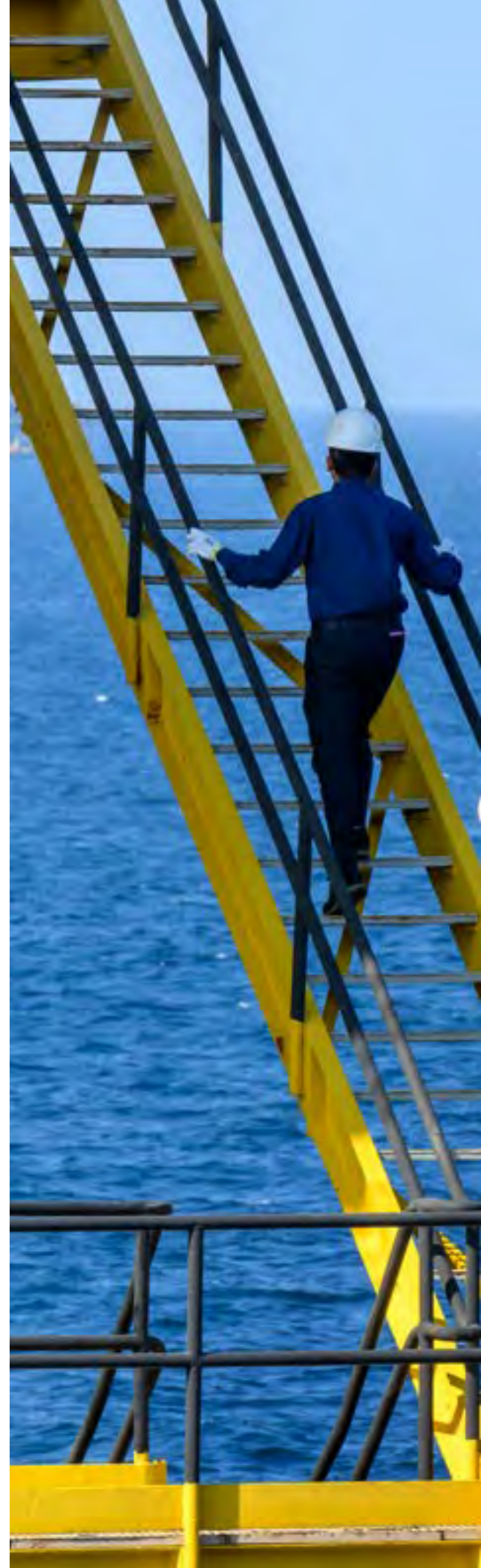


1. Aramco overview and strategy

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Supporting the energy transition

Marjan Gas Oil Separation Plant 2, Marjan field, Arabian Gulf

Aramco supports a practical, stable, and inclusive energy transition, and has one of the lowest average upstream carbon intensities for crude oil production among major producers.

The Company believes all sources of energy are needed for the foreseeable future, and is delivering on the largest capital spending program in its history.

The investment includes the Marjan, Berri, and Zuluf crude oil increment projects.

We hold 90 years of global energy leadership

1933-1944

The birth of Arabian oil

1933

Crude oil Concession agreement signed with Standard Oil of California which created the California Arabian Standard Oil Company (CASOC) to manage the Concession.

1938

Oil discovered at Dammam Well No. 7.

1939

Oil exports began.

1944

CASOC renamed the Arabian American Oil Company.

1945-1965

Expansion

1948

Standard Oil Company of New Jersey, later Exxon, purchased 30% of Arabian American Oil Company, and Socony-Vacuum Oil Company, later Mobil, purchased 10% to help provide market outlets.

1949

Oil production hit 500 mbpd.

1952

Headquarters moved from New York City to Dhahran.

1958

Oil production exceeded 1 mmbpd.

1965

Oil production exceeded 2 mmbpd.

1966-1988

Making a name for itself

1971

Oil production averaged 4.5 mmbpd.

1973

The Saudi Government acquired an initial 25% participating interest in the Concession, which increased to 60% the following year.

1975

Decision made to build the Master Gas System, enabling one of the world's largest gas markets, transforming the national energy mix toward natural gas and building the cornerstone for the economy's industrialization.

1976

Became the world's leading oil producer in terms of volume produced in a single year.

1980

The Saudi Government increased its participation interest in the crude oil Concession rights, production, and facilities to 100%.

1988

Saudi Arabian Oil Company officially established.



◀ **Legendary Saudi Bedouin Khamis bin Rimthan tries out an alidade, Saudi Arabia (photo taken 1955)**
In 2023, Aramco celebrated 90 years of creating value. Saudi tracker and intuitive geographer Khamis bin Rimthan understood the desert like the back of his hand, and began working for California Arabian Standard Oil Company (now Aramco) in 1934. In 1938, he helped chief geologist Max Steineke discover oil in Saudi Arabia, and the Rimthan oil field was named after him in 1974.

1989-2017

A global company

1989

First international downstream joint venture established in the U.S.

1991

First Asian downstream joint venture established in South Korea.

1993

Aramco assumed the assets and operations of Saudi Arabian Marketing and Refining Company, a Government-owned in-Kingdom refining and international product marketing organization.

2009

Petro Rabigh, Aramco's first petrochemical plant, began production.

2011

Sadara Chemical Company formed.

2014

SATORP and YASREF refineries came online.

2017

Aramco acquired full ownership of Motiva.

2018-2023

Transformation and energy security

2018

Commercial production of unconventional resources commenced in north Arabia.

2019

\$12.0 billion of Senior Unsecured Notes issued and listed on the London Stock Exchange.

Aramco became a public company with shares listed on the Saudi Exchange.

2020

Highest single-day crude oil production of 12.1 mmbpd.

Historic acquisition of a 70% stake in SABIC transformed Aramco into a major global petrochemicals producer.

2021

49% of Aramco Oil Pipelines Company sold to a consortium of local and international investors.

Announced ambition to achieve net-zero Scope 1 and Scope 2 greenhouse gas emissions across wholly-owned operated assets by 2050.

2022

49% of Aramco Gas Pipelines Company sold to a consortium of investors.

Established a \$1.5 billion Sustainability Fund.

Successfully completed three landmark transactions with Polish refiner and fuel retailer PKN ORLEN, supporting expansion of Aramco's global downstream presence.

Highest single-day natural gas production record of 11.3 bscfd.

2023

Acquired a 10% interest in Rongsheng Petrochemical to align with Aramco's goal to enhance its Downstream business in high-growth geographies.

Acquired Valvoline Inc.'s global products business to complement Aramco's premium-branded lubricant products.

First production of unconventional tight gas at South Ghawar.

Introduced performance-linked dividends in addition to the base dividend, providing additional upside for investors.



Dear Shareholders,

2023 served as a historic milestone for your Company. It was 90 years earlier that the Kingdom signed the Concession agreement, which in turn led to the discovery of commercial quantities of oil and which in time would lead to the creation of Aramco.

Over the subsequent decades, Aramco has become one of the world's largest integrated energy and chemicals companies, reliably serving our customers while continually creating value for our shareholders. I am pleased to report that for 2023, your Company's long-running value creation story continued unabated.

Despite uncertainty in the global economy, we recorded strong earnings and cash flows for the year due to our strategically integrated Upstream and Downstream businesses. Our net income for 2023 was SAR 454.8 billion (\$121.3 billion).

Delivering value today

Our aim is to deliver a sustainable and progressive dividend across business cycles, providing both downside resilience and the opportunity for investors to share in the upside of our strong performance. During 2023, we took a significant step in this regard with the Board approved performance-linked dividends to deliver a balanced mix of growth and yield to our shareholders.

