OQGN

Leading with Purpose

Sustainability Report 2023

Approach to
Sustainability

Promoting Environmental Stewardship
& Supporting the Energy Transition

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About this Report

OQ Gas Network SAOG (OQGN) is the exclusive operator of Oman's natural gas transportation network, with headquarters located in Muscat, Oman.

This report discloses information about OQGN's commitments, policies, and initiatives that we believe are important to our business and our stakeholders. The report was prepared with reference to GRI standards and developed by a cross-functional team of subject matter experts throughout the company; it was subsequently reviewed and approved by our executive team and the Board of Directors.

We determined the contents of this report through a materiality analysis (see page 10), a review of peer sustainability reporting practices, and an evaluation of common reporting frameworks, including the GRI, SASB, and MSX ESG Disclosure Guidance.

Report Scope and Boundaries
Unless otherwise noted, the scope of this report covers the calendar year that ended on December 31, 2023. Financial data is expressed in Omani Rials. Information from previous years is provided where necessary. OQGN is at times referred to throughout this report as "we," "our," or "the company."

Contact Us
We look forward to hearing your feedback. Please submit comments and questions to:

ir@oqgn.om

Cautionary Message
This report contains statements that may be deemed as "forward-looking statements" that express the way in which OQGN intends to conduct its activities. Forward statements could be identified using forward-looking terminology such as "plans", "aims", "assumes", "continues", "believes", or any variations of such words that certain actions, events, or results "may", "could", "should", "might", "will", or "would" be taken or be achieved.

OQGN has made every effort to ensure the report is as accurate and truthful as possible. However, by their nature, forward-looking statements are qualified to inherent risks and uncertainties surrounding future expectations that could cause actual results to differ materially from these projected or implied statements. Such statements are subject to risks that are beyond OQGN's ability to control and therefore do not represent a guarantee that events implied in these forward-looking statements will actually occur.

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A Message from Our Board of Directors

Dear Stakeholders,

As the Board of Directors of OQ Gas Networks SAOG ("**OQGN**"), we are proud to present our inaugural Sustainability Report ("**Report**") for the financial year of 2023. This report marks a significant milestone in our journey. It highlights how we have integrated sustainable practices across all aspects of our operations and underscores our dedication to environmental stewardship, social responsibility, and responsible corporate governance.

The year of 2023 has been instrumental in shaping our sustainability initiatives. With climate change presenting significant challenges, OQGN has taken proactive steps to align with global trends and the national agenda set forth in Oman Vision 2040. We are committed to take part of leading the energy sector's transition towards sustainability by reducing our environmental impact and enhancing our capabilities to support low carbon solutions.

Our Board has overseen significant advancements in the year of 2023, from the creation of a new Decarbonization Strategy to reducing our GHG emissions. We also maintained a strong safety record, achieved high scores on our employee satisfaction survey, and launched an extensive digital transformation program that will streamline and revolutionize our operations.

The initiatives and achievements detailed in this report reflect our strategic commitment to creating long-term value for our stakeholders and our belief in the importance of sustainability as a core business driver. We are moving forward with a clear vision and will continue to seek opportunities to innovate and improve.

Your support and feedback are invaluable as we navigate this journey towards a more sustainable future for all. Thank you for your continued trust and engagement.

Sincerely,

The Board of Directors
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A Message from Our Chief Executive Officer

Dear Stakeholders,

It is with great pride that I present to you OQGN's inaugural Sustainability Report for the year 2023. This report reflects our firm commitment to sustainability and outlines the strides we have made in integrating sustainable practices across our operations.

Mansoor Al Abdali
Chief Executive Officer
OQGN

As we navigate the complexities of our industry, this document serves as a testament to our dedication to transparency and accountability, and provides a comprehensive overview of our efforts to foster a sustainable future.

Global demand for clean, sustainable, and economically accessible energy continues to escalate, and the evolving energy landscape presents both significant opportunities and challenges. Positioned strategically at the crossroads of major energy trade routes, Oman and OQGN are uniquely equipped to leverage these shifting dynamics.

As the exclusive operator of Oman's gas transportation network, we are aware of the vital role we play in supporting the transition toward a low-carbon economy.

In line with national objectives like Oman Vision 2040, we are committed to reducing greenhouse gas (GHG) emissions across our operations. Furthermore, in response to Oman's goal of becoming a leading exporter of low carbon hydrogen, we are dedicated to leveraging our extensive pipeline expertise to support hydrogen and CO_2 transportation.

Our sustainability journey in 2023 has been marked by significant achievements. Through a comprehensive materiality analysis, we identified six critical topics that guide our overarching sustainability strategy. As part of our newly developed Decarbonization Strategy, we have set ambitious GHG emission reduction targets, including a goal to achieve net zero emissions by 2050.

In 2023, we made significant progress towards our goal, reducing our overall emissions by nearly 43 percent, flared gas by 43 percent, and vented gas by 94 percent since 2021.

We also initiated a company-wide digital transformation project in 2023 to optimize our processes and enhance our service offerings through advanced technologies and digital solutions. By investing in digital transformation, we are not just preparing to meet tomorrow's challenges but also ensuring sustainable growth and continued success across all our endeavours.

Our commitment to our employees was reflected in a remarkable 75 percent employee satisfaction score, surpassing our target two years ahead of schedule. Our focus on safety was equally successful, with zero fatalities and no recordable employee injuries reported during the year. Furthermore, we achieved 40 percent female representation on our Board of Directors. We also remained dedicated to supporting local economic development and managing our supply chain to maximize in-country value (ICV). We increased our local procurement spending from OMR 14.93 million in 2022 to OMR 18.45 million in 2023.

This resulted in 31% as ICV within Oman in 2023, reinforcing our commitment to Oman's economic growth.

Through dedicated efforts such as these, we strive to lead by example in the energy sector. We are proud of our accomplishments, but we know there is more work to be done. We are committed to continuous improvement and are constantly seeking innovative solutions that align with national and global sustainability goals. We recognize that embracing sustainable practices is essential not just for driving our current growth but also for ensuring our long-term success and resilience.

To all our valued team members at OQGN, I extend my heartfelt thanks for your relentless dedication and tireless efforts. Your expertise, coupled with your collaborative nature and shared vision, drive our success. To our external stakeholders, thank you for taking the time to engage with this report. We are grateful for your continued support and look forward to advancing our sustainability agenda together, ensuring a better world for future generations.

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Overview of OQGN

OQGN began its journey in 2000, initially incorporated as Oman Gas Company (OGC) before being rebranded OQGN. As the exclusive owner and operator of Oman's natural gas transmission network, OQGN stands at the forefront of the nation's energy sector. Over the past two decades, we have transformed from a modest gas transport entity into a vital infrastructure player. Today, we manage an expansive 4,045 kilometre (km) pipeline network, 3 compressor stations, and 25 gas supply stations that seamlessly connects producers to consumers across Oman.

Vision & Mission

Vision:
At OQGN, our vision is to be the national champion in the management and development of energy infrastructure through innovative and sustainable solutions.

Mission:
Our mission is to transport energy in a reliable, efficient, safe, and sustainable way.

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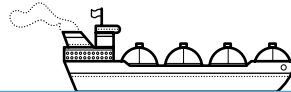
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Our Journey

2000:
Incorporation, with 80 percent ownership held by Omani Government and 20 percent by OQ (previously Oman Oil Company (OOC))
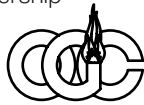
2004:
First gas exported to Dolphin Energy in the UAE

2008:
First imported gas received through the Dolphin Energy pipeline

2013:
New ownership, after 100 percent acquisition by OQ

2000 **2004** **2008** **2013**

2019:
Ringfencing of gas transportation business by divesting subsidiaries and non-regulated assets

2018:
Adoption of Regulated Asset Bas (RAB) Framework, and new revenue and tariff mechanisms based on asset ownership and booked capacity

2016:
Receipt of all government-owned gas assets

2014:
Launch of new business streams, led by Salalah LPG project

2019 **2018** **2016** **2014**

2020:
Renaming as OQ Gas Networks

Acquisition of assets owned by the Government and operated by BP
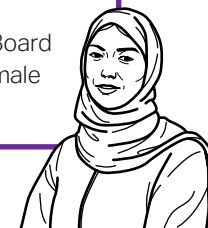
2021:
Acquisition of select assets owned by Madayn and Salalah Free Zone (SFZC)

2022:
Formation of new Board with 40 percent female representation

2023:
Converted to public joint stock company and listed in Muscat Stock Exchange (MSX) under the symbol OQGN

2020 **2021** **2022** **2023**

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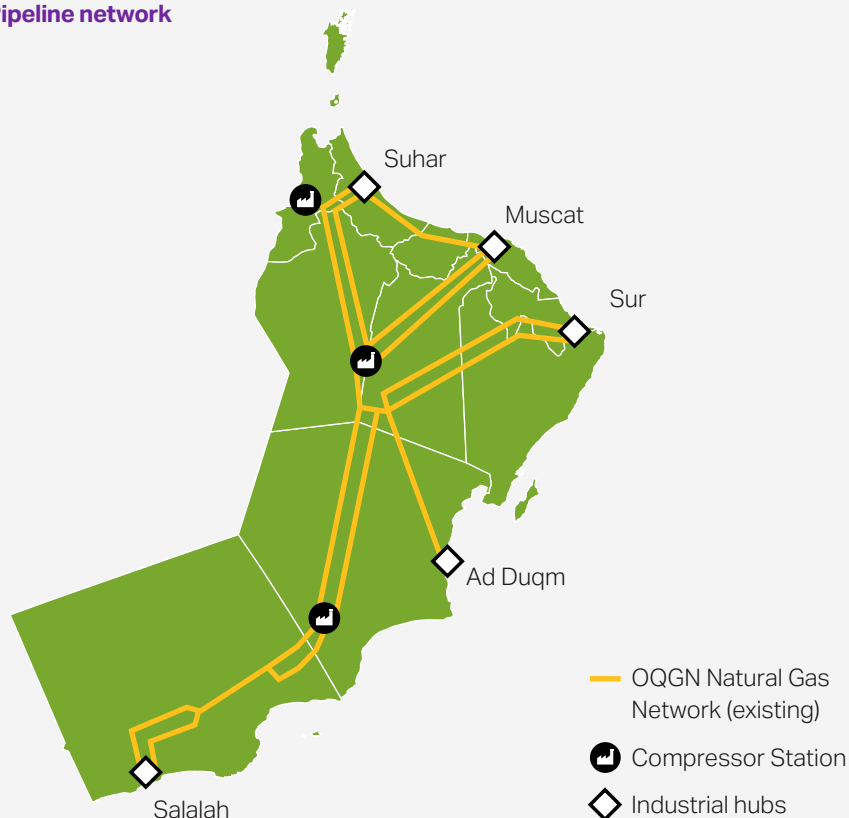
Profile

OQGN, a subsidiary of the OQ SAOC Group under the ownership of Oman Investment Authority, operates an expansive 4,045 km pipeline network that seamlessly connects producers to consumers across Oman.

With a dedicated workforce of 468 employees serving 160 gas consumers, OQGN has maintained an impressive 99.9 percent gas availability over the past decade. In 2023, OQGN reached a significant milestone by executing a successful initial public offering (IPO) on the Muscat Stock Exchange (MSX), marking it as the largest IPO in Oman.

Pipeline network

Suhar

Muscat

Sur

Ad Duqm

Salalah

— OQGN Natural Gas
Network (existing)

Compressor Station

Industrial hubs

Awards and Recognition

In 2023, **OQGN was honored to receive "Oman's Most Trusted Brand Award,"** established in 2016 to recognize brands that earn the highest consumer trust across various industries. This accolade, determined by public voting, serves as a testament to the dedication of every OQGN employee. Additionally, we were named "Energy Company of the Year" at the Alam Al-Iktisaad Awards, and two of our distinguished leaders were recognized: our Chief Executive Officer, Mr. Mansoor Al Abdali, received "CEO of the Year – Energy," and our Vice President of People, Technology & Culture, Mr. Faisal Al Mamari, was acknowledged as the "Most Promising Leader in the Energy Sector." These awards collectively highlight our ongoing commitment to excellence in the energy sector.

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At OQGN, we recognize that embracing sustainable practices is essential not just for driving our current growth but also for ensuring our long-term success and resilience. Our Sustainability Strategy is aligned with the ambitious sustainability goals set forth in Oman Vision 2040.
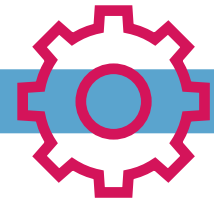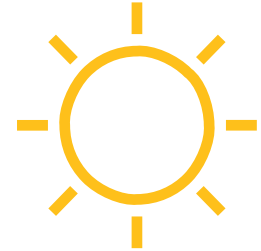
Our Approach to Sustainability

We aim to expand our network and operations with a focus on delivering cleaner, more sustainable energy solutions, while supporting local communities and upholding the highest standards of ethics and transparency.

To embed these principles firmly within our corporate framework, we have established a dedicated Sustainability Department responsible for leading our sustainability initiatives and innovating new ways to enhance our approach. Additionally, a Sustainability Committee, led by the Chief Executive Officer, and comprised of senior executives, has been tasked with overseeing the strategy's implementation. Our Board of Directors reviews our sustainability performance, ensuring that our actions reflect our deep commitment to sustainable development. This structured approach ensures that sustainability is at the core of our strategic decisions and day-to-day operations.

Our sustainability governance structure

Board of Directors

Sustainability Committee

Sustainability Department

Our Materiality Assessment Approach

We place high importance on understanding and addressing the sustainability topics that matter most to our business and stakeholders. We approach our materiality assessment with a sequential process that not only draws on prior knowledge but also integrates current perspectives and situations.

