



# **SUSTAINABILITY**

## REPORT 2021







**His Majesty  
Sultan Haitham bin Tarik**



**The Late  
Sultan Qaboos bin Said**  
May his soul rest in peace





**Mulham Al Jarf**  
Chairman

## Message from the **CHAIRMAN OF THE BOARD**

### **Steady and Solid Progress Towards our Goals**

At the start of 2021, the challenges of the pandemic continued to test the business environment; however, and fortunately improved market demand played in favour of the industry as the world began to recover, and demand for energy returned. OQ consequently achieved strong financial and operational performance, focusing on quality services to its customers while maintaining high HSSE standards and realising robust financial performance during 2021 compared to 2020. The exceptional performance was primarily driven by the improved market environment, as well as consistent operational performance across the business. The Group generated a consolidated revenue of USD 22,768 Mn, compared to USD 14,006 Mn in 2020. The performance for the year significantly improved its the Net Debt to EBITDA ratio, decreasing it from 7.80 times in 2020 to 2.95 in 2021.

Safety, as always, was a key priority for OQ, where considerable investments were made to ensure employees return to a safe working environment. As a result, OQ was able to conclude 2021 with an exceptional performance, exceeding targets across all key safety dimensions.

OQ also remains committed to maintaining the highest levels of integrity and transparency, rolling out a number of policies and programmes and conducting training courses which aim to make employees its Compliance Ambassadors. The year 2021 has also seen growth in OQ's cybersecurity maturity, brought about by the emerging threats and risks targeting information technology and operational technology. Utilising Fourth

Industrial Revolution technologies, OQ also stepped up its digital transformation efforts, resulting in increased efficiency, optimizing costs, introducing predictive maintenance, detecting and reducing emission leaks, and improving the Company's environmental footprint.

In addition, as part of OQ's efforts to keep pace with changes in the global and domestic markets, the Group unveiled the new OQ25 program which will spearhead its transformation journey over the short to medium term. This program will not only reshape the Group's organisational structure, but also introduce changes to OQ's work culture. It will promote strength, agility, diversity, and a performance-based culture which drives excellence and profitability while contributing to Oman's Vision 2040 and the United Nations' Sustainable Development Goals.

Finally, although 2021 tested OQ's resilience and commitment to achieving its targets, OQ has shown agility and adaptability to changes and has taken advantage of opportunities when presented. As we look forward to the future, OQ continues to take bold steps on its energy transition journey.



## Message from the **GROUP CHIEF EXECUTIVE OFFICER**

### **An eventful and successful year**

The year 2021 was a historical one for OQ on many levels. On the projects side, we completed the commissioning of OQ Plastics, BisatB and Yibal export line and we achieved the initial acceptance of OQ LPG. Financially, we had a very strong and consistent performance throughout the year and ended 2021 with a consolidated EBITDA of USD 3.7 Bn, 82% above the budget. Moreover, because we recognise the importance of In-country Value (ICV) in sustainable development, OQ spent over USD 931 Mn on goods and services at an increase of 30% compared to 2020, whereas our spend to SMEs increased by 54% from the previous year, reaching USD 165 Mn.

Environmentally, we have reaffirmed our commitment towards addressing climate change and reducing our carbon footprint by entering into partnerships to develop four renewable energy facilities to produce green hydrogen that is converted into green ammonia, with a total capacity of 30 GW of renewable energy from solar and wind energy. In addition, the solar carports project has reached the final investment decision stage and construction began in 2021. We continue to implement energy efficiency initiatives, resulting in net savings of USD 7 Mn which would be applicable annually thereafter. We are also excited to announce that OQ's decarbonisation policy has been approved and prioritised by OQ's Board. Based on that we conducted a GHG emission assessment, the findings of which will inform OQ's future emission reduction plan.

On the social front, OQ has worked to provide meaningful employment opportunities to the youth, where 65% of newly hired employees were under 30 years of age. We have also undertaken initiatives to develop and empower our workforce through numerous training opportunities targeting different employee categories.

In order to uphold our social responsibility towards the local communities where OQ operates, we have invested more than USD 10.5 Mn in 2021 in initiatives to develop local communities in collaboration with the government, local NGOs and public and private institutions. Moreover, In October of last year, some areas of Oman were tragically hit by Shaheen cyclone, upon which OQ donated USD 5.2 Mn in emergency support to those affected, and more than 730 OQ employees volunteered to provide assistance and aid to the communities impacted by the cyclone.

Finally, I am pleased to present OQ's third Sustainability Report, which provides a detailed account of our environmental, social and governance (ESG) performance in 2021 and highlights some of our achievements that would not have been realised without the hard work and dedication of our employees and partners.



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2021 AT A GLANCE

FINANCIAL PERFORMANCE

- USD 22,768 Mn in consolidated revenue – A 63% increase from 2020
- USD 3,699 Mn in EBITDA – A 154% increase from 2020
- USD 1,818 Mn in net profit, 76% of which were contributed by Upstream business



PROCUREMENT AND ICV

- USD 931 Mn in value spend on local goods, services and SMEs in-country – more than 30% increase from 2020
- USD 165 Mn spend on SMEs – a 54% increase from 2020



ENVIRONMENTAL PERFORMANCE

- Decarbonisation policy was approved and prioritised by Board of Directors.
- 4 major green hydrogen projects are being pursued.
- Water stewardship initiatives were carried out such as reuse in production lines and installation of steam traps.
- Eliminated export of waste.
- Potential of producing more than 30GW of renewable energy
- Solar plant in Liwa to supply 1/3 of LPIC's annual power requirement

EMPLOYMENT

- 5,000 full-time employees
- 82% Omanisation rate in Oman-based assets

ETHICS & BUSINESS INTEGRITY

- Compliance Ambassador programme was rolled out, with 30 designated employees nominated and assigned for this role in different functions of OQ.
- Anti-bribery and corruption prevention policy manual was rolled out and training was conducted on all topics covered by policy.
- Zero legal actions pending during the reporting period regarding anti-corruption behaviour and violations of any antitrust or monopoly legislation.



COMMUNITY DEVELOPMENT

- USD 10.5 Mn invested in CSI projects
- USD 5.2 Mn donated to provide emergency support to those affected by Cyclone Shaheen.
- 733 OQ volunteers participated in assisting affected families, completing a total of 8796 volunteering hours and reaching over 11,260 people
- A total of 2762 OQ volunteers spent around 72,900 hours volunteering to benefit around 48,000 people

EMPLOYEE TRAINING & DEVELOPMENT

- 100 OQ leaders participated in Masar Programme delivered by IMD Business School, receiving training on change management and strategy, culture of agility, competitiveness and high performance.
- 22 outstanding Omani students sponsored to study at international schools and universities as part of Takatuf Scholarship Programme
- 6 OQ leaders participated in Etimad Programme – a national programme for leadership development





About this  
**REPORT**





## ENTITIES INCLUDED IN THE ORGANISATION'S SUSTAINABILITY REPORTING <sup>2-2</sup>

The scope of this report consists of the following legal entities which are spread across UPSTREAM, MIDSTREAM, DOWNSTREAM and COMMERCIAL SECTORS, as well as services in Oman and international locations:

- OQ EXPLORATION and PRODUCTION (OQ E&P)
- OQ GAS NETWORK (OQ GN)
- OQ REFINERIES and PETROCHEMICAL INDUSTRIES (OQ RPI)
- OQ METHANOL
- OQ LIQUIFIED PETROLEUM GAS
- (OQ LPG)
- OQ TRADING
- OQ PLASTICS
- OQ8

All the above legal entities acquired or disposed of during this year are included for the period in which we owned and operated them, and entities that we do not wholly own or have operational control of such as joint ventures are not included in this report, unless otherwise stated.

The data presented throughout the report highlights our operations for the year 2021, and, wherever possible, comparisons to 2019 and 2020 data are made. The report also states where limitations have been identified in the scope of our data. Comparisons to 2019 and 2020 data are sometimes excluded due to a change in scope for some of the disclosures in comparison to the previous year. It is also due to the implementation of revised data collection and verification protocols to enhance data accuracy when compared with 2019 data, when much of OQ's integration was in progress. Wherever possible and applicable, this report restates 2019 and 2020 data published in our previous reports to reflect the change in report scope and any corrections resulting from the revision of data.



## THE REPORTING BOUNDARIES OF THIS REPORT ARE AS FOLLOWS:

- Financial performance data is reported for all our legal entities and joint ventures (on equity basis).
- Environmental data, unless otherwise stated, is reported for all above listed entities.
- Scope 1 CO2 emissions are reported for all above listed entities.
- Scope 2 CO2 emissions are reported on market-based emission factors for all above listed entities.
- Health and Safety metrics are reported for all above listed entities and include data of all our full-time employees, contracted employees, and contractors.

- Social performance data and metrics are recorded for the above listed entities (excluding OQ8) and include data of all our full-time employees, with any exclusions clearly indicated.

The content presented in this report is a result of thorough stakeholder engagement and materiality analysis covered in the chapter entitled "Stakeholder Engagement and Materiality." We believe that all the content and data provided throughout this report is represented with the utmost integrity, honesty, and transparency in order to provide all stakeholders with clear and accurate insights into our business activities and footprint. Moreover, OQ has established a data management framework and methodology to enhance data management and governance across the organisation, carrying out a maturity assessment and identifying opportunities to further improve data flow and quality.

## REPORTING PERIOD, FREQUENCY AND CONTACT POINT <sup>2-3</sup>

This annual sustainability report presents OQ's ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) performance during the period starting from January 1 to December 31, 2021, which is the same reporting period as our annual financial report.

We welcome your feedback on our sustainability approach and performance. For further clarification regarding the details within this report, please contact us at **Sustainability@oq.com**

## EXTERNAL ASSURANCE <sup>2-5</sup>

For this report, the sustainability department has carried out an internal assurance process, which includes the revision of all content with management and internal stakeholders. It was decided not to appoint an external party to audit our sustainability report, as we are in the process of refining our approach in data collection and validation. This includes continuous engagement

and enhancing knowledge from the aspects of sustainability and business requirements. However, third party report assurance is an option that we will consider for future sustainability reports, and we have taken steps to carry out an assurance readiness exercise with a third party provider.







## About **OQ**



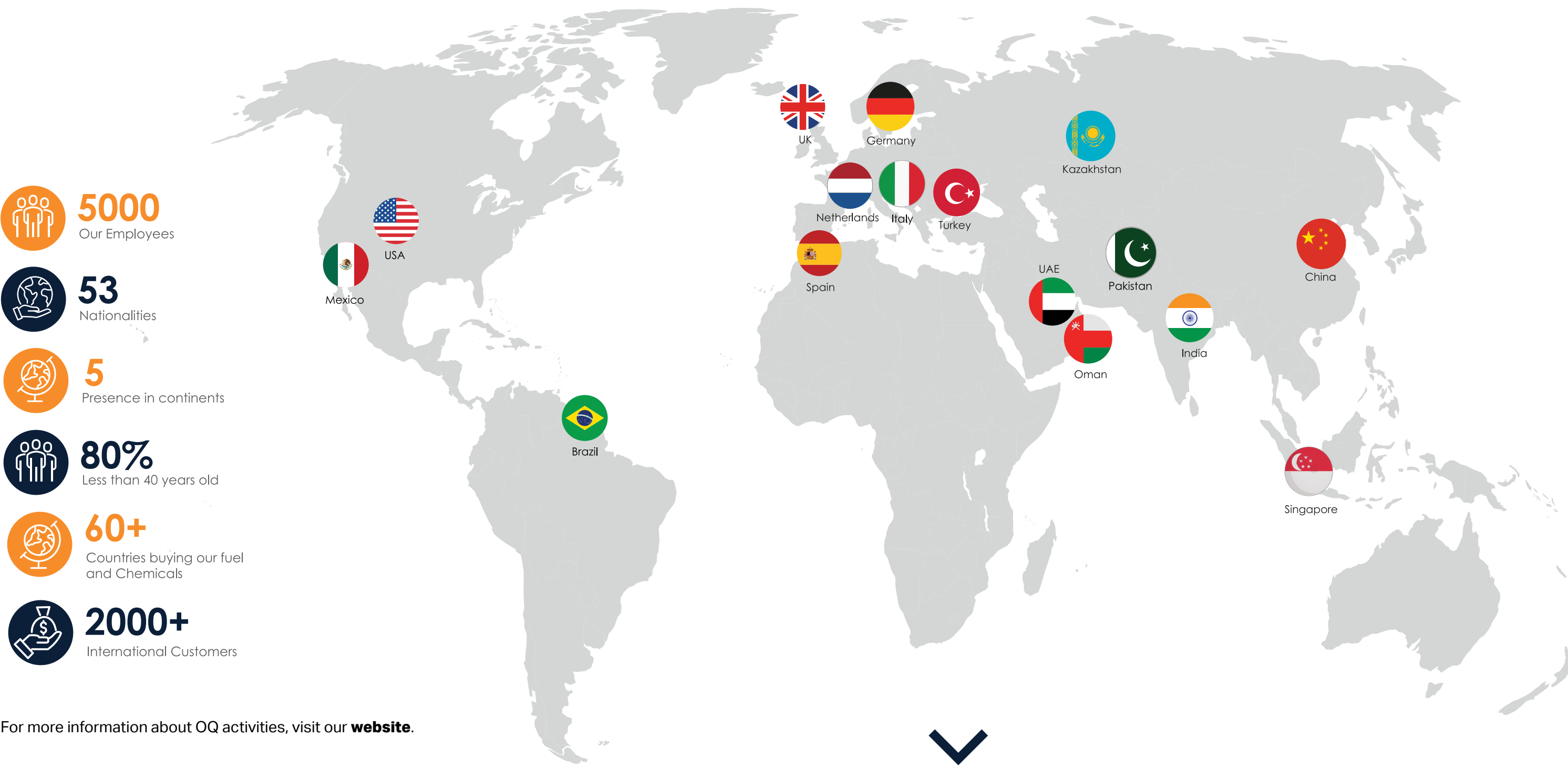
ORGANISATIONAL DETAILS 2-1, 2-6

OQ SAOC is a global integrated energy company wholly owned by the government of Oman. Our operations cover the entire value chain from exploration and production to marketing and distribution of end-user products. We operate in 16 countries around the world, having our headquarters in Oman. Our products are sold in over 70 countries worldwide.

Moreover, we recognise the rising importance and urgency of transitioning to alternative energy, and we invest in energy efficiency and optimisation, clean energy, and low-carbon molecules.

Our diverse multi-national teams share a common drive to provide excellence in all facets of the energy industry, where sustainability is a key pillar of our operational philosophy in our journey to solidify our position as a leading local and global energy company.

We use our combined expertise from across the energy sector to uphold and enable Oman's Vision 2040. This includes our innovative product development path, investments, and acquisition strategies to support Oman in providing high-value raw materials to global markets.



For more information about OQ activities, visit our **website**.



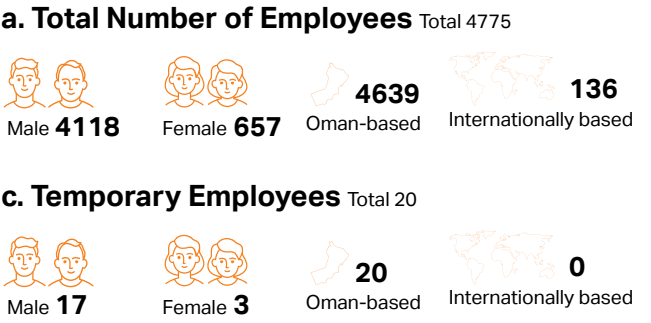
OUR VALUE CHAIN 2-6

OQ’s legal entities cover the whole value chain of the energy sector, including UPSTREAM, DOWNSTREAM, COMMERCIAL and LOGISTICS, in addition to a standalone business line focusing on ALTERNATIVE ENERGY.

For more information about OQ activities and value chain, please visit our **website**.

EMPLOYEES 2-7

The figures below present the total number of OQ employees, including permanent and temporary employees by gender and region, with “internationally based” employees referring to employees of OQ Polymers and OQ Trading.

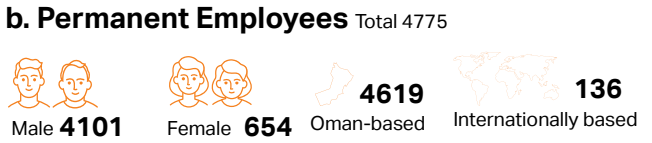


OUR CONTRACTORS 2-8

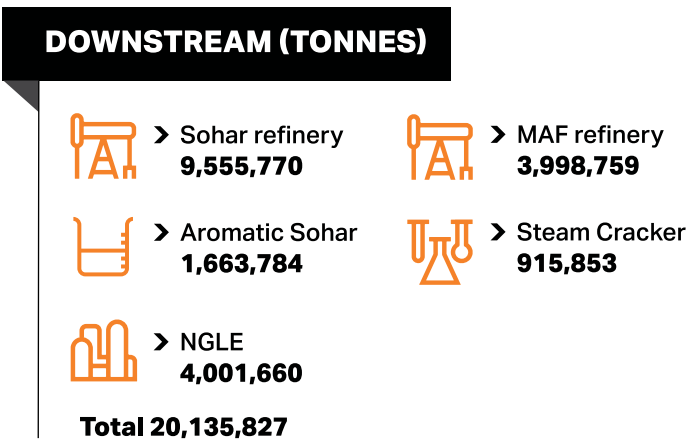
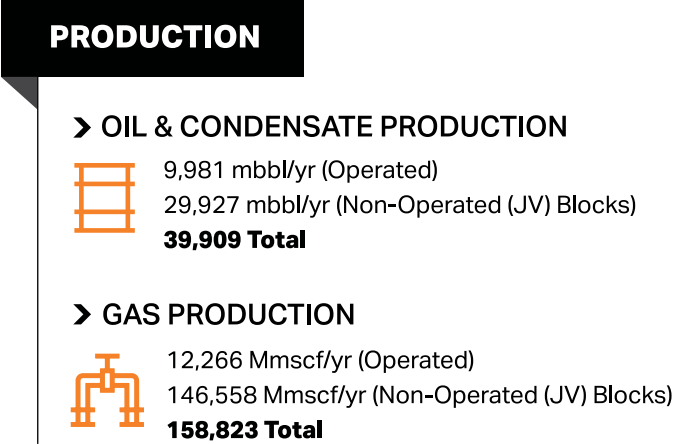
We have established long-standing business relationships with our vendors and suppliers locally and internationally. Our procurement function plays a crucial role in facilitating sourcing of goods and services to fulfil the needs of its projects and activities. The primary strategies used in managing our supply chain include

Our products vary from crude oil and gas to a wide range of chemicals that are sold and distributed to over 60 countries worldwide.

Temporary employees include secondees as well as employees given a temporary contract (long-term or short-term). It is provided in full-time equivalent (FTE) as of December 2021.



timely processing of requirements and needs, maintaining competitiveness and financial health in outsourcing decisions and complying with policies and procedures to assure compliance with our code of conduct. We have more than 3000 registered vendors and suppliers, distributed throughout Oman, the GCC and around the world.