Based on our robust financial performance in 2023 and in line with our desire to maximize shareholder returns, the Board of Directors has declared a fourth quarter base dividend of SAR 76.1 billion (\$20.3 billion), an increase of 4.0% compared to the previous quarter, and a performance-linked dividend distribution of SAR 40.4 billion (\$10.8 billion). Total dividends paid in 2023, including base and performance-linked dividends, reached SAR 366.7 billion (\$97.8 billion), up 30.4% compared to 2022 and underscoring our aim to maximize shareholder returns while investing in the future of our business. In addition to enhanced dividend distributions, one bonus share for every 10 shares held was also issued during the year to all eligible shareholders in relation to Aramco's 2022 record results.

As well as delivering value to our shareholders, the men and women of Aramco also pride themselves on providing value to the Company's customers with highly reliable energy supplies. In 2023, our reliability was 99.8%, maintaining our position as one of the world's most reliable crude oil suppliers.

Positioning Aramco for tomorrow

In recent years, Aramco's investment in Upstream has been both significant and counter cyclical as we believe global energy demand will increase over the mid- to long-term. Our view remains unchanged. At the same time, we recognize that as the world undergoes an energy transition, the future will favor those energy producers who provide the most sustainable solutions.

Against this backdrop, we believe Aramco has a number of competitive advantages, including but not limited to producing crude oil that has one of the lowest upstream carbon intensities of any major oil producer. We also have the advantage of being a single operator with long-term control of a high concentration of high-quality upstream assets. In addition to having exclusive access to the Kingdom's considerable oil and gas reserves, we also have low lifting costs and relatively low depletion rates.

While these advantages collectively translate into a significant position of strength for Aramco, we are also actively working to further future-proof your Company.

In 2023, we scaled up our capital program with investments in both brownfield and greenfield developments. In Upstream, we continued to progress our crude oil increment projects that will allow us to maintain our MSC at 12.0 mmbpd, and we advanced

Our intention is to play a key role in the energy transition through the deployment of technologies and tools that can contribute to global emission reduction efforts.

our goal to increase gas production by more than 60% by 2030 compared to 2021 levels. In Downstream, our focus remains on enhancing our business in key high-growth geographies, increasing the placement of the Kingdom's crude oil in wholly-owned or affiliated refineries and converting more of our hydrocarbon molecules into materials. During the year we began construction at two major projects in Asia and one in Saudi Arabia to expand our liquids-to-chemicals production, and we acquired an interest in one of the largest integrated refining and petrochemical complexes in China. These activities should enable us to increase placement of our upstream crude oil in affiliated refineries. We also advanced our strategy to strengthen our downstream value chain internationally with agreements to acquire interests in the South America and Pakistan retail markets.

Our intention is to supply our customers with oil and gas, and also play a key role in the energy transition through the deployment of technologies and tools that can contribute to global emission reduction efforts. As such, we are working on multiple fronts, including carbon capture and storage, synthetic fuels, blue hydrogen technologies, renewables, and offsets. Subject to closing conditions and regulatory approvals, we will make our first international investment in liquefied natural gas, an area where we expect strong demand-led growth as the world continues on its energy transition journey.

And we also continue to support the Archie Initiative, a tool which promotes increased transparency within the global energy supply chain.

During the year, we also continued to back the development of new industries in the Kingdom through our iktva and Namaat programs, as well as our active participation in the Kingdom's Shareek program. These initiatives serve two purposes as they help strengthen the resilience of Aramco's supply chain going forward, while also contributing to Saudi Arabia's economic growth and diversification. We also made the decision to more than double our venture capital funding from SAR 11.3 billion (\$3.0 billion) to SAR 26.3 billion (\$7.0 billion) through Aramco Ventures.

Expressing our gratitude

Aramco's success in 2023 would not have been possible without the support of many. In particular, the visionary leadership of The Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al-Saud, and His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al-Saud, Crown Prince and Prime Minister of the Kingdom of Saudi Arabia. We also thank the Kingdom's Ministry of Energy for their continued support as well as our shareholders for placing your trust in Aramco.

On behalf of the Board of Directors, I want to also convey our collective appreciation to the talented men and women of Aramco for their continued commitment in providing reliable energy to our customers, while also creating value for our shareholders.

H.E. Yasir O. Al-Rumayyan

Chairman of the Board of Directors



Dear Shareholders,

Aramco continued to deliver both value and growth in 2023.

Throughout the year we provided the reliable energy supplies that our global customer base has come to expect from Aramco. We also recorded another year of strong financial performance, which enabled us to deliver increased value to our shareholders through the distribution of increased base dividends and the introduction of performance-linked dividends. And we continued to deliver on our strategy by growing our existing core business as well as expanding into new geographies and working to develop new businesses such as carbon capture and storage, synthetic fuels, blue hydrogen technologies, renewables, and offsets.

Expanding our business

While global oil demand was reaching an all-time high in 2023, at Aramco we were continuing our efforts to ensure we can help supply the conventional energy that we believe the world will need for decades to come. Our crude oil development and increment projects remain on track, with the first phase of the Dammam development project expected to come onstream this year, followed by the Marjan and Berri increment projects in 2025 and the Zuluf field in 2026. Together, these projects will help us maintain our MSC at 12.0 mmbpd as directed by the Government, and they support our unique ability to rapidly respond to changes in the market.

During the year, we also made significant progress in our efforts to expand our gas production by more than 60% of the 2021 levels by 2030. This included bringing onstream our Hawiyah Gas Plant expansion and producing the first unconventional tight gas from South Ghawar. Meanwhile, work is progressing at the Jafurah unconventional gas project, which is the largest liquid-rich shale gas development in the Middle East. Our priority is to meet rising domestic gas demand in the Kingdom while adding associated liquids for potential export.

In the third quarter of 2023, we announced our first international investment in liquefied natural gas (LNG). Subject to closing conditions and regulatory approvals, our acquisition of a stake in MidOcean Energy will give us a strategic position in a commodity that we anticipate will experience strong demand-led growth as the global energy transition plays out. We view LNG as a complementary asset to our portfolio given gas is a vital fuel and feedstock for various industries.

We also expanded our Downstream business in 2023 both inside and outside the Kingdom. Engineering, procurement, and construction contracts were awarded for a significant expansion at our jointly owned SATORP refinery in Jubail. When complete, this new petrochemical complex will include one of the largest mixed-load steam crackers in the region.

In Asia, we broke ground for two large integrated refinery and petrochemical complexes, one through a joint venture in China and the other with our affiliate S-OIL in South Korea, and we acquired a 10% stake in a Chinese petrochemical company. All of these projects support our long-term goal of directing up to four million barrels per day by 2030 into liquids-to-chemicals. Through SABIC, our subsidiary, we also made a final investment decision to participate in a world-scale petrochemical complex located in China.

As well, we completed our acquisition of Valvoline's global products business and our first downstream retail investment in South America with our purchase of Chilean retailer Esmax. We also signed definitive agreements to acquire a 40% equity stake in Gas & Oil Pakistan, our first entry into the Pakistani fuels retail market.

This inaugural shipment and subsequent follow-up shipments to Asia represent another milestone in the development of a global market for blue ammonia and blue hydrogen.

During the year we progressed toward our goal of investing in 12 gigawatts of solar and wind energy capacity by 2030. Together with our consortium partners, we entered into a shareholders' agreement for the two Al Shuaibah photovoltaic solar projects, which are expected to commence commercial operation in 2025 with a combined capacity of 2.66 gigawatts.