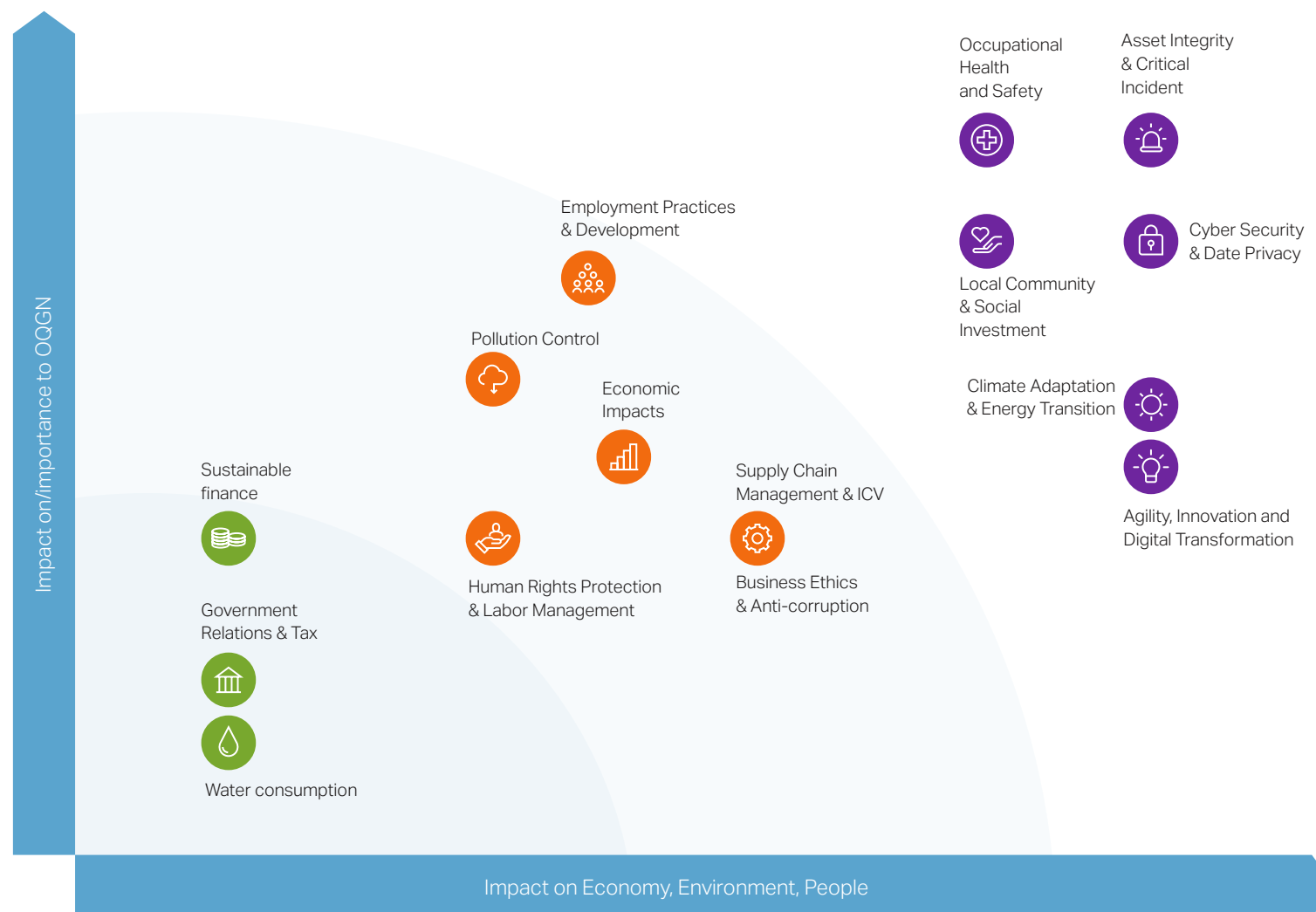### Building Upon Past Materiality Assessments

We understand the value of learning from our past. Therefore, we commenced our materiality assessment by reflecting on our parent company OQ's materiality insights from 2022. This provided a robust foundation, allowing us to leverage prior findings to inform our ongoing sustainability journey.

Materiality Prioritization and Screening

Once we have built upon these foundations, we conducted a materiality prioritization exercise led by our dedicated Sustainability Committee. This exercise allowed us to evaluate and prioritize the sustainability topics that have the most significant impact on our business and stakeholders. A total of 17 critical topics were identified, including six that are of top material importance.

After these material topics received approval our Sustainability Committee, we collaborated closely with functional team leaders to establish specific key performance indicators (KPIs), outline initiatives, and set reporting criteria and follow-up mechanisms for each topic. This structured approach ensures that our sustainability efforts are measurable, targeted, and effectively integrated into our broader operational goals.

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Materiality Matrix

Impact on/importance to OQGN

Impact on Economy, Environment, People

Occupational Health and Safety

Asset Integrity & Critical Incident

Local Community & Social Investment

Cyber Security & Date Privacy

Climate Adaptation & Energy Transition

Agility, Innovation and Digital Transformation

Employment Practices & Development

Pollution Control

Economic Impacts

Supply Chain Management & ICV

Sustainable finance

Human Rights Protection & Labor Management

Business Ethics & Anti-corruption

Government Relations & Tax

Water consumption

Process for determining material topics:

- Initial screening of material topics conducted by Sustainability Department
- Material Topics prioritization workshop conducted with Sustainability Committee
- Sustainability Committee endorsed final OQGN top priority topics

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Sustainability Framework

Sustainability is an important element of our corporate strategy, acting as a driving force for responsible business growth and the creation of long-term value for our stakeholders.

Our sustainability framework is built on four fundamental pillars, each aligning closely with our vision and mission.

This framework enables us to develop and implement impactful strategies and initiatives more effectively, manage our key sustainability issues, and ensure transparent monitoring and reporting of our progress.

Promoting Environmental Stewardship & Supporting the Energy Transition

- Climate Adaptation & Energy Transition
- Waste Management & Pollution Control
- Biodiversity
- Water Consumption

Protecting & Empowering Our Workforce

- Employment Practices & Development
- Diversity, Equity, & Inclusion
- Human Rights Protection & Labor Management
- Occupational Health & Safety
- Asset Integrity & Critical Incident Management

Supporting Local Economic Development

- Economic Impacts
- Local Community & Social Investment
- Government Relations & Tax
- Supply Chain Management & ICV

Establishing Effective Governance, Risk Management & Innovative Practices

- Corporate Governance
- Risk Management
- Business Ethics & Anti-corruption
- Cybersecurity & Data Privacy
- Agility, Innovation & Digital Transformation

Sustainability Highlights

In 2023, OQGN achieved several significant milestones in our ongoing commitment to sustainability, underscoring our dedication to environmental stewardship, social responsibility, and corporate governance.

Promoting Environmental Stewardship & Supporting the Energy Transition

Developed Decarbonization Strategy with a **net zero target**

Developed project plans to enhance energy efficiency in our office buildings with the aim of reducing energy use, emissions, and operational costs.

43% reduction in overall Scope 1 and 2 emissions between 2021 and 2023.

Developed flare reduction initiatives to increase revenue and reduce GHG emissions

Advanced plans to leverage our extensive pipeline expertise to develop Oman's hydrogen and CO_2 transportation infrastructure.

Protecting & Empowering Our Workforce

Nearly **23,000** hours of employee training completed.

94% Omanisation rate

75% employee satisfaction score achieved, reaching our goal two years ahead of schedule.

Launched the IRTIQA'A Platform, an innovative coaching initiative.

Launched the TA'AREEF campaign, a transformative initiative designed to enhance our business environment through an employee data-centric approach.

8 nationalities represented in our workforce.

Women @OQGN Launched a Women's Committee to enrich our corporate culture and support the professional growth of working women.

Implemented Intelex, an electronic platform that streamlines the process of reporting, investigating, tracking, and analysing environmental and safety incidents.

Zero total recordable employee injuries in 2023

Zero recorded employee fatalities in 2023

Supporting Local Economic Development

Increased our generated direct economic value in Oman to OMR

174.0 million

Announced a strategic collaboration with the Directorate General of Education and the Directorate General of Health Services with a

OMR 100,000

commitment to community projects in the Dhofar region.

Increased the number of local suppliers we engaged with to

277

Increased procurement spending on local suppliers to OMR

18.45 million

Recorded an In Country Value Index of

31%

Establishing Effective Governance, Risk Management & Innovative Practices

Kicked off our

digital

transformation program and developed the strategy and roadmap in partnership with a local digital transformation service provider

Launched

Process Information (PI) Vision software at the corporate level to transform our operational data into actionable insights.

Created

a new Board of Directors Nomination and Remuneration Committee.

97%

employee completion rate on our Cybersecurity Awareness Program training achieved

Introduced

Electronic Management System to track technical changes and enhance risk assessments

Zero

instances of corruption in 2023

Maintained a

99% uptime

of our fibre optic telecommunications network

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Promoting Environmental Stewardship & Supporting the Energy Transition

At OQGN, we are dedicated to environmental stewardship and advancing the energy transition.

We actively pursue strategic initiatives and innovative solutions designed to minimize our environmental footprint and pave the way for a sustainable future.

Our efforts in environmental conservation and decarbonization align with Oman Vision 2040, the National Strategy for an Orderly Transition to Net Zero, and the United Nations (UN) Sustainable Development Goals (SDGs), underscoring our commitment to promoting sustainable growth and environmental responsibility both locally and globally.
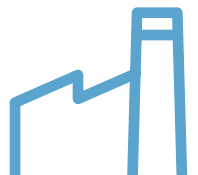
Material Issues Covered
- Climate Adaptation & Energy Transition
- Waste Management & Pollution Control
- Biodiversity
- Water Consumption

Oman Vision 2040
- Environment & Natural Resources

UN SDGs

| 6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION |

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Sustainability Highlights from this chapter

Developed a comprehensive Decarbonization Strategy with ambitious GHG emission reduction targets, including a target to achieve

net zero by 2050.

43%

reduction in overall Scope 1 and 2 emissions between 2021 and 2023.

Developed

project plans to enhance energy efficiency in our office buildings with the aim of reducing energy use, emissions, and operational costs.
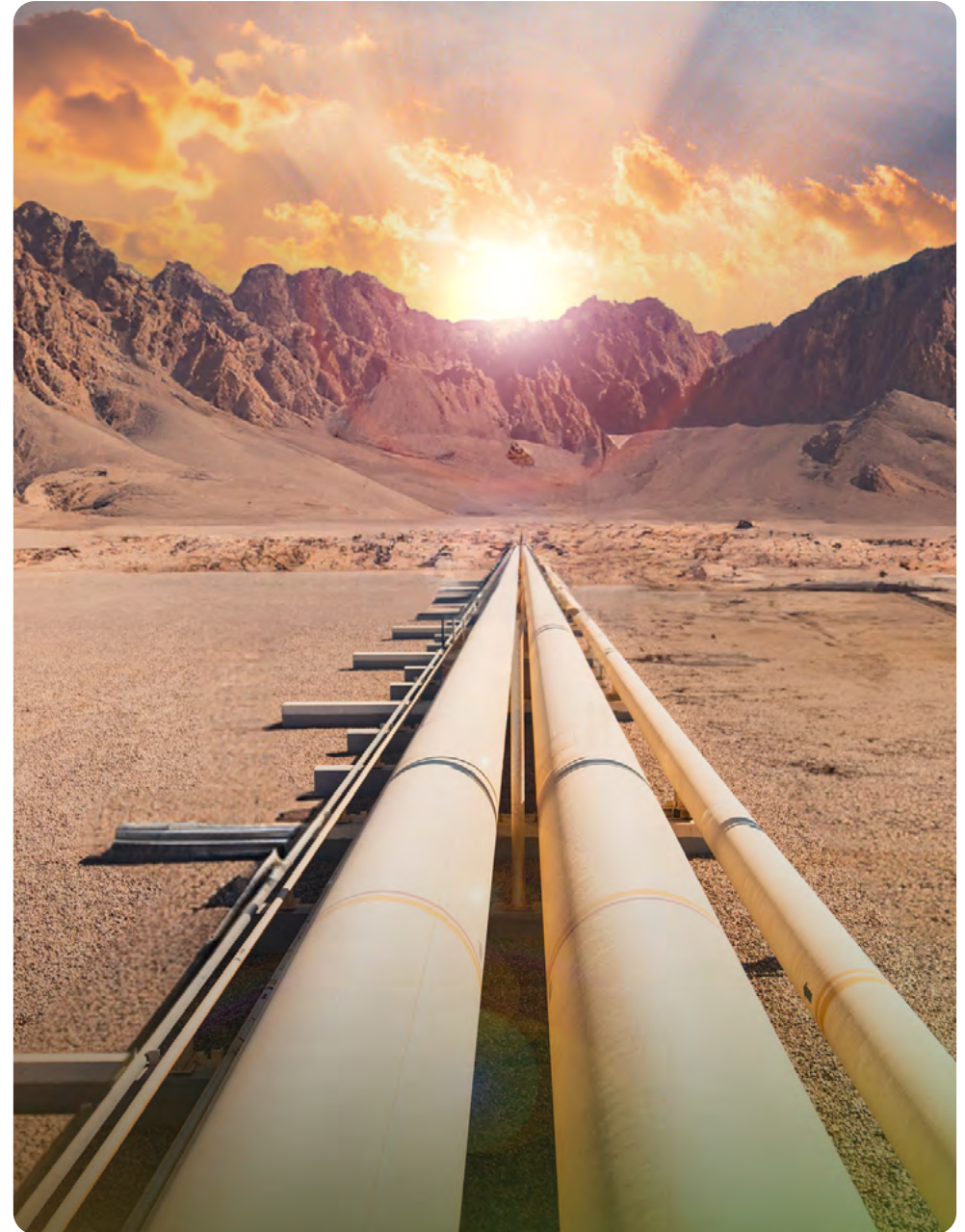
Developed

flare reduction initiatives to reduce flared gas, increasing revenue by retaining more gas in our pipelines and reducing our associated GHG emissions.

Advanced

plans to leverage our extensive pipeline expertise to develop Oman's hydrogen and CO2 transportation infrastructure.

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Addressing Climate Change

The increasing awareness of the devastating impacts of climate change has galvanized countries around the world to establish net zero emission targets and implement comprehensive plans to decarbonize their economies.

Oman has notably joined this international effort, announcing its goal to achieve net zero by 2050 and launching its National Strategy for an Orderly Transition to Net Zero in October 2022. This comprehensive strategy outlines Oman's roadmap towards a sustainable and low-carbon future, reflecting a proactive approach to tackling environmental challenges and aligning with international efforts to combat climate change.

