CORPORATE SUSTAINABILITY AND VISION 2030: EXPLORING ARAMCO’S ROLE IN PROMOTING SOCIAL RESPONSIBILITY FOR SUSTAINABILITY

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ABSTRACT

Abstract: Saudi Arabia stands as a rapidly growing economic power. It has emerged as a leading country in adopting and integrating Corporate Social Responsibility (CSR) activities. The aim of the organisation is to be globally preeminent unified energy and chemicals company, functioning in a safe, sustainable and reliable manner. Corporate entity openness and moral behaviour is the focus of Aramco's CSR guidelines. Aramco's CSR principles include achieving long-term progress and adhering to local and international laws. The CSR strategy is imbied into the company's business strategy, which is founded on four focus areas of sustainable development: Climate change and the energy transition, safe operations and people development, minimizing environmental impact and growing societal value. Each of these focus areas support Aramco’s strategic themes, and align with both Saudi Arabia’s Vision 2030 and the U.N. Sustainable to create a vibrant civilization, flourishing economy and building a determined nation.

Method: This study examines Saudi Aramco's on the CSR front, the industry's largest oil exporter. Efforts have been made through the use of secondary data to capture the drivers and modus operandum used by the organization for its commitment towards sustainability.

Results: The industry’s largest oil exporter has adopted several practices in their efforts to become socially responsible and sustainable. Evidence (Aramco sustainability report 2022) has revealed that shift in perspective has taken place over the past year, increasing acceptance of the fact that there needs to be a better balance between maintaining energy security, energy affordability, and environmental sustainability. CSR practices have a positive impact on company performance, reputation, customer satisfaction, loyalty, employee engagement and minimizing any negative environmental and social impacts, to build something that will last a company that will still be standing strong, generations from now.

Conclusion: The journey towards effective CSR implementation is dynamic, marked by achievements and challenges. Aramco's commitment to CSR, underscored by its alignment with Saudi Arabia's ambitious vision, paints a compelling picture of sustainable growth and impact.
for the organization and the broader nation. As the landscape of corporate responsibility continues to evolve, organizations that adeptly navigate these waters are poised to contribute meaningfully to both their own success and the betterment of society at large.

Keywords: Aramco, corporate social responsibility, climate change, minimizing environment impact, responsible business.

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SUSTENTABILIDADE CORPORATIVA E VISÃO 2030: EXPLORANDO O PAPEL DA ARAMCO NA PROMOÇÃO DA RESPONSABILIDADE SOCIAL PELA SUSTENTABILIDADE

RESUMO

Resumo: A Arábia Saudita se apresenta como uma potência econômica em rápido crescimento. Surgiu como um país líder na adoção e integração de atividades de Responsabilidade Social Corporativa (RSE). O objetivo da organização é ser uma empresa unificada global de energia e produtos químicos, funcionando de forma segura, sustentável e confiável. A abertura de entidades corporativas e o comportamento moral são o foco das diretrizes de RSE da Aramco. Os princípios de RSE da Aramco incluem alcançar progressos a longo prazo e aderir às leis locais e internacionais. A estratégia de RSE está inserida na estratégia de negócios da empresa, que se baseia em quatro áreas de foco do desenvolvimento sustentável: Mudança climática e transição energética, operações seguras e desenvolvimento de pessoas, minimizando o impacto ambiental e aumentando o valor social. Cada uma dessas áreas de foco apoia os temas estratégicos da Aramco e se alinham tanto com a Visão 2030 da Arábia Saudita quanto com a ONU Sustentável a fim de criar uma civilização vibrante, florescendo a economia e construindo uma nação determinada.

Método: Este estudo examina a Arábia Saudita Aramco na frente RSE, o maior exportador de petróleo do setor. Foram envidados esforços através da utilização de dados secundários para captar os fatores e o modus operandum utilizado pela organização para o seu compromisso com a sustentabilidade.