We were also the leading bidder in the world's largest-ever carbon-credit auction, which was held by the Regional Voluntary Carbon Market Company in Kenya in the second quarter of the year. During the COP28 climate summit, Aramco also helped support a charter signed by more than 50 oil and gas producers to reduce emissions from their respective operations.

Another vital component of Aramco's strategy is further localization of our supply chain. We made advancements on this front as our joint venture nonmetallic thermoplastic pipe production facility at King Salman Energy Park commenced operations. Under our Namaat program and in line with our iktva objectives, we also signed a shareholders' agreement with Baosteel and the Public Investment Fund to establish an integrated steel plate manufacturing complex in the Kingdom.

Looking ahead with confidence

We believe Aramco is well positioned to actively participate in addressing the world's growing need for affordable and reliable energy. This belief is not solely based on the quality of our assets and the scale of our ambitions, it is also based on the capabilities of our employees. Indeed, the determination of the men and women of Aramco is why we believe we will continue to deliver.

Amin H. Nasser
President and Chief Executive Officer

We believe Aramco is well positioned to actively participate in addressing the world's growing need for affordable and reliable energy.

Pursuing our net-zero ambition

In addition to making multiple investments across the hydrocarbon value chain, we continue to take steps that support our 2050 net-zero ambition. This includes working on ways to further lower emissions from our operations through technological innovation and adding lower-carbon energy to our own portfolio.

On the technology side, we believe synthetic gasoline could play a key role in powering the existing global vehicle fleet. As such, we were particularly pleased with the results of tests by global automaker Stellantis on Aramco-provided prototype eFuels, which were found to be compatible with 24 existing internal combustion engine families in Europe. To further determine the viability of such fuels, we are working with partners to build two demonstration plants: one in-Kingdom to produce synthetic gasoline for light-duty passenger vehicles, and the other in Spain for synthetic diesel and jet fuel for automobiles and aircraft.

In 2023, our Yanbu' Refinery became the fourth Aramco facility to be added to the World Economic Forum Global Lighthouse Network in recognition of its deployment of cutting-edge technologies to deliver a range of operational and environmental benefits. While further decarbonizing our operations remains a priority, we are also supporting our customers' efforts to decarbonize. Work continues with our partners on construction of a large carbon capture and storage hub at Jubail. The facility is on track to begin storing up to nine million tons of CO₂ per year by 2027. Together with our affiliate SABIC Agri-Nutrients, we made the world's first shipment of accredited blue ammonia during the year.

2023 highlights

Reflecting on another year of success and achievements in 2023

Acquired Valvoline Inc.'s global products business

Aramco completed its acquisition of Valvoline Inc.'s global products business for approximately SAR 10.34 billion (\$2.76 billion), including customary adjustments.

Hawiyah Unayzah Gas Reservoir Storage

Hawiyah Unayzah Gas Reservoir Storage, the first underground natural gas storage in the Kingdom, achieved its maximum injection target of 1.5 bscfd.

Amiral EPC contracts awarded

Aramco awarded engineering, procurement, and construction contracts for the SAR 41.3 billion (\$11.0 billion) new petrochemical complex to be built by SATORP, Aramco's joint venture with TotalEnergies.

Largest voluntary carbon auction

Aramco participated as a lead bidder in the largest-ever voluntary carbon credit auction, held by the Regional Voluntary Carbon Market Company (RVCMC) in Nairobi, Kenya.

Q1

\$7.0 billion petrochemical steam cracker

Aramco and its affiliate, S-OIL, commenced construction at the SAR 26.3 billion (\$7.0 billion) Shaheen project in South Korea to develop one of the world's largest refinery-integrated petrochemical steam crackers.

Integrated refinery and petrochemical complex

Construction commenced at the SAR 44.4 billion (\$11.8 billion) integrated refinery and petrochemical complex being developed by HAPCO, a joint venture between Aramco, North Huajin, and Panjin Xincheng.

▲ Yanbu' Refinery
Saudi Arabia

Q2

Performance-linked dividends

Aramco introduced performance-linked dividends to support its aim to deliver a balanced mix of growth and yield to shareholders.

Solar projects partnership

Aramco entered into a shareholders' agreement with PIF and ACWA Power Company for the development of the Al Shuaibah 1 and Al Shuaibah 2 photovoltaic solar projects which are expected to have a combined capacity of 2.66 GW and an estimated cost of SAR 8.9 billion (\$2.37 billion).

Three blue ammonia shipments

Aramco delivered three shipments of accredited blue ammonia through its affiliates ATC and SABIC Agri-Nutrients.

Novel nonmetallic factory begins operations

Novel Non-Metallic Solutions (Novel), a joint venture between Aramco and Baker Hughes to develop and commercialize a broad range of nonmetallic products, commenced operations in Saudi Arabia.

Hawiyah Gas Plant expansion

The Hawiyah Gas Plant expansion was successfully commissioned and brought onstream, increasing the plant's raw gas processing capacity by 800 mmscfd including approximately 750 mmscfd of natural gas capacity.

Rongsheng Petrochemical deal completed

Aramco completed its strategic acquisition of a 10% interest in Rongsheng Petrochemical with a right to supply 480 mbpd or 60% of the crude oil for a total transaction value of SAR 12.8 billion (\$3.4 billion).

First unconventional gas production

Aramco successfully produced its first unconventional tight gas from its South Ghawar operational area.

Gas discoveries

Aramco discovered two natural gas fields in the Empty Quarter.

First entry into the Pakistani fuels retail market

Aramco signed definitive agreements to acquire a 40% equity stake in Gas & Oil Pakistan Limited.

Q3

Q4

Hadeed divestment

SABIC agreed to the sale of its 100% shareholding in the Saudi Iron and Steel Company (Hadeed) to PIF.

South America retail investment

Aramco agreed to purchase a 100% equity stake in the Chilean retailer Esmax, representing Aramco's first downstream retail investment in South America. The transaction was completed in March 2024.

International LNG investment

Aramco announced its first international investment in LNG by signing definitive agreements to acquire a strategic minority stake in MidOcean Energy for SAR 1.88 billion (\$0.5 billion).

Global Lighthouse Network status

The Yanbu' Refinery becomes the fourth Aramco facility to receive WEF Global Lighthouse Network status.

Gas compression projects onstream

Nine plants were placed onstream completing the gas compression projects at the Haradh and Hawiyah fields.

Business model

Capturing value across the hydrocarbon chain

Inputs

Operations

Total hydrocarbon reserves¹ (billion boe)	Maximum Sustainable Capacity (mmbpd)
251.2	12.0

Relationships

Stakeholders

- Customers
- Suppliers
- Partners
- Governments

Domestic and foreign subsidiaries, joint arrangements, and associates

400+

Countries of operations

50+

Financial

Capital expenditures² (billion)	Net cash³ (billion)
SAR 158 \$42	SAR 103 \$27

Average capital employed³ (billion)

SAR 2,043 \$545

Human

Company employees⁴

73,311

1. Hydrocarbon reserves of Saudi Arabian Oil Company (the Company) as at December 31, 2023, under the Concession agreement.
 2. Capital expenditures do not include external investments.
 3. For definition of net cash and average capital employed, refer to "Non-IFRS measures reconciliations and definitions".
 4. Refer to Section 3: Sustainability for further information.
 5. Total liquids is comprised of crude oil, NGL, and condensate.
 6. Excludes SABIC Agri-Nutrients and Metals (Hadeed) businesses.
 7. Applies to Saudi Arabian Oil Company (the Company).
 8. Includes income taxes, royalties, and dividends.
- * Non-IFRS measure: refer to "Non-IFRS measures reconciliations and definitions" for further information.