NEW OPERATING MODEL

In Q4 2021, OQ announced a change in the organisation’s structure and operating model. The new operating model, “OQ25”, is set to support our 2022 goals and beyond. We have

a new vision and mission for driving excellence, profitability and leading the energy sector as a global energy company.

**Vision**

Maximising value from Oman’s energy resources and powering our transition towards a sustainable future.

**Mission**

Drive sustainable economic growth in Oman’s energy value chain and enable energy transition through successful partnerships.

OQ25 aims to transform the organisation in order to drive diversification in the short- to medium-term. More importantly, it is aligned with and contributes to Oman Vision 2040. The new operating model entails significant changes to OQ as all our assets will act as standalone entities. This is expected to significantly improve

EBITDA, cash flow, and support the sustainable growth of OQ. Furthermore, in recognising the importance of ALTERNATIVE ENERGY for both financial and environmental aspects of the business, we will be growing with investments in ALTERNATIVE ENERGY and paying dividends to our shareholders.







# GOVERNANCE



GOVERNANCE

OQ’s corporate governance policies has been built on the Code of Corporate Governance issued by the Oman Investment Authority (OIA). The Board of Directors of OQ (The Board), following the laws of the Sultanate of Oman and in compliance with the COMMERCIAL COMPANIES LAW, the SECTOR LAW, the CODE OF CORPORATE GOVERNANCE for OIA and OQ Corporate Governance Framework, recognises. The policies recognise the necessity for clarity in the roles, responsibilities, and accountability of OQ.


In addition, we strictly adhere to the latest

OUR BOARD OF DIRECTORS

OMAN INVESTMENT AUTHORITY (OIA) is the 100% owner of OQ as of August 2020. It appointed OQ’s Board of Directors in August 2020 to serve a three-year term, from the date of the earliest appointed member, DR ABDULLAH AL LAMKI.


corporate governance best practices and standards to ensure consolidation of business objectives across all levels, enhancing our shareholder value. Since 2021, OQ went a long way in establishing the governance structure. The vast majority of our policies, processes and procedures are now developed, finalised. All our policies are approved by The Board. The governance team of OQ is coordinating closely with relevant departments and business units to ensure that it is acting responsibly with accountability, transparency, and integrity to maintain the highest degree of confidence and reliability.

The Board consists of seven members listed below, all of whom are independent and non-executive members.




**Member**  
**Position**  
**Independence**  
**Exec/Non-Exec**  
**Tenure\***  
**Nationality**  
**Other Commitments**

Mulham Basheer Al Jarf  
Chairman  
Independent  
Non-Executive  
Appointed 30 August 2020  
Omani  
Acting Deputy President - Investment, Oman Investment Authority.



**Member**  
**Position**  
**Independence**  
**Exec/Non-Exec**  
**Tenure\***  
**Nationality**  
**Other Commitments**

Said Abdullah Al Hatmi  
Deputy Chairman  
Independent  
Non-Executive  
Appointed 30 August 2020  
Omani  
Chief Executive Officer, Al Ahli Bank.




**Member**  
**Position**  
**Independence**  
**Exec/Non-Exec**  
**Tenure\***  
**Nationality**

Dr. Abdullah Mohammed Al Lamki  
Member  
Independent  
Non-Executive  
Appointed 29 March 2020  
Omani




**Member**  
**Position**  
**Independence**  
**Exec/Non-Exec**  
**Tenure\***  
**Nationality**  
**Other Commitments**

Abdulrahman Salim Al Hatmil  
Member  
Independent  
Non-Executive  
Appointed 30 August 2020  
Omani  
Group Chief Executive Officer of ASYAD.



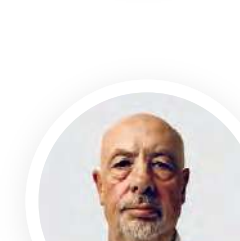
**Member**  
**Position**  
**Independence**  
**Exec/Non-Exec**  
**Tenure\***  
**Nationality**  
**Other Commitments**

Eng. Omar Khalfan Al Wahaibi  
Member  
Independent  
Non-Executive  
Appointed 30 August 2020  
Omani  
Group Chief Executive Officer of Nama Group and Chief Executive Officer of Nama Holding.



**Member**  
**Position**  
**Independence**  
**Exec/Non-Exec**  
**Tenure\***  
**Nationality**  
**Other Commitments**

Tore Myrholt  
Member  
Independent  
Non-Executive  
Appointed 30 August 2020  
Norway  
Senior external advisor to McKinsey based out of Doha.



**Member**  
**Position**  
**Independence**  
**Exec/Non-Exec**  
**Tenure\***  
**Nationality**

Graham Ford  
Member  
Independent  
Non-Executive  
Appointed 15 June 2021  
UK





## GOVERNANCE STRUCTURE AND COMPOSITION <sup>2-9</sup>

The Board is a strategic planning and oversight body, constituted in accordance with the law, the OMAN INVESTMENT AUTHORITY (OIA) Code of Governance requirements, as well as The Board Terms of Reference.

The Board has three committees: THE AUDIT AND RISK COMMITTEE, REMUNERATION AND NOMINATION COMMITTEE, and the STRATEGY AND INVESTMENT COMMITTEE.

Five of the Board members are Omani, one is British, and one is Norwegian. The tenure of the members is three years from the date of

the general meeting in which the election was conducted, as per the OIA Code of Governance. The Board is the steward of the organisation, designed to maximise shareholder value by managing the affairs of the company for the OIA and providing ongoing strategic guidance and vision for the organisation.

<sup>2-10</sup>

The selection of individuals for Board Membership in both executive and independent positions is done in accordance with mandatory OIA policies set out in the OIA CODE OF GOVERNANCE.

## CHAIR OF THE HIGHEST GOVERNANCE BODY <sup>2-11</sup>

The Chairman of OQ's Board is Acting Deputy President for investment at OIA and is a separate individual to the Group CEO. He is not a Senior

Executive in the organisation. Therefore, there are no conflicts of interest.

## THE ROLE OF THE HIGHEST GOVERNANCE BODY IN OVERSEEING IMPACT MANAGEMENT <sup>2-12</sup>

The Board oversees the impact of OQ's strategic operations on sustainability, and it is accountable to OIA for engagement with relevant stakeholders. OQ's Board considers the best interests of the company as a whole to directly serve the

objectives of OQ, enhance management's governance, maximise shareholder value and contribute to the local community in the areas where we operate.

## DELEGATION OF IMPACT MANAGEMENT RESPONSIBILITY <sup>2-13</sup>

The Board delegates day-to-day operations to the management functions and their teams. Regular updates on work progress and key milestones are provided to the Board, including

key performance indicators (KPIs) in an agreed corporate scorecard. Supervision of activities within the organisation is reinforced by clear reporting lines and feedback opportunities.

## ROLE OF THE HIGHEST GOVERNANCE BODY IN SUSTAINABILITY REPORTING <sup>2-14</sup>

The Board undertakes the review of sustainability topics and activities as a key part of its organisational supervision duties. On a quarterly basis, it receives reports highlighting the

company's selected environmental, social and governance performance in set KPIs, highlighting progress, achievements, and potential areas of concern.



## COLLECTIVE KNOWLEDGE OF THE HIGHEST GOVERNANCE BODY <sup>2-17</sup>

Sustainability and Awareness training targeting the Board is planned for 2022 in the below modules:

- Introduction to Sustainability: providing information on understanding sustainability in the context of an integrated oil and gas company and benefits to embedding sustainability in business processes.
- Investor Environmental, Social and Governance (ESG) Demands: focusing on the importance of ESG data for investors, sustainability investment strategies and principles of responsible investment.

## EVALUATION OF THE PERFORMANCE OF THE HIGHEST GOVERNANCE BODY <sup>2-18</sup>

The Board KPIs are agreed upon annually with OQ's shareholder (OIA), taking sustainability objectives into account, such as Stakeholder Management, OQ's contribution to the Omani

## REMUNERATION POLICIES AND PROCESS TO APPROVE REMUNERATION <sup>2-19, 2-20</sup>

Remuneration policies for The Board and Senior Executives are as provided in the OIA Code of Governance (9.2) and Policies and Guidelines. Remuneration packages for directors shall include an appropriate balance of sitting fees and/

## STATEMENT ON SUSTAINABLE DEVELOPMENT STRATEGY <sup>2-22</sup>

The Board approved the OQ Code of Conduct, which is to be followed by all OQ employees. OQ's commitment to sustainable development is defined in paragraph 10.4 as follows: "Sustainable development: As a responsible corporate citizen, OQ is dedicated to contributing to a robust economy through investing and advancing local communities. Social commitment is a key element

- Energy Management: casting a light on the topics of energy efficiency, green energy, decarbonisation, and net zero commitments.
- Responsible Supply Chain: outlining the circular economy model, the importance of supplier assessment on environmental topics such as Energy Intensity and Emission Intensity, as well as social topics such as Human Rights and Anti-Corruption.
- Post COVID-19 and Sustainability: describing the effects of COVID-19 on businesses, lessons learned and the "new normal", as well as post COVID-19 business priorities.

economy, our environmental performance, and our impacts on the communities where we operate.

or performance-based remuneration (9.2.1.1), with input by OIA, considering time commitments (9.2.1.2). OIA also approves the process to determine remuneration.

of OQ's strategy to develop targeted sustainable programs to elevate the quality of people's lives. This is achieved through, among other things, the responsible and ethical conduct of business, as well as voluntary outreach, bringing direct and tangible benefits to the communities where we operate."

## COMPLIANCE WITH LAWS AND REGULATIONS <sup>2-27</sup>

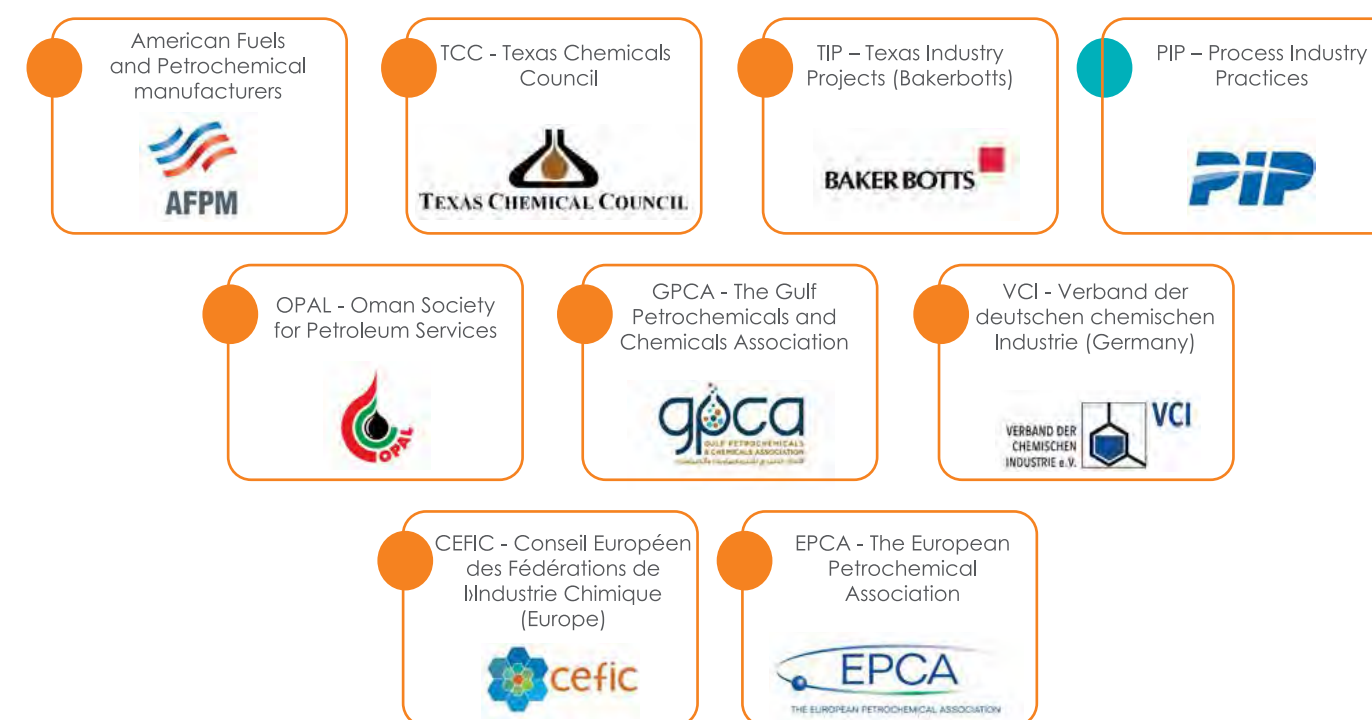
The Board ensures that OQ complies with all obligations, including relevant regulatory bodies, and ensures that processes are in place to

effectively monitor and control compliance with any relevant laws and regulations at OQ.

## MEMBERSHIP ASSOCIATIONS <sup>2-28</sup>

OQ's membership associations in 2022 are listed below. A compliance professional keeps a log of participation in trade associations and formal

competitor interactions, and regularly reviews OQ's position in these matters.



## LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOUR, ANTI-TRUST, AND MONOPOLY PRACTICES <sup>11.19.2</sup>

At OQ, we work diligently not to infringe any relevant antitrust or competition law worldwide. Good practice is set out and enshrined in companywide policies such as the OQ Code of Conduct. In addition, a comprehensive training compliance program in Antitrust and

Competition was rolled out over the last year. As a result, there were no legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of any antitrust or monopoly legislation.



CODE OF  
**CONDUCT**



> oq.com | @thisisoq

Ethics and  
**BUSINESS  
INTEGRITY**



## CONFLICTS OF INTEREST <sup>2-15</sup>

The OQ Code of Conduct, supplemented by the company's anti-bribery and corruption prevention policy, provides guidance to employees on addressing conflicts of interest, while reminding them to avoid all actual, potential, and perceived conflicts of interest and to promptly declare conflicts, if any, to the Company's Ethics and Business Integrity team for review and to determine appropriate risk mitigation where necessary. Policies governing the offering and acceptance of gifts, hospitality

## COMMUNICATION OF CRITICAL CONCERNS <sup>2-16</sup>

An Ethics Committee is in place, chaired by the chief executive officer (Assurance) with other senior management employees being members of the committee. The chief executive officer (Assurance) reports to the Board Audit and Risk

## POLICY COMMITMENTS <sup>2-23, 11.12.1</sup>

Our commitment to key aspects of conducting business responsibly, implementing sound workplace practices and respecting key aspects of human rights are clearly set out in our code of conduct as approved by The Board. We are committed towards combatting modern slavery and forced labour in our direct supply chain, and towards acting ethically and with integrity in our business dealings and relationships as set out in

## EMBEDDING POLICY COMMITMENTS <sup>2-24</sup>

Upon joining the company, OQ personnel are required to read the Code of Conduct, watch a video that summarises key aspects of the code and submit an online acknowledgement to express their commitment to the code and its underlying principles. Awareness about the code and related policies is imparted during induction training sessions for new joiners and training sessions on the code and its underlying policies during the year.

and entertainment are also clearly set out and implemented.

Any conflicts of interest regarding the Board are declared to the Board secretary and assessed on an independent basis. Under OIA's Code of Governance, the Board secretary is responsible for "maintaining and updating the register of conflicts of interest of the Board of Directors" (7.4.4.2), and this register ensures that any conflicts that arise are prevented and mitigated.

Committee, keeping them abreast of critical concerns that are reported and investigated during the year and of corrective measures taken in response to investigation findings.

our 'Modern Slavery Statement. The statement is made available on our corporate website (<https://oq.com/en/about-oq/company/code-of-conduct#mss>) and is accessible by third parties that deal with us. Moreover, a 'Third Party Code of Conduct' is in place requiring our business partners to take steps to provide a safe and healthy working environment for employees, and to treat them with fairness, dignity, and respect.

Employment agreements cover the obligation of personnel to follow OQ's policies, procedures and regulations including the Code of Conduct.

Suppliers and contractors dealing with OQ are also expected to follow OQ's 'Third Party Code of Conduct' and to acknowledge having read and understood it at the time of registering with OQ as a supplier or contractor.

## MECHANISMS FOR SEEKING ADVICE AND RAISING CONCERN <sup>2-26</sup>

A confidential whistleblowing reporting hotline is in place and accessible by OQ employees and third parties. The hotline is managed by an external service provider and facilitates anonymous reporting.

Links to the whistleblowing tool are provided on OQ's external corporate website and internal web portal. Concerns raised on the hotline are only accessible by limited members of the Ethics and Business Integrity team and by the Chairman of OQ's Ethics Committee to ensure confidentiality.

Personnel seeking advice on the code and related policies can directly approach a member of the

## ANTI-CORRUPTION - OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION <sup>11.20.2</sup>

The company conducts risk assessments across various functions to identify and mitigate potential risk areas across its operations. Whilst no risk assessments were conducted with a specific focus on corruption during the year, risks relating to corruption (fraud and business integrity risks) were considered during risk assessment

## COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES <sup>11.20.3</sup>

OQ rolled out an Anti-bribery and Corruption Prevention policy manual in 2021. The policy manual is approved by the company's executive management function. It covers key areas relating to the prevention of corruption, including but not limited to the avoidance and declaration of conflicts of interests, as well as rules governing the receipt and offering of gifts, hospitality, and entertainment to and from third parties, prohibition of facilitation payments and rules about sponsorship payments and charitable contributions.

The policy is accessible by all company employees with a copy readily available on OQ's internal web portal. Trainings on these topics were provided to employees throughout the

Ethics and Business Integrity team or contact a member of OQ's Compliance Ambassadors team. A Compliance Ambassador program was rolled out in 2021, with designated OQ employees nominated and assigned for this role in different functions of the company. The Ethics and Business Integrity team conducts awareness sessions for the ambassadors on topics related to the OQ Code of Conduct, with an objective of sharing necessary knowledge and resources to empower them to provide guidance to company personnel in their respective functions. A total of 30 compliance ambassadors are currently in this role.

reviews carried out. Further, various process improvements identified from risk assessments, such as those relating to enhancing internal controls and segregation of duties, are expected to mitigate the potential for corruption in the company's processes.

year and covered all aspects of the policy. The sales teams in OQ international offices in India, Singapore, China, and Turkey also received this training, and we witnessed 100% attendance rate. Additional training was given in person to mid-tier management employees, including Omani managerial and legal personnel based in Muscat, on how to behave in a safe way at industry trade associations and other social occasions where networking and business development efforts occur.

The company's Ethics and Business Integrity team supported by compliance ambassadors provide guidance to employees about conflicts of interest and other areas related to anti-bribery and corruption.