Resultados: O maior exportador de petróleo do setor adotou várias práticas em seus esforços para se tornar socialmente responsável e sustentável. Evidências (Relatório de Sustentabilidade Aramco 2022) revelaram que a mudança de perspectiva ocorreu no último ano, aumentando a aceitação do fato de que é preciso haver um melhor equilíbrio entre a manutenção da segurança energética, acessibilidade de energia e sustentabilidade ambiental. As práticas de RSE têm um impacto positivo no desempenho da empresa, na reputação, na satisfação do cliente, na lealdade, no envolvimento dos funcionários e na minimização de quaisquer impactos ambientais e sociais negativos, para criar algo que durará uma empresa que ainda estará forte, daqui a gerações.

Conclusão: O caminho para uma implementação eficaz da RSE é dinâmico, marcado por realizações e desafios. O compromisso da Aramco com a RSE, ressaltado pelo seu alinhamento com a ambiciosa visão da Arábia Saudita, traça um quadro atraente de crescimento sustentável e impacto para a organização e para a nação em geral. À medida que o cenário de responsabilidade corporativa continua a evoluir, as organizações que navegam habilmente nessas águas estão preparadas para contribuir significativamente tanto para seu próprio sucesso quanto para a melhoria da sociedade em geral.

Palavras-chave: Aramco, responsabilidade social corporativa, mudanças climáticas, minimização do impacto ambiental, negócios responsáveis.
1 INTRODUCTION

Corporate Social Responsibility (CSR) is a developing business practice that aids organizations in becoming socially accountable (Al Shuwaler et al., 2020). CSR encompasses addressing human rights, workplace concerns, worker conditions, occupational health and safety, and more. It has consistently held a significant role and yielded a lasting impact on commercial organizations, with its importance burgeoning worldwide, especially amid ongoing epidemics. CSR serves to enhance an organization's reputation and image (Sehgal et al., 2020). Enterprises mold their perspectives on CSR by actively engaging with society and emphasizing outdoor events. These occasions may involve illustrating the challenges presented by various issues in our swiftly changing environment, while also proposing potential solutions where businesses can serve as partners (Wickert et al., 2021).

Professional practitioners have a fair idea and a futuristic perspective of how sustainable commercial organisations operate and act, and they bring in new ideas and technologies to produce a win-win situation. Finding a middle solution and sustaining the commercial model of enterprise makes it a challenging task whether it be decision on philanthropy or environmental control or donations in any form. Being outside the organizations and involvement of corporations in finding out solutions to problems of 21st century has taken a real toll on many established and new enterprises.

Organizations are taking initiatives for safety and protection of their employees. Which is reflected in corporate social responsibility initiatives as well. Efforts are been made in pushing for and facilitating access to health insurance programmes and other equity indicators resulting in noteworthy developments in recognition and execution of healthcare in the areas listed below are Climate change, water and sanitation, socio-economic challenges such as livelihood, hunger, poverty, and rural development few areas that will need major consideration as per Madaan, G., Kaur, M., Gowda, K. R., Gujrati, R., Uygun, H. (2023).

Organizations in Saudi Arabia exhibit extensive and profound interest in CSR. Many enterprises have recognized its significance and integrated it into their core business models. Numerous organizations within the realm of CSR have made it a complementary activity to benefit the broader community. This approach fosters trust-building, network development, workforce recruitment and retention, and overall financial performance, even without being explicitly categorized under the CSR umbrella.
Most CSR initiatives in Saudi Arabia revolve around creating employment opportunities for the youth, promoting entrepreneurship, anti-smoking campaigns, providing scientific assistance, literacy and training programs, and education for individuals with physical disabilities. Stakeholder demand has elevated CSR (Corporate Social Responsibility) to a pivotal subject in all disciplines and corporate management. Identifying internal and external factors and limitations is the initial step toward implementing socially responsible practices within a company.

The research's goal is to identify and examine the driving forces and limitations of CSR within Saudi Arabia's non-governmental organizations. Corporate Civic Responsibility (CSR) is a concept that lacks fixed boundaries and has multiple interpretations. It has long been a part of educational and corporate discussions (Dahlsrud, 2008). Its inherent benefits extend beyond financial performance, encompassing reduced environmental impact, enhanced employee well-being, and the fortification of a company's image and competitive stance (Crane et al., 2019; Carroll & Shabana, 2010; Orlitzky et al., 2003).