Low cost, lower-carbon intensity crude oil production

Low-cost upstream production with a lower upstream carbon intensity than crude oil produced by other major producers, and operational flexibility to rapidly increase crude oil production.

Upstream production is monetized through a high-quality external customer base and captive downstream system.

High-quality gas reserves

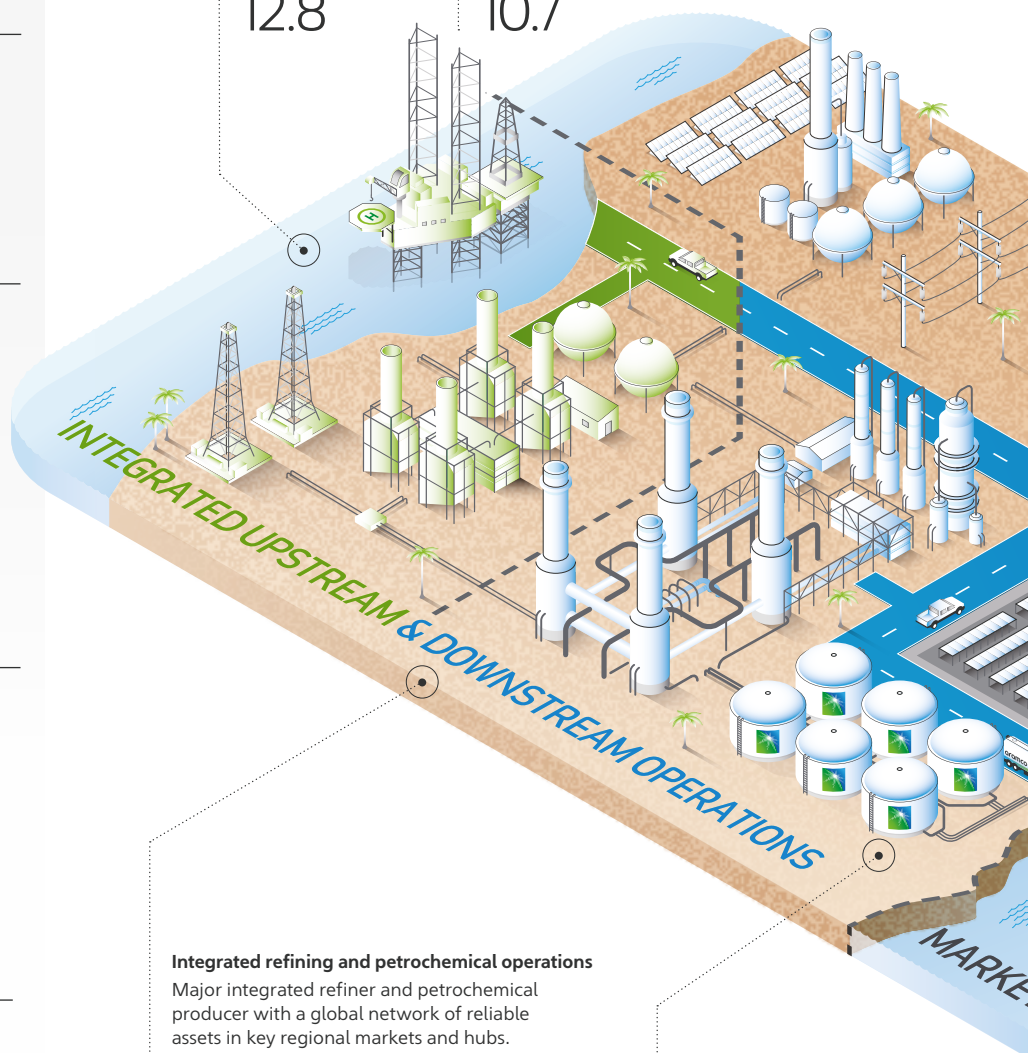
Extensive, high-quality gas reserves and exclusive access to the Kingdom's large and growing domestic marketplace.

Total hydrocarbon production
(mmbpod)

12.8

Total liquids production⁵
(mmbpd)

10.7



Integrated refining and petrochemical operations

Major integrated refiner and petrochemical producer with a global network of reliable assets in key regional markets and hubs.

Net refining capacity
(mmbpd)

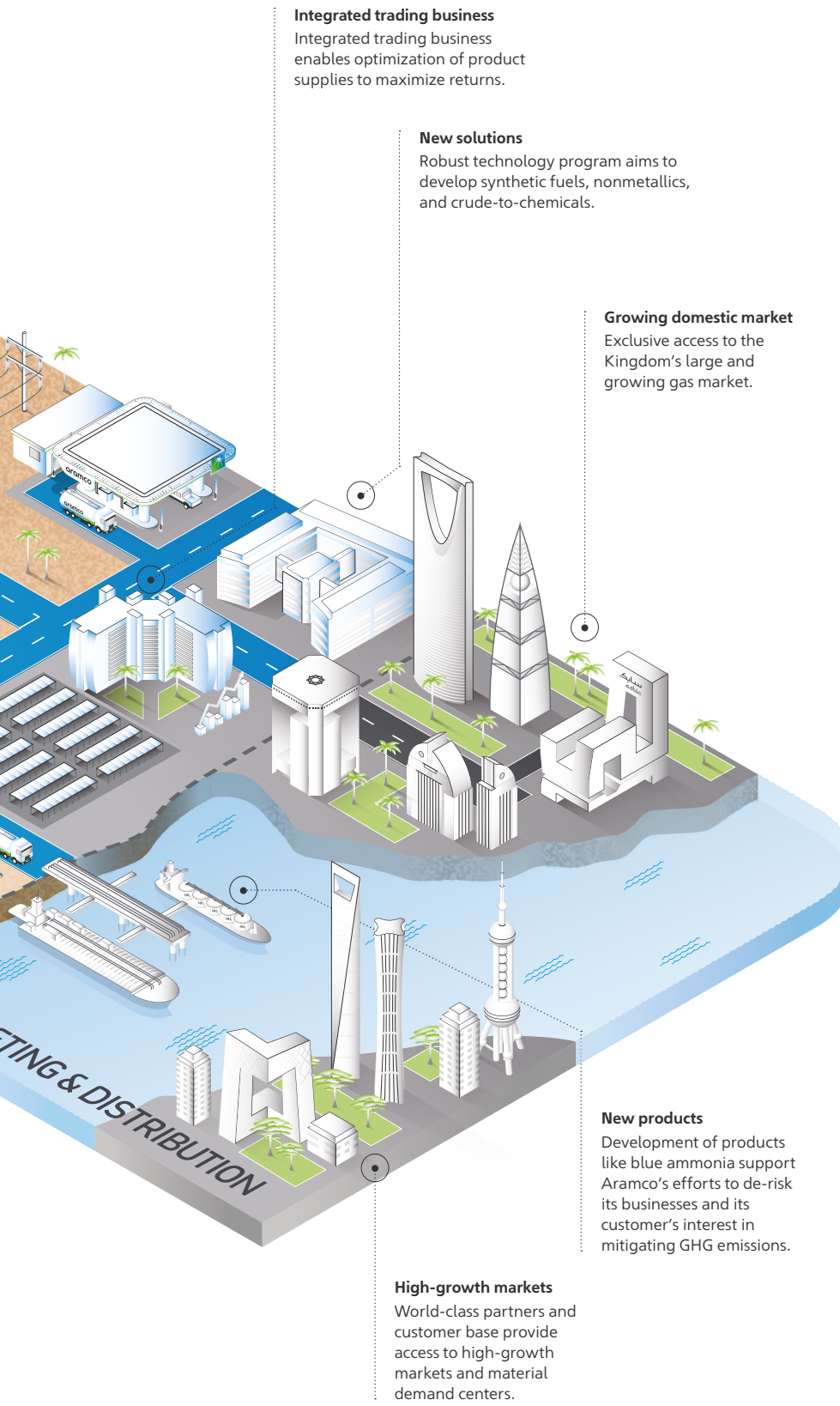
4.1

Net chemicals production capacity⁶
(million tons per year)

59.6

Kingdom-wide infrastructure network

Kingdom-wide distribution network includes pipelines, bulk plants, air refueling sites, and terminals that deliver crude oil, NGL, natural gas, and refined products.