CONFIRMED INCIDENTS OF CORRUPTION AND ACTION TAKEN 11.20.4

During 2021, there were no confirmed incidents of corruption in the company, or incidents where employees were dismissed or disciplined for corruption. Furthermore, during the year, there

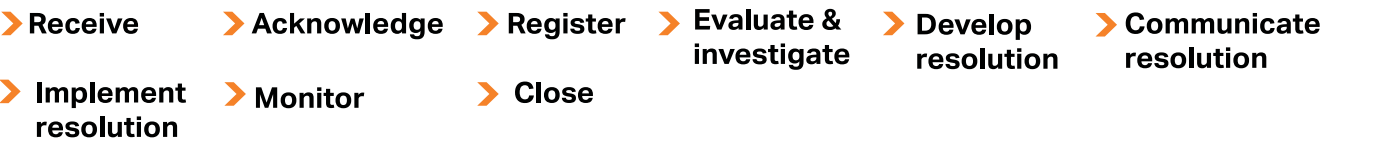
were no incidents of business partners being terminated due to corruption, and no public legal cases regarding corruption were brought against the company or its employees.

OUR APPROACH TO MANAGING COMMUNITY GRIEVANCES 2-25

A properly designed and implemented grievance mechanism process can benefit both the company and communities by increasing the likelihood of resolving minor disputes amicably, quickly and cost effectively, with solutions that reasonably satisfy both sides. We believe that leaving grievance unanswered or ignoring

questions and requests from our stakeholders have the potential to convert to problems and should, therefore, be addressed promptly. We encourage our communities to freely share their concerns by providing a mechanism free of retribution, potential danger, and risks for complainants.

OUR COMMUNITY GRIEVANCE MECHANISM PROCESS



The figure above demonstrates our community grievance mechanism process. It includes the following steps: receive, acknowledge, register,

1.Receipt of a Grievance

Grievances can be written or verbal and can be expressed in local languages. They can be lodged via email, phone or with the External Affairs employees working locally. Following are some of the channels and approaches we use to receive grievances.

**Focus group meetings:** we have an open communication channel with community members by conducting periodic meetings with the identified stakeholders to receive their feedback. In this approach, the OQ representative submits a grievance form on behalf of the complainant.

**Individual meetings:** OQ representative receives verbal grievances from the community member

**Note:** grievances can be expressed anonymously, as well as on behalf of another individual.

evaluate, and investigate, develop a resolution, communicate the resolution, implement the resolution, monitor, and close.

through a one-on-one meeting and submits a grievance form on behalf of the complainant.

**Hard copy:** a community member or group completes a grievance form, which is then mailed to the OQ head office or handed to an OQ representative, usually a grievance officer.

**Website:** a community member or group completes a grievance form, which is submitted via the OQ website.

**Hotline:** a community member or group communicates the grievance via dedicated hotline.

2. Acknowledgement of a Grievance

The complainant will receive an official confirmation via phone or email informing them about the next steps. An OQ official is

encouraged to request any missing information from the complainant. This stage can be skipped if the complainant is anonymous.

3. Registration of a Grievance

Grievances are registered as soon as they received. These are logged in a central system accessible to all relevant parties at OQ. The registration is completed by an OQ focal point responsible for administering the company grievance mechanism process. Registration is completed within 3 working days from the receipt of the grievance. The registration form includes the following details:

- Date of the incident.
- Location of the incident.
- Complainant name and contact details, if applicable.

- Date and place the grievance was received and registered.
- Full description of the incident.
- Any previous records of similar incidents; supporting documents and statements attached.

The registered grievance is given a tracking number and is updated throughout the process to reflect its status and any important notes.

4. Evaluation and Investigation

We seek to handle all the grievances as promptly as possible, despite the nature and complexity of the matter. The grievance officer organises the process to validate the complaint's legitimacy and arranges a thorough investigation. Minor grievances, especially those related to a complainant's request for information or request for funding, can generally be handled by the grievance officer by providing information on the spot or forwarding it to the relevant department. Other complaints may need a more thorough

review before developing a resolution. The grievance officer is responsible for meeting and seeking advice from other relevant internal or external parties.

**Complex grievances** are extensively investigated by forming an Investigation Committee consisting of all relevant parties. These include OQ legal or compliance departments and senior management to assign responsibilities and time frames for handling the investigation.



## INVESTIGATION COMMITTEE

For complex issues, a committee is formed to extensively investigate the case. The committee consists of a mix of relevant entities from the following list below:

- Community relations, people (human resources)
- Legal and compliance, senior management
- Business operations, procurement

### 5. Development of a Resolution

Depending on the grievance case and the committee decision, a resolution can be developed in a number of ways:

- Independently: OQ proposes a solution
- In partnership: OQ and the complainant reach a resolution through discussion or negotiation
- Through a third party: either formally or informally through mediation.

**Note:** grievances can be expressed anonymously, as well as on behalf of another individual.

### 6. Communicating the Resolutions

The final resolution is communicated formally in writing to all relevant parties including the complainant within 15 working days from the day the grievance was filed. The resolution details include the reasoning behind the decision, any corrective measures that were taken, the implementation mechanism, and an implementation timeframe.

If a grievance claim is proven to be unfounded or is ineligible and the committee decides not to take further action, the resolution is communicated formally in writing to the complainant.

In the case that the complainant rejects the decision, the case should be re-evaluated and revised by an additional party that was not part of the original investigation committee. Additional data and evidence might be requested at this stage. Once the final decision is made, it is communicated formally in writing to the complainant. All considerations are documented and included in both the response and the

### 9. Closing a Grievance

Once the grievance has been marked as 'solved,' the grievance case is 'closed.' OQ must update

- Public relations, marketing

Main functions that are involved in the process include the following.

Community relations, legal and ethics and business integrity, business operations, public relations and marketing, people (HR), senior management and procurement.

company systems for grievance tracking for further reference.

### 7. Implementing the Resolution

Once a resolution is reached, communicated, and accepted, OQ proceeds to execute the resolution accepted by the complainant. OQ communicates the responsibilities and timeline to resolution implementers.

### 8. Monitoring a Resolution

A clear reporting structure is established between the Grievance Committee and those implementing the grievance resolution. Both parties conduct regular follow-up meetings, to review progress on pending and resolved issues, and collect feedback.

Monitoring helps identify common or recurrent claims that may require structural solutions or a policy change, and it enables the company to capture any lessons learned in addressing grievances.

the internal system with all the communications and action taken.







STAKEHOLDER  
**ENGAGEMENT**  
**AND MATERIALITY**



## STAKEHOLDER ENGAGEMENT AND MATERIALITY

According to the GRI Standards, Materiality includes topics and disclosures that reflect the organisation's significant economic, governance, environmental, and social impacts or would substantively influence the assessments and decisions of its stakeholders.

### PROCESS TO DETERMINE MATERIAL TOPICS <sup>3-1</sup>

At OQ, material topics are determined in accordance with the GRI Standards as per the following:

➤ Identifying Potential and Actual Impacts:

OQ continuously works on identifying and assessing its actual and potential economic, environmental and social impacts through the different tools and matrixes it established in line with its operations. These include impact and risk

We have performed a Materiality Assessment in order to determine topics that have a direct or indirect impact on our ability to create, preserve or erode economic, environmental and social value – not only for OQ, but also for our stakeholders and society at large.

assessment tools and registers on both a project level and a company-wide level, in addition to the continuous internal engagements with different OQ assets and functions as part of the stakeholder engagement process. The identified impacts were then compared against the GRI Oil and Gas Sector Standards, resulting in adding additional topics such as Cybersecurity to the list of material topics.

➤ We have also aligned the list of material topics with OQ's business priorities and future strategy, which led to the inclusion of Digital Transformation as a material topic.

### STAKEHOLDER ENGAGEMENT <sup>2-29</sup>

At OQ, Stakeholder Engagement refers to the process of developing strong, proactive, long-term and consistent relationships with identified key stakeholders of the company. In addition,

according to the GRI Standards, Stakeholder engagement is a fundamental part in the process of identifying material topics for companies' sustainability agenda and for reporting purposes.

### KEY STAKEHOLDER IDENTIFICATION

OQ has established and sustained long-term strong relations with its stakeholders across its business units and assets. These stakeholders include governmental institutions, industry peers, customers, academic institutions, NGOs, and representatives of local communities.

The strategic approach taken to identify stakeholders for the materiality assessment exercise tap into existing identified and engaged stakeholders by OQ functions such as FINANCE, ALTERNATIVE ENERGY, COMMERCIAL, LEGAL, and DOWNSTREAM, amongst others to enhance our engagement level with our stakeholders.

The following steps are followed:

- Review of previous stakeholders list used in the last materiality assessment exercise.
- Engagement with OQ relevant functions to identify their respective stakeholders.
- Internal brainstorming sessions to review the compiled list of stakeholders, adding additional stakeholders based on existing knowledge and engagement with different OQ functions.

## STAKEHOLDER MAPPING AND ENGAGEMENT PLAN

We have categorised our stakeholders based on their nature, if they are internal or external stakeholders, as well as the category they fall under such as NGO, customer, or business partner, amongst others. This is mapped visually for better understanding. Internal stakeholders include the OQ Board of Directors and the Leadership Team, while employees and other identified stakeholders are categorised as external stakeholders.

A stakeholder mapping exercise based on stakeholders' levels of interest and influence on the organisation allowed us to better understand our stakeholders and their relevance to OQ's sustainability agenda. It has also allowed us to categories and prioritise our stakeholders in planning the engagement.



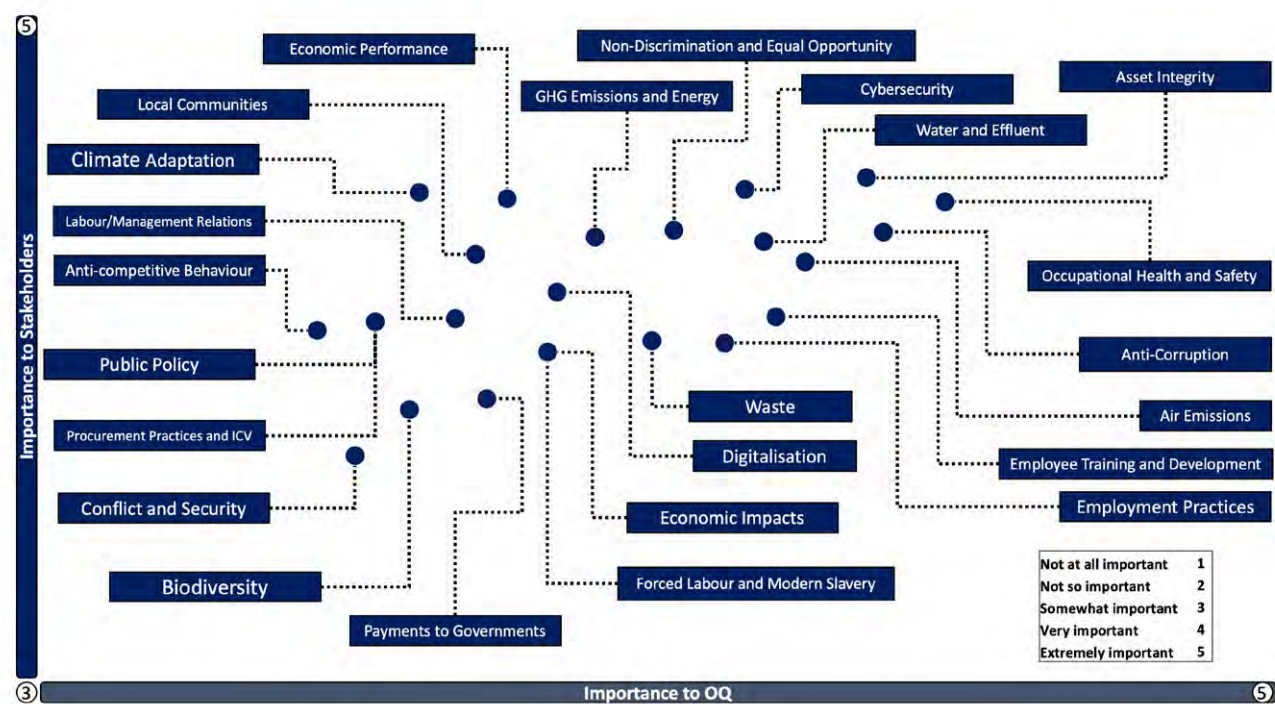
### LIST OF MATERIAL TOPICS <sup>3-2</sup>

A cloud, web-based platform survey was developed and sent to the various identified stakeholders. This enabled them to rank each topic of the above list according to its importance to them from extremely Important to not important at all.

The outcomes of the above process were analysed and ranked according to their importance to the business and the stakeholders, as presented in the following matrix:



## MATERIALITY MATRIX



**BELOW IS A LIST OF THE MATERIAL TOPICS**

- The diagram illustrates the mapping of 17 UN Sustainable Development Goals (SDGs) to various ESG themes. The themes are listed on the left, and the corresponding SDG icons are arranged in a grid on the right.

**ESG Themes and their corresponding SDGs:**

  - GHG Emissions and Energy:** SDG 13 (Climate Action), SDG 14 (Life Below Water)
  - Climate Adaptation, Resilience, and Transition:** SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action)
  - Air Emissions and Quality:** SDG 3 (Good Health and Well-being), SDG 11 (Sustainable Cities and Communities), SDG 15 (Life on Land)
  - Biodiversity:** SDG 6 (Clean Water and Sanitation), SDG 12 (Responsible Consumption and Production), SDG 14 (Life Below Water), SDG 15 (Life on Land)
  - Waste:** SDG 3 (Good Health and Well-being), SDG 6 (Clean Water and Sanitation), SDG 12 (Responsible Consumption and Production), SDG 14 (Life Below Water), SDG 15 (Life on Land)
  - Water and Effluents:** SDG 6 (Clean Water and Sanitation), SDG 12 (Responsible Consumption and Production), SDG 14 (Life Below Water), SDG 15 (Life on Land)
  - Asset Integrity and Critical Incident Management:** SDG 11 (Sustainable Cities and Communities), SDG 14 (Life Below Water)
  - Occupational Health and Safety:** SDG 3 (Good Health and Well-being), SDG 8 (Decent Work and Economic Growth)
  - Employment Practices:** SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities)
  - Non-Discrimination and equal Opportunity:** SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities)
  - Forced Labour and Modern Slavery:** SDG 8 (Decent Work and Economic Growth)
  - Labour/Management Relations, Freedom of Association and Collective Bargaining:** SDG 8 (Decent Work and Economic Growth)
  - Economic Impacts:** SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 10 (Reduced Inequalities)
  - Local Communities:** SDG 3 (Good Health and Well-being), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 16 (Peace, Justice and Strong Institutions)
  - Conflict and Security:** SDG 16 (Peace, Justice and Strong Institutions)
  - Anti-competitive Behaviour:** SDG 16 (Peace, Justice and Strong Institutions)
  - Anti-corruption:** SDG 12 (Responsible Consumption and Production), SDG 16 (Peace, Justice and Strong Institutions)
  - Payments to Governments:** SDG 16 (Peace, Justice and Strong Institutions), SDG 17 (Partnerships for the Goals)
  - Public Policy:** SDG 16 (Peace, Justice and Strong Institutions)
  - Economic Performance:** SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure)
  - Procurement Practices and ICV:** SDG 8 (Decent Work and Economic Growth)
  - Employee Training and Development:** SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities)
  - Cybersecurity:** SDG 9 (Industry, Innovation and Infrastructure)
  - Digital Transformation:** SDG 9 (Industry, Innovation and Infrastructure)







## OUR ECONOMIC **PERFORMANCE**



## OUR FINANCIAL PERFORMANCE\*

11.21.2

In 2021, OQ exhibited strong operational performance across different business units, with markets showing significant recovery. In our UPSTREAM business, oil prices increased significantly compared to last year, as the average Oman Export Blend Crude Oil (OEB) prices increased from USD 46/bbl in 2020 to USD 64/bbl in 2021. The recovery of the market has also resulted in high prices and demands across the majority of the DOWNSTREAM business' products, with outstanding performance by our chemicals and trading businesses.

In 2021, OQ achieved robust financial results, reporting consolidated revenue of USD 22,768Mn, EBITDA of USD 3,699Mn and Net Profits of USD 1,818Mn. These results outperformed the 2020 actual performance. The financial performance was driven by higher product prices, when compared with the previous

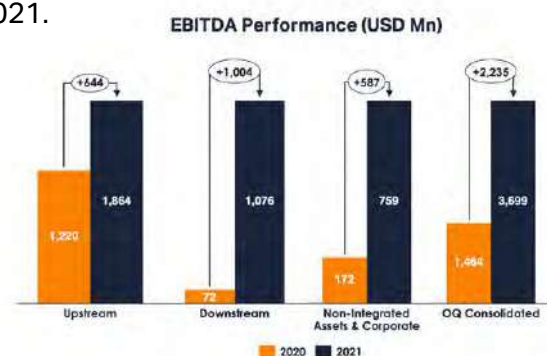
### CONSOLIDATED REVENUES

The consolidated group revenue for 2021 was USD 22,768 Mn, a 63% increase when compared to 2020, which reported revenue of USD 14,006 Mn.

### CONSOLIDATED EBITDA

In 2021, consolidated EBITDA was reported at USD 3,699 Mn, 154% higher than 2020 EBITDA of USD 1,454 Mn, thanks to a strong performance across all business segments.

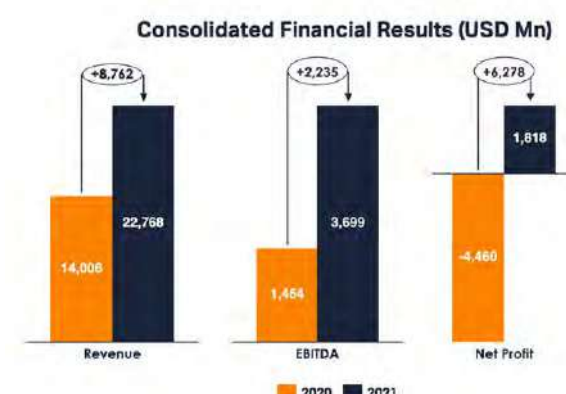
The figure below exhibits the EBITDA performance for UPSTREAM, DOWNSTREAM, NON-INTEGRATED ASSETS and CORPORATE, and the OQ consolidated EBITDA for 2020 and 2021.



\* Some financial figures in this report have been converted to USD for the convenience of the reader at an FX rate of OMR 0.3851 per USD. The US dollar translations should not be construed as a representation that the OMR amounts have been or may be converted into US dollars at the indicated rate.

year, in both the UPSTREAM and DOWNSTREAM businesses, strong performance from our trading business, higher oil and gas production volumes, optimisation of OpEx across businesses, as well as proceeds from divestments.

The figure below exhibits the consolidated financial results for 2020 and 2021, respectively.



### CONSOLIDATED NET PROFIT

In 2021, OQ recorded a consolidated net profit of USD 1,818 Mn, a significant improvement compared to 2020 which recorded a net loss of (USD 4,460 Mn). The UPSTREAM business was a major contributor with 76% of the consolidated net profit.

