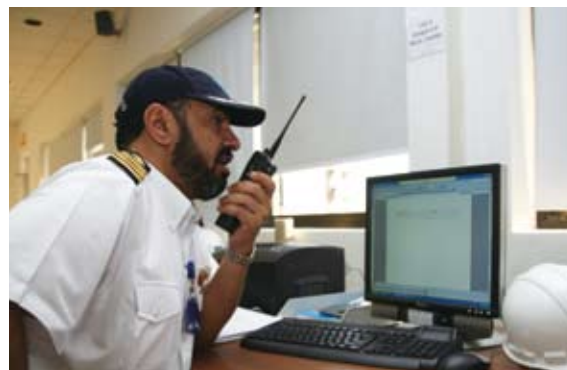
10,000

mangrove seedlings planted along the Saudi coast, bringing the total to over 50,000 since the program's inception.

1st

project — King Abdullah University of Science and Technology — in the Kingdom to meet the highest standard of environmental certification.

To help ensure that our internal organizations go beyond simply complying with environmental regulations, we present the CEO Environmental Stewardship Awards each year to organizations that go the extra mile to protect the environment.



We maintain an extensive oil-spill response capability and regularly participate in drills to test and further refine our readiness to respond rapidly to any spillage.



In Manifa Bay, Saudi Aramco created man-made islands that serve as platforms for oil exploration and artificial reefs for the bay's marine life, and we built a causeway that allows the seawater to replenish itself.

Although Saudi Aramco has never had a major oil spill, we maintain a dedicated global Oil Spill Response Team (OSRT), which includes hundreds of Saudi Aramco employees and countless others. The OSRT prescribes prevention techniques, response measures for clean-up actions, comprehensive documentation requirements and ongoing training. The Company also maintains regional command and control centers, which conduct aerial and sea surveillance, and house emergency equipment for rapid response.

Since the 1980s, Saudi Aramco has waged its Save the Mangroves campaign. In 2009, 500 volunteers joined Saudi Aramco leaders in planting about 10,000 mangrove seedlings along the shores of Tarut Bay. To date, the campaign has planted 50,000 mangroves, which help stabilize the shoreline and sustain important coastal wetland habitats. We also designated the northern part of Tarut Bay as a mangrove conservation area in 2005, and no environmentally damaging activities are to take place within this conservation area.

Saudi Aramco supports the conservation of coral reefs in the Arabian Gulf by providing permanent mooring buoys. The buoys attach to the sea floor and enable fishing and recreational vessels to moor while protecting the coral reefs. The Company also teams with the Kingdom's Ministry of Agriculture in a UNESCO-recognized program to develop sustainable fisheries systems in the Kingdom.

Saudi Aramco runs several other programs. The Local Industry Awareness Initiative promotes better environmental practices, such as waste management and wastewater treatment for businesses in the Eastern Province. Another example is the Environmental Education Program that provides comprehensive information on environmental issues and challenges to elementary school teachers and students. Our employees also support an ongoing recycling program, which collected 800 tons of paper and 12 tons of plastic and glass in 2009.

Saudi Aramco incorporates its commitment to the environment in its projects and facilities. In building King Abdullah University of Science and



Saudi Aramco volunteers have planted 50,000 mangrove seedlings to stabilize the shores of Tarut Bay and protect the important wetland habitat.



At our Research & Development Center, Saudi Aramco scientists are exploring ways to lessen the environmental footprint of petroleum products.

Technology we created an exemplar of “green design.” The project received the Kingdom’s first Leadership in Energy and Environmental Design (LEED) Platinum award from the U.S. Green Building Council when the university was inaugurated in 2009.

An example of our efforts to preserve the natural environment and ecosystems of the Gulf is Manifa Bay, a rich yet fragile ecosystem. Because the waters of Manifa Bay are shallow, conventional offshore rigs would have negative consequences. Instead, we developed a causeway and a unique series of man-made islands that allow the bay’s seawater to replenish itself while also serving as platforms for wells and as artificial reefs for the area’s marine life. This solution will enable the development of an important crude oil production facility, scheduled to come onstream in 2013. Our other recent mega-projects also comply with the industry’s highest international environmental standards.

Researching Cleaner Energy

Lightening the environmental footprint of petroleum consumption will require new innovations. Our research with King Abdulaziz City of Science and Technology and Warsaw’s Institute of Nuclear Chemistry and Technology focused on researching new Electron Beam Flue Gas Treatment technology, an environmentally acceptable way to make use of high-sulfur, low-cost liquid fuel, with high-quality fertilizer as a byproduct. This innovation is so significant that it was recognized with the National Oil Companies Forum Environmental Stewardship Award.

We are looking to create a clean-energy future for the Kingdom. In 2006, we organized the first international symposium on carbon management held in the Middle East, and we have established a team dedicated to carbon management.

Saudi Aramco is also actively involved in a number of industry associations and conventions, including the Gulf Area Oil Companies Mutual Aid Organization, the International Petroleum Industry Environmental Conservation Association, the Oil Companies International Marine Forum and the International Tanker Owners Pollution Federation.

Building on our legacy of strong collaborative relationships, we are teaming with Solar Frontier K.K., a Japanese-based affiliate, to pilot small-scale solar-power facilities in the Kingdom by 2010. We are also supporting the King Abdullah Petroleum Studies and Research Center, a future-oriented independent research and policy institution committed to energy and environmental exploration and analysis, due to be completed in 2012.