Integrated trading business

Integrated trading business enables optimization of product supplies to maximize returns.

New solutions

Robust technology program aims to develop synthetic fuels, nonmetallics, and crude-to-chemicals.

Growing domestic market

Exclusive access to the Kingdom's large and growing gas market.

New products

Development of products like blue ammonia support Aramco's efforts to de-risk its businesses and its customer's interest in mitigating GHG emissions.

High-growth markets

World-class partners and customer base provide access to high-growth markets and material demand centers.

Outcomes and impacts

Operations

Products produced

- Crude oil
- Gas
- NGL
- Condensate
- Refined products
- Chemicals
- Base oils and lubricants
- Electricity
- Blue ammonia
- Nonmetallics

Upstream carbon intensity⁴
(kg of CO₂e/boe)

10.7

Scope 1 emissions⁴
(mmtCO₂e)

54.4

Power supplied to the national grid
(gigawatts)

1.1

Reliability⁷
(%)

99.8

Scope 2 emissions⁴
(mmtCO₂e)

18.2

Freshwater consumption⁴
(million cubic meters)

89.90

Relationships

In-Kingdom Total Value Add (iktva)⁴
(%)

65.0

Payments to the Government⁸
(billion)

SAR 747 \$199

Financial

Net income
(billion)

SAR 455 \$121

Free cash flow^{*}
(billion)

SAR 380 \$101

Dividends paid
(billion)

SAR 367 \$98

Return on average capital employed (ROACE)^{*}
(%)

22.5

Human

Lost time injuries / illnesses rate⁴
(per 200,000 work hours)

0.018

Total recordable case rate⁴
(per 200,000 work hours)

0.042

Tier 1 process safety events⁴

15

Fatalities⁴

3

Global operations

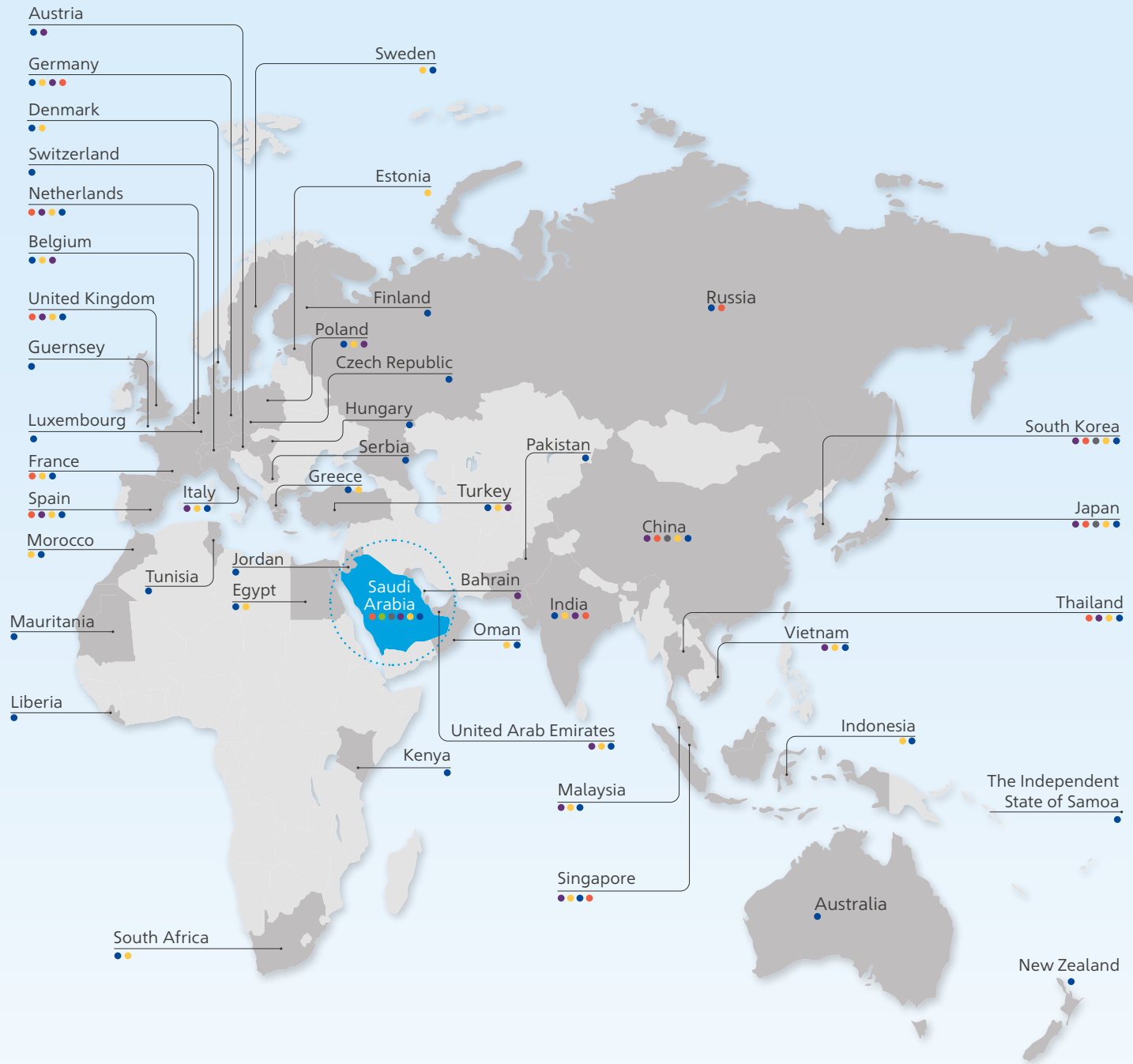
- Countries of operations – as at December 31, 2023
- Subsidiary offices*
- Terminals and distribution hubs
- Refining, petrochemical and manufacturing facilities
- Crude oil and natural gas production facilities
- Aramco retail fuels network
- Technology and innovation centers

* Subsidiaries are separate legal entities from the Company.



Saudi Arabia





Overview

Aramco is one of the world's largest integrated energy and chemicals companies. Its operating segments are Upstream and Downstream, which are supported by corporate activities.

Integrated operations

Upstream

The Upstream segment's activities consist of exploring for, developing, and producing crude oil, condensate, natural gas, and NGL. Aramco's principal fields are located in close proximity to each other within the central region and Eastern Provinces of the Kingdom. The crude oil, condensate, natural gas, and NGL produced by the Upstream segment travel through Aramco's pipelines to multiple facilities for processing into refined and petrochemical products, or to domestic customers or export terminals. For more information, see Section 2: Results and performance – Upstream.