Low-carbon energy solutions are crucial for reducing GHG emissions in major emitting sectors such as power generation, steel, and cement, which are significant contributors to global emissions. In Oman, these industries, along with oil and gas, are responsible for about 76 percent of the country's emissions. To address this, Oman is investing in advanced technologies such as low-carbon hydrogen and Carbon Capture, Utilization, and Storage (CCUS), aiming to significantly mitigate environmental impacts and promote a sustainable energy landscape.

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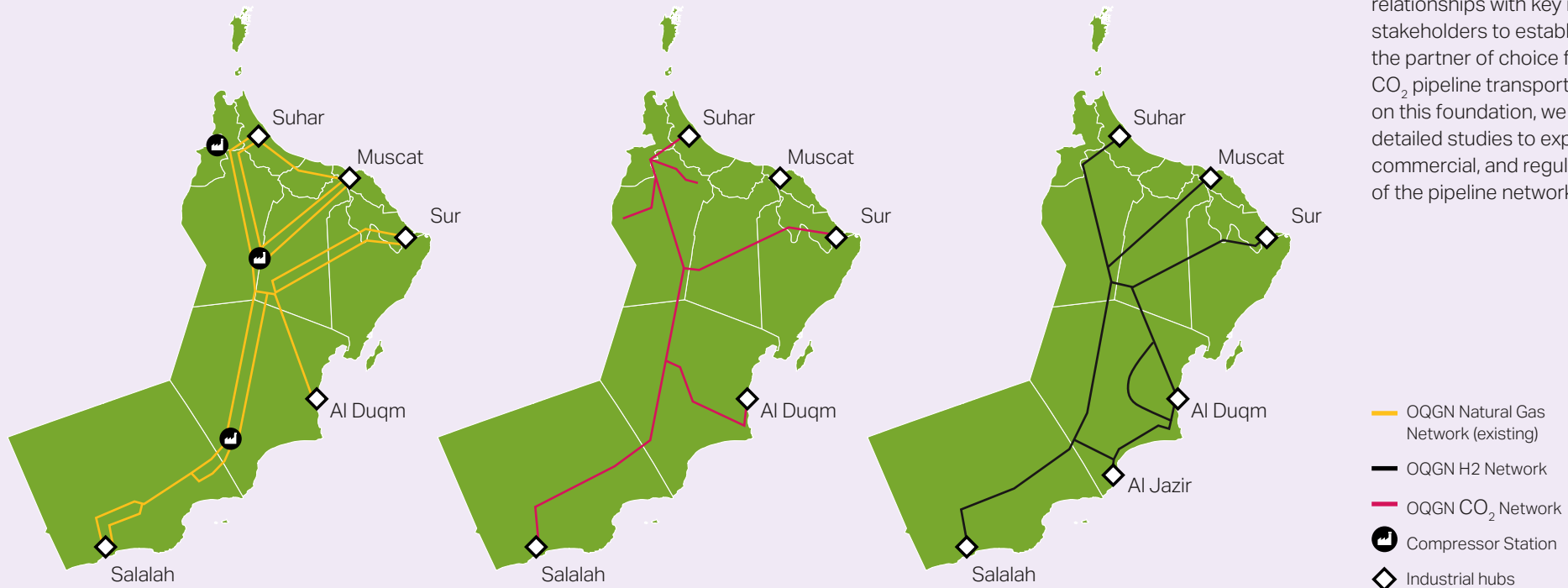2023 Sustainability Report

Spotlight:

Developing Oman's Hydrogen & CO_2 Transport Infrastructure

The Sultanate of Oman has announced its ambition to enable other low carbon industries by becoming one of the world's largest global exporters of low carbon hydrogen. At OQGN, we are dedicated to advancing Oman's clean energy transition by leveraging our extensive pipeline expertise to develop the country's hydrogen and CO_2 transportation infrastructure. Our Board of Directors fully endorsed this strategic vision in early 2023.

We envision an open access pipeline transport network that links green hydrogen concession blocks, where the hydrogen will be produced utilizing wind and solar energy, to derivative plants located in coastal areas for further processing and export. OQGN, in collaboration with Hydrom, will plan the development of a green hydrogen common use infrastructure for the transportation, distribution, and storage of green hydrogen.
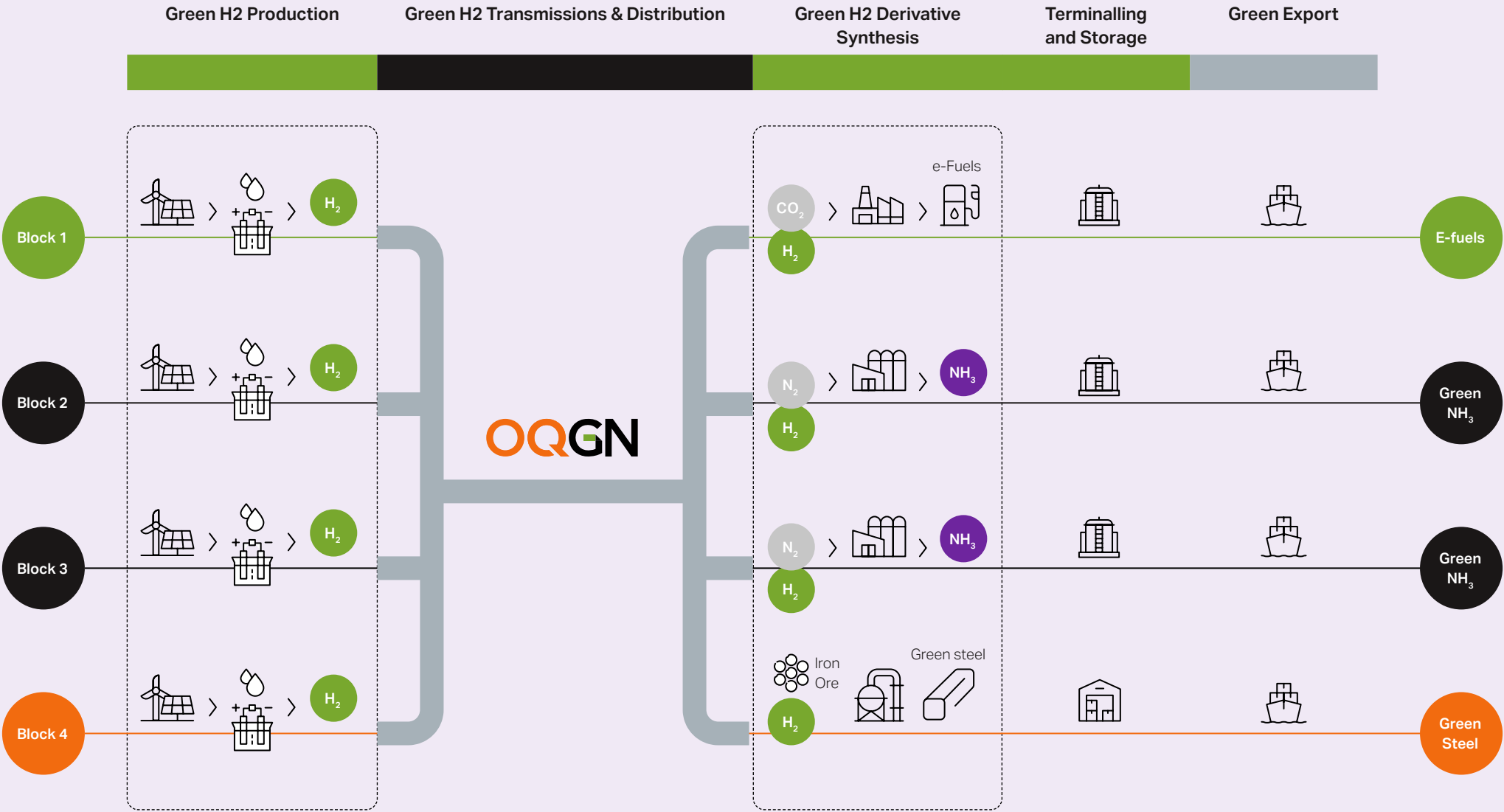
The hydrogen pipeline network will evolve in tandem with Hydrom's planned developments, starting with Duqm and Salalah in southern Oman and expanding to Al Jazir. As industries in Oman decarbonize and demand for low carbon hydrogen grows domestically, the hydrogen pipeline network will be extended to feed industrial clusters in northern and eastern Oman. By this time, natural gas demand in the country might decline sufficiently to allow repurposing of stranded natural gas pipelines to transport hydrogen, reducing transportation costs.

We also envisage an open access CO_2 pipeline transport network to link CO_2 emission sources to sinks. To commence the initial development phase of this network, linking industrial clusters in northern and southern Oman to CO_2 sinks, we have been working closely with Carbon Capture, Utilization, and Storage (CCUS) developers to create commercial scale CCUS projects that would meet CO_2 transportation requirements.

To bring both of these networks to fruition, we have fostered collaborative relationships with key industry stakeholders to establish ourselves as the partner of choice for hydrogen and CO_2 pipeline transportation. Building on this foundation, we will undertake detailed studies to explore the technical, commercial, and regulatory aspects of the pipeline networks.

Legend:
— OQGN Natural Gas Network (existing)
— OQGN H2 Network
— OQGN CO_2 Network
⬛ Compressor Station
◇ Industrial hubs

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Schematic of OQGN's existing natural gas network and high-level conceptualization of its mature hydrogen and CO_2 networks.

Green H2 Production | Green H2 Transmissions & Distribution | Green H2 Derivative Synthesis | Terminalling and Storage | Green Export

Block 1 — H_2 — CO_2 → e-Fuels → E-fuels

Block 2 — H_2 — N_2 + H_2 → NH_3 → Green NH_3

Block 3 — H_2 — N_2 + H_2 → NH_3 → Green NH_3

Block 4 — H_2 — Iron Ore + H_2 → Green steel → Green Steel

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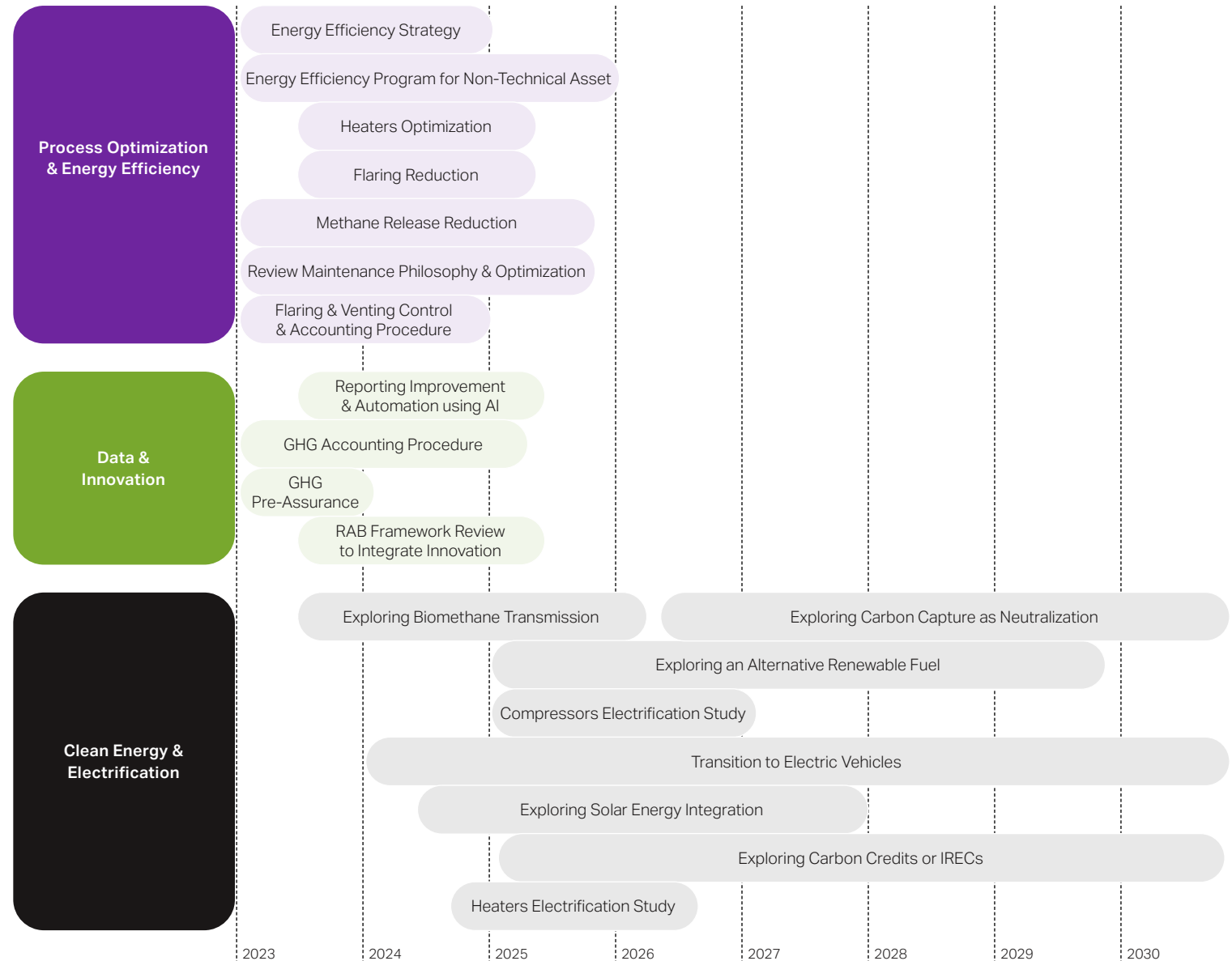
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Decarbonization Strategy

At OQGN, our Decarbonization Strategy is fundamental to our commitment to reducing GHG emissions across all aspects of our operations.

Our strategy aligns with national objectives like Oman Vision 2040 and Oman's commitment to reach net zero by 2050, as well as international targets set forth by the Intergovernmental Panel on Climate Change (IPCC) and the Science Based Targets initiative (SBTi). Our strategy is multi-faceted with three key areas of action.

