

Governance



Transparency, oversight and accountability Al-Ula, Saudi Arabia

The Board of Directors is responsible for the overall management and supervision of the Company, and oversees effective governance, risk, and compliance standards.

Governance

Aramco’s sustainability governance model strives to align its sustainability aspirations and targets with its corporate business strategy and goals. At the Board level, we have the Sustainability, Risk and HSE (Health, Safety and Environment) Committee, which provides oversight over Aramco’s plans and performance, and advises Aramco’s sustainability, risk and HSE policies and practices.

At the Company level, we have the Group Health, Safety, Security, and Environment Committee (GHSSE), which establishes the Company’s health, safety, security, and environmental policies and reviews key issues, and the Sustainability Steering Committee (SSC), which identifies and guides sustainability-related issues to help Aramco assess potential impacts on long-term value creation for stakeholders and the business.

Governance

As a leading oil and gas company, we recognize the importance of good governance, which is integral to fostering transparency, accountability, and ethical conduct across all facets of our business. Our commitment to sound governance practices not only safeguards the interests of our stakeholders, but also enhances our operational efficiency and long-term sustainability.

By maintaining a robust governance structure, we aim to build trust with our investors, partners, and communities while promoting a culture of responsible decision making and strategic planning. Through effective governance, we aspire to navigate the dynamic challenges of the industry, drive innovation, and deliver value to our shareholders and the broader society.

The Board of Directors (Board) of Aramco oversees the Company’s management, providing strategic leadership and guidance, as well as assessing business opportunities, risks, and risk mitigation controls. The Board oversees the Company’s governance, risk, compliance regime, and sustainability performance.

The Chairman of the Board is H.E. Yasir O. Al-Rumayyan. The current members of the Board include high-ranking Saudi Government officials and former senior executives from the international oil and gas, chemical, petroleum refining, petrochemical, and finance industries.

Our sustainability governance

Our Board

Our Board members and senior executives exercise oversight over the Company’s financial and sustainability strategy and performance. In 2023, Board meetings achieved full attendance, with all Board members attending each meeting. The Company has 11 Board members, with five out of 11 members being independent.

The Board Sustainability, Risk and HSE Committee provides leadership, direction, and oversight with respect to environmental, social, and governance matters. The Committee provides advice on sustainability, risk, and HSE-related matters to ensure comprehensive discussion, understanding, ownership, and promotion of these matters on the Board. The Committee, meeting quarterly, assesses HSE performance, including health and safety incidents, and endorses our sustainability reports.

	2023	2022	2021
Board composition by average age ¹	63.45	62.45	61.45
Board composition by average tenure	7	6	5
Board members’ average attendance (%)	100	100	97
Number of independent Board members	5	5	5
Board diversity (number of females on the Board)	1	1	1



Sustainability in action

Establishment of the New Energies Organization

To ensure we progress in our sustainability ambitions, it’s imperative our corporate and organizational governance is agile and fit-for-purpose.

Thus, in 2023, the New Energies organization was established following the endorsement of the long-term strategy to achieve the Company’s ambitions for lower carbon solutions to meet its GHG emissions mitigation ambition.

New Energies has so far consolidated three new energies verticals, covering Renewables, Hydrogen, and Carbon Capture & Storage. Moreover, New Energies aims to nurture robust and more sustainable new energies businesses locally and

globally, capitalizing on emerging opportunities to develop capabilities and revenues in strategic growth markets.

Over the next few years, we have allocated around 10% of our capital investments in New Energies to help us progress in our GHG emissions mitigation and abatement journey.



1. For the 2023 Sustainability Report, the average age for 2023, 2022, and 2021 is calculated for each corresponding calendar year (i.e., January 1 – December 31). In previous years, the reporting time period extended beyond the calendar year, therefore, figures for previous years have been re-calculated herein to reflect this update of the reporting period.

Governance continued

Corporate committees

Responsibility for sustainability at the Company rests with the President and CEO, the Group Executive Committee, and the Group Strategy Committee, reinforced by the Group Health, Safety, Security, and Environment Committee and the Sustainability Steering Committee.

The Company's GHSSE Committee, led by the President and CEO, shapes Aramco's health, safety, security, and environmental policies, scrutinizing material issues, such as safety initiatives, environmental and safety performance, compliance reviews, major incidents, insurance survey outcomes, and cybersecurity.

Sustainability Steering Committee (SSC)

Under the guidance of the Executive Vice President of Strategy and Corporate Development, the SSC reports to both the Group Strategy Committee and Group Executive Committee. Comprising Senior Vice Presidents representing key Business Lines and Administrative Areas, the SSC reviews and guides decisions and strategies related to sustainability, and enables the Company to assess potential impacts on long-term value creation for stakeholders and the business.

The SSC evaluates the Company's GHG mitigation plans and corporate risk assessments for items related to sustainability. Outcomes from these evaluations are presented to and endorsed by the Group Executive Committee before final approval by the Board.

Executive remuneration

Senior executive remuneration is linked to the Company's sustainability performance, featuring a framework that incorporates fixed and variable components. The variable remuneration aligns with the market and is contingent upon meeting predefined performance goals, including sustainability metrics such as GHG emissions intensity, flaring, and safety.

Two distinct variable pay plans are employed: the Short-Term Incentive Plan (STIP), an annual cash-based initiative rewarding performance in financial, operational, safety, and sustainability areas, and the Long-Term Incentive Plan (LTIP), designed to recognize key financial, strategic, and environmental/sustainability achievements over a three-year period.

Ethics and compliance

Anti-bribery and anti-corruption

The Company has a zero-tolerance policy for unethical behavior, expecting employees and business partners to adhere strictly to the principles outlined in its policy, covering anti-bribery, anti-corruption, and anti-fraud.

Code of Business Conduct

Aramco's Code of Business Conduct encompasses principles regulating anti-bribery and anti-corruption. Aramco mandates an enterprise-wide online training program for Code of Business Conduct compliance, supported by detailed policies, implementing procedures, and guidelines. These procedures operationalize and support our anti-bribery and anti-corruption policies, including provisions for third-party due diligence, gifts, meals, entertainment, and travel.

Aramco provides an anonymous 24-hour hotline, the General Auditor Hotline, accessible to employees, suppliers, and stakeholders for reporting suspected misconduct, including allegations related to bribery or corruption. This hotline, detailed on Aramco's website, facilitates reporting through various channels, including email, telephone, or the Aramco

intranet. Aramco maintains a zero-tolerance stance against any form of retaliation for good-faith reporting of suspected misconduct. As part of continuous program enhancements, committees review findings of misconduct, ensuring the prompt implementation of appropriate and consistent remedial measures.

As part of our ongoing improvements to our compliance program, we have committees to evaluate findings of misconduct committed by personnel and/or third parties to ensure timely execution of appropriate remedial actions.

In 2023, there was a 22.6% increase (2023: 27,674 versus 2022: 22,575) in the anti-bribery and anti-corruption training hours provided to our workforce. This is in line with our goal to constantly keep our workforce vigilant of bribery and corruption risks.

The number of allegations received from Aramco employees increased in 2023 in comparison to 2022. The proliferation of digital technology and data analytics tools across the Company, coupled with increased awareness programs, enables our employees to voice concerns and allegations.

Sustainability governance management framework



Anti-bribery and anti-corruption training hours



Number of allegations received



1. Effective January 1, 2023, the Corporate Development business line title was updated to Strategy & Corporate Development.