Downstream

The Downstream segment's activities consist primarily of refining and petrochemicals, base oils and lubricants, retail, distribution, supply and trading, and power generation. These support the Upstream and Downstream businesses by enabling optimization of crude oil sales and product placement through Aramco's significant infrastructure network of pipelines and terminals, and to access shipping and logistics resources.

Aramco's downstream investments diversify its revenue and integrate its oil and gas operations to optimize value across the hydrocarbon chain, supporting crude oil and gas demand and facilitating the placement of its crude oil. Aramco also has an integrated petrochemicals business within its Downstream segment that produces basic chemicals, such as aromatics, olefins, and polyolefins, as well as more complex products such as polyols, isocyanates, and synthetic rubber. For more information, see Section 2: Results and performance – Downstream.

Corporate

Aramco's Upstream and Downstream segments, as well as the overall business, are supported by corporate activities. These include technical services essential to the success of Aramco's core business, as well as human resources, finance, legal, corporate affairs, and IT. The corporate activities are also supported by the integrated Strategy and Corporate Development organization, which is mandated to maximize value creation by efficiently optimizing Aramco's asset portfolio and seek growth opportunities in line with corporate strategies. For more information, see Section 2: Results and performance – Corporate.

Aramco's corporate activities are underpinned by its commitment to good governance and leadership, which includes sustainability practices (Section 3: Sustainability), risk management (Section 4: Risk), and corporate governance (Section 5: Corporate governance).

Market overview

Global

In 2023, central banks around the world continued with their policy of increasing interest rates to suppress the significant inflation that persisted from the economic recovery that took place in 2021 and 2022. This led to a slower rate of growth in the global economy, with GDP rising by an estimated 2.7%¹ in 2023, compared to 3.1%¹ in the previous year. It is anticipated that the impact of previous interest rate increases will continue to weaken global GDP growth into 2024, with performance expected to reach a level of 2.6%².

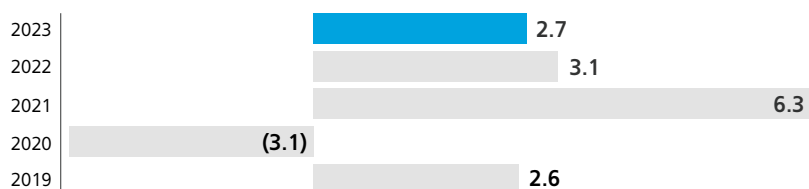
In 2023, global oil demand is projected to have risen by 1.9 mmbpd to 102.3 mmbpd³, while the global oil supply is estimated to have averaged 103.0 mmbpd³. This surplus in global supply has resulted in Brent crude prices stabilizing in the low \$80 range. The average price for ICE Brent crude in 2023 was \$82.2 per barrel⁴.

Domestic

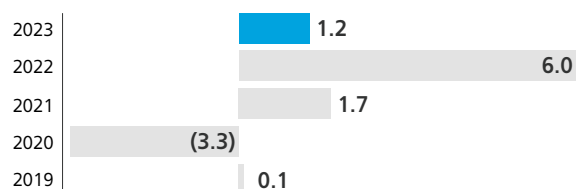
After experiencing robust economic expansion of 8.7%⁵ in 2022, the Kingdom's GDP declined by an estimated 0.9%⁵ in 2023. This modest decline is attributed to reductions in oil production, which have led the oil sector to shrink by an estimated 9.2%⁵. However, a healthy 4.6%⁵ growth in non-oil activities coupled with an estimated 2.1%⁵ rise in government activities mitigated the effect of the oil sector decline on overall GDP growth in 2023.

In 2023, the demand for energy within the Kingdom is estimated to have increased by 1.2%. This rise in domestic energy consumption was primarily fueled by the transportation sector, which saw an estimated growth of 5.9%. This sector's growth was supported by a robust private economic sector, strong activity in construction, and the ongoing rebound of international air travel.

Global GDP growth^{1,6} (%, year-on-year)



Kingdom energy demand growth (%, year-on-year)



Global oil demand and supply^{3,6} (mmbpd)



1. Oxford Economics.

2. Bloomberg.

3. S&P Global Crude Oil Markets Outlook.

4. Market View, Intercontinental Exchange (ICE).

5. General Authority for Statistics, Kingdom of Saudi Arabia.

6. Comparative figures have been adjusted to reflect actual data, where applicable.

Positioning Aramco for the future

Aramco's strategy is driven by its belief that reliable and affordable energy supplies, including oil and gas, will be required to meet the world's growing energy demand, and that new lower-carbon energy supplies will gradually complement conventional sources. Aramco continues to work to achieve further reductions in greenhouse gas emissions from its oil and

gas operations. Aramco also invests in technologies and solutions supporting the global energy and materials transition towards a lower-carbon emissions future. The world's demand for affordable, reliable, and more sustainable energy will continue to grow, and Aramco believes it can best be met by a broad mix of energy solutions.

Our strategic themes

To achieve its vision, Aramco focuses on four strategic themes across its businesses:

Upstream preeminence

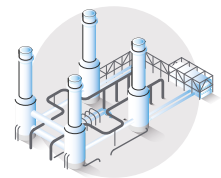
As the principal engine of value generation, Aramco intends to maintain its position as the world's largest crude oil company by production volume and one of the lowest-cost producers. The Company's vast reserves base, spare capacity, and unique operational flexibility allow it to effectively respond to changes in demand.



■ For more information see page 22

Downstream integration

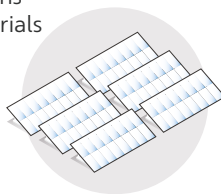
Aramco has a dedicated system of domestic and international wholly-owned and affiliated refineries that are critical to monetizing its upstream production. Through continued strategic integration, the Company captures additional value across the hydrocarbon chain.



■ For more information see page 23

Lower-carbon initiatives

Aramco aims to lower the net carbon emissions of its operations and support the global energy transition through development of a New Energies business that includes renewable power generation and lower-carbon products and solutions across the energy, chemicals, and materials sectors.



■ For more information see page 24

Localization and the promotion of national champions

Aramco facilitates the development of a diverse, more sustainable, and globally competitive in-Kingdom energy ecosystem to underpin the Company's competitiveness and support the Kingdom's economic development.



■ For more information see page 24

Within this context, Aramco's vision is to be the world's preeminent integrated energy and chemicals company, operating in a safe, sustainable and reliable manner.

Aramco strives to provide reliable, affordable and more sustainable energy to communities around the

world, and to deliver value to its shareholders through business cycles by maintaining its preeminence in oil and gas production and its leading position in chemicals, aiming to capture value across the energy value chain and profitably growing its portfolio.

Our key enablers

Aramco's strategy requires a number of enablers to be successful, including:



People

Aramco recognizes the need to prepare its workforce of the future to ensure its capabilities match its strategic requirements. This includes advancing technical and professional skills, developing commercial and leadership competencies, supporting the progress of localization, and focusing on diversity and inclusion.



Technology

Aramco's technology program aims to develop new solutions for its Upstream and Downstream businesses, help diversify its product portfolio, grow its business sustainably, and achieve its net-zero ambition.

The program also aims to enable Aramco to grow its business competitively and sustainably in new areas such as new energies, advanced materials, and digital solutions.



Portfolio optimization

Aramco seeks to unlock value, enhance its capital structure, and reallocate capital to higher growth and return investments. Aramco has a comprehensive and disciplined internal approval process for capital expenditures, new projects, and debt issuance.

■ For more information see page 25

How we deliver value

Aramco seeks to deliver value across four dimensions:



Profitability

By reinforcing its competitive positions across its upstream and downstream activities.