- Process Optimization and Energy Efficiency
- Data and Innovation
- Clean Energy and Electrification

Our strategy is marked by a dynamic, long-term outlook and our multi-pronged approach includes ambitious GHG emission reduction targets, including a 42 percent reduction by 2030, an 82 percent reduction by 2040, and achieving net zero emissions by 2050. These timelines are carefully designed to balance urgency and feasibility, and we will review them periodically and make adjustments as necessary based on emerging technologies, changing regulations, investment decisions, and evolving stakeholder expectations.

OQGN Decarbonization Pathway

Process Optimization & Energy Efficiency
- Energy Efficiency Strategy
- Energy Efficiency Program for Non-Technical Asset
- Heaters Optimization
- Flaring Reduction
- Methane Release Reduction
- Review Maintenance Philosophy & Optimization
- Flaring & Venting Control & Accounting Procedure

Data & Innovation
- Reporting Improvement & Automation using AI
- GHG Accounting Procedure
- GHG Pre-Assurance
- RAB Framework Review to Integrate Innovation

Clean Energy & Electrification
- Exploring Biomethane Transmission
- Exploring Carbon Capture as Neutralization
- Exploring an Alternative Renewable Fuel
- Compressors Electrification Study
- Transition to Electric Vehicles
- Exploring Solar Energy Integration
- Exploring Carbon Credits or IRECs
- Heaters Electrification Study

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To guide these efforts, we utilize comprehensive data analysis to identify opportunities to reduce our emissions. We have developed a detailed action plan, outlining specific measures tailored to each emission source to ensure targeted and effective interventions. Additionally, stakeholder engagement is a cornerstone of our strategy; we collaborate with employees, investors, regulators, and the community to foster transparency and support.

Despite some notable challenges including scaling technologies quickly enough to meet demand, navigating uncertainties in long-term investments due to a changing regulatory environment, and the high costs associated with low-carbon technologies, we continue to strive towards our goals. Additionally, ensuring reliable data collection and analysis demands significant investments in new systems, further adding to the complexity of our initiatives.

GHG Emissions Performance

To ensure responsible environmental management and align with global climate action initiatives, we measure our Scope 1 and 2 GHG emissions, adhering to the GHG Protocol framework and sourcing emissions factors from the IPCC, as well as emissions factors tailored specifically for OQGN. We have measured and evaluated our emissions data from 2021 to 2023, incorporating the latest Global Warming Potential (GWP) rates from Assessment Report 6 (AR6). The main GHG emissions captured in our measurements include carbon dioxide, methane, and nitrous oxide.

In 2023, our efforts resulted in a 43 percent reduction in Scope 1 emissions and a 25 percent reduction in Scope 2 emissions compared to 2021. In total, we achieved a nearly 43 percent decrease in our combined Scope 1 and 2 emissions between 2021 and 2023. Moreover, we have successfully reduced our total flared gas by approximately 43 percent and have dramatically decreased our total vented gas by 94 percent since 2021.

Flare Reduction Initiatives

Flaring systems, which are essential for preventing the release of unburnt gas into the atmosphere and are required to meet regulatory and environmental standards, offer significant opportunities to reduce operational costs and emissions. We have developed three initiatives that could help us further reduce flaring and its associated emissions.

- **Flared Gas Recovery System in Compressor Stations:** This initiative aims to recover gas released from compressors and compressor seal systems during routine changeovers and shutdowns, rerouting it back into our pipeline.

- **Pilot Gas Reduction:** This initiative aims to minimize the flow of pilot gas, which maintains the operation of the main flare, reducing it to the lowest necessary rate to ensure system safety while reducing gas waste.

- **Pipeline Gas Recompression:** This initiative explores recompressing gas that is typically flared during pipeline maintenance and redirecting it to the nearest pipeline, thus avoiding flaring.
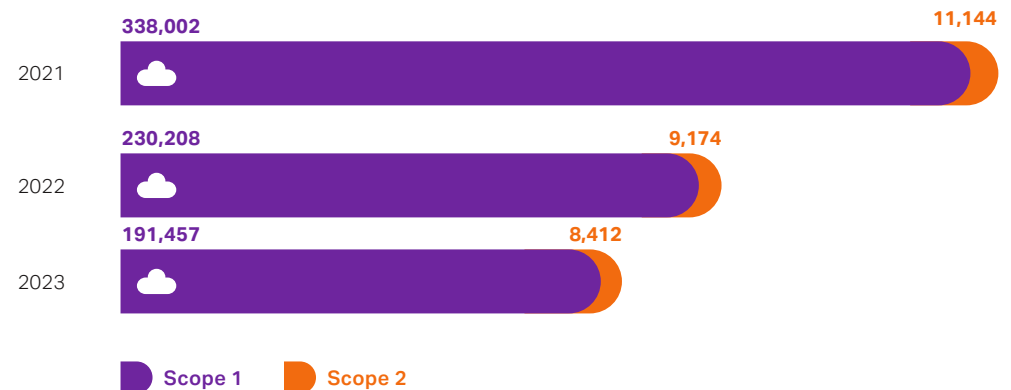
To date, we have collected data on flared gas across our network, identified potential opportunities to reduce flaring, explored solutions used in similar businesses, prepared a proof-of-concept report, and progressed to the implementation phase.

Scope 1[a] and 2[b] GHG Emissions (tCO$_2$eq)

Year	Scope 1	Scope 2
2021	338,002	11,144
2022	230,208	9,174
2023	191,457	8,412

■ Scope 1   ■ Scope 2

[a]Includes emissions from, fuel gas consumption in stationary sources, mobile sources, flaring and venting.
[b]Includes, only purchased electricity used by equipment and buildings.

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Spotlight:

Gas Heater Optimization Initiative

After identifying gas heaters and compressors as two of our major sources of GHG emissions, we launched a gas heater optimization initiative to adjust the gas heaters' set points while remaining in compliance with regulatory and contractual limits.

We faced several obstacles during project implementation, including a lack of historical performance data and integration issues with our monitoring systems. Additionally, contractual obligations with connected electricity plants restricted the full scope of potential enhancements.

Despite these challenges, the initiative advanced through stages of data collection, analysis, process simulation, and optimization of operating parameters. After verifying simulation data, we implemented changes on-site and conducted a thorough gap assessment to identify further improvement opportunities. The project is expected to yield significant reductions in costs and GHG emissions.

Energy Use

At OQGN, we are dedicated to optimizing our energy management practices. We have monitored and analyzed energy consumption across our operations and are currently developing targeted strategies aimed at increasing energy efficiency and minimizing our environmental impact. We embrace cutting-edge technologies and innovative processes, including upgrading to energy-saving systems and integrating renewable energy sources wherever possible. These proactive measures allow us to decrease our carbon footprint, enhance operational efficiency, and increase cost-effectiveness.

Case Study

Installing Solar Panels at Block Valve Stations

We previously embarked on a significant initiative to enhance the sustainability of our operations by installing solar panels at OQGN block valve stations. With a total capacity of 240 kW, these installations now provide electricity for 50 percent of all block valve stations, significantly reducing our reliance on traditional energy sources and lowering our carbon footprint.

This project not only supports our commitment to environmental stewardship but also demonstrates our proactive approach in integrating renewable energy solutions into our infrastructure.

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Case Study

Enhancing Energy Efficiency in our Buildings

In 2023, we targeted energy efficiency improvements within three areas of our office buildings identified for their high potential to significantly reduce overall energy consumption, lower GHG emissions, and achieve operational cost savings.

Building Envelope: We assessed insulation levels, air sealing, and window efficiency to pinpoint areas of potential heat loss or gain.

Heating, Ventilation, and Air Conditioning (HVAC) Systems: We evaluated the efficiency of our ventilation and air conditioning systems, examining both equipment performance and operational practices.

Lighting Systems: We reviewed lighting fixture types and efficiencies, exploring upgrades to light-emitting diode (LED) technology and the integration of occupancy sensors.

As part of the project, we collected detailed energy consumption data from utility bills and building management systems. Qualified engineers then conducted comprehensive inspections and analyses in these targeted areas to identify the most impactful energy improvement opportunities.

The outcome was a detailed report outlining specific energy-saving measures and potential low-carbon solutions for each building. We are currently developing a plan to prioritize and implement these measures and we are establishing a robust monitoring and evaluation system to track the outcomes. We aim to expand this program to more buildings in the future.

Supporting the direct economic value generated by OQGN were two key initiatives conducted by our gas measurement team. The importance of gas measurement has significantly increased over the years, with fiscal measurement data always being the primary focus. This emphasis is due to OQGN's status as the exclusive owner and operator of the natural gas transmission network on behalf of the Omani Government.

The first initiative was to investigate the phenomenon of phantom flow within some reported measurement systems; resulting in the identification of malfunctioning instruments and equipment within the network contributing to gas emissions. The second initiative involved conducting a complete health check of all gas measuring systems located at gas escape lines throughout OQGN's network, which included flare lines, pilot gas lines, and vent lines.

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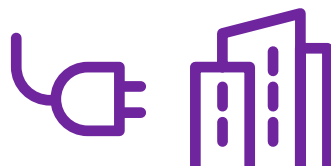
Managing our Environmental Footprint

Aligned with Oman Vision 2040, we implement comprehensive protocols for environmental protection, waste management, pollution prevention, and resource conservation, all while maintaining rigorous compliance and continuous improvement standards.

Management of our environmental protocols and initiatives is governed by our Quality, Health, Safety, Security, and Environment (QHSSE) Policy, our Health, Safety, and Environmental (HSE) Management System, our Environment Management System (aligned with the ISO 14001 standard), and our Environmental Management Guideline.

As part of our HSE Management System, we integrate Environmental Impact Assessments (EIA) or Environment and Social Impact Assessments (ESIA) in the initial phases of project planning to address potential environmental and social sensitivities and compliance requirements. These assessments are periodically updated in response to directives from environmental the Environment Authority or changes in our operations that might affect the environment.

We also conduct ongoing assessments of environmental risks and opportunities, which is managed through a dynamic Environment Aspects and Impacts register. It is continually revised to reflect operational changes, product updates, services modifications, or potential emergency conditions. Additionally, we conduct Best Available Technique (BAT) studies to minimize the overall environmental impact of a given process or plant from design to decommissioning. These studies focus on techniques that are technically viable and economically feasible, aiming to achieve a high level of environmental protection.

We strictly adhere to all relevant environmental legal and regulatory frameworks, ensuring that we obtain the necessary permits, certificates, and licenses for our projects. Our environmental monitoring and reporting protocols are robust and comprehensive, designed to minimize our impact on air, water, and land. These protocols include monitoring emission sources and contaminated environments, identifying and documenting parameters for each release source, and conducting environmental parameter sampling and analysis in accordance with legal and international standards. We also maintain operational availability and ensure periodic calibration of our monitoring equipment. Additionally, we are fully committed to fulfilling all environmental reporting requirements, underscoring our dedication to responsible environmental management.

In 2023, OQGN maintained compliance with all applicable environmental regulations and laws.

Key components of OQGN's Environmental Management Guideline

- Environmental protection, pollution prevention, and resource conservation.
- Compliance with legal and other requirements.
- Facilitating continual improvement in environmental performance.
- Environmental monitoring of emissions.

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Waste Management and Pollution Control

We require all our business operations and contractors to adhere to a comprehensive set of requirements for managing both hazardous and non-hazardous waste. Hazardous materials are classified and identified through the Omani Ministerial Decision 18/93. Our requirements include creating a waste management plan and developing a detailed waste stream register.

We often require the setup and upkeep of an interim industrial waste storage facility to ensure secure storage of waste until proper treatment or disposal is possible. We obtain all necessary permits for the waste storage facility and verify the competence of third-party service providers for waste handling, treatment, and disposal. Where feasible, we promote the use of computer-based systems to enhance waste management processes at our facilities and we require that all waste records be maintained for reporting and auditing purposes.

Zero

instances of non-compliance with relevant discharge standards for wastewater and effluent discharge over the past three years.

Biodiversity

Managing environmental impact, including biodiversity, is a crucial part of OQGN's environmental commitment. In adherence to Omani regulations, it is mandatory to conduct a full EIA or ESIA for large new projects, where ecological impact and impact on biodiversity are thoroughly assessed.

From these assessments, impact mitigation measures to maintain biodiversity are identified and included in the project's Environmental Management Plan. To enhance our efforts, we are currently reviewing the development of site-specific Biodiversity Management Plans to ensure critical impacts are effectively addressed.

While we recognize the importance of monitoring biodiversity, our current focus is on implementing robust mitigation measures as part of our comprehensive environmental strategy. We are committed to continuously improving our practices and integrating biodiversity considerations into all aspects of our operations.

Water Consumption

We do not consume significant amount of water in our operations. However, we have implemented water conservation measures, including the construction of a sewage water treatment plant in Nimr, designed to recycle water for landscaping purposes. To minimize water waste, we employ specific controls including the release of used hydrotest water into designated evaporation ponds. Alternatively, we discharge it to land after securing a No Objection Certificate from relevant authorities. The impact of our water use is thoroughly assessed in our EIAs and EISAs, with appropriate controls documented accordingly.

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Protecting & Empowering our Workforce

We recognize that our employees are central to our success and the most important asset of our company.

We are dedicated to implementing advanced employment practices and offering development opportunities that promote the growth and potential of our workforce.

By creating a diverse, equitable, and inclusive work environment, we strive to make our employees feel values and respected. We use local labor laws and standards as our foundation. Additionally, we prioritize occupational health and safety to protect our employees and contractors from workplace hazards, while also focusing on asset integrity and critical incident management to minimize operational risks.

Material Issues Covered
- Employment Practices & Development
- Diversity, Equity, & Inclusion
- Human Rights Protection & Labor Management
- Occupational Health & Safety
- Asset Integrity & Critical Incident Management

Oman Vision 2040
- Health
- Well-being and Social Protection
- Labour Market and Employment
- Education, Learning, Scientific Research and National Capabilities

UN SDGs

| 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY |

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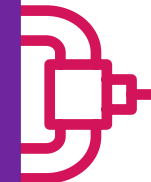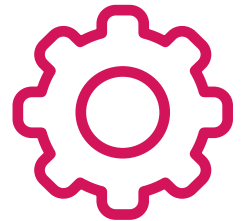
Sustainability Highlights from this chapter

Completed
22,846 hours
of employee training.

