Governance

Hawiyah Unayzah gas storage plant is Saudi Arabia's first gas storage facility, and is part of Aramco's Master Gas System. The plant can produce up to 2.0 bscfd during periods of high summer demand in the Kingdom, enhancing the Kingdom's lower-carbon energy capabilities.

Corporate governance

We recognize the importance of good governance, which is integral in fostering transparency, accountability, and ethical conduct across our business. Corporate governance practices in Aramco are guided by a set of governance policies and procedures, in line with the Corporate Governance Regulations as well as Company-relevant global ethics and compliance policies.

Board composition

The Board of Directors values independence and diversity of talent, skills, viewpoints, and experience, and believes that such diversity enhances the performance of the Board in discharging its oversight duties.

Accordingly, the Nomination Committee takes E&I into account when reviewing the Board's composition, as well as when nominating new Director candidates. The Committee also considers each Director's professional experience, integrity, honesty, judgment, independence, accountability, willingness to express independent thought, and understanding of the Company's business.

The 11 members of the Board in 2024 include senior Saudi Government appointees and former senior executives from the international oil and gas, chemical, petroleum refining, and finance industries, five of whom are independent. The relevant Director skills and experience are presented in the table below:

Director skills and experience

Skills and experience	Definition	Members
Executive leadership experience	Possesses a deep understanding of organizations and strategy to assist the Board in oversight of the Company's global operations and strategic planning.	11
Financial experience	Brings valuable financial experience to the Board, including oversight of financial reporting, internal controls, financial disclosure, investment and portfolio management, and/or trading.	11
Risk management experience	Aids the Board in its risk oversight and can effectively identify, prioritize, and manage a broad spectrum of risks.	11
Global business leadership experience	Provides perspective on diverse business environments, customers, and supply chains associated with the Company's global business and strategy.	9
Regulatory, legal, public policy, and government experience	Supports the Board in assessing and responding to evolving legal and regulatory environments.	8
Other public company Board experience	Aids the Board with an understanding of issues commonly faced by public companies, and provides insight on corporate governance practices and trends.	8
Energy and chemicals industry expertise	Demonstrates a practical understanding of the energy and chemicals industry and provides valuable perspective on issues specific to the Company's business.	7
Technology, innovation, cybersecurity, and scientific experience	Assists the Board in overseeing the Company's leadership in technological change and innovation including with respect to the Company's sustainability initiatives.	6

Metrics	2024	2023	2022
Number of independent Board members	**5**	5	5
Number of females on Board	**1**	1	1
Number of nationalities on Board*	**4**	4	4
Board composition by average tenure (years)	**7**	7	6
Board composition by average age (years)	**63.54**	63.45	62.45
Board members' average attendance (%)	**100**	100	100

The effectiveness of the Board is also promoted through procedures and practices that ensure accountability. In 2024, the Board members attended all Board meetings. The Board has also performed its annual self-assessments as part of Board evaluations, which provide insights into the Board effectiveness and areas for improvements.

Additional information on Aramco's governance, including the profile of each Board member, can be found in the Aramco Annual Report 2024 in the Organizational Structure and Corporate Governance section.

* Metric reported for the first time in Aramco's Sustainability Report.

Ethics and compliance

Ethics and compliance matters are overseen at the corporate level by the Conflict of Interest and Business Ethics Committee, chaired by the President and CEO. The Committee is responsible for applying the Company's policies pertaining to conflicts of interest and business ethics in compliance with applicable laws and regulations. It is also tasked to promote a culture of accountability through regular assessments, monitoring, review of policies, systems, and controls related to conflict of interest and business ethics.

Code of Business Conduct

Our CoBC provides guidelines to the Directors, senior management, employees, and contract employees of the Company and its controlled subsidiaries regarding, among other things, health, safety, and environmental protection, competition and anti-trust, anti-bribery and anti-corruption, conflicts of interest, disclosures controls, insider trading, related-party transactions, data privacy, international trade controls, internal investigations, and compliance with applicable law. Our corporate values of integrity, excellence, safety, accountability, and citizenship serve as the basis of our CoBC.

Supplier Code of Conduct

Our SCoC promotes our values and extends and maintains our ethical standards across our supplier network, enabling long-term, mutually beneficial partnerships. It outlines mandatory policies on conflicts of interest, bribery, kickbacks, gifts and fraud, monitoring and compliance, in addition to environmental, health, and safety issues, fair trade practices, and ethical sourcing.

More information on the SCoC can be found in the Growing Societal Value chapter of this Report.

Reporting and handling of concerns

Aramco provides its employees, suppliers, and stakeholders with the General Auditor Hotline to report suspected misconduct, including allegations related to bribery or corruption in an anonymous manner. This hotline enables reporting through several channels including email, telephone, and Company intranet.