Various strategic interventions interpret CSR diversely. Involvement in social initiatives can yield long-term benefits for an organization's system and influence its stakeholders, both current and potential (Weber, 2008; Yin, 2017). Another perspective suggests that businesses should incorporate environmental risks into their Social Responsibility (SR) endeavors to ensure long-term viability, even though this approach may not be straightforward (Campbell, 2007). Razak (2015) contends that the concept of CSR remains relatively novel in Saudi Arabia (KSA) compared to its wide-ranging impact, resulting in an unclear understanding of the concept, practices, and execution.

In Saudi Arabia, CSR has historically been viewed as a charitable endeavor (Maqbool, 2015). Lack of awareness and limited efforts to attain overarching goals have hindered the integration of CSR into business strategies. Organizations must identify their motivations and challenges in implementing CSR initiatives. Research indicates that the initial step toward adopting CSR involves recognizing internal and external factors and boundaries (Aloitaibi et al., 2019; Al-Abdin et al., 2018).

Society and business are closely intertwined spheres. Social responsibility drives social progress and enables communities to become more responsible global citizens in our evolving world (Shyam, 2016). While CSR has been part of the academic and
business discourse for decades, its definitions have evolved. The concept's origins can be traced back to the dawn of human civilization.

Blowfield and Frynas (2008) note that CSR definitions vary but share common themes. For instance, the European Commission defines CSR as voluntary engagement with stakeholders, integrating sustainability practices into interactions, and addressing environmental concerns. Regardless of the definition, the consensus is that organizations are responsible to all parties involved.

CSR obstacles and drivers can be divided into those influenced by ethical perspectives and those not, as evidenced by Agudo Valiente et al.'s (2017) survey of Spanish firms. Objective motivations include stakeholder engagement, institutional arrangements, and reputation management, while subjective drivers involve sustainable development and ethical integration into daily operations.

Obstacles to CSR implementation differ based on factors like company size and sector. Small businesses face more barriers due to limited awareness and resources (Barnett et al., 2020). Developed-country corporations tend to be more sensitive to popular pressure on CSR than those in developing nations, underscoring the need for awareness campaigns in less developed regions (Wallis et al., 2017).

Several studies highlight barriers to CSR in specific contexts. In the UAE, lack of understanding, high costs, absence of government support, and employee resistance hinder CSR implementation (Dubai Chamber, 2009). In Saudi Arabia, obstacles include insufficient research, unclear policies, lack of stakeholder communication, regulatory gaps, and inadequate training (Aloitabi et al., 2019). Indian organizations grapple with a lack of resources for CSR education, implementation challenges, and inadequate top management support (Arevalo & Aravind, 2011).

To sum up, CSR encompasses a broad spectrum of activities that impact society, business, and the environment. It involves navigating various challenges and harnessing opportunities for the benefitment of all stakeholders. As organizations increasingly recognize the value of CSR, they must identify drivers and overcome barriers to implement effective and sustainable practices.

2 METHODOLOGY

The research method employed in this study follows a qualitative research design to comprehensively investigate and analyze the critical areas on which ARAMCO is
focusing to achieve sustainability. The study utilizes secondary data collected from reputable sources such as websites, peer-reviewed periodicals, newspapers, official documents, and reports related to ARAMCO's sustainability efforts. The collected data undergoes content analysis, enabling systematic categorization, coding, and interpretation to identify recurring themes and patterns within ARAMCO's CSR strategies. Thematic analysis is employed to gain a holistic view of the organization's environmental, social, and economic sustainability approach. The research objectives include identifying primary areas of emphasis, analyzing thematic content, and understanding Aramco's corporate-level CSR deployment strategy. Ethical considerations are adhered to in data handling, and the research contributes to a deeper understanding of ARAMCO's CSR strategies while offering insights for organizations seeking to enhance their sustainability initiatives. The findings of this study can inform business practices and strategies, making a valuable contribution to the corporate social responsibility and sustainability field.