The figure below exhibits the net profit performance for UPSTREAM, DOWNSTREAM, NON-INTEGRATED ASSETS and CORPORATE, and the OQ Consolidated net profit performance for 2020 and 2021.



## PROCUREMENT PRACTICES

OQ's Procurement department plays a crucial role in facilitating sourcing of goods and services to fulfil the needs of its projects and activities. The primary strategies in operating the department include timely processing of requirements and needs, maintaining competitiveness and financial health in outsourcing decisions, and complying with policies and procedures to assure compliance with our code of conduct.

In 2021, OQ implemented several initiatives that streamlined the procurement processes. They are highlighted below.

### 1. Extend Barcoding Project Across OQ Plants:

OQ rolled out barcoding project across its main warehouses. The solution utilises handheld mobile devices to perform warehouse activities for the inbound, storage, and outbound processes. The devices are configured with the barcode scanners and inventory management solution. The enabling of mobility in the solution creates efficiencies in improving the reliability and accuracy of the transaction and allows the employees to work from anywhere at any time. The solution is intrinsic in OQ's digital transformation strategy.

## SUPPLIER HEALTH, SAFETY AND ENVIRONMENTAL ASSESSMENT

Seeking to demonstrate our commitment to managing our health, safety and environmental (HSE) impact within our supply chain, we have put in place HSE criteria as a component of OQ's tendering process. Tenderers are now required to perform an HSE risk assessment and prepare a preliminary project or contract HSE plan to demonstrate their understanding of the HSE specifications and requirements.

### 2. Implementing Tadween Project Across OQ Plants:

In order to create an integrated approach for inventory management, the Materiality Management team implemented one materials master tool across all OQ assets. We utilise a platform for the standardisation of OQ materials through standard cataloguing, cleansing and enrichment processes. This is expected to significantly enhance inventory management and reduce inventory costs and the number of items in stock. Moreover, this tool enables the sharing of inventory benefits between different OQ plants.

### 3. Vendor Cleansing Project:

This project was one of the procurement improvement initiatives in 2021. At the beginning of OQ's integration journey, OQ started with 24,000 registered vendors and managed to reduce the total number to 10,000, as part of one ERP Project Vendor Master Cleansing strategy. By the end of 2021, 87% of the 10,000 vendors' details were updated, resulting in the improved accuracy of vendor management and the enhanced efficiency and timeliness of vendor payment.

As part of this process, an OQ HSE representative evaluates the submitted project or contract's preliminary contract HSE plans against the HSE specifications, and technical HSE evaluation criteria given in the tender documents.



IN-COUNTRY VALUE 11.14.1

The OQ In Country Value (ICV) program OQ is designed to drive supply-chain value across our operations to encourage the development of diverse, sustainable, and globally competitive local companies.

We are committed to benefiting local suppliers and maximising ICV by increasing the total spend retained in-country. ICV focuses on developing national manpower mainly in skilled and professional categories and boosting Oman’s small and medium enterprises (SMEs), local services and the manufacturing sector. Through ICV, we strive to cultivate local businesses in order to maximise value retained through all procurement spend. The program has demonstrated the benefits of creating

successful local partnerships in the business. It also increases their competitiveness, drives industry collaboration, and brings innovation to Oman through research and development. The synergy driven by the ICV program has delivered greater levels of prosperity for the country, the local business community and OQ.

To achieve its ICV goals, OQ collaborates with relevant external stakeholders including the Ministry of Minerals and Energy (MEM), Oman Investment Authority (OIA), Ministry of Commerce, Industry and Investment Promotion, SMEs Development Authority, Oman Chamber of Commerce and Industry, Ministry of Labour, our contractor community and other oil and gas operator companies in Oman.

PROPORTION OF SPENDING ON LOCAL SUPPLIERS 11.14.6

In 2021, value spend on local goods, services and SMEs in country increased by more than 30% from the preceding year to USD 931Mn. This can be attributed to the rise in total procurement spend by USD 357 Mn to USD 1,358 Bn from OQ EP, OQ RE, OQ GN, OQ Methanol and OQ8, excluding major projects spend.

OQ also obliged contractors to recruit 22 fresh graduates in OQ contracts and provide internship training opportunities for 239 college students and fresh graduates.

Below are key highlights related to the proportion of spending on local suppliers for 2019, 2020 and 2021.

The value retained, our ICV index, was around 29 % (USD 392 Mn), as an ICV contribution from local goods and services.

Year	2019	2020	2021	Description
OQ total spend (USD M n)	854.3	1,001	1,358	Total Spend
Local spend (USD Mn)	625	712	931	Value spends on local goods, services, and SMEs in-country
ICV Index:	27%	28%	29%	ICV Index is calculated based on factors applied only on parts of the expenditure which are considered to be local, this approach is used by the oil and gas sector to calculate ICV retained value based on the blueprint strategy and MEM directives.
ICV spend (USD Mn)	N/A	282	392	
SME spend (USD Mn)	N/A	89	165	
SME% ( out of total OQ spend)	N/A	8%	12%	
				Total spend of OQ to SMEs out of total OQ spend.

SMALL AND MEDIUM ENTERPRISES

Small and medium enterprises (SMEs) are a key ICV focus. The backbone of thriving economies everywhere, SMEs are the dynamic drivers of innovation and competition. To optimise their contributions, OQ connects major contractors with SMEs to help small businesses grow. This strategy closely aligns with Oman’s Vision 2040 target of increasing GDP contribution in this sector and helping position Oman as an attractive business destination with significant on-going investments and a wide project pipeline.

In the same context and as part of the government economic stimulus plan, OQ applied government directives on limiting the procurement below OMR 10,000 to Riyadh card holder companies. This card is given by the Public Authority for Small & Medium Enterprises Development in the Sultanate of Oman to Omani enterprises.

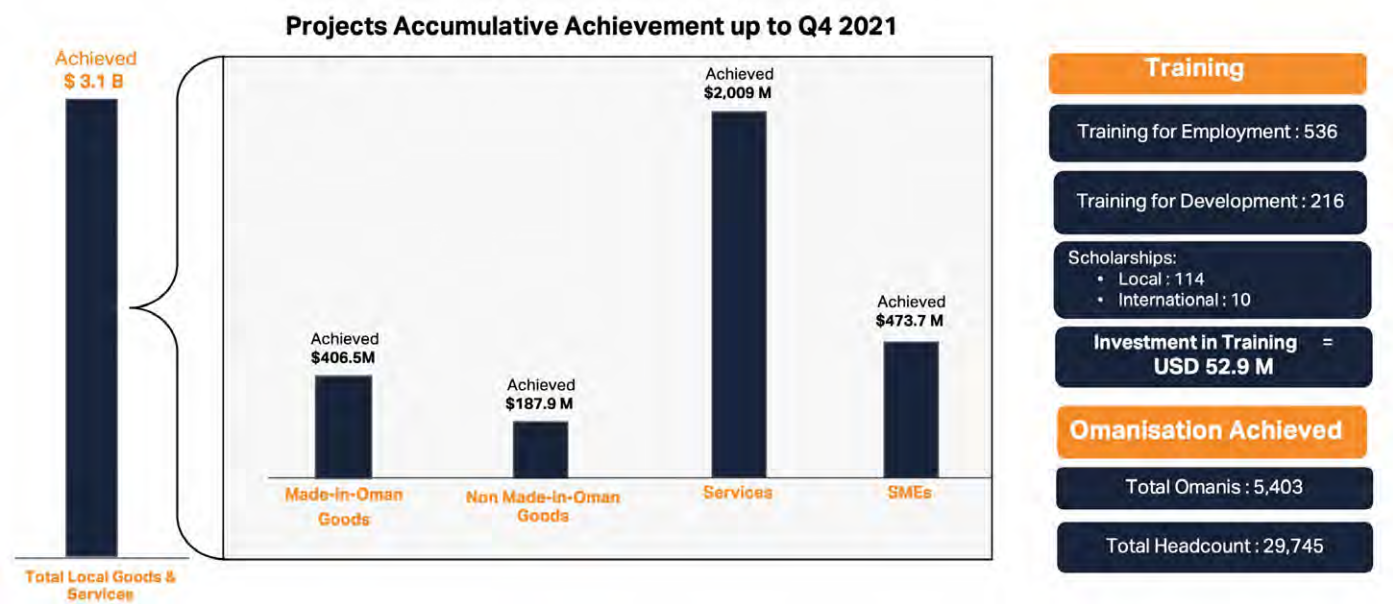
In 2021, the spend to SMEs was USD 165 Mn for sourcing a variety of goods and services.

ICV IN MAJOR PROJECTS

Moreover, for our major projects, OQ contributed to the local goods, services, and SMEs through OQ contractors, as well as providing scholarships and training opportunities for Omanis. In addition, all OQ EPC contractors have ICV contractual obligations to be fulfilled by the end of each

project, and they are required to submit ICV performance reports quarterly. These are monitored and validated by OQ.

The below chart shows the accumulative ICV spend in OQ projects\*:



\*EPCs for: SLPG, SAP, OQ8, OTTCo and Marafiq.

TRAINING AND EDUCATION

As OQ continues to employ the next generation of engineers and technicians, we have offered a number of specific graduate and university programs to enable growth opportunities and develop the skills we need once our major projects are completed. This includes training for employment, where contractors recruit Omani high school or vocational training

institute graduates, and train them to an industry accepted standard and provide them with jobs after successfully completing the training. It also includes training for development, where contractors train Omani youth in technical jobs, funding the training of Omani high school or graduates from vocational training institutes.



Training and Development opportunities in major projects have achieved the following:

- Training for employment: 536 Omanis have been trained and recruited in OQ major projects as process operators, mechanical, electrical and instrumentation technicians.
- Training for development: 216 Omanis have participated in the training for development.

## OTHER ICV INITIATIVES

In order to optimise ICV opportunities in our supply chain, OQ undertook the following activities:

- Floating local manufacturing of FFS packaging material tender to the market.
- Contracts stipulated minimum requirements in recruitments and training of Omani fresh graduates, subcontracts to local sourcing of goods, services and SMEs, and funding research and development program.
- Ring-fencing the below main scopes to SMEs and local manufacturers during 2021, limiting participation in tenders to SMEs or local manufacturers.

1. Logistics and storage of 48" line pipes for central rich and lean gas segregation projects.
2. Call-off contracts for fire extinguisher maintenance services.
3. EPCC for installation of 2 analysers for RFCC/DCU off gas stream.
4. Supply of miscellaneous specialised fire and safety items.
5. Operation and maintenance of coke cutting system, coke and Sulphur handling system and transportation by truck.
6. SR2 -TA- 2022– hydrocracker unit related turnaround activities.

program as mechanical and electrical operators, pipe fitters, forklift operators, crane operators, welders, and in rigging and scaffolding.

- Scholarships: 126 Omani students have joined scholarship programs locally and internationally, which are paid for by EPC contractors under the ICV obligations in their contracts.

7. Buildings construction at OQ methanol Salah.

8. Call-off contracts for procurement, installation, and commission of smart allocation meters for Madayn facilities across Oman.

9. Call-off contracts for supply of services such as handling of radioactive sources during turnarounds or shutdowns.

10. Call-off contracts for the supply of DBB valves.

11. Call-off contracts for supply of services such as sea water intake maintenance.

12. Call-off Contract for the supply of structural steel materials.

13. Sea water intake cleaning and maintenance and one off choked sea water 1" hypo chloride line rectification or propose and implement permanent solution.

14. Accommodation of OTTCO team at Duqm.

15. Supply of scaffolding.

16. Supply of concrete poles.

## TAX

### APPROACH TO TAX <sup>11.21.4</sup>

OQ's tax policy outlines the tax function's objective to meet tax compliance obligations, effectively managing tax risks worldwide and providing tax support to the business. The tax policy is reviewed and approved by the Executive Leadership team. The Board and management are aligned on the tax strategy and are regularly informed of any material tax matters. Moreover, OQ proactively manages and minimises tax risks to support compliance with all relevant tax laws.

This includes prompt filing of tax returns and other tax filings, timely payment of tax liabilities, and prevention of tax controversy cases and penalties in the countries where we operate.

The approach to tax is linked to the sustainable development strategies of OQ and ensures that OQ uses business structures, which are driven by commercial factors, have genuine substance and are not abusive of tax outcomes.

### TAX GOVERNANCE, CONTROL AND RISK MANAGEMENT <sup>11.21.5</sup>

Tax governance is a key component in OQ corporate governance at both a strategic and operational level. Tax risk is managed by approved policies, procedures, systems, and controls, and OQ maintains and continuously improves its enterprise-wide tax risk management to ensure that tax risks are identified, controlled, and monitored on a global level. This consistent approach to the management of tax risks

throughout the group is aligned with OQ's overall appetite for tax risk. In addition, tax roles and responsibilities are clearly defined and understood. A group-wide process to identify, report and manage tax risks is established and in use, where the tax function follows the principles of business conduct detailed in OQ's Code of Conduct.

### STAKEHOLDER ENGAGEMENT AND MANAGEMENT OF CONCERNS RELATED TO TAX <sup>11.21.6</sup>

OQ develops and maintains open and cooperative working relationships based on mutual respect and transparency with local tax authorities in each country of operation, where communication with tax authorities and other third parties is

conducted in a professional and prompt manner. Moreover, The Board and management are aligned on the tax strategy and are regularly informed or consulted on any material tax matters.

### FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT <sup>11.21.3</sup>

At OQ, we are not aware of any financial assistance received from any government in the areas where we operated during 2021. This includes tax, subsidies, investment grants, research and development grants, and other relevant types

of grants, awards, financial assistance, financial incentives, and other financial benefits received or receivable from any government for any operation.





CYBERSECURITY  
**AND DIGITAL  
TRANSFORMATION**



## CYBERSECURITY

The cybersecurity threat landscape is dynamic. A plethora of new vulnerabilities, zero-days and threat vectors have been introduced during 2021, targeting information technology (IT) and operational technology (OT). Moreover, due to the COVID-19 pandemic, OQ's worldwide operations, digital transformation, new ventures, and employees continued to work-from-home (WFH), which has introduced new challenges in managing cybersecurity risks. On the other hand, this has also contributed to bringing OQ's cybersecurity maturity to higher levels during 2021. Cybersecurity is a journey we have undertaken to realise cybersecurity governance, strategic, tactical, and operational objectives with the ultimate aim of achieving cybersecurity resilience for OQ.

### 2021 CYBERSECURITY ACHIEVEMENTS

Below is a list of major cybersecurity achievements in 2021:

- Introduced new cybersecurity policy.
- Introduced OT Cybersecurity Management System (CSMS).
- Contributed to a total of 12 projects related to OT and Industrial Automation and Controls Systems (IACS).
- Extended our Security Incidents and Event Management (SIEM) and Security Orchestration, Automation & Response (SOAR) solutions to all OQ entities and assets.
- Extended our Cybersecurity Security Operations Centre (CSOC) monitoring and response services to all OQ entities and assets.
- Deployed an anti-phishing simulation platform to raise employee awareness about phishing attacks.
- Engaged and contributed to a total 22 projects related to IT and business.

The work carried out during 2021 included efforts to standardise, integrate and optimise cybersecurity governance, controls, and solutions to achieve an acceptable level of cybersecurity maturity across OQ. OQ's cybersecurity team engaged in and contributed to business projects and initiatives with OQ's key behaviours in mind:

- **We Care** - about people, technology equipment, digital assets, systems, and services and ensure that cyber security risks are reduced
- **We Collaborate** - protecting OQ's digital assets from intruders is everyone's responsibility.
- **We Perform** - our employees are the first line of defence promoting cyber security resiliency.

- Performed a total of 10 cybersecurity risks assessments related to OT and IACS projects.
- Performed a total of 11 cybersecurity risks assessments related to cloud hosting provider for cloud hosting projects.
- Handled around 600 cybersecurity related incidents during 2021.
- Issued around 500 cyber threat advisories for IT, OT and IACS teams.
- Initiated a total of five Vulnerability Assessments and Penetration Testing (VAPT) including internal and external tests by our security partner.
- Performed 20 internal vulnerabilities
- Assessments (VA) by the cybersecurity team.
- Performed a total of 3 ad-hoc VAPT for business projects.

## ONGOING CYBERSECURITY PROJECTS

Below is a list of cybersecurity projects that were initiated during 2021, where work is still in progress:

- Developing Information Security Management System (ISMS).
- Drafting cybersecurity risk management framework.

## DIGITAL TRANSFORMATION

To OQ, digital transformation is a necessity allowing us to remain competitive and deliver an improved customer experience, increase revenue, optimise cost, and achieve operational and commercial excellence.

OQ has built its digital transformation strategy to enable the company to compete in the global marketplace. OQ digital ambitions are set to contribute to growth by channelling innovation

### MAJOR ACHIEVEMENTS IN 2021

1. The predictive asset maintenance Proof of Value (PoV) project in UPSTREAM surface operations maintenance was completed by the end of November. The project enabled the OQ team to implement the most advanced artificial intelligence and machine learning models on a critical asset. The project used 29 million data points collected from 230 sensors over 900 days of operation, showing possibility of identifying distinct maintenance events in advance on an average of 43 days, giving ample time for proactive planning. This will lead to reduction in breakdown maintenance costs, lower inventory holding costs and optimised asset lifecycle cost.

## DIGITAL TRANSFORMATION PROJECTS

### Ongoing Projects from 2021

In 2022, we aim to capitalise on PoV projects and scale up successful initiatives in order to maximise benefits and realise the values assessed during the PoV phase. We therefore continue to align

- Deployment and activation of digital brand protection.
- Carrying out cybersecurity risk assessments for IT and OT, covering all critical assets in OQ.
- Standardising of security suite for endpoints, servers, and network.
- Initiating six major cybersecurity projects to fill gaps and enhance overall cybersecurity posture of OQ.

through a future ready workforce, enhancing customer value, boosting competitiveness, and delivering sustainability by using Fourth Industrial Revolution technologies.

Digitalisation helps OQ in increasing efficiency, saving costs, introducing preventative maintenance, detecting, and reducing emission leaks, and improving the company's environmental footprint.

2. Workforce mobility utilising mixed reality (MR) technology and cloud was implemented to equip OQ operations and maintenance teams with the ability to have live guidance and support from equipment and asset providers during project commissioning and acceptance testing. This led to quicker issues resolution and cost saving.

3. Robotics Process Automation (RPA) was also successfully implemented to support the Global Business Services team (GBS) in automating repetitive tasks and processes through machines and artificial intelligence. The project leads to better utilisation of employees' time and supports enhancing customer experience and satisfaction.

closely with related business units within OQ to expand the use case for predictive asset maintenance, digital turnaround, and robotic process automation





## OUR HSSE **PERFORMANCE**



OUR ENVIRONMENTAL PERFORMANCE

At OQ, we continuously work on optimising the performance of our industrial assets and minimising our environmental footprint while ensuring to comply with all applicable environmental rules and regulations.