Launched
the IRTIQA'A Platform,
an innovative coaching initiative.

8
nationalities represented
in our workforce.

Zero
total recordable employee
injuries in 2023

Zero
recorded employee
fatalities in 2023

Launched
the TA'AREEF campaign, a
transformative initiative
designed to enhance our business
environment through an employee
data-centric approach.

Implemented
Intelex, an electronic platform that
streamlines the process of reporting,
investigating, tracking, and
analysing environmental and
safety incidents.

75%
employee satisfaction score
achieved, reaching our goal
two years ahead of schedule.

94%
Omanisation rate

Women@ OQGN
Launched a Women's Committee
to enrich our corporate culture and
support the professional growth
of working women.

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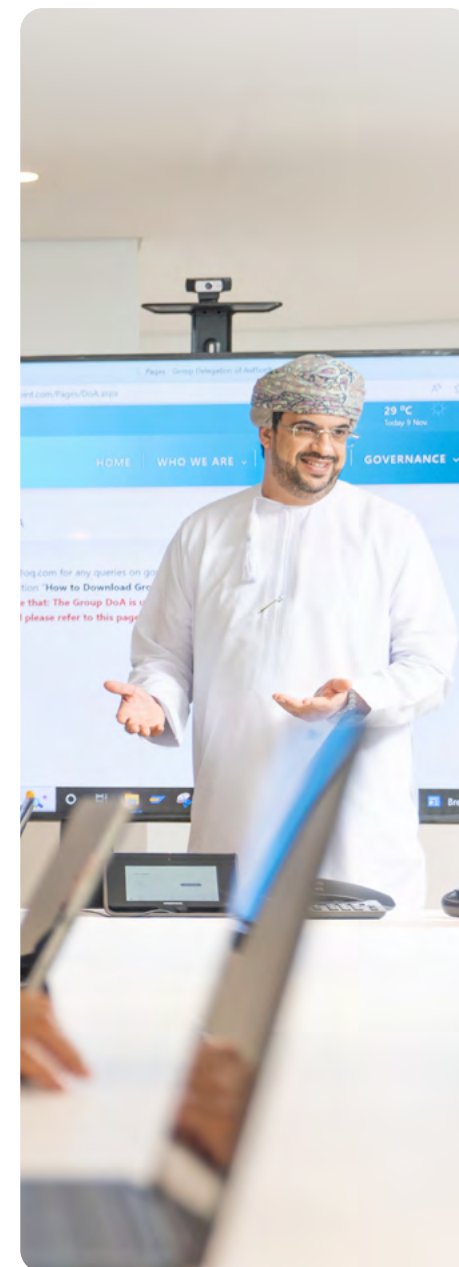
Investing in Our Human Capital

We firmly believe that investing in our employees is essential for creating a dynamic and sustainable business. Recognizing that their growth, well-being, and engagement are vital to our overall success, we dedicate resources to comprehensive training programs, robust health and wellness initiatives, and open communication channels that encourage feedback and inclusivity. At the end of 2023, we had 488 employees, including 468 full time employees and 20 contractors and/or consultants.

Employment Practices & Development

Our employment practices and development programs are strategically designed to enhance the capabilities and career trajectories of our employees.

We provide targeted training, continuous learning opportunities, and clear paths for advancement so that our employees not only excel in their current roles but are also prepared for future challenges and opportunities within the company.

Spotlight:

HIMMA Program

In 2023, we launched a new program called Himmah, which aims to enhance our organizational culture, improve collaboration, increase employee engagement, and empower our future. The program focuses on building a culture of determination and perseverance, encouraging open communication, providing opportunities for growth and development, and recognizing outstanding performance and contributions. We believe that by enriching our culture and promoting collaboration and teamwork, we can build a stronger, more engaged, and more effective team that is better equipped to meet the challenges of our business and industry.

Employee Training and Development

Our approach to employee training and development is aligned with the overarching goals and strategic direction of the company. We initiate employee development through a comprehensive Development Needs Analysis (DNA), which is segmented into three areas:

- **Organizational Alignment:**
  We assess training needs based on our business goals, cultural values, strategic focus, and anticipated business growth. This ensures that our development initiatives are not only timely but are also deeply integrated with our long-term organizational objectives.

- **Functional Requirements:**
  Each department's performance standards, operational challenges, and business and project plans are scrutinized to identify specific functional competencies that need enhancement. This targeted approach helps us address the immediate and strategic needs of different functional areas within OQGN.

- **Individual Assessment:**
  At the individual level, we evaluate the skills, abilities, and knowledge of our employees, alongside their performance and potential future skills. This personalized assessment helps us tailor development programs that are not only relevant but also conducive to personal and professional growth.

22,846

hours of training completed by our employees across 2023

Our Competency Management System compliments our DNA process and is designed to capture the essential knowledge, skills, experience, behaviors, and attitudes required to operate safely and effectively at OQGN. This system plays an important role in ensuring that both individual and organizational developments are strategically linked to our business objectives.

After we define the required competencies, we utilize a Talent Development Plan (TDP) as a strategic tool to guide our employees through their career and personal development journeys. It focuses on enhancing job performance and facilitating professional growth through clearly defined development interventions and defined training requirements. In 2023, our employees completed 22,847 hours of training, which include training related to mandatory HSSE training, professional and capability development, leadership, conferences, and personal development.

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Spotlight:

IRTIQA'A Platform

In 2023, we proudly launched the IRTIQA'A Platform, an innovative coaching initiative designed to enrich our employees' understanding of the essential objectives, principles, and values of effective coaching. This platform serves as a comprehensive repository of information, resources, and activities, illuminating the core goals of coaching and the ethical standards necessary for its success. Uniquely, it allows employees to independently select their preferred coach, enabling them to tailor the coaching experience to their specific needs by choosing the most suitable coach and scheduling sessions at their convenience. The IRTIQA'A Platform marks a significant advancement in fostering personal and professional growth within our organization.

Succession Planning

We have a strategic succession planning process to ensure leadership continuity and operational excellence at OQGN. We begin by identifying crucial positions that are essential for maintaining the smooth functioning and growth of our business. After identifying potential successors to these leadership roles, we conduct thorough leadership assessments and feedback evaluations to gauge their capabilities and readiness. Similarly, managers complete evaluations for individual contributors based on specific criteria. We support these assessments with a 9-box succession planning matrix, which helps visualize each candidate's current performance against their potential for growth. This comprehensive process is reviewed annually to ensure it remains aligned with our evolving business needs and the professional development of our workforce.

Employee Engagement

Employee engagement is crucial as it fosters a committed and motivated workforce, enhances productivity, and drives overall organizational success. To ensure transparency and maintain dialogue with our workforce, we regularly use town halls, roadshows, and engagement sessions as platforms to communicate significant operational changes.

75%

employee satisfaction score achieved in 2023

We continue to conduct annual employee engagement surveys to evaluate employee satisfaction, motivation, and loyalty across various dimensions, including reputation, management at all levels, working conditions, job content, training and development, remuneration, cooperation, and cultural aspects at the individual, team, and company levels. In 2023, we achieved a 75 percent employee satisfaction score, reaching our 2025 target two years ahead of schedule.

Employee satisfaction score

2021	2022	2023
54%	66%	75%
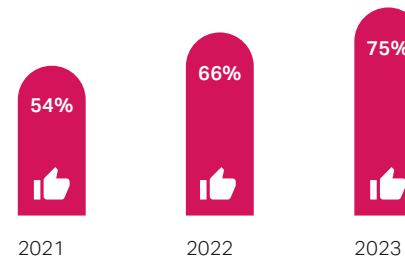
We introduced several impactful programs aimed at further engaging our employees in 2023, including the HIMMAH Program, the development of culture impact plans for all managers, ITHRAA—a learning award program that rewards employees for knowledge sharing—the IRTIQA'A Platform, career counselling services, upward feedback systems, and leadership coaching and mentoring programs. Employee engagement activities through the HIMMAH Program included workshops on strengthening communication skills, motivational videos for employees, empowerment sessions specifically for women, and team-building events like the Ladies Escape to Snow Oman. Community engagement efforts, such as school visits to Bidbid and Samail and trips to the Royal Hospital to visit children, further engage our employees and enrich our corporate culture.

Spotlight:

ITHRAA Program

Our ITHRAA Program was established to create a culture of continuous learning by encouraging and utilizing subject matter experts and other employees to share their skills, experience, and knowledge. It serves as a cost-effective learning approach and an effective tool to support knowledge sharing throughout our organization. During 2023, the program had 531 attendees.

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Spotlight:

TA'AREEF Campaign

In 2023, we launched the TA'AREEF campaign, a transformative initiative designed to enhance our business environment through a data-centric approach. This campaign provides each employee with access to a personalized platform that serves as a central hub where employees can effortlessly update personal details, track, access organizational policies, and interact with

HR and payroll systems. By centralizing these essential functions, TA'AREEF not only improves operational efficiency but also promotes greater transparency and connectivity across the organization. This initiative underscores our commitment to leveraging technology to empower our employees and drive informed decision-making throughout the company.

Employee Well-Being

We prioritize the well-being of our employees by providing a comprehensive suite of benefits tailored to support their diverse needs. For our expatriate staff, this includes gratuity, medical insurance, and annual air tickets to their home countries. To help ease the transition into their new roles and living environments, new employees receive welcome packets that include relocation benefits and other helpful information.

Our commitment to supporting families is underscored by our parental leave policies, with females receiving 98 calendar days of maternity leave and males entitled to seven days of paternity leave. In 2023, 35 females and four males took parental leave, with 34 females and three males successfully returning to their positions afterward.

This strong return-to-work rate reflects our supportive work environment and our dedication to facilitating work-life balance, demonstrating our ongoing commitment to the health and satisfaction of our employees.

To further enhance employee well-being, we conduct regular inspections of sites and worker accommodations to ensure that our working and living conditions meet high standards of safety and comfort. Site inspections are carried out monthly, while camp inspections are performed on a quarterly basis. The results of these inspections are integrated into Intelex, and subsequent action plans are reviewed during safety committee meetings.

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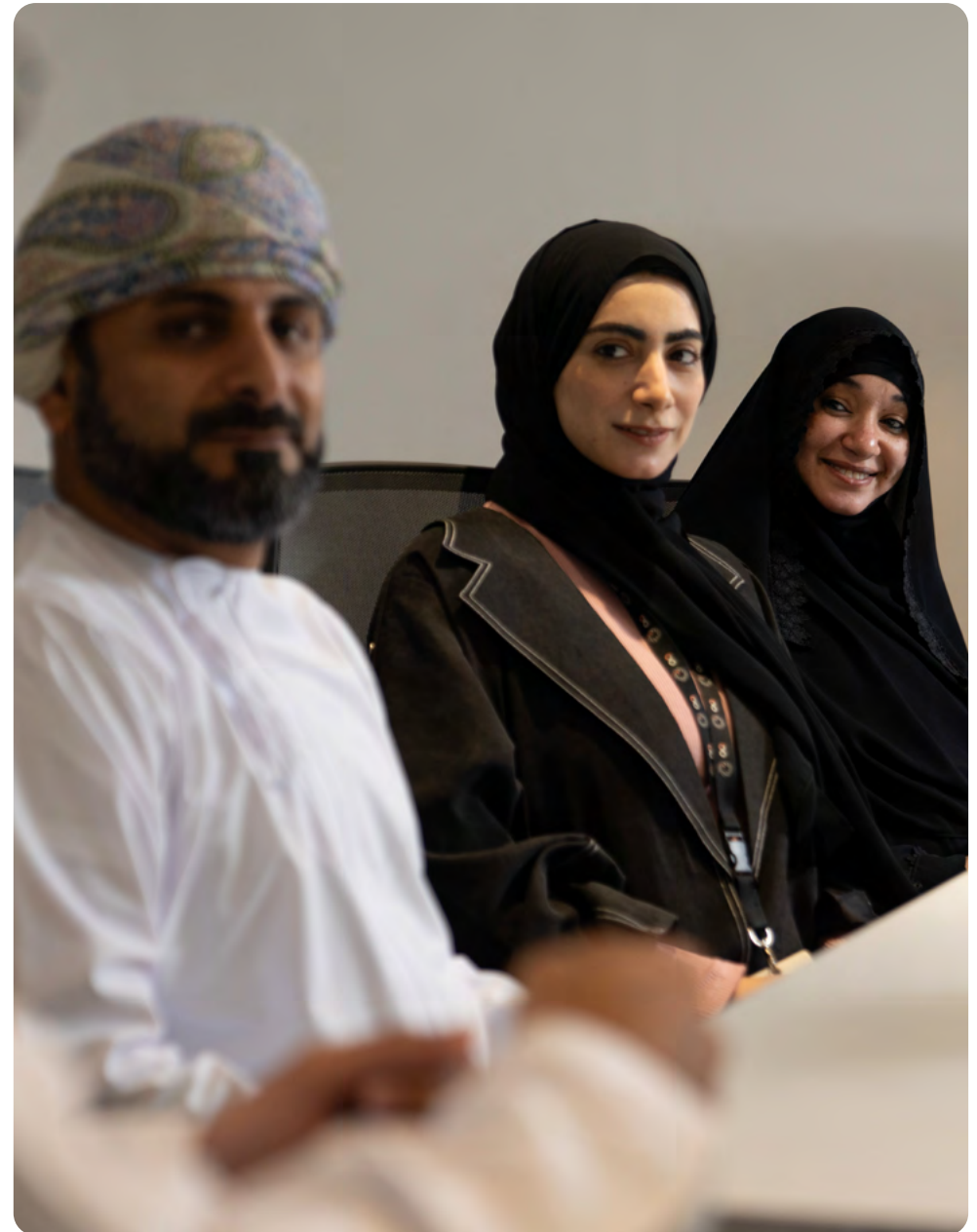
Diversity, Equity & Inclusion

Our commitment to diversity, equity, and inclusion is fundamental to creating a vibrant and innovative workplace. We implement targeted initiatives to cultivate an environment where all employees feel respected and valued, promoting a diverse range of perspectives that drive creativity and enhance our collaborative efforts across the organization.