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

In 2024, the number of allegations received through the hotline increased by 17.2% compared to 2023, which could be due to the growing reach of our awareness programs.

Anti-bribery and anti-corruption

The Company has a zero-tolerance policy for unethical behavior, requiring its employees and business partners to adhere to the principles outlined in its Anti-Bribery and Anti-Corruption Policy.

The Company requires periodic acknowledgment of the Company's ethics policies by its personnel, attesting to awareness of, and adherence to the Company's ethical and regulatory compliance standards. This helps ensure our policies are continuously reinforced.

The Company has also established an ongoing internal training plan in support of the Company's ethics and regulatory compliance programs, continuously raising awareness on ethics and corruption risks. 23,652 hours of anti-corruption training were delivered throughout the Company in 2024, with a focus on our in-Kingdom Downstream operations, following a campaign in Upstream in the prior year. The training hours recorded in 2024 therefore decreased with this shift in focus, as Downstream represents a smaller number of employees, relative to our Upstream operations.

Number of allegations received through the 24-hour hotline

Anti-bribery and anti-corruption training hours

Our sustainability governance

We seek to integrate sustainability into all levels of governance, risk management, and decision-making. To that end, we have established a comprehensive structure to govern sustainability matters within the Company, with clear roles and responsibilities.

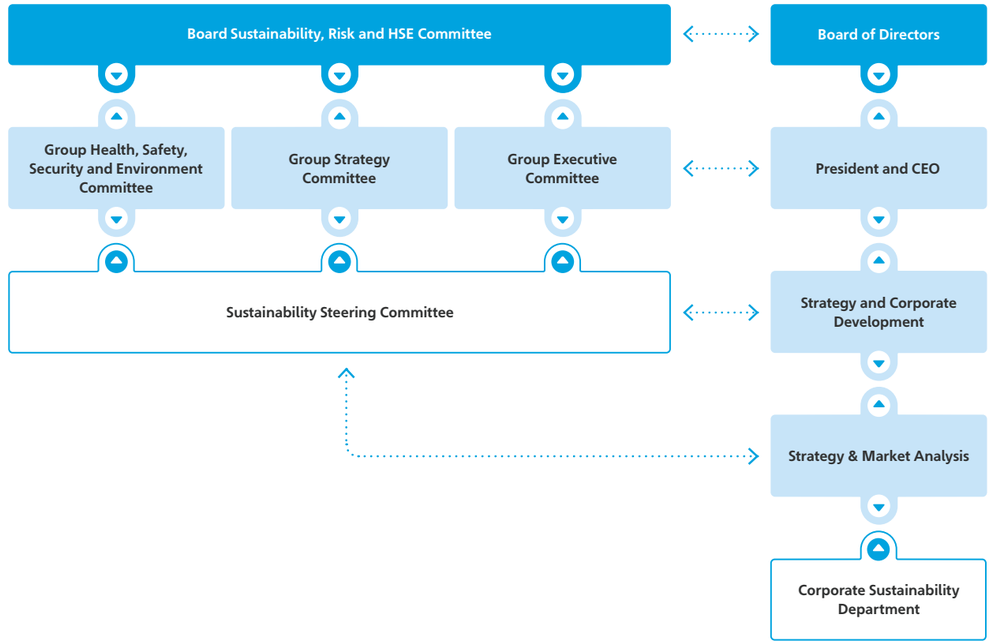
Board of Directors

The Board of Directors is responsible for overseeing the Company's management, providing strategic leadership and guidance, as well as assessing business opportunities. It is also responsible for the Company's governance, risk, and compliance regime, including those related to sustainability matters. In performing this oversight duty, the Board is assisted by its Sustainability, Risk and HSE Committee.

This Board-level committee, which meets quarterly, assists the Board in providing leadership, direction, and oversight with respect to sustainability matters, by:

- Overseeing the Company's strategy, performance, and reputation regarding sustainability matters that contribute to long-term value creation throughout the Company's global business;
- Reviewing the effectiveness of the Company's policies, programs, and practices with respect to safety, health, environment, and social issues, as well as making such recommendations to the Board; and
- Reviewing summary reports on material health, safety, and environmental incidents within the Company.

Sustainability governance framework



The Sustainability, Risk and HSE Committee held four meetings during 2024.

During the year, the Committee received updates from management on routine assessments and reviews that were conducted regarding several top corporate risks that the Company is actively managing, including those relating to major industrial incidents, major transactions, market disruption, cyberattack, environmental compliance, and climate change.

Further, in 2024 the Committee received several updates relating to the preparation of the Company's Sustainability Report and endorsed the 2023 Sustainability Report for approval by the Board.