Saudi Aramco has also teamed with the Massachusetts Institute of Technology Energy Initiative (MITEI) to help fund research on new energy technologies and processing techniques, from desulfurization to cleaner-burning fuel formulations and more efficient internal combustion engines. This collaboration enables a range of education-sharing activities.

Managing our Energy Resources Responsibly

As a global leader in the energy sector, we consider conservation a key issue for us. We have a strong governance system to track our internal performance. Our Energy Management Steering Committee reports directly to the Company's executive management, setting strategic goals and monitoring outcomes, while a separate Energy Systems Unit evaluates and embeds new technologies across all organizational levels, as well as conducting plant assessments and offering training for our staff.

Within the Company, we have implemented new energy-optimization methods. Cogeneration, the simultaneous production of steam and power, provides higher electrical generation efficiency and will save the Company the equivalent of more than 75,000 barrels of oil per day across our operations by 2015. We are also working on the Energy Efficiency Initiative to ensure the production of power and water for domestic demand is efficient.

Energy conservation requirements, along with Key Performance Indicators, have been in our operational guidelines since 2000 and are reviewed in annual performance reports. For example, in 2008, we reduced our volume of flared gas by 18 percent, nitrogen oxide emissions by 9 percent and sulfur dioxide emissions by 8 percent.

Case Study:

Developing a National Energy Efficiency Program

Saudi Arabia has one of the world's highest levels of per capita energy consumption. Recognizing this, Saudi Aramco continued in 2009 to work with the Ministry of Electricity and Water to develop the National Energy Efficiency Program (NEEP), an initiative to promote energy efficiency through coordinated activities across the Kingdom.

NEEP's goals are to develop a comprehensive master plan for energy conservation by 2030 by combining international best practices, training and rigorous analysis of Saudi Arabia's energy demands. Electricity intensity (consumption per unit of GDP) is to be reduced by 30 percent from 2005 levels, and the peak demand growth rate in 2015 is to be reduced by 50 percent from the 2000–2005 average.

This program brings together business and industry leaders with Government Ministries to collect cross-sector market information related to energy use. Saudi Aramco has contributed by offering financial, technical and logistical support. We run hands-on workshops and produce educational materials for distribution to the general public.

Alongside this initiative, Saudi Aramco is also teaming with the Government and international energy experts to develop an Energy Conservation Master Plan and to develop a new standard for environmentally friendly and energy-efficient "green" buildings in the Kingdom. By lending our expertise, Saudi Aramco is striving to promote increased accountability across the sector.

A futuristic architectural rendering of a city. The scene features large, organic, and flowing structures that resemble giant hands or petals, illuminated with warm, golden light. A bridge with a series of arches spans a body of water in the foreground. The overall aesthetic is modern and visionary, suggesting a sustainable and advanced urban environment.

Focusing on the Future: Our Citizenship Outlook

This first-ever Corporate Citizenship Review is another achievement for Saudi Aramco. It celebrates our long history of actively working with partners to build prosperous communities and recognizes the breadth and depth of our successful citizenship programs across our business.

The 2009 Corporate Citizenship Review demonstrates to our stakeholders how Saudi Aramco supports the development of Saudi Arabia. It illustrates how we are strengthening local communities, supporting environmental protection and enabling local businesses to flourish. The Review also provides an opportunity for us to reflect on our achievements, set goals for the future, and ensure our citizenship journey continues to meet our objectives and those of our stakeholders.

The past year has produced many successes: increasing our maximum sustainable crude oil production capacity to 12 million barrels per day, completing significant work on our largest-ever capital program and entering the petrochemicals industry with our Petro Rabigh venture. We also saw the completion of a capital project of international significance when King Abdullah University of Science and Technology opened in less than 1,000 days.

Our Traffic Safety Signature Program to promote safe driving has achieved some success, and 2009 saw us launch our Youth Talent Development Signature Program. This new program will help the Kingdom's young people acquire the skills they will need to compete in a global, knowledge-based economy.

Teaming has been important to these successes and will remain core to Saudi Aramco's corporate citizenship strategy. Developing strategic collaborative relationships with

Government agencies, academic institutions and other key stakeholders will continue to leverage the value of the work we do and the lives we touch.

We will continue to critically evaluate and streamline our existing citizenship activities, and improve the way we govern, design, execute and evaluate programs in the future. Our activities will remain aligned in support of our four key pillars – Economy, Community, Knowledge and Environment – to ensure positive and lasting impacts in areas such as knowledge-building, energy efficiency, job creation and entrepreneurship.

When the King Abdulaziz Center for World Culture opens in 2013, it will offer unprecedented access to world-class programs and facilities, unlocking the creative potential in about 2 million visitors each year.

Achieving these aims will help ensure that Saudi Aramco maintains its legacy as a safe, efficient and reliable provider of the world's petroleum energy needs. Our citizenship activities will also contribute to the Kingdom-wide

goal of further diversifying the economy and providing our young people with the skills to become productive citizens in the knowledge economy. When the King Abdulaziz Center for World Culture opens in 2013, it will offer unprecedented access to world-class programs and facilities, unlocking the creative potential in about 2 million visitors each year.

Saudi Aramco embraces its responsibility as a leading enterprise in Saudi Arabia and relishes the opportunity to continue to help the Kingdom transform its national economy into a sustainable force for generations to come. Our citizenship activities will play an integral role as we continue to lead the way to a more accountable, competitive and prosperous society.

▼ The King Abdulaziz Center for World Culture, the cultural center we are building, is a major step in our continuous journey to a more vibrant and prosperous Saudi Arabia.



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