We're actively fostering a workplace that reflects a wider range of experiences and diversity by pursuing initiatives aimed at creating a more balanced workforce. At the end of the year, our workforce consisted of 404 male and 64 female employees, with 7.3 percent full time female middle

managers, and 15 percent full time female employees at other levels. The majority of our employees were between the ages of 30 and 50 years old and we had eight different nationalities represented in our workforce at the end of 2023. Additionally, our recent hiring with 23 percent falling below the age of 21. This influx of young talent brings fresh ideas and perspectives to the table.

13%

of our workforce is full-time female employees, as of the end of 2023.

Spotlight:

Women@OQGN Committee

In 2023, we formed a Women's Committee at OQGN, a significant initiative aimed at enriching our corporate culture and supporting the professional growth of working women. This committee is dedicated to empowering, engaging, educating, and influencing the women within our organization, with the broader goal of positively impacting Omani society. We recognize and value the indispensable role women play at OQGN and are committed to their advancement and success.

"I would like to take this opportunity to underscore the important role of women within OQGN. I firmly believe that this committee will play a vital and transformative role in positioning and empowering women within the fabric of our company."

Mansoor Al Abdali
Chief Executive Officer, OQGN

Human Rights Protection & Labor Management

We are committed to upholding human rights in the workplace. We strive to create a work environment that respects basic human rights principles. We promote fair treatment and working conditions for all employees, respect worker rights as outlined in Omani Labor Law, and are actively working to cultivate a diverse and inclusive work environment. We are continuously evaluating our practices to identify areas for further improvement in alignment with international standards.

To reinforce these principles, we currently adhere to OQ's robust whistle-blower policy that empowers employees to report any concerns or potential violations safely and confidentially. This policy is crucial for maintaining accountability and integrity within our organization and is further supported by our established grievance and complaint mechanisms too, which helps to assure our employees that they can raise issues and be heard.

Moreover, we believe that education is a powerful tool for safeguarding human rights, so we provide comprehensive human rights policy training sessions to our employees as part of our overall training program. These training sessions are designed not only to inform but also to embed a deep understanding and commitment to these rights in our day-to-day operations. Through continuous education and vigilance, we aim to create a workplace where human rights are not just protected but are a living, breathing part of our corporate ethos.

Zero

incidents of discrimination occurred during 2023

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Ensuring Operational Safety

Operational safety is the cornerstone of our commitment to excellence and sustainability. Our robust safety management system is guided by our QHSSE Policy, which was created utilizing standards from ISO 9001 for quality management, ISO 14001 for environmental management, and ISO 45001 for occupational health and safety.

In addition, Royal Decree 35/2003, part of Oman's labor law, and Ministerial Decision 286/2008, a regulation of Occupational Health and Safety for Establishments Governed by the Labor Law, as well as international best practices, were used as a basis for our safety management system.

Occupational Health and Safety

We prioritize occupational health and safety through comprehensive protocols and regular training sessions. Our health and safety objectives are clearly defined in our QHSSE Plan, which is aligned with our QHSSE Policy. We actively engage employees in the development, implementation, and evaluation of our QHSSE Plan. During our bi-weekly Safety Committee meetings, we facilitate participation and consultation across various levels of our workforce, enhancing the collective commitment to our safety culture. We consistently monitor the progress of our QHSSE Plan and conduct monthly reviews with leadership to ensure continual improvement.

Hazard Identification and Risk Management

A cornerstone of our safety strategy at OQGN is the Job Safety Analysis (JSA) Guideline. It provides employees with a consistent methodology for conducting risk assessments, which are essential components of our Work Permit System. The JSA Guideline delineates the requirements for risk assessments across various activities, categorizing them into two types: task risk assessments (TRAs) for low-risk jobs/work activities and job risk assessments (JSAs) for high-risk ones.

For JSAs, the job is systematically broken down into smaller task steps. Each step undergoes scrutiny by a select team to identify hazards using the OQGN Risk Matrix. To ensure a comprehensive analysis, we utilize the Wheel of Hazard, which guides us through various energy conditions that may lead to the release of hazards. Following hazard identification, we employ a Hierarchy of Control Measures Guide to mitigate risks to a level deemed As Low As Reasonably Practicable (ALARP). Control measures are assigned to an action party, and the residual risk is evaluated. If the residual risk does not meet the ALARP criterion, the job cannot proceed.

Prior to commencing work, Toolbox Talks (TBTs) are conducted to summarize and emphasize the essential points of the TRA/JSA, along with any associated documentation. These talks facilitate open two-way dialogue, ensuring that all personnel understand the identified hazards and control measures. TBTs are conducted at or near the worksite, involving all personnel and potentially affected parties such as subcontractors and vendors. TBTs are held every shift if the job extends over multiple days, and they are repeated if additional hazards arise during execution. We conduct post job reviews to identify areas of strength and improvement in the risk assessment process. Learnings from these reviews are captured and integrated into our procedures to ensure continuous improvement of our safety protocols.

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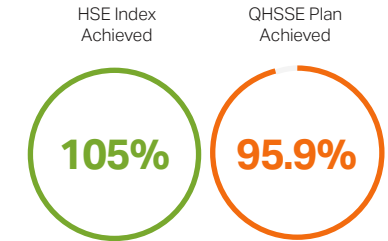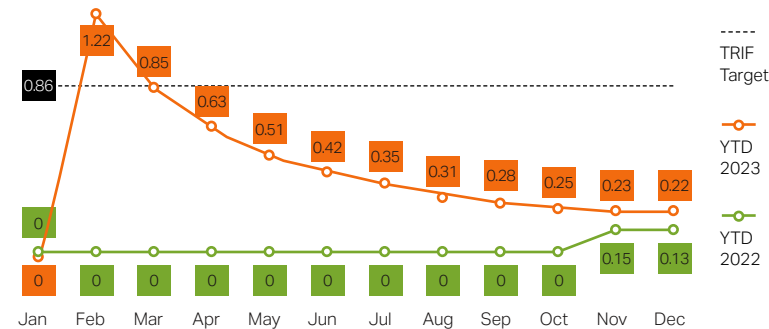
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Safety Performance

In 2023, we demonstrated a strong safety performance with significant achievements and areas for further improvement. Notably, we recorded zero fatalities and no employee total recordable injuries, highlighting our effective safety protocols and proactive measures. However, we had two contractor total recordable injuries, both resulting in lost time, which underscores the need for continuous enhancement of our contractor safety management.

We also recorded 16 high potential incidents, indicating critical areas where preventive strategies need to be reinforced. Additionally, our employees reported a substantial number of safety observations—12,338 in total—with an impressive 96 percent of follow-up actions successfully closed out during the year.
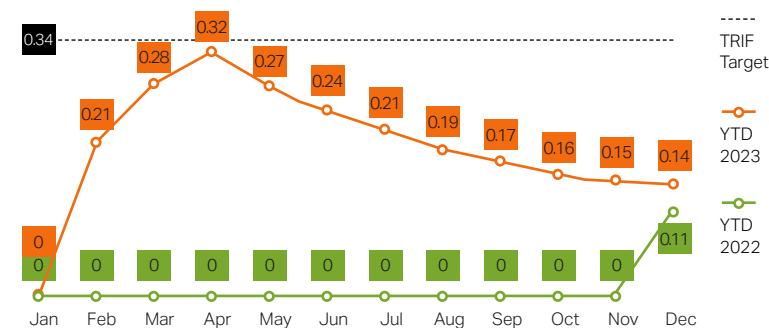
While we are proud of our safety achievements in 2023, we recognize that there is always more work to be done. Continuous improvement is a core principle at OQGN, and we remain committed to enhancing our safety measures and protocols. Acknowledging that the journey towards exceptional safety performance is ongoing, we are dedicated to identifying areas for improvement and implementing necessary changes to ensure the wellbeing of all our employees and contractors.
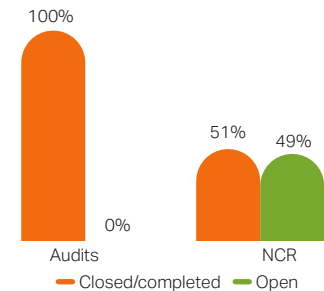
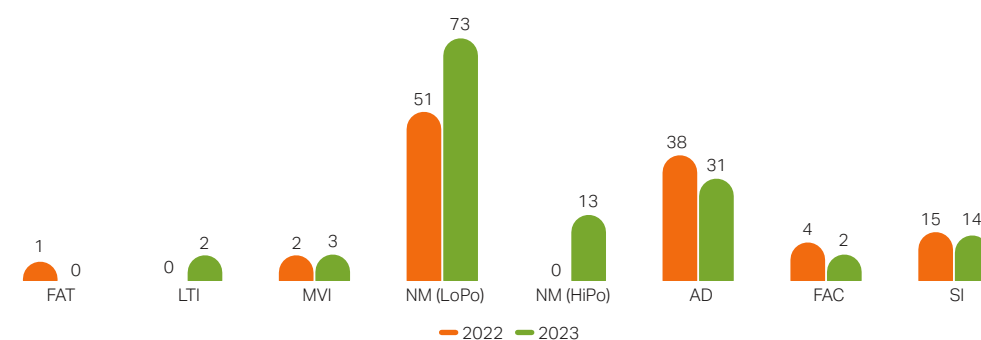## QHSSE Performance 2023

TRIF 2022 vs 2023

----- TRIF Target
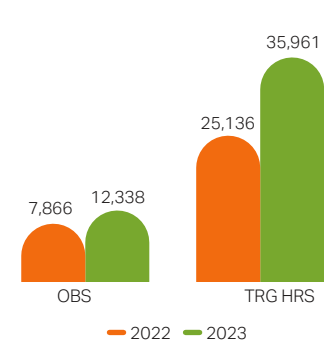
—o— YTD 2023

—o— YTD 2022

7,451,745
LTI-FREE MH

HSE Index Achieved
105%

QHSSE Plan Achieved
95.9%

MVIF 2022 vs 2023

----- TRIF Target

—o— YTD 2023

—o— YTD 2022

11,950,234
MVI-FREE-KM

2023 Audit Vs NCR

—o— Closed/completed —o— Open

Incidents 2022 vs 2023

—o— 2022 —o— 2023

OBS & TRG HRS 2022 vs 2023

—o— 2022 —o— 2023

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Improving Health, Safety, and Security Practices

In 2023, we implemented several new initiatives aimed at improving our health, safety, and security practices and protocols, including:

1 **Conducted management safety visits** to demonstrate leadership commitment, enhance management visibility, engage employees, and oversee the effectiveness of implementation strategies.

2 **Introduced an HSE training matrix** to unify the identification of training needs and streamline communication.

3 **Conducted reviews and updates of our policies and procedures**, dynamically adjusting them based on learnings and reviews.

4 **Launched a life-saving rules campaign** and an incident classification system, which helped develop our safety culture by prioritizing actions based on Pareto analysis, a statistical technique in decision-making used for the selection of a limited number of tasks that produce the most significant overall effect.

5 **Held a Contractor HSE Forum** to strengthen engagement and relationship management with our contractors.

6 **Introduced an electronic permit to work system (E PTW)**, a digital platform that manages work permits and ensures that all necessary safety procedures are in place before work begins.

7 **Rolled out Intelex** to enhance our digital and HSE management capabilities.

8 **Established and implemented new security guidance for employees**, contractors, delivery vehicles, and visitors that outlines applicable access and security guidelines for each OQGN asset.

9 **Conducted 10 health and safety audits** on contractors.

10 **Introduced the Fitness for Service (FFS) methodology for our pipelines and facilities** This robust approach ensures that our infrastructure meets stringent safety and operational standards throughout its life cycle.

The FFS methodology involves comprehensive assessments of our pipelines and facilities to identify and address potential issues proactively. By implementing FFS, we enhance the reliability, safety, and efficiency of our operations, ensuring that our assets are well-maintained and fit for continued service.

This commitment to excellence underscores our dedication to delivering safe, reliable, and efficient gas transportation services to our stakeholders.

11 **Developed and distributed a "Take Safety Home" handbook** to extend safety awareness beyond the workplace into employees' homes.

12 **Initiated the implementation of HSE standdowns**, a temporary halt in operations across the entire organization or at specific sites to address significant safety concerns or incidents.

These strategic initiatives and improvements in 2023 significantly advanced our operational excellence and reinforced our commitment to safety, health, and security.

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Spotlight:

Implementation of Intelex

The successful rollout of Intelex in 2023 marks a significant enhancement in our digital and HSE management capabilities at OQGN. This electronic platform offers several key benefits:

- **Integrated HSE Management:** Intelex seamlessly integrates various HSE modules, facilitating streamlined collaboration and holistic safety management.

- **Data-Driven Risk Insights:** By analyzing historical incidents, Intelex pinpoints high-risk areas, directing our HSE efforts to foster a safer workplace.

- **Instant Information Access:** With a central database, Intelex provides real-time access to incident and safety data, enabling quick responses and informed decision-making.

- **Mobile Flexibility:** Intelex ensures that HSE data can be accessed both on mobile devices and computers, supporting prompt incident handling and effective remote collaboration.

- **Efficiency and Engagement:** By automating routine tasks, Intelex frees up our HSE professionals to focus on strategic safety initiatives and helps cultivate a robust safety culture.

- **Contractor Collaboration:** The platform enhances safety practices consistency between our organization and contractors.

- **Swift Reporting:** Digital reporting through Intelex saves time and improves data accuracy, crucial for compliance and assessments.

- **Proactive Risk Mitigation:** Insights from Intelex guide preventive measures, progressively creating a safer work environment.

This strategic implementation not only enhances our operational efficiency but also reinforces our commitment to maintaining the highest standards of safety and compliance across all levels of the organization.