Our environmental performance metrics and areas of scrutiny include the following:

- Enhancing energy efficiency in all our operations
- Monitoring and evaluating our GHGs

WASTE MANAGEMENT

11.5.1, 11.5.2, 11.5.3, 11.5.4, 11.5.5, 11.5.6

At OQ, we work on enhancing the efficiency of our operations and reducing any resulting waste by partnering with relevant authorities and hiring licenced waste collection, disposal, and treatment companies. These companies manage our waste and ensure that both hazardous and non-hazardous waste is disposed of safely and with no negative impacts on the environment while adhering to local regulations.

Our waste streams include both liquid and solid wastes, which are either hazardous or non-hazardous in nature. All our waste is disposed through nationally approved third-party service providers. OQ continues to utilise the in-country industrial waste disposal contract, signed during 2020 with Oman Environmental Service Holding Company S.A.O.C (be'ah), where all industrial waste, including hazardous waste, has been disposed of through be'ah and eliminated transport of hazardous waste outside Oman.

We adapt a waste management hierarchy in managing our waste. Wherever possible, we pursue opportunities to recycle our waste by utilising it in energy recovery or as by-products in other industries; for example, more than 7,000 tonnes of waste was recycled in the cement factory in 2021.

- Reducing volume of flared gases and stacks emissions
- Preventing spills and leakages of hazardous material
- Managing consumption of water and minimising water contamination
- Managing our waste and utilising environmentally friendly disposal methods and handling

In addition, OQ UPSTREAM has minimised drilling mud waste by recycling the drilling mud in Block 60. Conventionally, after completion of sections of the well, the remaining unused high-performance water-based muds (HPWBM) are disposed to the wellsite waste pit prior to progressing with other sections of the well. After extensive evaluations, OQ has ascertained that the high value, unused HPWBM can be transferred to other rigs operating within Block 60 and reused in drilling of similar sections of other wells. In October 2021, OQ contracted operation of a liquid mud pump system within Block 60 that worked as a storage facility for mud for later recycling between rigs. This resulted in a total of 2,838 m3 of HPWBM being recycled, which could have been otherwise wasted.

All waste generated across our operations is effectively monitored and managed according to the category of waste and disposal method used. In DOWNSTREAM assets, this is done through a waste management tool powered by SAP, which resulted in efficient management of the amount of waste stored in OQ's waste facilities and avoided any waste accumulation. To embed and sustain this behaviour across the organisation, the Environment team has sought to build an awareness culture that is geared towards proper waste management practices at site.

Our waste data for 2020 and 2021 is presented below.

WASTE IN OQ (THOUSAND TONNES)		
	2020	2021
➤ GENERATED	43	57
➤ DIVERTED FROM DISPOSAL	10	25
➤ DIRECTED TO DISPOSAL	38	42

Around 20 thousand tonnes of the generated hazardous waste from the DOWNSTREAM facilities were being recycled through an environmentally approved SME and through a cement factory.

AIR EMISSIONS 11.3.1, 11.3.2

Emissions of SO2 and NOx result from the combustion of hydrocarbon fuels for the generation of electric power and processing facilities, respectively. We continuously monitor emissions in our major areas of operations using Continuous Emissions Monitoring System (CEMS) to ensure compliance with the air emission standards. In addition, OQ monitors ambient air quality in areas around its operations using Air Quality Monitoring Stations (AQMS). Generally, the air quality is well withing the limits set by the Environment Authority.

In case of any emergency or non-routine operations, we work swiftly to rectify and follow an agreed communication protocol with the

BIODIVERSITY 11.4.1, 11.4.2, 11.4.3 11.4.4, 11.4.5

At OQ, we are committed to the protection of the natural environment. OQ8 is the project within OQ that has prominent biodiversity significance, largely because it is in close proximity to

More waste was generated during 2021 due to an increase of overall activities, commissioning and start-up of new projects including NGLE, Ammonia and OQ8, amongst others.

HAZARDOUS WASTE (GENERATED TONNES)		
	2020	2021
➤ DOWNSTREAM	18,849	32,436
➤ UPSTREAM	5	21

authorities, the public and relevant parties to assure on the status of the issue.

Stacks Emissions (Tonnes) are presented below for 2021.

STACKS EMISSIONS (TONNES)	
	2021
➤ NOX	1,880
➤ SO2	2,252

important bird areas in Oman. Following international financial corporation performance standard 6 (IFC PS6) requirements, OQ8 invested resources to consider its impact on the local and



surrounding biodiversity. Impact assessment studies were conducted at an early stage of the project where all the habitats and species were assessed. Moreover, a Biodiversity Management Plan (BMP) was developed for construction, commissioning, and start-up. Another BMP is currently under development for the operations phase. In 2020, OQ8 applied a biodiversity action plan developed to offset the residual impact after avoidance, minimisation and restoration mitigations were applied. Six offsetting sites were identified within Duqm Special Economic Zone (DSEZ) and allocated as biodiversity offsetting sites to be managed by OQ8 as part of the

corporate agreement with Special Economic Zone Authority Duqm (SZED). A detailed action plan (BAP) is being developed for each site following a comprehensive multi-seasonal baseline study.

The intertidal habitat is the main recognised area with high biodiversity value adjacent to OQ8 project, according to Bird Life International. The project has a continuous irreversible minor impact on species and areas, hence the offsetting approach selected. Furthermore, six sites with poor conditions were allocated in coordination with authorities for protection and restoration following IFC PS6.

➤ 1 Critically endangered ➤ 1 Endangered ➤ 3 Vulnerable ➤ 4 Near threatened ➤ 13 Least concern



CONSERVING WATER RESOURCES

11.6.1, 11.6.2, 11.6.3, 11.6.4, 11.6.5, 11.6.6, 2-4

OQ recognises that water is a scarce resource and therefore strives to conserve water and minimise the use of fresh water and ground water where possible. In 2021, we rolled out a water conservation initiative to achieve this purpose. Other water conservation opportunities are continually explored and pursued to minimise freshwater consumption. Our water consumption is withdrawn primarily from the sea, where sea water is used in process cooling and is routed to desalination plants for domestic and process uses. We also utilise alternative water sources of treated wastewater or reuse hydrotesting water, where, in the latter case, OQ8's facilities have contributed to the conservation of a significant amount of water.

In 2021, 17 million m3 of water was consumed from DOWNSTREAM and UPSTREAM assets. The main source of water in DOWNSTREAM is seawater, while in UPSTREAM, the major contributing water source is produced water from oil and gas blocks. Our water consumption data for 2021 is presented below.

OUR WATER CONSUMPTION DATA FOR 2021 (million m³)	
➤ Water withdrawal	1,432
➤ Water discharge	1,415
➤ Water consumption	17

SELECTIVE GROWTH -  
ALTERNATIVE ENERGY (AE)

11.1.1, 11.1.2, 11.1.4, 11.1.5, 11.1.6, 11.1.8, 11.2.1, 11.2.3, 11.2.4, 2-4

ALTERNATIVE ENERGY (AE) is seen as the cornerstone of OQ's mission to drive sustainable growth in Oman's energy value chain, enable energy transition and manage the risks caused by climate change. Furthermore, AE is aligned with Oman Vision 2040 objectives of 'renewable energy, diversified energy sources, and rationalised consumption to achieve energy security'.

ACHIEVEMENTS  
GREEN HYDROGEN

OQ has taken bold steps in the green hydrogen space and has achieved major milestones by signing joint development agreements (JDAs) and memoranda of understanding (MoUs) for the development of four large green hydrogen projects with renowned international partners in the Special Economic Zone at Duqm (SEZAD) and the governorates of Al-Wusta and Dhofar. The total capacity of these projects is around 30 GW of renewable energy from solar and wind to produce green hydrogen which is converted into green ammonia. These projects\* are Hyport Duqm, Green Energy Oman (GEO), H2Oman and SalalaH2.

Clean Energy Assets

The OQ AE Unit received formal expressions of interest from various potential equity partners to invest in Liwa Solar project (estimated at 100MWdc), and its Final Investment Decision (FID) is expected to be finalised by 2023. The Solar carports projects in Sohar completed its FID milestone, and construction began in 2021. In addition, OQ is pursuing several other opportunities such as Block 60- Bisat Solar Power Plant.

Decarbonisation

OQ developed a decarbonisation policy in 2021, which was approved by the Board. This policy commits OQ to:

- Measure, monitor and report OQ's direct and indirect emissions against international standards,

OQ's decarbonisation strategy encompasses three pillars: ENERGY EXCELLENCE, CLEAN ENERGY and LOW-CARBON MOLECULES. Our energy transition journey is three-pronged. It begins with energy efficiency as the low-hanging fruit, transitioning to powering our operations using renewables as much as possible and, finally, producing low-carbon molecules, whether blue (with carbon capture, utilisation and storage CCUS) or green.

- Set decarbonisation targets for OQ,
- Plan and deliver decarbonisation projects mapped across OQ ALTERNATIVE ENERGY pillars; ENERGY EXCELLENCE, CLEAN ENERGY and LOW CARBON MOLECULES.
- Set up a governance structure such as a management-led steering committee that drives decarbonisation across OQ,
- Develop key performance indicators (KPIs) to manage and monitor performance, and
- Develop risk management tools to manage the financial risks that future climate policies may have on the business.

A gap assessment was conducted to properly implement the decarbonisation policy and examine the current status of OQ's greenhouse gas (GHG) emissions and decarbonisation plans. Outcomes of this assessment were used to develop a plan of action to create, manage and implement a decarbonisation pathway for OQ. The plan will encompass establishing emission reduction targets for the different assets to realise OQ's decarbonisation objectives.

Energy Excellence

The ENERGY EXCELLENCE team benchmarked OQ's UPSTREAM assets, DOWNSTREAM assets and facilities in terms of specific energy consumption, set KPIs to reduce the energy consumption and monitor the implementation of energy efficiency projects.

\* The details and timelines regarding these projects are preliminary (Pre-Final Investment Decisions) and are subject to the approval of regulatory bodies.



The energy benchmarking exercises for OQ's assets are repeated on a biannual basis. Additionally, OQ has recently embarked on its journey of certifying the organisation in energy management (ISO 50,001).

Project Progress

The progress of AE department projects, as of 2021, is summarised below:

**1. ENERGY EXCELLENCE:** Monitoring and enabling the implementation of ENERGY EFFICIENCY initiatives through the ENERGY EFFICIENCY STEERING COMMITTEE resulted in net savings of USD 7 Mn which would be applicable annually thereafter. Energy audits and benchmark exercises against similar international assets were completed for OQ's core assets of UPSTREAM as well as for multiple OQ-owned buildings. The results are currently being translated into projects for implementation in 2022 and beyond. OQ also hosted an Energy Efficiency Conference to enable the transfer of successful case studies and lessons learnt between different industries of Oman.

**2. Clean Energy Assets:** Liwa Solar Project: The basis for design has been substantially completed. The process of equity partner (co-developers) selection is expected to be finalised in 2022. The Engineering, Procurement and Construction (EPC) tender preparation is ongoing and planned to be floated in 2022 soon after signing the JDA with the selected co-developer(s). Potential co-developers have been evaluated, the shortlist is complete and financial advisory has been awarded. The preliminary generation and transmission license exemption for self-generation has also been obtained from Authority for Public Services Regulation (APSR).

➤ Block 60- Bisat Solar Power Plant: The outcome of the conducted feasibility study is that optimal power choice for B60 is the combination of Oman Electricity Transmission Company (OETC) connection plus Photovoltaics (PV) Solar generation. The PV plant will be developed by OQ AE and will be provided through an asset lease agreement (ALA) to OQ US. The project development consultancy works are expected to be awarded and launched in 2022.

➤ Musandam Renewable Energy (RE): OQ received all wind mesoscale data for Musandam and completed the project pre-feasibility study. The time urgency of Musandam RE has diminished due to positive progress in alternative solutions, namely gas diversion to Musandam via the United Arab Emirates (UAE) and possibly a grid connection. As such, the project has been transferred to Oman Power and Water Procurement Company (OPWP), which will manage it.

**3. Green Molecules:**

➤ Hyport Duqm: A land reservation agreement was signed with OPAZ in September 2021 for 150 km2 for the UPSTREAM RENEWABLE POWER GENERATION (solar PV and a wind turbine generating 1,300MW) part of the project, for which a wind and solar measurement campaign has been commissioned in October 2021. A second land reservation was signed in June 2022 for almost 80 Ha (793,000 sq. meters) covering the DOWNSTREAM part of the project (500 MW electrolysis and ammonia plant). An offtake agreement was also signed with Uniper, and cooperation with OQ Trading is ongoing to enter a long-term offtake agreement for green ammonia (approx. production of 330,000 mton per annum). Pre-FEED studies and technology selections for the electrolysis original equipment manufacturer (OEM) and ammonia licensor will be completed in Q3 2022 and FEED start is scheduled for Q1 2023. Both legal and financial advisors have been selected for the project's financing component.

➤ Green Energy Oman (GEO) Project: Concept Feasibility Study, Energy Yield Assessment and Environment Social Impact Assessment have commenced.

➤ H2Oman: A JDA was signed with the project partners, ACWA Power and Air Products to develop a green hydrogen project in Dhofar and plans are underway to commence the resources measurement assessment.

➤ SalalahH2: A JDA was signed with project partners and pre-feasibility work commenced.

**PARTNERS IN SHAPING NATIONAL STRATEGIES ON CLIMATE CHANGE** 11.21.1, 11.21.2

OQ is represented in the National Committee for Climate Change and the Protection of the Ozone Layer, chaired by the President of the Civil Aviation Authority. The Committee acts as a platform that brings together 31 members from various relevant authorities in mitigating and adapting to the adverse effects of climate change and will contribute to establishing and implementing the necessary policies and action plans and raise community awareness in this regard.

Moreover, in December 2021, OQ became a part of Oman Hydrogen Alliance, led by the Ministry of Energy and Minerals. The Alliance seeks to drive the national Hydrogen Economy efforts (branded as Hy-Fly) and place Oman firmly on the map to develop and deploy clean hydrogen.

**GREENHOUSE GAS EMISSIONS**

We are committed to accurate reporting of total GHG emissions. The quality of reported data is constantly enhanced by applying the best practices of accountability and transparency despite the complexity of calculating emissions in our business. To help achieve this, we have started to deploy a software tool, with roll out set for 2022. This will further streamline GHG reporting across the entire organisation and enhance data governance.

The GHG emission figures stated in the below tables include both Direct Scope 1 Emissions

**GREENHOUSE GAS EMISSIONS BY SCOPE**

(MILLION TONNES OF CO <sub>2</sub> eq) 2021		
	UPSTREAM	DOWNSTREAM
➤ SCOPE1	1.87	7.21
➤ SCOPE2	0.08	1.27
➤ TOTAL	1.95	8.48

\*Scope 1 accounts for all our direct energy consumption. Emission factors used in Scope 1 are based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

\*\* Scope 2 accounts for all our indirect energy consumption purchased from third parties. Emission factors are calculated on location-based methods.

\*\*\* 2020 data was revisited. Additionally, OQ CHEMICAL is excluded in this report in alignment with the current reporting boundaries.

and Indirect Scope 2 Emissions. These values were derived from the total direct and indirect energy consumption throughout all locations of our facilities.

Our total GHG Emissions for 2021 amounted to 10.43 million tonnes of CO<sub>2</sub> equivalent. Increase in GHG in 2021 compared to 2020 is due to the increase of the overall activities in OQ UPSTREAM and DOWNSTREAM post COVID- 19 recovery and the commissioning of the new projects, such as LPIC and NGLE.

(MILLION TONNES OF CO <sub>2</sub> eq)		
	2020	2021
➤ SCOPE 1*	5.86	9.08
➤ SCOPE 2**	0.45	1.35
➤ TOTAL	6.31	10.43



ENERGY CONSUMPTION

Our total energy consumption in 2021 was 69,868TJ for all our operated business assets. However, we anticipate that this number will

increase in the near future as both OQ AMMONIA and OQ8 development projects were under construction and were not operational in 2021.

ENERGY CONSUMPTION (TJ)

ENERGY CONSUMPTION (TJ)

➤ ENERGY CONSUMPTION FOR PROCESS

52,887

➤ ENERGY CONSUMPTION FOR ELECTRICITY

16,982

➤ TOTAL ENERGY CONSUMPTION

69,868

ENERGY CONSUMPTION (TJ)

➤ UPSTREAM

9,870

➤ DOWNSTREAM

59,999

ENERGY INTENSITY

OQ conducts periodical Energy Intensity assessment studies for its REFINERIES and UPSTREAM plants. These studies aim to benchmark the energy performance of OQ’s assets and identify gaps and opportunities for improvement. Accordingly, an action plan was developed, which is closely monitored by the business lines. The Energy Intensity Index (EII) is

used as the performance metric for evaluating improvement initiatives in the energy efficiency of OQ’s refineries. OQ average EII in 2021 has improved from 104 in 2020 to 99 in 2021. Moreover, with the goal of further enhancing energy efficiency, OQ has set an aspiring goal to lower EII to 95 by 2024.

DOWNSTREAM (ENERGY INTENSITY INDEX EII)

➤ MAF

88.3

➤ SR1

121

➤ AP

92.8

➤ SR2

109.9

UPSTREAM ENERGY INTENSITY

➤ ENERGY INTENSITY (GJ/BOE)

0.25

GREENHOUSE GAS EMISSIONS INTENSITY

OQ UPSTREAM reported less GHG emission intensity mainly due to increased oil production. Meanwhile, the GHG emission intensity for DOWNSTREAM has increased primarily as a result of commissioning the LPIC and NGLE projects.

GREENHOUSE GAS EMISSIONS INTENSITY

➤ \*DOWNSTREAM  
(KG CO2E/TONNE PRODUCTION)

2021

392

2020

370

➤ \*\*UPSTREAM  
(KG CO2E/BOE)

2021

28

2020

36

OCCUPATIONAL HEALTH, SAFETY AND SECURITY (OHSS)

11.9.1, 11.9.2, 11.9.3, 11.9.4, 11.9.5, 11.9.6, 11.9.7, 11.9.8, 11.9.9, 11.9.10

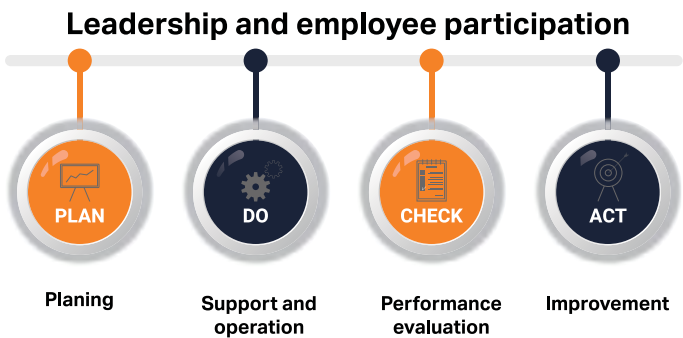
STATEMENT OF COMMITMENT AND VALUES

OQ is committed to delivering safe, reliable, and compliant execution of business. Our goal is zero harm to people, the environment, and property. We aim to build a sustainable safety culture that requires visible and committed leadership, a high level of participation from employees and contractors, and the development of a proactive safety culture in the workplace.

