

Executive summary

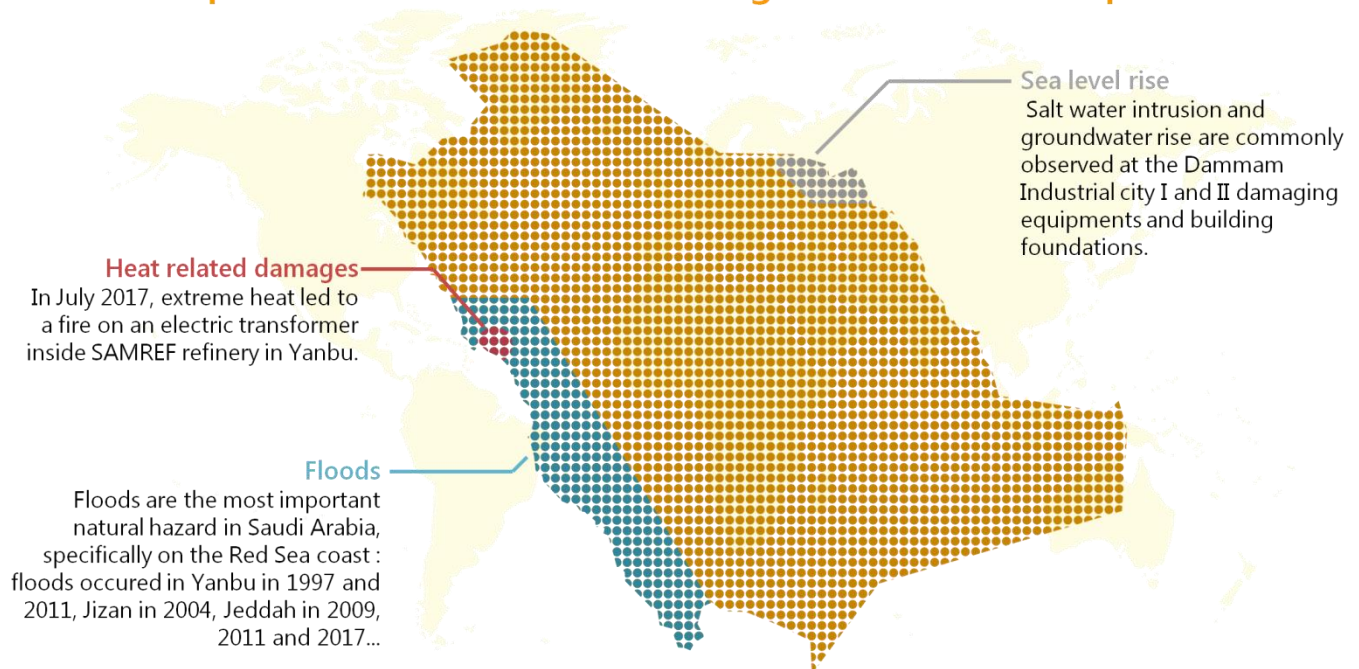
In the prospectus published prior to its initial public offering, Saudi Aramco acknowledges that climate change may have damaging impacts on its activity and financial results. This report's aim is to provide an overview of the nature and scale of these risks by 2035. It is based on a bibliographical study and previously unpublished quantitative elements provided by projections made by 7 climate models.

The report shows that Saudi Aramco's operations in Saudi Arabia and around the world are vulnerable to weather events. Some of these risks have already materialized in several cases and even been taken into account in the decisions and operation of the company.

These include:

- Floods that affected refineries operated by Saudi Aramco, notably in Yanbu (Saudi Arabia) or Port Arthur (USA),
- Extreme heat and the damages it can cause to equipment and personnel.