3 ANALYSIS & DISCUSSION:

The focus of Aramco as has been on promoting sustainability whether it comes to their business or commercial business model. It has been deeply ingrained in their business processes at all levels, Sustainability initiatives are critical to Aramco's results of this case and to its position as one of the world's major unified energy and materials corporations even during global energy crisis. The term of "sustainability" gives context to Aramco's interaction with its stakeholders. It enables Aramco to assess how social and environment challenges affect its operations and is a strategic driver. Aramco intention is to be a part of the solution that creates a stable energy environment which fosters innovation and growth opportunities in developing and developed countries and also be committed in providing a healthy, safe, and rewarding environment for the people, suppliers and communities where there operate while rehabilitating and mitigating the impact on natural environment.

As Aramco strives to strike a balance between income, environmental conservation, and the wealth and jobs of the communities where it operates, sustainability concerns have become increasingly important. They understand the magnitude and severity of the climate crisis. Organization is using our one-of-a-kind platform to help with the decarbonisation, with the goal of achieving gross Building the brand image and Scope 2 GHG emissions across all our fully owned and operated facilities by 2050. This
is in line with Saudi Arabia's goal of achieving net zero emission in its economy by 2060, where Jubail CCS (carbon capture and storage hub) will be a major contributor to the Kingdom’s plan.

The organizations CSR or sustainability theme has been around on four focus areas,

- Climate change and the energy transition.
- Safe operations and people development.
- Minimizing environmental impact.
- Growing societal value.

Each of these focus areas support Aramco’s strategic themes and align with both Saudi Arabia’s Vision 2030 and the UN Sustainable Development Goals (SDGs), directly and indirectly. These elements form our sustainability framework.

While the notion of an energy company aiding in climate problem-solving might appear contradictory to some, Aramco holds a different perspective. As a global leader in the energy industry, humans are uniquely positioned to contribute to the overarching approach. Aramco supports the aim of the Paris Agreement to limit the global average temperature increase to under 2°C above pre-industrial levels. Addressing climate change and meeting universal energy needs concurrently is a formidable challenge of the century. Aramco aims for all its fully owned and operated assets to achieve net-zero gross Scope 2 greenhouse gas emissions by 2050. The organization is committed to safeguarding biodiversity while fulfilling its promise to produce safe and effective energy and chemical products.

Sustainability approach – Climate change & the energy transition

Environmental protection has been intrinsic to Aramco's approach from its inception as an oil company operating in a desert environment. Aramco has been at the forefront of exploring ways to reduce the environmental impact of its activities for over seven decades. Initiatives ranging from groundwater recharge and waste recycling to emission control technology and preserving the Kingdom's unique ecosystem's biodiversity showcase its commitment. Sustainable design is a top priority at the Senior Leadership and Board levels, supported by robust processes, procedures, and oversight to maximize environmental commitment. These measures measure progress and align sustainability projects with corporate objectives.

A Study conducted on JR Diesel in Brazil states that digital technology plays a significant role on the sustainability of automotive recycling. It concluded that digital technology has a noteworthy impact on the sustainability of automotive recycling as it allows to progress the recycling process, reduce waste and increase the efficiency of material use and minimize CO2 emissions. Few examples how digital technology effect the sustainability of automotive recycling comprise are: Material identification, Inventory management, Waste monitoring, Process Automation and compliance policies and control and inspection tools. All the above protocols in JR Diesel automotive recycling sector in Brazil recommended that organizations cannot achieve economy and sustainability practices without use of digital technologies which will also help in wastage reduce and improving material use efficiency and minimizing GHG emissions. It is crucial to protect the environment and ensure continuity of the automotive industry in a sustainable way. Vilas, L. H. L (2023)
Sustainability approach—Preserving and protecting natural environment

Minimizing impact on environment

Protecting Natural resources
- Water Conservation
- Waste Management
- Air Emissions

Biodiversity and Land use
- Site Management and Rehabilitation
- Bio diversity commitments and protected areas
- Promoting biodiversity


Erm framework gives all relevant Aramco organisations a platform to actively pursue approach to: (i) achieve and maintain ecologic compliance with all applicable compliance obligations, such as regional and global treaty obligations, government environmental legislation, and company standards, (ii) systematically improve the environmental effectiveness, and (iii) continuous improvement.
They make every attempt at Aramco to become a responsible corporate citizen. As customer requirements change, they strive to meet fresh and innovative difficulties as they arise.