In addition, the Committee reviewed the Company's 2023 performance with respect to safety incidents and with respect to certain HSE metrics and targets. The Sustainability, Risk and HSE Committee also reviewed the Company's quarterly performance for the first three quarters in 2024 with respect to HSE metrics and targets, along with reviewing proposed HSE corporate key performance indicator metrics and targets for 2025.

A summary of the additional activities and updates received by the Committee in 2024 can be found in the Sustainability, Risk and HSE Committee section of the Aramco Annual Report 2024 in the Organizational Structure and Corporate Governance section.

Corporate Committees

Responsibility for implementing and monitoring sustainability activities at the Company level rests with the President and CEO, supported by the Group Executive Committee (GEC), Group Strategy Committee (GSC), and the Group Health, Safety, Security and Environment Committee (GHSSE). The GEC approves major sustainability initiatives and targets (e.g., GHG mitigation investment plans), while the GSC reviews and approves functional strategies including those pertaining to HR, technology, and sustainability (e.g., our net-zero emissions ambition across our wholly-owned operated assets).

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

Business Committees

At the business level, the Sustainability Steering Committee (SSC) comprises Aramco Senior Vice Presidents representing business lines and administrative areas across the Company. The Committee is chaired by the Executive Vice President of Strategy and Corporate Development, with the Senior Vice President of Strategy and Market Analysis, heading risk and sustainability, and serving as the Secretary.

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. It 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 GEC before final approval by the Board.

In 2024, the SSC held 12 meetings, where discussion included:

- Evaluation of the GHG mitigation plan (including interim targets) up to 2050;
- Review of the annual materiality assessment;
- Endorsement of the 2023 Sustainability Report;
- Updates on global sustainability-related regulations; and
- Review of current and planned sustainability investments.

The Company has established corporate-level and business-level committees to oversee specific sustainability-related topics, e.g., people and organization, conflict of interest, business ethics, energy management, information security risk management, oil spills, iktva, and citizenship committees.

External advisory group

The Climate and Energy Transition Advisory Group comprises up to six independent advisers whose advice is sought to bring external perspectives to key issues. This advisory group has now been in place for four years. To reinforce its independence, it is managed by a third party on behalf of the Company. The advisory group provides feedback direct to management, including members of the SSC.

Executive remuneration

Senior executive remuneration is linked to our sustainability performance with eight of our 20 KPIs being sustainability-related and linked to variable pay, ensuring a robust corporate governance framework. This ensures transparency, oversight, accountability, and alignment of our sustainability targets with our business strategy and key objectives.

It follows a framework that incorporates fixed and variable components, where the variables component is market-aligned and subject to fulfillment of predefined performance goals, including sustainability performance. This component consists of two distinct variable pay plans, namely:

- Short-Term Incentive Plan (STIP), an annual cash-based initiative rewarding performance in financial, operational, safety, and sustainability areas; and
- Long-Term Incentive Plan (LTIP), designed to recognize key financial, strategic, and environmental/sustainability achievements over a three-year period.

Sustainability in action

Strengthening environmental, health, and safety governance in Aramco

Enhancing safety oversight across affiliates

As Aramco's global presence expands, so does our dedication to improving safety performance across all affiliates. To drive safety excellence, we implemented a five-pillar safety oversight strategy that combines Aramco's expertise with insights from affiliates, fostering a unified approach to health and safety.

In addition to monthly one-on-one engagements with each affiliate and quarterly virtual technical exchanges with all affiliates, in 2024, we also organized our third in-Kingdom Global HSE Forum, which brought together leaders, safety professionals, and industry experts from affiliates worldwide. These engagements and forums serve as platforms to exchange insights, share solutions, and reinforce alignment, ensuring continued progress on our safety excellence journey.

Link to strategic enabler:

People

Aligning environmental and health practices across Aramco

Aramco is enhancing its governance practices by developing a uniform approach to environmental and health (E&H) performance and related activities across its global and in-Kingdom affiliates. This alignment aims to realize the benefits of partnership and promote the interests of numerous stakeholders.

We successfully organized the inaugural E&H Roadshow in February and March 2024 to enhance our engagement with affiliates. It was hosted in the Kingdom and across three geographical regions – the Americas, Europe, and Asia.

The roadshow's objective was to guide affiliates' E&H performance, accelerating their readiness for reporting programs, and obtaining alignment on E&H metrics, covering topics such as climate change, biodiversity, NbS, and circular economy.

The roadshow, which was attended by more than 300 participants including CEOs, senior executives, and leaders from 32 affiliates, provided a platform for participants to present their E&H programs, and consider key solutions and best practices tailored to their operations.