Safety Training

To ensure that our employees are well trained regarding safety, we identify HSE training needs for each role. Starting in 2024, we will utilize Intelex to manage all HSE training requirements and completion records, streamlining the process. In 2023, we provided a diverse array of safety training programs, including HSE Induction, H2S Awareness, Gas Tester, Job Safety Analysis, Confined Space Entry, as well as E PTW Awareness for Levels 1 & 2. This training portfolio underscores our commitment to upholding the highest safety standards across all levels of the organization.
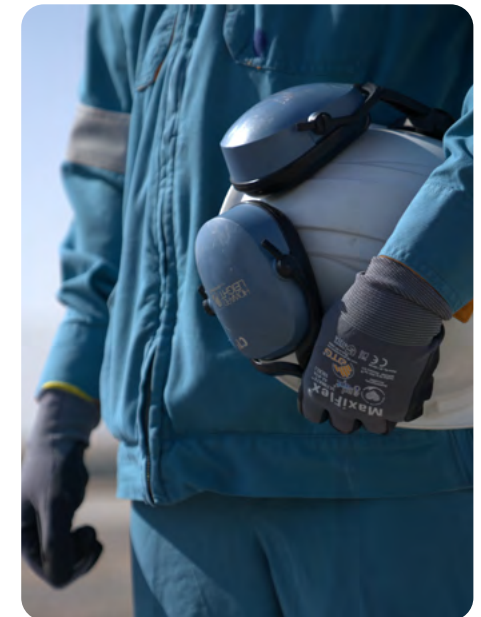
Road Safety

Our transportation safety initiatives and protocols are guided by our Road Safety Policy and the Oman Society for Petroleum Services (OPAL) Road Safety Standard Procedure. We provide specialized training, such as Defensive Driving courses, to equip our drivers with the skills necessary to navigate various driving conditions safely. Through our comprehensive Journey Management Plan, we plan and monitor all travel activities to minimize the risks associated vehicle movements and to provide timely emergency response if/when required. Additionally, our vehicles are equipped with In-Vehicle Monitoring Systems, which aid in tracking and analyzing driver behavior and vehicle usage. We rigorously monitor safety violations and identified issues are addressed through appropriate counselling of drivers. These measures collectively contribute to maintaining high standards of transportation safety at OQGN.

Employee Health and Wellness

We are committed to fostering a holistic approach to employee wellness. Employees have access to gym facilities and discounted memberships to promote fitness and health. For relaxation and social interaction, our regional premises include a game room, swimming pool, and soccer area. These amenities not only provide a fun and engaging way to unwind but also encourage a balanced lifestyle.

In addition, we provide employees with access to medical coverage for themselves and their family members. As part of the program, they have access to various hospitals and other facilities and services. Contact details for all facilities are dynamically updated and communicated to all employees.

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Asset Integrity & Critical Incident Management

Asset integrity and critical incident management are key components of our operational and safety strategy at OQGN, ensuring that our assets perform their required functions effectively and sustainably while safeguarding the health and safety of our workforce and the environment. By implementing rigorous maintenance programs, continuous monitoring, and robust response plans, we are committed to minimizing operational risks and enhancing the reliability of our infrastructure. In 2023, we had nine reportable pipeline accidents and incidents, none of which were significant.

OQGN is certified ISO55001 Asset Management System
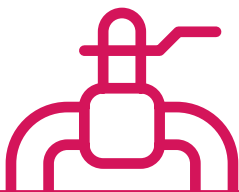
Asset Integrity

We are dedicated to ensuring that all physical assets across our facilities perform their required functions effectively, efficiently, and safely. Our Asset Integrity Management System, guided by our Asset Integrity Policy, adheres to international standards and includes detailed practices outlined in various Code of Practice documents and our Strategic Asset Management Plan.

To monitor the health of our assets, we conduct an annual Fitness for Service assessment across all pipelines and related facilities. This essential assessment helps identify the current condition of each asset and determine necessary maintenance or repairs to keep each asset in optimal condition.

The results of these assessments are documented in the Annual Pipeline and Facility Integrity & Reliability Status Report. This report is collaboratively reviewed and then agreed upon and signed by the Technical Services and Operation & Maintenance functions at the Vice President (VP) level, ensuring high-level oversight and validation of the integrity and reliability of our assets.

To further bolster our asset integrity, we conduct detailed internal and external inspections of our pipeline systems, including mechanical and third-party assessments. These inspections are vital for identifying potential issues that could affect the functionality and safety of our pipelines, such as the integrity of pig traps and blowdown valve station

piping. In 2023, we inspected more than 12 percent of our pipelines. Looking ahead to 2024, we plan to implement risk-based pipeline inspections, with frequencies determined by the assessed risk levels of the pipelines: high-risk pipelines every six months, medium-risk every two years, and low-risk every two to ten years.

Additionally, we rigorously oversee the integrity of our facility infrastructure, particularly focusing on pressure-containing components like pressure vessels, process piping, and safety relief valves.

All on-plot facilities are subject to periodic inspections and monitoring, with outcomes detailed in the Facility Integrity Status Report to promote transparency and continual improvement.

Our proactive approach extends to critical physical assets such as electrical and rotating equipment, and instrumentation at key facilities like compressor stations and gas supply stations/pressure limiting stations. By maintaining our assets to the highest standards, we pre-empt operational disruptions and uphold our commitment to operational excellence and environmental stewardship.

Process Safety

We have significantly enhanced our Process Safety Performance Indicators (PSPIs), leading to a substantial reduction in asset failures. By refining these critical metrics, we can more effectively monitor and manage the safety and integrity of our operations. The improved PSPIs provide us with valuable insights, allowing for proactive identification and mitigation of potential risks. This advancement not only bolsters the reliability and longevity of our assets but also reinforces our commitment to maintaining the highest standards of safety and operational excellence across all facets of our organization.

To effectively manage process safety at OQGN, we have implemented a next-generation process safety management model. Developed by the Center for Chemical Process Safety, this model employs a risk-based strategy built on four foundational pillars:
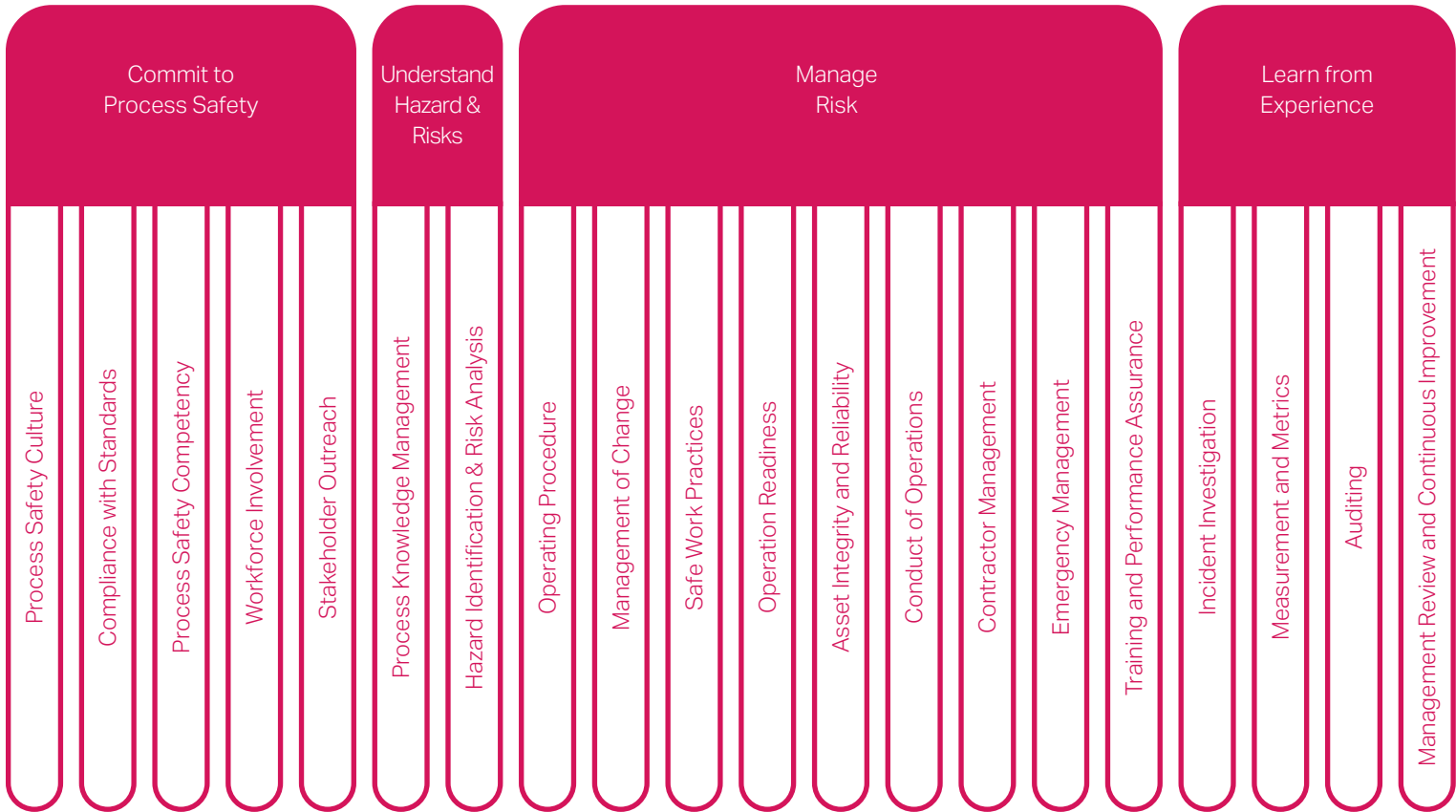
1. **Commit to Process Safety:** Cultivating a culture where the workforce is deeply committed to process safety, ensuring that everyone consistently makes safe choices, even when unsupervised.

2. **Understand Hazards and Risks:** By thoroughly understanding potential hazards and risks, our organization can effectively prioritize resources to mitigate risks most efficiently.

3. **Manage Risks:** This pillar emphasizes the careful operation and maintenance of processes to keep risks at a tolerable level, managing changes effectively, and being well-prepared to respond to and manage incidents.

4. **Learn from Experience:** It involves diligently monitoring and responding to both internal and external sources of information about process safety, fostering continuous improvement.

These pillars are subdivided into 21 elements that are strategically designed and implemented to enhance and optimize our process safety management, ensuring maximum performance, efficiency, and effectiveness across all operations.

OQGN Process Safety Model

Commit to Process Safety
- Process Safety Culture
- Compliance with Standards
- Process Safety Competency
- Workforce Involvement
- Stakeholder Outreach

Understand Hazard & Risks
- Process Knowledge Management
- Hazard Identification & Risk Analysis

Manage Risk
- Operating Procedure
- Management of Change
- Safe Work Practices
- Operation Readiness
- Asset Integrity and Reliability
- Conduct of Operations
- Contractor Management
- Emergency Management
- Training and Performance Assurance

Learn from Experience
- Incident Investigation
- Measurement and Metrics
- Auditing
- Management Review and Continuous Improvement

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In 2023, OQGN successfully avoided any Tier 1 or Tier 2 process safety events, underscoring our commitment to maintaining high safety standards. However, we did experience nine Tier 3 events, which primarily involved minor losses of containment resulting in leaks. These incidents, while less severe, have prompted us to take decisive action to enhance our safety measures and prevent future occurrences.

To address these challenges, we are focusing on several key areas of improvement. Firstly, we are intensifying our efforts to improve organizational learning from incidents. By systematically analyzing each event, we aim to embed the lessons learned into our operational practices and safety culture. Secondly, we are investing in advanced technologies that enable more accurate identification and quantification of leaks, which will aid in early detection and timely intervention. Lastly, we are embedding process safety more thoroughly into the competency development programs for our technical staff. This initiative ensures that our team is not only well-versed in current safety protocols but also equipped with the knowledge and skills to implement effective safety strategies proactively.

Critical Incident Management

We have established and implemented a comprehensive Incident Management Strategy that outlines how we prepare for, recover from, and mitigate impacts related to incidents. It is comprised of three levels, which escalate depending on the severity and impact of the incident. Each level of response has a dedicated team with designated responsibilities during an emergency. Our Emergency Response Procedures are designed to be executed quickly to mitigate immediate hazards, protect lives, and secure property. Our Emergency Pipeline Repair System (EPRS) provides detailed guidance for selecting and executing the appropriate pipeline repair methods based on potential failure scenarios associated with various hazards. Our emergency response procedures and strategies meet all recognized international standards and are aligned with best practices in the oil and gas industry.

The emergency response team undergoes weekly training to maintain their skills and readiness. Regular drills are an integral part of our preparedness strategy, with Level 1 and 2 drills planned and executed throughout the year to test and refine our response capabilities.

Level 1 Incident

An incident which has the potential to threaten assets, but which can be managed or contained by the onsite resources including the Incident Response Team (IRT) and the Incident Management Team (IMT).

Level 2 Incident

When the incident will or has the potential to span beyond the capability of the business, a Level 2 Emergency will be declared.

Level 3 Incident

When the incident will or has the potential to span beyond the influence and actions of the Emergency Management Team (EMT), or when not sure of the next steps, escalation potential or reputation will be negatively impacted, the Crisis Management Team (CMT) are activated.

Spotlight:

Dhabab App

In 2023, we proudly launched the Dhabab mobile application, a powerful tool built on a Geographic Information Systems (GIS) platform and available to all OQGN staff. It is designed to support our staff in Salalah by streamlining the process of making and reporting right-of-way encroachments digitally, reinforcing a culture of security and vigilance.

These drills involve all relevant parties, including contractors, to guarantee comprehensive preparedness and swift, effective response. In 2023, we successfully conducted three Level 2 drills.

We are committed to enhancing public awareness about pipeline safety and safeguarding our assets through periodic campaigns that involve the strategic placement of various signboards and caution notes at key junctions and across the OQGN network. In 2023, we participated in the Khareef campaign in Salalah, where over 30,000 civilians were educated about the risks associated with gas lines. Additionally, we have implemented a right-of-way procedure to ensure the safe and efficient use of land, prevent interference, and maintain clear access for operational and emergency purposes, thereby protecting both the community and our infrastructure.

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Supporting Local Economic Development

At OQGN, we are deeply committed to supporting local economic development and we recognize the importance of addressing key material issues that affect our business and the communities in which we operate.

Our approach is comprehensive, focusing on key areas such as enhancing economic impacts, investing in community development, ensuring robust governance relations and tax compliance, and effectively managing our supply chain and maximizing in-country value (ICV). Through these efforts, we aim to not only achieve business success but also to play a transformative role in enhancing the socio-economic landscape of our local communities.