Example of climatic events affecting Saudi Aramco's operations

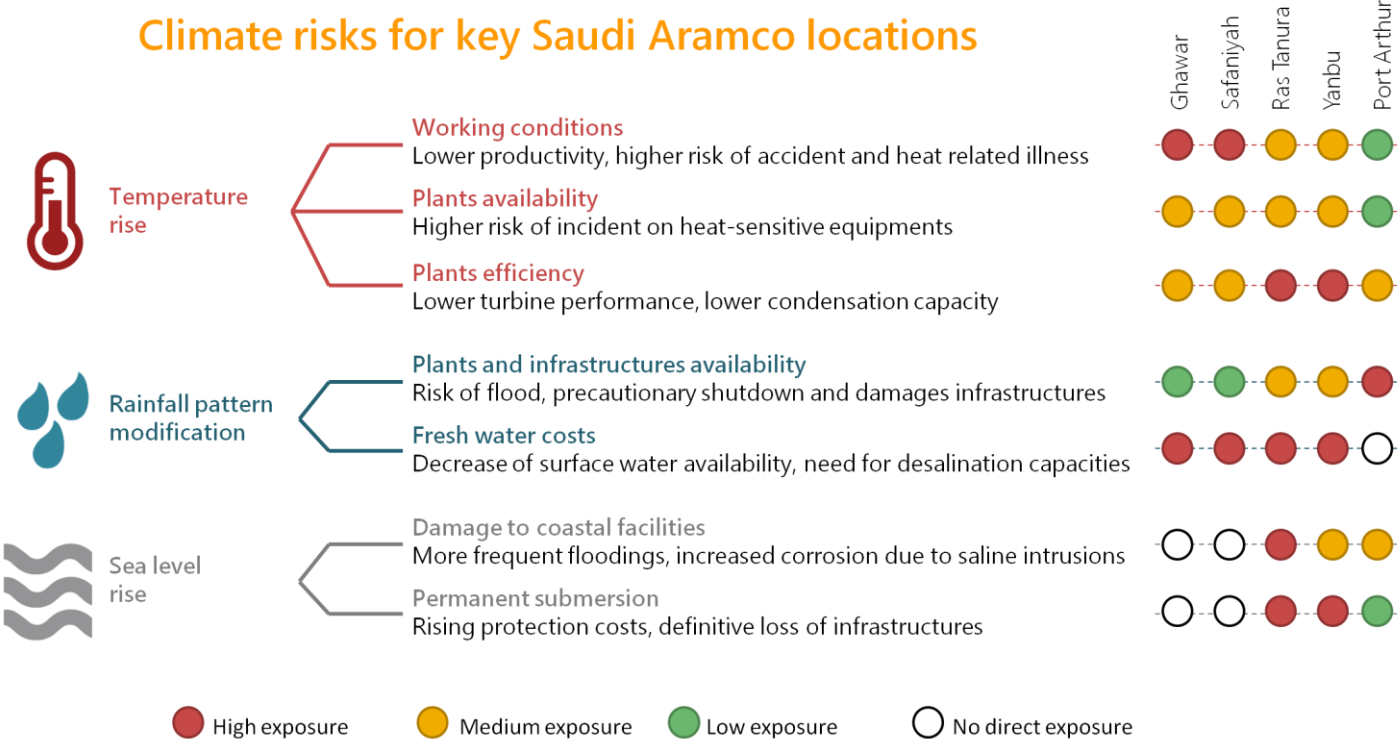


Other risks are likely to appear or be amplified by climate change and it is unclear whether or not the company recognizes and tries to mitigate them. These include:

- Sea level rise and its impact on coastal facilities,
- The effect of temperature increase on yield, valorization and availability of process, particularly in refining.

Climate change is forcing these phenomena leading to more frequent or more severe occurrence and can make it more difficult for Saudi Aramco to operate. As the company is active in areas that are particularly prone to hazards like floods and extreme heat, this trend may degrade its competitiveness compared to others, less exposed oil and gas companies. In addition, it indirectly exacerbates geopolitical, environmental, regulatory and reputational risks.

Climate risks for key Saudi Aramco locations



In the medium term, the aridification of the Saudi climate could restrict Saudi Aramco's development. In a context of growing demand and gradual depletion of fossil water resources, access to fresh water, which is essential for refining, will have to rely more and more on desalination plants. Desalination already consumes a significant part of Saudi hydrocarbon production, thus degrading the financial and energy return on investment of its exploitation. This specificity could create a physical limit to the adoption of techniques with high water consumption and/or low energy return on energy invested ratio such as hydraulic fracturing and as result prevent Saudi Aramco from fully exploiting its oil and gas reserves.

Finally, this study identifies needs for further research to better assess the impact of climate change on the medium and long-term value of Saudi Aramco.