Resilience

Both operational and financial, enabling the Company to declare dividends on a regular basis with a view to building long-term shareholder value. This includes providing sustainable dividend growth through crude oil price cycles and maintaining a high investment-grade credit rating.



Growth

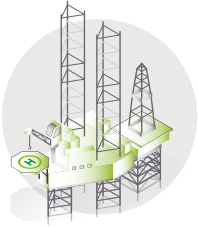
Both in its traditional oil and gas activities and new businesses.



Sustainability

As a core element of Aramco's operational philosophy.

Four strategic themes



Upstream preeminence

Oil

Aramco intends to maintain its position as the world's largest crude oil company by production volume. Its reserves, operational capabilities, and spare capacity allow it to increase production in response to demand.

Aramco expects global demand for crude oil will continue to increase for many years to come. Aramco believes that there is a need for industry-wide investment to meet this demand, and that new oil discoveries and developments will be needed to offset the natural decline in production from currently producing fields. The Company intends to continue to invest in crude oil exploration and production through oil price cycles in order to meet this expected global demand growth, and believes that its low lifting costs, low capital intensity and lower upstream carbon intensity uniquely position it to benefit from these investments and the continued pressure on the oil and gas industry to reduce the environmental impact of the industry's operations.

The Company seeks to preserve its position as one of the world's lowest average upstream carbon intensive crude oil producers. Aramco's low per barrel gas flaring rates, low depletion rate operational model, and a focus on reducing the quantity of produced water contribute to its lower average upstream carbon intensity production. The Company is also pursuing a wide range of initiatives to reduce its upstream carbon intensity by at least 15% by 2035 compared to a 2018 baseline. Through reliable and lower carbon intensity production, Aramco aims to support energy access and security through the energy transition.

The Company balances production between maturing areas and newer production sources, tapping into new reservoirs when required to optimize the depletion rate of its fields and maintain crude oil production. Aramco's low-cost position is a result of the unique

nature of the Kingdom's geological formations, favorable onshore and shallow water offshore environments in which its reservoirs are located, synergies from Aramco's use of its large infrastructure and logistics networks, its low depletion rate operational model, and its scaled application of technology.

Aramco seeks to maintain its position as one of the world's most reliable crude oil suppliers. The Company utilizes term agreements for selling crude oil to major consumers globally, providing supply predictability to customers by standardizing price and delivery terms to major regional demand centers. Aramco continues to invest in its sophisticated and extensive crude oil distribution and dispatch system to maintain its supply reliability.

The Government determines the Kingdom's maximum level of crude oil production in the exercise of its sovereign prerogative and requires Aramco to maintain an MSC in accordance with the Hydrocarbons Law. The Government has directed Aramco to maintain crude oil MSC at 12.0 mmbpd. The spare capacity afforded by maintaining an MSC provides operational flexibility to increase its production. While Aramco has a robust field maintenance philosophy that emphasizes the reliability of its upstream operations, the MSC provides an alternative supply option in the event of unplanned production outages.

Gas

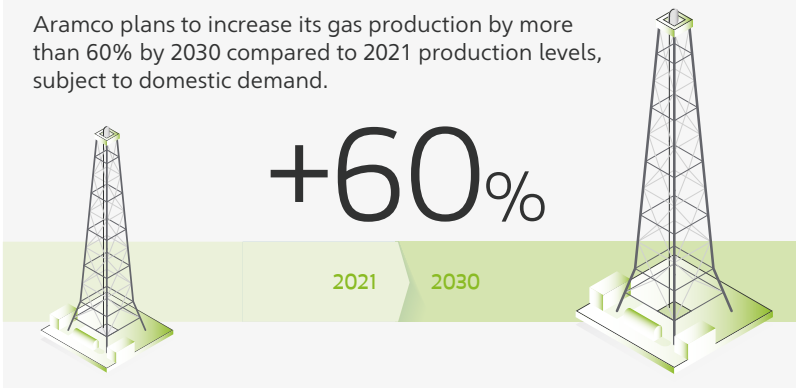
Domestically, Aramco plans to further expand its gas business, including the development of its unconventional gas resources, increase its gas production by more than 60% by 2030 compared to its 2021 production levels, subject to domestic demand, and invest in additional infrastructure to meet the large and growing domestic demand for lower-cost energy and to reduce liquids-burning in power generation. Domestic gas demand growth is driven by power generation, water desalination, petrochemical production, and other industrial consumption in the Kingdom.

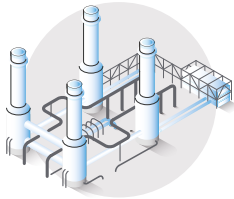
An important additional benefit of Aramco's gas production is the significant NGL and condensate yields, which supplement crude oil production and provide feedstock to the refining and petrochemical industries.

Internationally, Aramco anticipates strong demand-led growth for LNG as the world continues on its energy transition journey, with gas being a vital fuel and feedstock in various industries, and critical to meeting the world's need for secure, accessible, and more sustainable energy. As a result, Aramco plans to develop an integrated global LNG business, and is pursuing corresponding direct investment and joint venture opportunities.

Strategy in action

Aramco plans to increase its gas production by more than 60% by 2030 compared to 2021 production levels, subject to domestic demand.





Downstream integration

Aramco intends to continue the strategic integration of its Upstream and Downstream businesses to facilitate the placement of the Company's crude oil in larger offtake volumes through a dedicated system of domestic and international wholly-owned and affiliated refineries and petrochemical complexes, allowing it to capture additional value across the hydrocarbon chain, expand its sources of earnings, and provide resilience to oil price and demand volatility.

Aramco's 70% equity interest in SABIC supports the significant expansion of its downstream activities, particularly in its chemicals business, and provides additional opportunities to supply mixed feedstock of crude oil, refinery products and gas to manufacture petrochemical products. Changing patterns of demand, including growth in chemicals demand and the long-term risk of decline in fuels demand, are driving the Company's strategy to favor investments in facilities with high liquids-to-chemicals conversion rates. Aramco aims to increase its liquids-to-chemicals throughput to four million barrels per day by 2030.

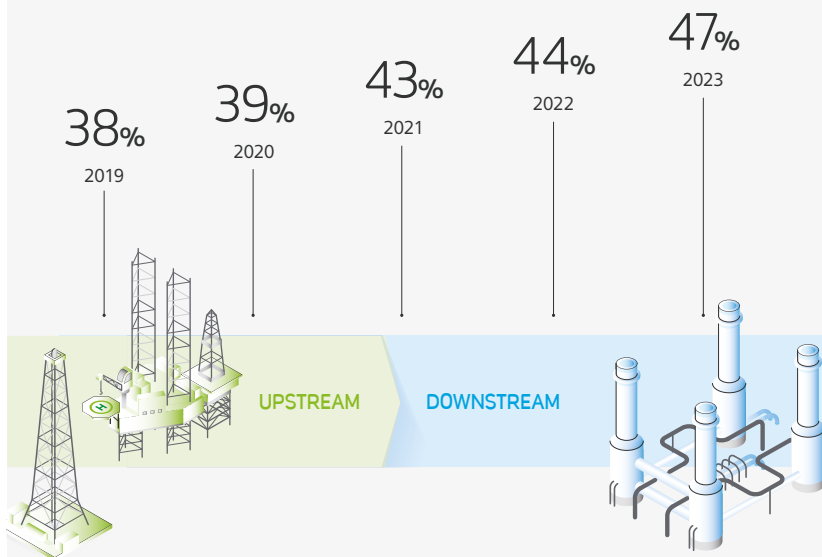
Geographically, Aramco intends to enhance both its domestic and global Downstream businesses in key high-growth geographies such as China, India, and Southeast Asia, which are integral to its existing business and future expansion strategy, as well as in other attractive markets. Aramco also intends to maintain its presence in key large countries, such as the United States, and in countries that rely on imported crude oil, such as Japan and South Korea.