During 2021, OQ published its health, safety, security, and environment policy, which was the first policy in OQ to be approved by The Board. The roll-out process was initiated soon afterwards and acted as the foundational document on which OQ constructed the HSSE management system. The policy is made available in both Arabic and English to ensure an inclusive roll-out strategy, supporting the business language of OQ. It is displayed in OQ offices worldwide to ensure visibility and to stimulate discussions around enhancing HSSE.

Subsequently, OQ established the HSSE Management System (HSSEMS) framework, which aims to bring improvements in HSSE performance and reduce the likelihood of adverse impacts. This is achieved by establishing a systematic process, which can be used throughout the organisation to plan, manage, and carry out activities as intended, considering the inherent hazards and risks associated with OQ’s activities. The framework applies the ‘plan-do-check-

act’ (PDCA) cycle required by ISO Standards for achieving continuous improvement. Leadership and employee participation are at the core of the cycle, as shown in the figure below.



OQ HSSE Management System relationship with the PDCA Cycle

The framework is designed to fit the complexity and context of the entire spectrum of business activities within OQ and ensure the systematic management of process safety, occupational health, safety, security, and the environment. Moreover, the HSSE management system provides a robust foundation upon which the organisation’s HSSE culture shall be stewarded to improve progressively until it reaches the “generative” level of a high reliable organisation. The OQ HSSEMS scope covers all OQ business lines. The flexible HSSEMS model allows each business line to address the HSSE risks and specific legal requirements associated with their specific activities.

Many OQ assets have already acquired certification as listed in the table below.

	STANDARD	DOWNSTREAM
ISO 14001	ENVIRONMENTAL MANAGEMENT SYSTEM	MINA AL FAHAL, AROMATIC PLANT, POLYPROPYLENE PLANT, SUHAR REFINERY SALALAH METHANOL, OQ GAS NETWORKS
ISO 45001	OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM	MINA AL FAHAL, AROMATIC PLANT, POLYPROPYLENE PLANT, SUHAR REFINERY SALALAH METHANOL, OQ GAS NETWORKS
ISO 9001	QUALITY MANAGEMENT SYSTEM	MINA AL FAHAL, AROMATIC PLANT, POLYPROPYLENE PLANT, SUHAR REFINERY SALALAH METHANOL, OQ GAS NETWORKS
ISO 17025	STANDARD REQUIREMENTS FOR THE COMPETENCE OF TESTING & CALIBRATION LABORATORIES.	MINA AL FAHAL, AROMATIC PLANT, POLYPROPYLENE PLANT, SUHAR REFINERY SALALAH METHANOL

The new HSSE management system fulfils the requirements of various international standards such as ISO 45001, ISO 14001, and RC 14001, ensuring certification management across OQ is sustainable.



## HSSE RISK MANAGEMENT

OQ's involvement in the type of industrial sectors it operates in has inherent hazards and risks that are associated with its activities, assets, operational locations, and products. In 2021, OQ established a standardised approach to risk management as set out in OQ corporate risk management procedure, which is to be applied consistently across the organisation.

OQ corporate supporting documentation was also developed to facilitate implementation of OQ HSSEMS across the OQ group. The HSSEMS has eight focus areas listed below:

➤ HSSE Governance and Administration

- Occupational Health
- Operational Safety/Occupational Safety
- HSE Risk Management
- Environment
- Crisis Management and Emergency Response
- Process Safety
- Physical Security

## PERSONAL SAFETY

At OQ, our top priority is to safeguard the wellbeing of all our employees and run operations in a well-managed environment. We ensure that all stakeholders including employees, consultants, contractors, and suppliers are aware of the latest policies, major developments and best practices in occupational health and safety. OQ supports a culture that empowers employees to stop work and express their concern to unsafe acts and unsafe conditions.

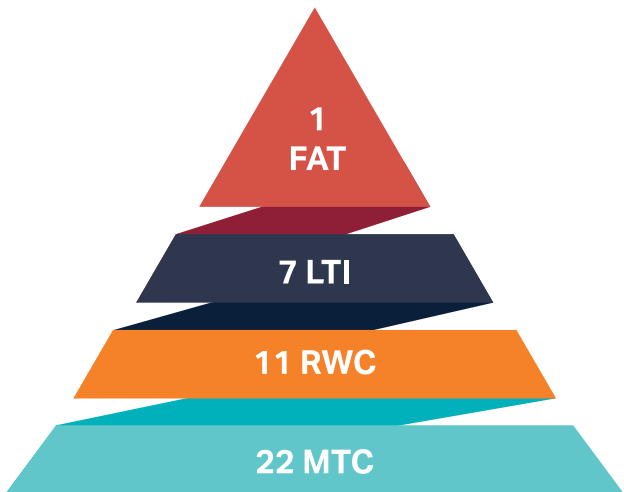
OQ expended a total of 106Mn manhours during 2021. Unfortunately, 41 recordable incidents were reported during the year, including one fatality reported in the third quarter of the year. Thorough incident investigations, as per company procedures, are carried out to ensure lessons are captured and avoid potential recurrence.

## WORKER TRAINING ON OCCUPATIONAL HEALTH AND SAFETY

### HSSE Training, Campaigns, and Achievements

The HSSE training management process was developed in collaboration with a consultant which was the building block for the development of the HSSE training management document and procedure. The purpose of the document is to explain the workflow associated with HSSE training management at OQ, and to define the training requirements expected of OQ employees to meet HSSE training management expectations.

The below figure represents the recordable incidents in 2021.



Over 8800 hours of HSSE training were delivered for OQ employees in 2021. Additionally, training for the newly implemented observation, incident, and investigation reporting system (i-HSSE) was conducted for more than 2000 employees and contractors. Over 125 critical HSSE training courses were identified and added to the HSSE training matrix. 125 training profiles were further enhanced with additional details for each course for the purpose of incorporating them into a unified HSSE training management document.

Corporate HSSE had many campaigns and initiatives during 2021 such as Ramadan health tips and office security tips published on our internal channels. We also celebrated important global events, which are relevant to our local society, such as breast cancer day and world diabetes day with awareness sessions and events at our office and online. We had also conducted heat stress campaigns in summer, published awareness material and conducted training.

Major achievements in 2021 included releasing our process safety booklet to facilitate common understanding about this important topic amongst employees, and the development of more than 590 competency definitions that led

## OCCUPATIONAL HEALTH SERVICES AND PROMOTION OF WORKER HEALTH 11.9.4, 11.9.7

At OQ, we ensure both our employees and contractors have access to excellent healthcare services and medical facilities. We have therefore provided our employees and their families with comprehensive medical insurance. In addition, we are working to standardise and upgrade healthcare facilities at the remote areas where we operate by establishing standardised requirements for healthcare facilities in these areas. These are being audited by the occupational health team to ensure adequate compliance to the requirements.

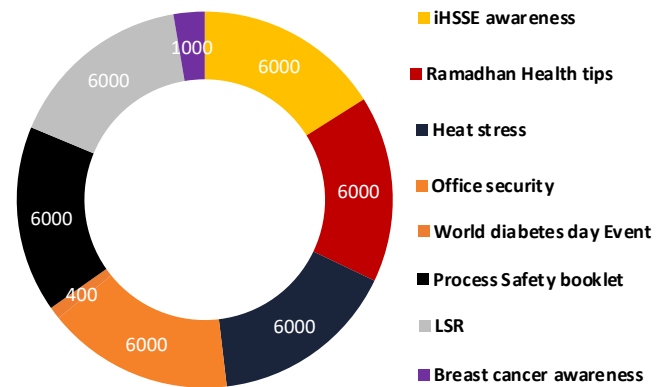
## COVID-19 MANAGEMENT

To combat the unprecedented COVID-19 pandemic, OQ continued to undertake all proactive measures to reduce risk and safeguard the wellbeing of employees and all other stakeholders. This included having non-technical employees work from home, carrying out disinfection through full fogging mist, and cancelling non-essential visits, etc.

OQ promptly activated the Business Continuity Plan (BCP) to ensure minimum impact on business

to the creation of more than 105 job competency profiles.

The below pie chart is an approximate number of physical attendance or employee reach.



Additionally, we established a standardised occupational hygiene monitoring framework, which was produced and shared with concerned stakeholders. To facilitate effective reporting and management of occupational health aspects across all areas of business, we work to ensure that all OQ clinics use the OQ approved HSSE software tool, standardise occupational health related procedures and establish standards for medical fitness for employees, contractors, and others.

while keeping employees safe. Several measures such as regular COVID-19 audits, setting up of PCR machines, contact tracing and regular fumigation of offices were undertaken to comply with all the precautionary measures advised by the Supreme Committee and the Ministry of Health in Oman.

At the end of 2021, 1971 COVID-19 cases were reported at OQ, with a recovery rate of 99.4%.

## EMPLOYEE WELLNESS INITIATIVES

The following are some measures and initiatives which took place in 2021 to address employee wellness:

- Employee questionnaires addressing their wellbeing. Based on the results, the employees were guided on the way forward and advised on how to modify their lifestyle for a better quality of life.
- Providing a coach to be approached during the pandemic for anyone who has any coping challenges as a result of COVID-19.
- Catering services offering quality balanced food across the sites where the food services are available. At regular intervals, employees were asked to answer a survey about the food quality and what improvements they would like to see.
- Conducting food hygiene audits to ensure the hygiene and the fitness of the catering staff across OQ.
- Providing exercise facilities, a swimming pool, and gyms with equipment at most of the sites, some of which also have a fitness coach.
- Offering recreational facilities which can be accessed after working hours.
- Conducting a session on the "Mind, Body and Soul" and virtual yoga classes.
- Offering multiple sessions conducted by industry experts on personal finance.
- Providing mental health coverage as part of medical insurance accessible to employees and their dependents.
- Launching health awareness campaigns including those on breast cancer, heat stress and hypertension

## SECURITY PRACTICES AND HUMAN RIGHTS 11.18.2, 11.18.1

In order to ensure respect for human rights, our security personnel and contracted security services providers are trained in human rights and comply with all Omani statutory laws and regulation requirements. We collaborate with Royal Oman Police (ROP) to ensure the compliance with all Omani statutory laws and regulation requirements, including:

- Royal Oman Police (ROP), Oil and Gas Installation Police Headquarters, Security System for Oil Installations 2011.
- Royal Decree No. 29/2013 promulgating the Omani Civil Code, which sets out the obligations of the employer towards their employees. In particular, it states that the employer will provide everything necessary to ensure the safety and security of its employees, and to ensure that employees' tools are "fit for purpose and cause no harm".
- Ministerial decree no. 286/2008 promulgating the Occupational Health and Safety legislative framework.
- Royal Decree No. 35/2003 promulgating Labour Law and subsequent amendment in legislation, which sets out various provisions regarding employee working hours and overtime.

### Security, Crisis Management and Emergency Preparedness:

Our responsibility regarding security and emergency preparedness is to assist and collaborate with affected communities, local government agencies and other relevant parties in their preparation to respond effectively to security emergency situations and play an active role in the business recovery while supporting our employees, clients, and contractors. A good example was the Emergency Management team and Emergency Control Centre's role during COVID-19 and other natural disasters.

### Collaboration with ROP and Private Security Providers:

As per the requirements of the Voluntary Principle of Security and Human Rights (VPSHR) and the ROP's Oil and Gas Installation Police Security Specifications for oil and gas installations, OQ has developed a security management system in line with these requirements. We have communicated our security policies and procedures to ROP for alignment and we consult regularly with ROP to discuss security and human rights requirements in meetings taking place throughout the year. We also constantly monitor the implementation of the requirements related to human rights.

## REGULATIONS AND TRAINING

We have embedded security processes and procedures that have been developed through training to all security teams. The first phase of training targets OQ security employees, while the second phase includes training third parties such as the private security provider by our Security and Crisis Management department.

Joint training and national-level security risk assessment workshops have been conducted and were attended by ROP and other oil and gas operators. Moreover, a procedure for handling unrest and strikes has been initiated, and our security employees have received training to ensure human right requirements are met.





## PROCESS SAFETY 11.8.1, 11.8.2

PROCESS SAFETY facilitates organisation safe operations and asset integrity management. The chemical industry recognises that PROCESS SAFETY not only helps in preventing industrial accidents, but also positively impacts integrity, quality, productivity, and sustainability. At OQ, PROCESS SAFETY is not just a discipline, it is a way of doing business.

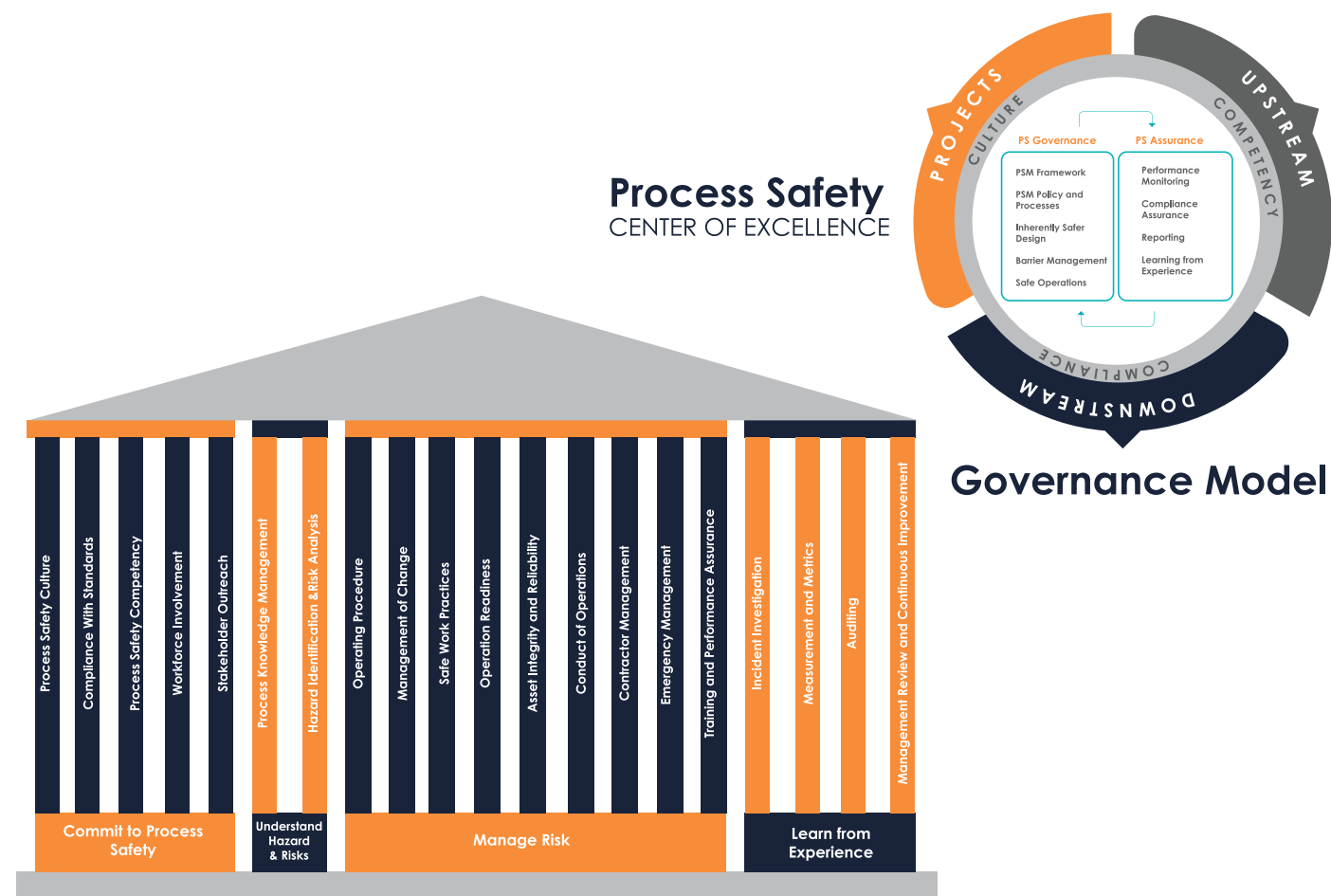
Protecting workers, the community and the environment is as important as ensuring safe production and protecting market share. We understand that safe and reliable operations cannot be maintained without the systematic application of and compliance with PROCESS SAFETY principles. OQ thus considers PROCESS SAFETY a top priority and has taken several steps to assign adequate resources to it.

For the past two years, OQ has maintained a Zero Tier-1 incident record, a great achievement that

brings us pride and demonstrates the PROCESS SAFETY COMMITMENT, COMPETENCE and COMPLIANCE maintained by our operators, technicians, contractors, line managers and senior management.

Moreover, our PROCESS SAFETY MANAGEMENT approach is being upgraded to a next generation process safety management model, the Risk-Based Process Safety Management Model of the Center of Chemical Process Safety (CCPS). A Risk Based Process Safety Model RBPSM awareness campaign was also carried out to provide baseline information about the system to all business lines, and almost 500 people attended the sessions.

Based on the latest version of the PSM system, a governance model was formed to drive PROCESS SAFETY across all OQ assets. The below figures represents the risk-based process safety model and the governance model.



In addition, to identify the PSM baseline compliance level, a PSM gap assessment was carried out for each business line with respect to RBPSM Model. An action list was generated with target dates for following up the progress towards total compliance.

We are confident that we can successfully achieve and maintain the desired level of PROCESS SAFETY performance at OQ by:

➤ Providing PROCESS SAFETY LEADERSHIP from the top of the organisation to first-line supervisors,

- Focusing on nurturing PROCESS SAFETY culture, competence, and compliance,
- Maintaining a healthy sense of vulnerability,
- Maintaining PROCESS SAFETY IMPERATIVES; production is not possible without applying PROCESS SAFETY principles,
- Ensuring consistent compliance, not merely paper compliance, and
- Following the PSM GOVERNANCE MODEL.



A woman wearing a brown hijab is shown in profile, looking down at a laptop. She is holding a yellow pen over an open notebook. The laptop screen is dark. In the bottom left corner, there are some colorful sticky notes. The image is split diagonally by a white line.

## OUR SOCIAL **PERFORMANCE**



OUR PEOPLE

At OQ, we constantly seek to maintain a people-centric approach, which enables our employees to reach their highest potential. We are committed to creating a culture of continuous improvement and productivity, where our employees are the key drivers to achieving OQ’s vision and mission and

are committed to promoting equal opportunities. We believe that a diversified employee base is a key success factor and provides abundant opportunity to add value to our organisation. Moving forward, we are committed to do more on this front in our journey.