From fully promoting female education, mentoring, and work-life stability through guidelines, on-site creche, and mentors to providing mental health and well-being measures to our employees, which include support for females in governance, to driving traffic safety changes across the Empire, we aim to be a favourable agent of change, treated with respect by our interested parties for the completion of the work so far and our plans for the future.

The basis of being a sensible company is having a healthful, safe, and engaged workforce with meaningful and rewarding roles and also discussing these problems with our suppliers, joint ventures, partners, and 3rd party providers. They are also working hard to guarantee that our ideals and working conditions are engrained across our distribution chain. Our socially responsible company commitments. The top concern is the wellness and safety of the employees, suppliers, and communities.

- Enhancing workforce diversification, equity, and inclusion
• Collaborating with vendors for responsible practices and a sustainable supply chain
• Respecting fundamental rights and community safety wherever they operate
• Enhancing accessibility to the organization's performance through increased participation and transparency.

4 CONCLUSION

The primary objective of this paper was to comprehensively evaluate and gain insights into the Aramco's effectiveness of Aramco's CSR endeavours. The analysis underscores several key drivers behind Aramco's adoption of CSR, including the enhancement of corporate identity, ethical commitment, responsiveness to customer demands, and adept risk management. It is evident that Aramco's philosophy since its inception has been grounded in the notion of enhancing operational spheres through a diversified range of CSR initiatives and activities. This commitment is evidenced by the company's investment in employee development and the cultivation of an enabling work environment, underscored by the implementation of diverse training and development programs. Furthermore, Saudi Aramco remains steadfast in its commitment to fostering a diverse workforce, both domestically and internationally, valuing diversity across various dimensions such as background, gender, talents, race, and ethnicity.

Although CSR is a relatively recent concept in many industries, its transformative potential is recognized on a global scale. While CSR can serve as a catalyst for advancing strategic objectives across industries, it is important to acknowledge the challenges and constraints inherent in its adoption and implementation. The emergence of Saudi Arabia's 2030 agenda underscores a profound commitment to sustainability. This commitment to achieving Net Neutrality by 2060 aligns harmoniously with the broader aspirations of Vision 2030, which places a strategic emphasis on integrating sustainability within policies, investments, and infrastructure development. The enduring role of the Kingdom as a significant influencer within the global energy sector and its ongoing contributions to economic growth remain steadfast. Vision 2030's ethos of embedding sustainability across all aspects of the nation's endeavors, from policy expansion to developmental investments, effectively addresses the current concerns pertaining to energy security in a responsible manner.
While organizational leaders demonstrate a comprehensive awareness of critical CSR concerns, their alignment with Saudi Arabia's Vision 2030 provides them with a renewed sense of direction and purpose. The potential for momentum and confidence building through area-specific research is substantial for organizations aspiring to embark on CSR initiatives. The strategic integration of CSR-driven changes into organizational economics and processes can not only provide clear direction but also align with customer interests. Additionally, the emergence of well-researched policies and models stemming from successful CSR implementations can facilitate seamless and appropriate adaptations within businesses, timely addressing emerging challenges. Moreover, a proactive approach to tracking and understanding the skills and personnel requirements vital for effective CSR adoption holds significant implications for future human resource planning. The ramifications of poorly planned or executed changes within organizations cannot be understated, as they invariably lead to significant consequences.

To conclude, the journey towards effective CSR implementation is dynamic, marked by achievements and challenges. Aramco's commitment to CSR, underscored by its alignment with Saudi Arabia's ambitious vision, paints a compelling picture of sustainable growth and impact for the organization and the broader nation. As the landscape of corporate responsibility continues to evolve, organizations that adeptly navigate these waters are poised to contribute meaningfully to both their own success and the betterment of society at large.
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