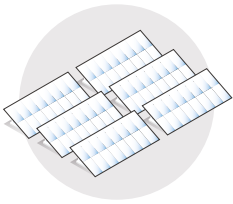
Aramco continues to expand global recognition of its brands. One aspect of this strategy is to introduce its brands to existing domestic and international marketing businesses, including at retail service stations, and further develop its petrochemicals, base oil and lubricants brands. As new marketing activities are added to its business portfolio, Aramco intends to use its own brands to build recognition of its position in the global energy sector.

Strategy in action

Aramco's dedicated system of domestic and international refineries provide secure demand for upstream crude production.

Upstream crude oil production utilized by Aramco's downstream operations





Lower-carbon initiatives

Aramco's strategy for lower carbon intensity energy, which seeks to address climate-related risks and opportunities, aims to de-risk its businesses and maintain competitiveness and differentiation in carbon-constrained scenarios and, at the same time, to build a material and profitable new business area for the longer term.

The strategy has two main aspects. The first is to lower the net carbon emissions of the Company's operations over time with the ambition to achieve net-zero Scope 1 and Scope 2 greenhouse gas emissions across wholly-owned operated assets by 2050. The second is to develop and invest in renewables power generation and lower-carbon products and solutions across the energy, chemicals, and materials industries.

Lowering the Company's own net carbon emissions requires managing, reducing, and balancing carbon emissions across its operations through a number of measures, including efficiency gains, renewable power investment, carbon capture, utilization, and storage, and multiple offset initiatives.

By developing and investing in renewable power generation and lower-carbon products and solutions, Aramco aims to both support its efforts to decarbonize its own operations, while building a material and profitable new business area for the longer term. Through investments in lower-carbon hydrogen and ammonia, lower-carbon fuels, and gas, Aramco seeks to support emissions reductions in hard-to-decarbonize sectors such as heavy-duty transport and industrial applications, and develop

products to complement renewables in the domestic energy mix. These initiatives are expected to help the Company participate in the growing market for lower-carbon products and solutions. Aramco is also pursuing carbon capture and storage as a service offering to third parties, and is seeking investments in renewables that align with its other lower-carbon initiatives. To support this strategy, the Company has established a New Energies organization to group together its low-carbon businesses, focused on renewable power generation, lower-carbon hydrogen, and carbon capture and storage (CCS). The Company has ambitions to capture and store up to 11 million tons of CO₂ annually from Aramco facilities, plus additional CO₂ from other industrial sources, by 2035, and invest in up to 12 gigawatts of solar PV and wind projects by 2030.

Aramco aims to grow its business sustainably by leveraging technology and innovation to lower its climate impact. The Company intends to maintain its position amongst the leaders in upstream carbon intensity, with one of the lowest carbon emissions per unit of hydrocarbons produced.

Strategy in action

Aramco has ambitions to capture and store up to

11 million tons

of CO₂ annually from Aramco facilities, plus additional CO₂ from other industrial sources, by 2035, and invest in up to 12 gigawatts of solar PV and wind projects by 2030.



Localization and national champions

In addition to Aramco's core businesses, the Company seeks to foster new businesses that will increase the long-term reliability and competitiveness of the Company's ecosystem, as well as contributing to the Kingdom's economic development. This is key to ensuring Aramco's long-term cost and productivity leadership, sustainability, and resilience.

The objectives are two-fold: to localize the Company's supply chain, and promote national champions.

Aramco aims to strengthen its supply chain through its localization efforts and utilizes the Kingdom's Shareek program, which provides a framework to incentivize in-Kingdom investments. As part of this strategy, Aramco seeks to increase the use of in-Kingdom suppliers of goods and services to 70.0% through its in-Kingdom Total Value Add (iktva) program.

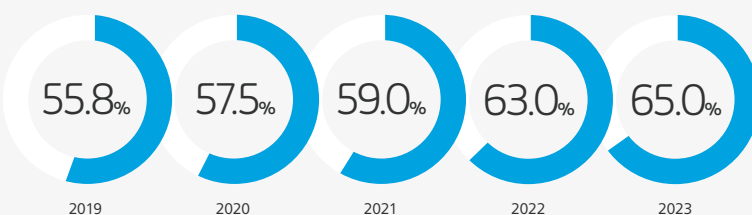
Through its Namaat industrial investment program, Aramco intends to drive continued growth and development of a resilient and sustainable domestic supply chain to strengthen and expand the in-Kingdom private sector.

The Company's Taleed program seeks to accelerate the growth of small- and medium-enterprises across multiple sectors in the sustainability, digital, manufacturing, industrial, and social innovation domains.

Strategy in action

Aramco is helping to build a world class local supply chain through its iktva program.

Percentage of total procurement expenditures locally sourced¹



1. Applies to Saudi Arabian Oil Company (the Company).

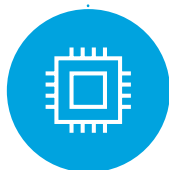
Our key enablers



People

Aramco recognizes the need to prepare its workforce of the future and seeks to ensure its capabilities match its strategic requirements by:

- Advancing technical and professional skills, developing commercial and leadership competencies, and supporting the progress of localization; and,
- Focusing on diversity and inclusion.



Technology

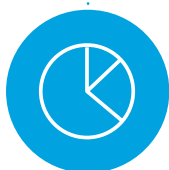
Aramco's technology program aims to develop new solutions for its Upstream and Downstream businesses, help diversify its product portfolio, and grow its business sustainably and achieve its net-zero ambition. The program also aims to enable Aramco to grow its business competitively and sustainably in new areas such as new energies, advanced materials, and digital solutions. Aramco focuses its technology initiatives in upstream, downstream, and sustainability, and recognizes the importance of embedding technology in its strategy and business culture.

Aramco has increased the venture capital (VC) funding available to Aramco Ventures by SAR 15.0 billion (\$4.0 billion), making it one of the top corporate venture capital funds in the world and more than doubling the total funding available to its VC programs to SAR 28.1 billion (\$7.5 billion), including Wa'ed Ventures. Half of this new funding will be invested in disruptive technologies outside the energy sector, and half will be earmarked for late-stage, larger-ticket ventures in the sustainability and digital domains.

Aramco intends to finance game-changing innovations across a variety of industries and to pave the way for collaborations with innovative companies to develop new technologies that create long-term diversification opportunities.

Examples of the new solutions that Aramco believes will positively impact its business sustainability, and which are being actively pursued, include:

- Directly converting liquids to chemicals;
- Producing hydrogen from hydrocarbons while capturing and storing associated emissions;
- Expanding nonmetallic applications;
- Accelerating large-scale deployment of carbon capture, utilization, and storage;
- Enabling sustainable transport through more efficient engines and lower-carbon fuels; and,
- Accelerating technology-based offsetting solutions, such as direct air capture.



Portfolio optimization

Through portfolio optimization, Aramco seeks to unlock value, enhance its capital structure and reallocate capital to higher growth and higher return investments. Aramco has a comprehensive and disciplined internal approval process for capital expenditures, new projects, and debt issuance. The Company analyzes future projects based on strategic, operational, commercial, and financial targets. Aramco's unique reserves and resource base, operational flexibility, field management practices, and strong cash flow generation serve as a foundation for its low gearing and flexibility to allocate capital.