DATA GOVERNANCE AND QUALITY

OQ has established the PEOPLE DATA CENTRE, a key data management initiative in OQ, which aims to provide visibility of data to leadership teams. This will improve the decision-making process by ensuring data availability, accuracy and accessibility of OQ TALENT. Additionally, this project allows better management of our employees’ data in an efficient, integrated and digitalised manner.

standards on one BUSINESS INTELLIGENCE PLATFORM. Visualising the dashboards also contributes to decision-making where applicable.

This section of the report presents data related to employment, training and education, diversity and equal opportunity, non-discrimination, as well as freedom of association and collective bargaining. Although we strive to include comparisons to 2020 and 2019 data throughout the report, it was technically not possible to accurately represent 2020 and 2019 data. This is due to the continuous internal movement of employees as part of our integration journey and the consequent challenges of capturing their data in our systems.

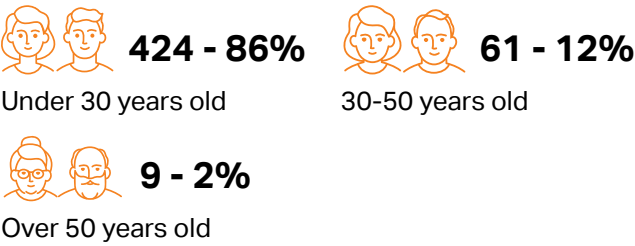
We have also created the PEOPLE DASHBOARD in order to generate easily accessible automated reports and dashboards to visualise OQ’s PEOPLE DATA. This project enhances data accuracy, effectiveness and data sustainability in unified

EMPLOYMENT

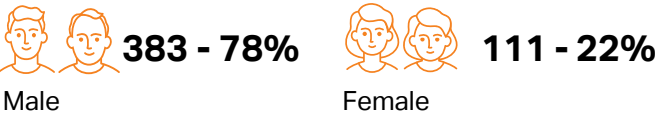
NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER\* 11.10.2

The below figures represent the number of newly hired employees by age, gender and region. In 2021, 86% of newly hired employees were under 30 years of age.

a- Newly Hired Employees by Age Total 494



b- Newly Hired Employees by Gender Total 494



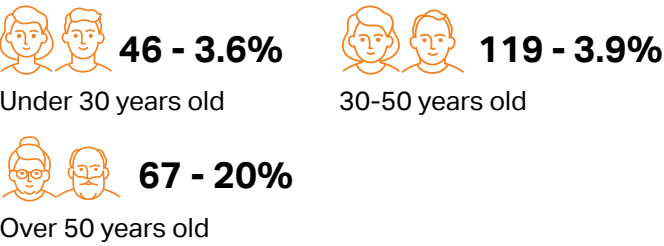
c- Newly Hired Employees by Region Total 494



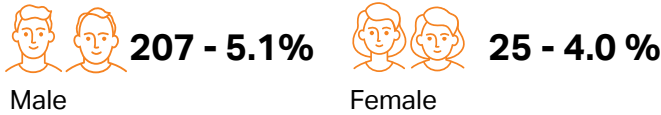
The figures below represent the number of employees who left the company, as well as the turnover rate by age, gender and region. The highest turnover rate is for employees over 50 years of age. This may be attributed to the number of retiring employees in this age group.

\* Turnover rate is calculated by dividing number of employees who left the company by total number of employees X100.

a. Employee Turnover by Age Total 232 - 5%



b- Employee Turnover by Gender Total 232 - 5%



PARENTAL LEAVE\* 11.10.4

OQ employee data relating to parental leave for 2021 is represented in the table below. Return to

a. Male employees

	2021
Total number of male employees entitled to parental leave	3071
Total number of male employees who took parental leave	288
The number of male employees who returned to work in reporting period after parental leave ended	288
The number of male employees who returned to work after parental leave ended and were still employed 12 months after their return to work	286
Return to work and retention rates of male employees who took parental leave	99%

c- Employee Turnover by Region



work and retention rates of both male and female employees that took parental leave is 99%.

b. Female Employees

	2021
The total number of female employees entitled to parental leave	322
The total number of female employees who took parental leave	77
The number of female employees who returned to work during the reporting period after parental leave ended	77
The number of female employees who returned to work after parental leave ended, and that were still employed 12 months after their return to work	76
Return to work and retention rates of female employees who took parental leave	99%

TRAINING AND EDUCATION

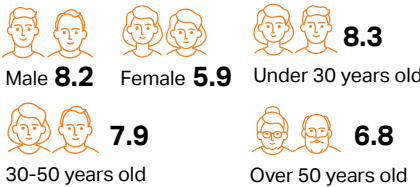
OQ aims to attract, develop, engage, and retain employees while enabling a culture of learning and growth. By applying the DEVELOPMENT NEEDS ANALYSIS approach, we offer continuous

learning opportunities to enhance our employees’ capabilities through various development interventions such as professional certifications and capability development.

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE 11.10.6

The below figure details the the average number of training hours per employee in 2021 and is recorded by gender and age group. At OQ, training is provided based on business requirements; male employees constitute the majority of employees working onsite in technical fields and due to the high-risk nature of their duties, average hours of

training for male employees are higher than those for female employees.



\* This excludes temporary employees.

**PROGRAMMES FOR UPGRADING  
EMPLOYEE SKILLS AND  
TRANSITIONAL ASSISTANCE  
PROGRAMMES** 11.7.3

In 2021, OQ implemented several initiatives and programmes to upgrade employee skills, in addition to a transitional assistance programme and succession planning. These are briefly described below.

**Masar Programme**

In order to create a programme centred around helping the cultural transformation of OQ after its integration journey, OQ partnered with International Institute of Management Development (IMD Business School) to train 100 Leaders. The programme objectives include:

- Developing leaders to transform the organisation’s culture towards agility and competitiveness,
- Developing skills/behaviours required to lead the strategy and change towards a fully integrated energy group,
- Developing excellence in strategy execution and delivery,
- Identifying barriers for change, analysing and finding solutions and creating commitment to key success factors, and
- Building a shared commitment to operational excellence and high performance.

**Coaching**

In 2021, OQ established its formal COACHING SYSTEM supported by certified coaching professionals. Its objective is to encourage, utilise and further develop our employees’ coaching capabilities. The programme has progressed successfully and delivered the following milestones and goals:

- Building and operating a coaching system,
- Creating a monitoring and reporting system for coaching,
- Conducting 200 sessions for 40 employees from three streams which were coached internally to the satisfaction and appreciation of the target group,
- Establishing OQ COACHING COMMUNITY for all certified and credentialed internal coaches,
- Creating USD 60K ROE/ROI in savings by utilising OQ COACHES,
- Developing 22 new certified COACHES and supporting their accreditation journey with the International Coaching Federation (ICF), and
- Equipping 12 Leaders with coaching skills through training.

**OQ Itqan**

ITQAN is a competency assurance programme which aims to develop a functional system that improves employees’ competence to meet the needs of OQ’s strategic plans and goals. It seeks to:

- Improve employee capabilities,
- Improve career prospects,
- Utilise internal resources,
- Create a competent workforce, and
- Continue OQ’s growth journey.

In 2021, a total of 373 employees were certified by the programme.

**EDP**

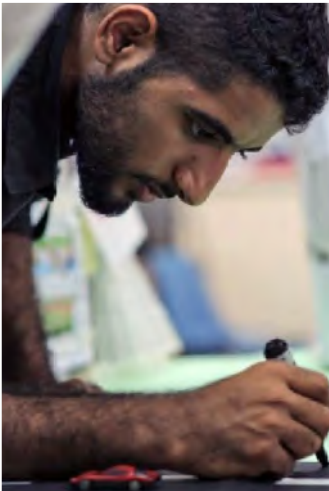
The EDUCATIONAL DEVELOPMENT PROGRAMME (EDP) is a company-sponsored, long-term education programme that runs from six months to five years. It seeks to develop potential Omani talent with the objective of strengthening the employee educational base.

The EDP responds to OQ’s business needs, where OQ provides support in the identification of the relevant educational institutions. In 2021, 14 employees were sponsored by the programme.

**Scholarships**

As part of OQ’s commitment to youth development and supporting Oman’s students to pursue their studies at renowned international educational institutions, OQ sponsored 22 outstanding Omani students to study at international schools as part of the TAKATUF SCHOLARSHIP PROGRAMME. Expected benefits of the programme include:

- Sustaining the International Scholarship programme to meet OQ’s business needs and future job demands,
- Adding international experiences to OQ’s workforce once scholar’s graduate, and
- Developing future leaders.



**Etimad Programme**

A national programme for leadership development conducted for middle and senior Omani managers working in the private sector, the ETIMAD programme aims to train and empower workers in the private sector and raise the level of their leadership and supervisory skills through a specialised programme designed in partnership with international and local institutions with experience in refining managerial skills and training leaders. In 2021, six OQ employees took part in the programme.



**Technical re-skilling Programme**

OQ partnered with Takatuf Petrofac Oman (TPO) to deliver an 18-month TECHNICIAN TRAINING PROGRAMME to 28 identified employees as part of an upskilling initiative. Its objective is to develop and qualify Omani operations and maintenance (O&M) technicians in accordance with Oman’s nationalisation policies through an experiential approach which combines the latest learning technology platforms and theory-based classroom sessions. The initial phase of the programme focused on embedding language skills, health and safety, and business behaviours before progressing to the technical elements of the programme in the second phase. Employees can receive qualifications in ELECTRICAL, MECHANICAL or INSTRUMENTATION pathways, undertaking the mandatory modules and practical training onsite before being able to safely assume their duties.



## Succession Planning

The objective of this programme is to guarantee business continuity by ensuring that a “pipeline” of human capital is available, ready and capable to take on more challenging and critical roles. So far, the SUCCESSION PLANNING program strategy has been endorsed, and critical positions as well as successors to these roles have been identified.

## Internship Programmes

Our internship placements offer interns the opportunity to gain practical work experience while demonstrating OQ’s social responsibility commitment to supporting our community, maintaining our strong partnerships with educational institutions, solving real business challenges and enhancing the interns’ cumulative academic knowledge through hands-on learning. This results in creating a pipeline of qualified talent for potential and future hiring needs.

Moreover, EIDAAD PROGRAMME is an internship programme which is delivered in partnership with the Ministry of Higher Education, Research and Innovation. During its 10-month duration, interns learn invaluable practical skills while fulfilling the work experience requirement of their colleges.

## Percentage of Employees Receiving Regular Performance and Career Development Reviews

100% of OQ employees of both genders and all age groups receive annual performance reviews, where their performance is evaluated and ranked based on predetermined SMART targets.

## DIVERSITY AND EQUAL OPPORTUNITY <sup>11.11.1</sup>

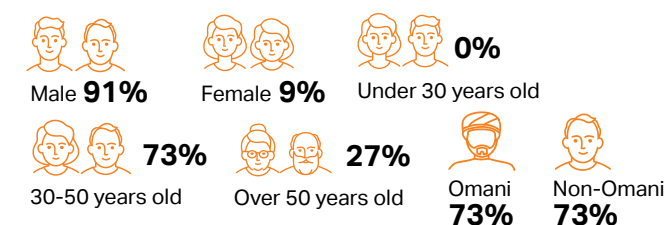
To ensure non-discrimination, equal opportunity and diversity and inclusion in our workplace, OQ is committed to the following:

- Establishing clear, consistent, transparent and flexible talent strategies and initiatives that enable us to attract, retain, engage and develop capable and motivated employees, regardless of their background and origin.
- Formulating a manpower plan that addresses current and future workforce needs
- Following systematic and transparent employment processes
- Developing and retaining existing and future capabilities within OQ
- Establishing a learning organisation culture where employees can transfer and share knowledge
- Building on a total rewards framework to support OQ’s aspirations in accordance with OIA guidelines
- Informing and advising employees of their rights and obligations
- Enabling data-driven business decisions.

## DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES <sup>11.11.5</sup>

### a. Governance Bodies

The below figures show the diversity within OQ’s EXECUTIVE LEADERSHIP TEAM in 2021, according to the listed employee categories.



## LOCALISATION IN OMAN-BASED ASSETS

At OQ, we care about empowering our local workforce. That is why OQ follows a localisation (Omanisation) approach in Oman, aligned with OIA and the Omani government’s mandate. It aims to provide various opportunities to increase participation of Omani labour in Oman’s economy.

## DIVERSITY OF NATIONALITIES

OQ also values the diversity of nationalities and cultures of our employees, and the wealth of insight, experience and different perspectives

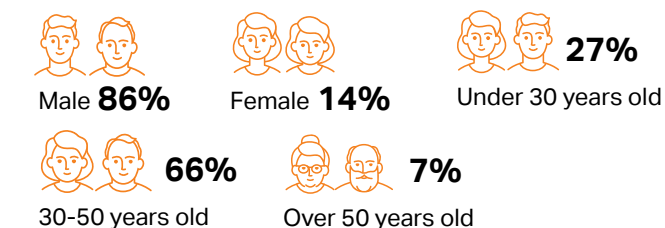
## WOMEN EMPOWERMENT

OQ launched WOMEN@OQ, an innovative set of programmes designed to strengthen OQ’s culture on supporting working women and enhancing skills and knowledge to empower, engage and educate women. The programme’s structure includes an advisory board in addition to TASKFORCE LEADERS and MEMBERS. The taskforce is responsible for the development and implementation of WOMEN@OQ plans and activities. They consist of the training and mentorship taskforce, the events management taskforce and the surveys and evaluation taskforce. Additionally, WOMEN@OQ includes a set of programmes that will serve to:

- Provide collaboration opportunities, support and advice on topics related to diversity and empowerment of women at OQ,

### b. Diversity of Employees

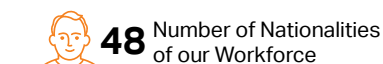
Similarly, The below figures show the diversity of OQ’s workforce



The Omanisation rate can vary each year based on the requirements of different projects, their structure, updates to regulations, etc. The figure below is captured for 2021.



they bring to the table. The figure below illustrates the number of nationalities in OQ.



- Uphold the legacy of women in the energy sector by promoting diversity, leadership, representation and recognition for women within OQ and provide platforms where women can share their ideas on these topics.
- Focus on the community of women within OQ’s eight assets in Oman and around the globe,
- Provide leadership and educational training for women so that they may become more enabled, active and heard, with the goal of filling a higher number of leadership positions, Bring to attention and discuss the challenges faced by women in the workplace with OQ leadership and offer solutions,

- Review the effectiveness of internal policies and suggest improvements,
- Suggest enhancements to advance women's career development from the earliest stages to post-career, through advocacy, and
- Raise awareness of women's concerns in collaboration with other relevant OQ functions.

The three main topics that this programme covers are women in the workplace/women

## NON-DISCRIMINATION 11.11.1

At OQ, a culture of respect is central to a harmonious workplace, where the rights of individuals are upheld and their dignity is affirmed, free of intimidation, discrimination and coercion

## INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN 11.11.7

In 2021, there were zero incidents of discrimination reported by OQ employees and the local community.

## FREEDOM OF ASSOCIATION 2-30, 11.13.2

OQ supports workers' rights to voluntarily form and join labour unions free of any personal risks or consequences. This stance is aligned with the Ministerial Decision of the Ministry of Labour (formerly "Ministry of Manpower") no. 570/2012 on the "regulation governing the formation, activity and registration of labour trade unions and federations and the General Federation of Oman Trade Unions", pursuant to Ministerial Decree no. 95/2012. Chapter II (Article 2 and

## PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY 11.11.2

At OQ, "Senior Management" is defined as the highest level of Leaders in the organisation. This consists of the below leadership categories:  
1.The Executive Leadership Team (ELT) immediately below the Board of Directors. It consists of the following members:

working in technical jobs, women in leadership and the needs of working women. It focuses on developing the following skillsets:

Strategic thinking, leading courageously, inspiring others, supporting women in finding solutions/ guiding women to find support systems, raising men's awareness about the needs of women in the workplace, teamwork and team building, and interpersonal skills and networking.

of any kind. We prohibit discrimination based on race, gender, religion, age, sexual orientation, politics, or any other personal characteristic protected by law.

Article 3) of this decision respectively state that "the workers may form from among them labour trade unions to safeguard their interests, defend their rights and improve their financial and social status and to represent them in all matters relating to their affairs and those workers are "entitled to join or withdraw from a trade union", and they "may not be prevented from exercising his trade union activity or coerced to join or withdraw from a labour union."

- Group Chief Executive Officer
- Chief of Audit
- General Counsel
- Chief Financial Officer CFO
- Chief People, Technology and Culture (PTC) & Corporate HSSE

- Chief Strategy and Transformation
- Chief Upstream
- Chief Downstream and Commercial
- Chief Alternative Energy

2. Vice Presidents (VPs) and Heads of Department: a subsequent layer of Senior Management below the

ELT level who are responsible for tactic operation within the stream/function.

In 2021, OQ's senior management consisted of 227 leaders, of which 74% are Omani.





## COMMUNITY INVESTMENTS

11.15.2, 11.15.1, 11.21.2, 11.2.1, 11.2.2, 11.14.4, 11.14.1, 11.14.5, 2-25

### OUR GUIDING PRINCIPLES

At OQ, we seek to become a recognised player in areas of social investment and local community development, carrying out a balanced approach in our project distribution where 80% of our

> **80%** National Projects > **20%** Local projects in communities close to operations (neighbourhood initiatives)

Our community investments broadly fall within the following project pillars:

> **30%** Economic Contribution

> **30%** Environmental Stewardship

> **40%** Education and Health

Vision 2040 is the blueprint for Oman's future development; hence, OQ's social investment strategy has been mapped to two pillars of the overall vision:

### TOTAL EXPENDITURE

Our community investment expenditure for 2019, 2020 and 2021 is listed below:

> Community investments > 2019 **USD 12.7 MN** > 2020 **USD 16 MN** > 2021 **USD 10.5 MN**

### OUR 2021 COMMUNITY INVESTMENTS AND INFRASTRUCTURE DEVELOPMENT PROJECTS

Described below are some of OQ's 2021 community investment programmes and projects, which include the development of infrastructure investments and services in the

allocated budget is directed towards national projects and 20% to local projects in communities close to where we operate.

1. People: covering the topics of education, learning, innovation and national capabilities, health, welfare, and social protection.

2. Environment: covering the topic of environment and natural resources.

In 2021, our social investments for sustainable development in local communities focused on education and health, family, and community development, supporting youth, women, and the less-privileged groups, and providing a set of services that boost tourism in the communities to support economic development by partnering with the government, private and civil society organisations.

areas where OQ operates. They demonstrate our commitment to positively impacting the local economy as well as our neighbours in the areas of we operate in and the wider community.

> **FALAJ AL-WASET Restoration (USD 62.5 K):** A Memorandum of Understanding (MOU) was signed with WALI AL-BURAIMI'S office to support the restoration of FALAJ AL-WASET in AL-BURAIMI Governorate. A "FALAJ" is a traditional network of channels that acts as a more sustainable form of irrigation. It now supplies water to many farms and villagers. Previously, some farms did not survive the water scarcity, and some farmers considered permanently abandoning their job and seeking another living.

> **Dhalkout Road Protection (USD 25 K):** In the Governorate of Dhofar, OQ supported an initiative of the local Wali office to install fences along the Dhalkout road. It protects against the danger of road accidents caused by camel crossing, which previously led to human and animal fatalities.

> **Kimzar Protection Wall (USD 100 K):** OQ also implemented a number of Musandam cluster projects in cooperation with Musandam Municipality. One of these is a project to build a protection wall in Kimzar, a remote island isolated by the Arabian Gulf bordering Hurmuz Strait. The houses in Kimzar are situated between the high mountain wall on one side and the sea on the other. This leads to exposing parts of the village to increasing heat every year due to high tides. The protection wall acts to protect the soil of the village from erosion by the sea.

> **Kimzar Walking Bridge (USD 144 K):** OQ built a walking bridge in Kimzar, allowing residents to cross the Wadi (valley) more easily. Prior to this social investment, locals would not have been able to cross to the other side during rains and, consequently, were not able to easily reach healthcare facilities.

> **Floating Jetty (USD 68 K):** To serve local families and fishermen in offloading their catch, fishing equipment and other items from their boats, OQ supported the Municipality of Musandam's proposal to transfer the floating jetty from Lima Island to Khor Najd and to conduct comprehensive maintenance of the floating jetty. In addition to easing transport for both fishermen and other citizens across

the rocky coast, the project is expected to contribute to supporting the tourism activities in this site, which is considered one of the most attractive in Musandam. It is also expected to create business opportunities for Omani youth. By installing this sites, several fishermen have started their new businesses by buying fishing boats and fishing for a living.

> **Fishermen Houses (USD 75 K):** Also benefiting Musandam fishermen, OQ created the Kimzar Fishermen Houses. It is designed as a hub for fishermen with comfortable facilities and dedicated spaces for manufacturing fishing tools and storing their gear.

> **Heil Beach Park (USD 219 K):** OQ undertook a project to restore and develop Heil Beach Park. It is expected to have a tangible impact in supporting local tourism and creating business opportunities. Fitted with not only a children's playground but also outdoor gym facilities, it will provide a much-needed space for children and adults to practice physical activity outdoors. The Park is additionally supplied with a water desalination plant (USD 37 K), solar panels (USD 37.5 K), lighting (USD 27.5 K) as well as two GRP tanks (USD 36.9 K).

> **Kimzar Park (USD 90 K):** Similarly, Kimzar Park is another public park which forms part of OQ's community investments in Musandam. Inspired by its vicinity to the sea, the Kimzar park provides an outdoor entertainment venue for families and their children, where this park is the only one of its kind in the village. The park is equipped with an outdoor gymnasium area, children's playground, and benches for the visitors.

> **Hiking Trail (USD 89.75 K):** To support local tourism and exploring Musandam's beauty spots, OQ supported an initiative to create a hiking trail from Khor Sham to Khor Najid where no paved path existed previously. Hikers can now more safely climb the trail and appreciate the unique panoramic view of the turquoise green and blue waters of the Sea of Oman from the top.

➤ **Memorandum of Understanding MOU with Environment Authority (USD 200 K):**

An MOU was signed between OQ and ENVIRONMENTAL AUTHORITY to support different projects to protect the environment. The projects are expected to result in the following:



1. A green and circular economy that addresses national needs and moves consistently with the global trends.

2. Sustainable investment in natural resources to deliver high added value.

3. Environmental awareness coupled with the effective implementation of sustainable consumption and production rules.

One of the projects targets 15 plant nurseries that will assist in offsetting 55.7 million tons of carbon emissions.

➤ **OQ Green Initiative (USD 1.62 Mn):**

OQ launched this initiative as an immediate response to the government contributions in environment preservation via the national initiative of planting 10 million wild trees in Oman. OQ also aims to spread awareness amongst the younger generation on the importance of keeping our surroundings clean and green considering the global effects of climate change. The project was initiated in 2020 and will take place over five years with partners from Environment Authority and Ministry of Agriculture, Fisheries and Water Resources.

➤ **Altalae Al Nadid Initiative (USD 25 K):**

Targeting 1000 students from various schools across Oman, OQ supported a training program which utilises pollen products. The project's objective is to contribute to the creation of a generation interested in innovation and education around the importance and relevance of agriculture, demonstrating the link between modern technology and agriculture through Omani products that teach students how to grow plants.

➤ **Salalah Autism Centre (USD 325.8 K):**

The Salalah Autism Centre Project aims to support children on the autism spectrum in Dhofar Governorate and integrate them effectively into the community by providing them educational and therapeutic programs, supporting their families and caregivers, and spreading awareness amongst community members. The centre is designed according to international standards that suit children with autism and can accommodate up to 30 individuals at a time.

➤ **Cyclone Shaheen Support (USD 5.2 Mn):**

OQ contributed to helping those affected by the tropical cyclone Shaheen in the coastal villages of North Al Batinah Governorates in cooperation with Oman Charitable Organisation. The funds donated have been used to provide much-needed support to those affected.



## SUPPORTING COMMUNITY CENTRES

Our community investment activities also include sponsoring and supporting community centres which provide educational, cultural and services benefiting persons with disabilities. Examples of centres supported are described below.

➤ **Liwa Science & Innovation Centre (USD 125 K):**

OQ has equipped the centre with cutting-edge educational technologies that simulate reality and Fourth Industrial Revolution concepts, such as interactive screens, virtual reality and smart walls. This is driven by the importance of bridging the technical and knowledge gap between students' realities inside and outside the school environment.



➤ **Child Exploration Centre (USD 87.5 K):**

This centre is similar to a museum. Children aged five to fifteen years are welcomed and given a detailed description of all educational spaces open to them in the centre. They are then encouraged to explore on their own, learning in the process.

➤ **Oman Steam (USD 116.25 K):**

A collaboration between Oman's Ministry of Education and Rolls Royce, the program's goal is to make science interactive and enjoyable for students by using a variety of educational tools to perform different experiments. It is designed to lead students to understand, explore and analyse scientific processes that occur around them. OQ is a sponsor of six laboratories in the program.

➤ **OQ Innovation Hub (USD 125 K):**

In line with the goals and plans of Vision Oman 2040, OQ supported a program to strengthen and empower young Omani competences and capabilities in the field of entrepreneurship by focusing on the market demands and skills needed to flourish in their business.

➤ **Sculptors Camp (USD 7.5 K):**

This camp seeks to develop artists' skills and refine talent through specialised academic programs in the fine arts, empowering Omani artists with contemporary art skills and tools to create a community base that understands the importance of artistic culture. It also aims to introduce and promote Omani artists and their work to the world through the organisation of exhibitions, activities, and art meetings in both national and international locations.

➤ **Support to complete Al Wafa Social Centre and provide maintenance (USD 12.5 K):**

The Al Wafa Social Centre provides assistance to children with disabilities and their families with the help of trained Omani volunteers. National organisations, the commercial sector, and other organisations help fund the social centre. The Department of Rehabilitation of the Ministry of Social Development provides additional governmental assistance in the form of administrative and technical expertise. The Ministry created these service projects to encourage volunteering and in response to a request from the local community. This initiative is provided to support and aid the improvement of children with disabilities.

## EMPLOYEE VOLUNTEERING

In 2021, a total of 2762 OQ volunteers spent around 72,900 hours volunteering to benefit around 48,000 people.

Among the most notable of the voluntary efforts is All for Oman voluntary initiative, which was launched to help provide relief to affected

families in Al Suwaiq and Al Khabourah from some of the damages caused by Cyclone Shaheen. A total of 733 volunteers participated in this effort, completing a total of 8796 volunteering hours and benefitting over 11,200 people.



## GRI CONTENT INDEX

Statement of use	OQ SAOC has reported in accordance with the GRI Standards for the period 1st January 2021 until 31st December 2021.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	GRI 11: Oil and Gas Sector 2021



GRI STANDARD/OTHER SOURCE	DISCLOSURE	OMISSION			GRI SECTOR STANDARD REF NO.
		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details				
	2-2 Entities included in the organization's sustainability reporting				
	2-3 Reporting period, frequency and contact point				
	2-4 Restatements of information				
	2-5 External assurance				
	2-6 Activities, value chain and other business relationships				
	2-7 Employees				
	2-8 Workers who are not employees				
	2-9 Governance structure and composition				
	2-10 Nomination and selection of the highest governance body				
	2-11 Chair of the highest governance body				
	2-12 Role of the highest governance body in overseeing the management of impacts				
	2-13 Delegation of responsibility for managing impacts				
	2-14 Role of the highest governance body in sustainability reporting				
	2-15 Conflicts of interest				
	2-16 Communication of critical concerns				
	2-17 Collective knowledge of the highest governance body				
	2-18 Evaluation of the performance of the highest governance body				
	2-19 Remuneration policies				
	2-20 Process to determine remuneration				
	2-21 Annual total compensation ratio	Annual total compensation ratio	Confidentiality constraints	All information regarding employee compensation and benefits has been excluded from the report for reasons related to company competitiveness and positioning.	
	2-22 Statement on sustainable development strategy				
	2-23 Policy commitments				
	2-24 Embedding policy commitments				

GRI STANDARD/OTHER SOURCE	DISCLOSURE	OMISSION			GRI SECTOR STANDARD REF NO.
		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-25 Processes to remediate negative impacts				
	2-26 Mechanisms for seeking advice and raising concerns				
	2-27 Compliance with laws and regulations				
	2-28 Membership associations				
	2-29 Approach to stakeholder engagement				
	2-30 Collective bargaining agreements				
<b>Material Topics</b>					
GRI 3: Material Topics 2021	3-1 Process to determine material topics				
	3-2 List of material topics				
<b>Topic 11.1 GHG emissions</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics				11.1.1
	302-1 Energy consumption within the organization				11.1.2
GRI 302: Energy 2016	302-2 Energy consumption outside of the organization	Energy consumption outside of the organization	Information unavailable/in complete	Currently, OQ only accounts for energy, consumed internally for its processes.	11.1.3
	302-3 Energy intensity				11.1.4
	305-1 Direct (Scope 1) GHG emissions				11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions				11.1.6
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	Other indirect (Scope 3) GHG emissions	Information unavailable/in complete	Currently, OQ reports on scope 1 and scope 2, and strives to expand its reporting to include scope 3.	11.1.7
	305-4 GHG emissions intensity				11.1.8
<b>Topic 11.2 Climate adaptation, resilience, and transition</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics				11.2.1
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change				11.2.2
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	Reduction of GHG emissions	Information unavailable/in complete	Energy consumption baseline for some of the OQ assets is not yet established. OQ is working on establishing a GHG tool which will enable us to consistently monitor GHG reduction.	11.2.3
GRI 11: Oil and Gas Sector 2021	The organization's approach to public policy development and lobbying on climate change				11.2.4
<b>Topic 11.3 Air emissions</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics				11.3.1
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NO), sulfur oxides (SO), and other significant air emissions	Nitrogen oxides (NO), sulfur oxides (SO), and other significant air emissions	Information unavailable/in complete	we have partially reported on this disclosure. Emissions from upstream are not included due to unavailability of analyzers in for some of the upstream assets.	11.3.2



GRI STANDARD/OTHER SOURCE	DISCLOSURE	OMISSION			GRI SECTOR STANDARD REF.NO.
		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	Information unavailable/in complete	this disclosure currently is not part of corporate and it will be considered for future reporting	11.3.3
<b>Topic 11.4 Biodiversity</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics				11.4.1
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas				11.4.2
	304-2 Significant impacts of activities, products, and services on biodiversity				11.4.3
	304-3 Habitats protected or restored				11.4.4
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations				11.4.5
<b>Topic 11.5 Waste</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics				11.5.1
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts				11.5.2
	306-2 Management of significant waste-related impacts				11.5.3
	306-3 Waste generated				11.5.4
	306-4 Waste diverted from disposal				11.5.5
	306-5 Waste directed to disposal				11.5.6
<b>Topic 11.6 Water and effluents</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics				11.6.1
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource				11.6.2
	303-2 Management of water discharge-related impacts				11.6.3
	303-3 Water withdrawal				11.6.4
	303-4 Water discharge				11.6.5
	303-5 Water consumption				11.6.6
<b>Topic 11.8 Asset integrity and critical incident management</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics				11.8.1
GRI 306: Effluents and Waste 2016	306-3 Significant spills				11.8.2
<b>Topic 11.9 Occupational health and safety</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics				11.9.1

GRI STANDARD/OTHER SOURCE	DISCLOSURE	OMISSION			GRI SECTOR STANDARD REF.NO.
		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system				11.9.2
	403-2 Hazard identification, risk assessment, and incident investigation				11.9.3
	403-3 Occupational health services				11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety				11.9.5
	403-5 Worker training on occupational health and safety				11.9.6
	403-6 Promotion of worker health				11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships				11.9.8
	403-8 Workers covered by an occupational health and safety management system				11.9.9
	403-9 Work-related injuries				11.9.10
	403-10 Work-related ill health	Work-related ill health	Information unavailable/in complete	We have embarked in 2021 into a comprehensive medical assessment for employees to enable establishing a robust baseline, which will allow us to report on this disclosure in future.	11.9.11
<b>Topic 11.10 Employment practices</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics				11.10.1
GRI 401: Employment 2016	401-1 New employee hires and employee turnover				11.10.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Confidentiality constraints	All information regarding employee compensation and benefits has been excluded from the report for reasons related to company competitiveness and positioning.	11.10.3
	401-3 Parental leave				11.10.4
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Minimum notice periods regarding operational changes	Information \ unavailable/ incomplete	We maintain a constant channel of communication with our employees, where we inform them of upcoming changes to the organisation; however, the company does not have a minimum notice period before announcing such changes.	11.10.5
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee				11.10.6
	404-2 Programs for upgrading employee skills and transition assistance programs				11.10.7
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	New suppliers that were screened using environmental criteria	Information unavailable/in complete	HSE screening and risk assessments are carried out for all new projects, and we are working on setting additional supplier social and environmental screening criteria	11.10.8



GRI STANDARD/OTHER SOURCE	DISCLOSURE	OMISSION			GRI SECTOR STANDARD REF.NO.
		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
				and enhancing assessment processes.	
	414-2 Negative social impacts in the supply chain and actions taken	Negative social impacts in the supply chain and actions taken	Information unavailable/in complete	Health and Safety screening and risk assessments are carried out for all new projects, , and we are working on setting additional supplier social and environmental screening criteria and enhancing assessment processes.	11.10.9
<b>Topic 11.11 Non-discrimination and equal opportunity</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics				11.11.1
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community				11.11.2
GRI 401: Employment 2016	401-3 Parental leave				11.11.3
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee				11.11.4
GRI 405: Diversity and Equal	405-1 Diversity of governance bodies and employees				11.11.5
Opportunity 2016	405-2 Ratio of basic salary and remuneration	Ratio of basic salary and remuneration	Confidentiality constraints	All information regarding employee compensation and benefits has been excluded from the report for reasons related to company competitiveness and positioning.	11.11.6
GRI 406: Nondiscrimination 2016	406-1 Incidents of discrimination and corrective actions taken				11.11.7
<b>Topic 11.12 Forced labor and modern slavery</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics				11.12.1
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Information unavailable/in complete	Please refer to OQ's Modern Slavery Statement and Code of Conduct for Third Parties published on our website ( <a href="https://oq.com/en/about-oq/company/code-of-conduct">https://oq.com/en/about-oq/company/code-of-conduct</a> ) . We are additionally committed to continuously improving our human rights impact, raising awareness and following best practices.	11.12.2
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	New suppliers that were screened using social criteria	Information unavailable/incomplete	HSE screening and risk assessments are carried out for all new projects, and we are working on setting additional supplier social and environmental screening criteria and enhancing assessment processes.	11.12.3
<b>Topic 11.13 Freedom of association and collective bargaining</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics				11.13.1
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk				11.13.2
<b>Topic 11.14 Economic Impacts</b>					

GRI STANDARD/OTHER SOURCE	DISCLOSURE	OMISSION			GRI SECTOR STANDARD REF.NO.
		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 3: Material Topics 2021	3-3 Management of material topics				11.14.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Operations with significant actual and potential negative impacts on local communities	Information unavailable/in complete	The company has a comprehensive process to receive and respond to community grievances and complaints, and social impact assessments are carried out for all new projects.	11.14.2
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community				11.14.3
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported				11.14.4
	203-2 Significant indirect economic impacts				11.14.5
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers				11.14.6
<b>Topic 11.15 Local communities</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics				11.15.1
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs				11.15.2
	413-2 Operations with significant actual and potential negative impacts on local communities	Operations with significant actual and potential negative impacts on local communities	Information unavailable/incomplete	The company has a comprehensive process to receive and respond to community grievances and complaints, and social impact assessments are carried out for all new projects.	11.15.3
<b>Topic 11.18 Conflict and security</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics				11.18.1
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures				11.18.2
<b>Topic 11.19 Anti-competitive behavior</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics				11.19.1
GRI 206: Anticompetitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices				11.19.2
<b>Topic 11.20 Anti-corruption</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics				11.20.1
	205-1 Operations assessed for risks related to corruption				11.20.2
GRI 205: Anticorruption 2016	205-2 Communication and training about anti-corruption policies and procedures				11.20.3
	205-3 Confirmed incidents of corruption and actions taken				11.20.4
<b>Topic 11.21 Payments to governments</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics				11.21.1

GRI STANDARD/OTHER SOURCE	DISCLOSURE	OMISSION			GRI SECTOR STANDARD REF.NO.
		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed				11.21.2
	201-4 Financial assistance received from government				11.21.3
GRI 207: Tax 2019	207-1 Approach to tax				11.21.4
	207-2 Tax governance, control, and risk management				11.21.5
	207-3 Stakeholder engagement and management of concerns related to tax				11.21.6
	207-4 Country-by-country reporting	Country-by-country reporting	Confidentiality constraints	This information is included in the company's tax reporting.	11.21.7
Topic 11.22 Public policy					
GRI 3: Material Topics 2021	3-3 Management of material topics				11.22.1
GRI 415: Public Policy 2016	415-1 Political contributions				11.22.2

Topics in the applicable GRI Sector Standards determined as not material	
TOPIC	EXPLANATION
GRI 11: Oil and Gas Sector 2021	
Topic 11.7 Closure and rehabilitation	Not material topic as per the current situation of the company for this period since there is no closure or rehabilitation currently planned.
Topic 11.16 Land and resource rights	The company has not taken any involuntary settlements; hence, this topic is not relevant.
Topic 11.17 Rights of indigenous peoples	The majority of OQ's operations are located in Oman, where there are no groups which are categorised as being "endeginous".

CAUTIONARY STATEMENT

This report includes forward-looking statements. All statements other than statements of historical facts in this report (with no representation as to investment purposes), including, without limitation, those regarding OQ's future expectations in respect of the energy industry, are forward-looking statements.