Material Issues Covered
- Economic Impacts
- Local Community & Social Investment
- Government Relations & Tax
- Supply Chain Management & ICV

Oman Vision 2040
- Economic Leadership and Management
- Economic Diversification and Fiscal Sustainability
- Development of Governorates and Sustainable Cities

UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH

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Sustainability Highlights from this chapter

Increased our generated direct economic value in Oman to OMR

174.0 million

Announced a strategic collaboration with the Directorate General of Education and the Directorate General of Health Services with a

OMR 100,000

commitment to community projects in the Dhofar region.

Increased the number of local suppliers we engaged with to

277

Increased procurement spending on local suppliers to OMR

18.45 million

Recorded an In Country Value Index* of

31%

*the total spend retained in-country that benefits business development, contributes to human capability development and stimulates productivity in the Omani economy

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Community Engagement

At OQGN, community engagement is a strategic priority that involves a systematic approach to identifying and interacting with various stakeholders, including vulnerable groups, to ensure their needs and concerns are addressed effectively. Our process begins with stakeholder identification, recognizing the crucial role various groups play in relation to our operations and the potential impacts our activities may have on them.

We then proceed to stakeholder mapping, categorizing them into four distinct groups based on their influence and interest. Next, we develop a comprehensive engagement plan detailing tailored strategies for each group, utilizing a variety of communication channels such as face-to-face meetings, written communications, and detailed reports. This structured approach ensures robust stakeholder relationships, making sure their voices are integral to our decision-making processes and fostering mutual understanding and cooperation.

OQGN has implemented **local community engagement activities** across approximately 50 percent of its operations.

Local Community & Social Investment

Our commitment to local communities and social investment is foundational to our corporate ethos. We are in the process of developing comprehensive social investment policies and strategies that will formally define our dedication to funding initiatives which not only create a positive impact but also promote sustained community development. This strategic framework will guide our investments in ways that are most beneficial to the communities we serve, ensuring that our contributions are meaningful and aligned with our overall mission to support and enhance the well-being of local populations.

Spotlight:

Back-to-School Campaign

To strengthen community bonds and foster a welcoming atmosphere, we launched a Back-to-School Campaign on September 5th, 2023. Targeting first-grade students and teachers in four primary schools near our pipelines in Ad Dakhiliyah, the campaign featured engaging activities including balloon decorations, interactive sessions with Omani Cartoons, and the distribution of gifts to students and teachers. The initiative left a positive impact, sparking interest in OQGN's community efforts and solidifying our commitment to supporting local education.

Spotlight:

Tree Distribution

In line with our commitment to responsible environment stewardship, we distributed 500 trees sourced from Suhar's Agricultural Research Station to our employees in honor of Omani Tree Day on November 1st, 2023. The tree varieties included Mango, Lemon, Turkish Figs, Guava, Pomegranate, Sider, and Morus. This initiative not only celebrated nature but also emphasized our dedication to environmental sustainability and community engagement.

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Strategic Collaboration to Foster Community Development in the Dhofar Region

In 2023, we announced a **strategic collaboration that underlines our commitment to enhancing community development in the Dhofar region of Oman**. Through Memorandums of Understanding with the Directorate General of Education and the Directorate General of Health Services, we have committed OMR 100,000 from our new pipeline project to education and healthcare initiatives in the region.

Education Initiatives:

Through our partnership with the Directorate General of Education, we will provide projector devices to schools in Dhofar. These projectors will enable interactive learning and better utilization of internet resources, significantly enhancing educational delivery. Additionally, we are investing in live streaming technology to ensure uninterrupted learning during teacher absences, thereby maintaining educational continuity and supporting student revisions with recorded classes.

Healthcare Enhancements:

Through our partnership with the Directorate General of Health Services, we are funding a state-of-the-art imaging system for the Sultan Qaboos Hospital's Heart Center. This technology brings together optical coherence tomography, angiography co-registration, and fractional flow reserve, boosting the precision and effectiveness of cardiac procedures. Moreover, we will enhance the Sada and Ouqad polyclinics with new extensions, specialized clinics, and improved physiotherapy facilities, greatly advancing the level of medical care available in the region.
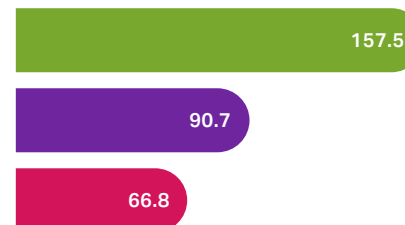
These partnerships reflect OQGN's deep-seated commitment to fostering significant improvements in education and healthcare, thereby contributing to the long-term well-being and resilience of the Dhofar community.
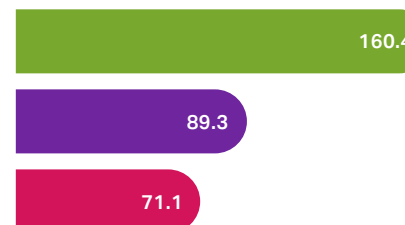
Economic Impacts

We continuously assess and actively strive for better economic impacts of our operations, striving to deliver substantial benefits to the Omani economy and ensuring that our growth is not only sustainable but also beneficial to the broader community.
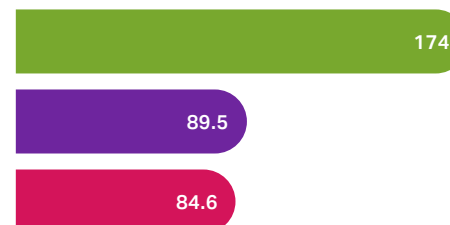
Economic Value (OMR millions)

2021
- 157.5
- 90.7
- 66.8

2022
- 160.4
- 89.3
- 71.1

2023
- 174
- 89.5
- 84.6

- Direct Economic Value Generated (revenues)
- Total Economic Value Distributed (operating costs, employee wages and benefits, payments to providers of capital, payments to government)
- Economic Value Retained

Government Relations & Tax

Adhering to the tax laws of the Sultanate of Oman is paramount. We are rigorously compliant with the Income Tax Law, applying the enacted tax rate of 15 percent to our taxable income. To ensure accuracy in our tax filings, our accounting profit is adjusted for tax purposes. These adjustments encompass a variety of income and expense items, carefully considered under the current interpretation of existing tax laws, regulations, and practices.

Our relationship with the Oman Taxation Authorities is transparent and cooperative. We have successfully completed and agreed upon income tax assessments for all fiscal years up to December 31, 2021. These assessments have been thorough, and the Oman Tax Authorities have found no material errors or inconsistencies in our returns.

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Supply Chain Management

Effective supply chain management is crucial for optimizing our operations, ensuring the sustainability and efficiency of our business. Integral to our approach is a comprehensive Supplier Code of Conduct, which is readily available to all suppliers participating in our tendering system. This code is incorporated into each tender, making compliance a mandatory requirement. By enforcing this standard, we uphold our commitment to ethical practices and quality standards across all aspects of our supply chain, ensuring that our partners align with our values and operational expectations.
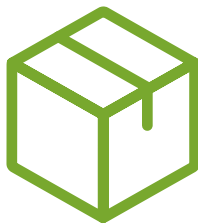
Supply Chain Management & ICV

Our supply chain management strategy is deeply integrated with our commitment to maximizing ICV, ensuring that our procurement processes support local contents and economic growth. ICV is one of a cornerstone of our contracting and procurement operations, as we recognize the vital role that local businesses play in building and sustaining the economy of Oman. To maximize ICV, the company's procurement guideline necessitates certain threshold of local contents for majority of its tenders as one of evaluation criteria. This is followed by detailed analysis, monitoring, and supervising by ICV specialists to ensure compliance. Suppliers and contractors must submit, by mandate, quarterly ICV performance reports, which are thoroughly reviewed and validated by our ICV specialists.

In 2023, we continued to strengthen our commitment to supporting local economies through increased engagement with local suppliers. The total number of local suppliers rose from 206 in 2022 to 277 in 2023. Concurrently, procurement of local contents (In-Country Value) increased significantly from OMR 14.93 million in 2022 to OMR 18.45 million in 2023. This has helped in maintaining 31% of procurement spending on local suppliers, indicating that while our total spending has increased from OMR 47.97 million in 2022 to OMR 59.25 million in 2023, it has kept pace with our overall growth in procurement spending

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ICV Elements

1. Omanisation

Omanisation of workforce directly involved in the execution of a contract. Workforce are classified in 4 categories:

- Senior management
- Professionals
- Supervisory
- Skilled/ Semi-skilled

2. Goods

Local sourcing of materials/products to be utilized in the execution of the contract scope. The goods are classified in three categories:

- Made in Oman goods
- Non-made in Oman source through local supplier
- Materials sourced from foreign suppliers

3. Services

Local sourcing of services either from Riyada, SME or other nationality-registered suppliers.

4. SME

SMEs: means an enterprise as classified by the Authority for SMEs Development and classified in business gateway.

Riyada: means an SME enterprise holding Riyada Card issued by Authority for SMEs Development.

5. Training

- Omani workforce
- OQGN Omani workforce
- Fresh graduates training program

6. Additional Elements

- Capital investment in fixed assets
- Local suppliers development
- National institute support

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Establishing Effective Governance, Risk Management & Innovative Practices

We believe that effective governance, robust risk management practices, and a culture of innovation are fundamental to achieving sustainable growth and creating long-term value for our stakeholders.

By upholding strong business ethics and integrating advanced cybersecurity and data privacy measures, we protect our operations and maintain trust. Our commitment to digital transformation and sustainable finance further enhances our resilience and adaptability, enabling us to navigate complex market and regulatory environments efficiently. Through these strategic efforts, we ensure our business remains forward-looking and aligned with both current and future demands.
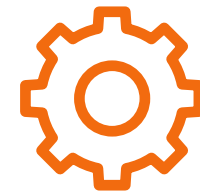
Material Issues Covered
- Corporate Governance
- Risk Management
- Business Ethics & Anti-corruption
- Cybersecurity & Data Privacy
- Agility, Innovation & Digital Transformation

Oman Vision 2040
- Legislative, Judicial and Oversight System
- Governance of the State's Administrative Bodies, Resources and Projects

UN SDGs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

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Kicked off our
digital
transformation program and developed the strategy and roadmap in partnership with a local digital transformation service provider

Launched
Process Information (PI) Vision software at the corporate level to transform our operational data into actionable insights.

Created
a new Board of Directors Nomination and Remuneration Committee.

Zero
instances of corruption in 2023

Introduced
Electronic Management System to track technical changes and enhance risk assessments, helping to promote safety, compliance, and operational excellence

97%
employee completion rate on our Cybersecurity Awareness Program training achieved

Maintained a
99% uptime
of our fibre optic telecommunications network

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Effective Corporate Governance & Risk Management

At the core of our organizational success is a commitment to effective corporate governance and risk management. These important disciplines ensure that our operations are conducted with integrity, transparency, and accountability, while proactively identifying and mitigating risks that could impact our business. This approach not only safeguards our assets and reputation but also enhances shareholder value by promoting stability and confidence.

Board of Directors

The Board of Directors plays an essential role in overseeing the management of our company. They are responsible for developing a comprehensive framework of prudent and effective controls, ensuring robust risk assessment and management. Additionally, the Board is responsible for ensuring compliance with all statutory and regulatory obligations as mandated by applicable laws and regulations, safeguarding the company's integrity and stakeholder interests.

Board members are elected through a secret ballot at the Annual General Meeting, where every shareholder is entitled to a number of votes equivalent to the shares they hold. Shareholders may cast all their votes for a single nominee or distribute them among multiple candidates using the voting card. Consequently, the total votes a shareholder can allocate does not exceed the number of shares they own. Nominees receiving the highest number of votes are declared elected.

In 2023, OQGN's shareholders elected a new Board of Directors at the Ordinary General Meeting on the 24th of August, succeeding the previous board whose term spanned from 24th of March 2022. This new board is set to serve until the Annual General Meeting (AGM) to be held 2025.

The Board comprises five members, led by the Chairman of the Board (this position is prohibited from being held by the Chief Executive Officer), including two women and three men, with 40 percent of the Board classified as independent directors – as per the Code of Corporate Governance issued by the Financial Services Authority of Oman (as of 31 December 2023).

Our board of directors

Talal Al Awfi
Chairman
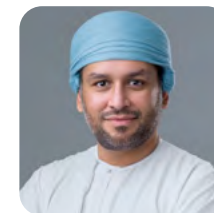
Ayad Al Balushi
Deputy Chairman

Fathi Al Balushi
Board Member

Raiya Al Salmi
Board Member

Hanaa Al Hinai
Board Member &
CEO of Liva Insurance

The qualifications for Board membership are determined by the Oman Corporate Commercial Law, the Governance Code, and Article 115 of the Regulation for Public Joint Stock Companies, the Oman public joint stock corporation. They ensure that Board members possess the necessary integrity, experience, and commitment to uphold our governance standards and contribute to our strategic vision.

The Board currently has two committees: the Audit and Risk Committee and the Nomination and Remuneration Committee. The Audit and Risk Committee consists of three members, including two independent directors, one of whom serves as the chairman. This committee's primary responsibilities include adopting suitable accounting policies and principles, ensuring robust policies and procedures are in place to detect and prevent financial fraud or forgery, and overseeing the company's risk management policies and the adequacy of internal control systems. They achieve this by regularly reviewing reports from internal and external auditors or by appointing external consultants as necessary.

Formed in 2023, the Nomination and Remuneration Committee plays a crucial role in guiding shareholders during the election of the Board at the Annual General Meetings, ensuring the nomination of qualified directors and selecting candidates best suited for their roles. Additionally, the committee helps develop transparent, credible, and accessible policies regarding the remuneration of Board Members and Executive Management.

For additional information about our Board of Directors and their committees, see our **2023 Annual Report**.

Sustainability Governance

The Board of Directors is responsible for reviewing corporate ESG and sustainability performance, ensuring these critical issues are at the forefront of our strategic planning. To streamline and enhance our sustainability efforts, we have established a Sustainability Management Committee, led by the Chief Executive Officer. Sustainability is a core component of our company's executive management scorecard, influencing the KPIs for executive remuneration. While sustainability metrics are integrated into executive evaluations, they do not directly determine specific remuneration outcomes, serving instead to align leadership actions with our long-term sustainability goals.

Business Ethics & Anti-corruption

We are dedicated to upholding the highest standards of business ethics and anti-corruption practices, which are essential for maintaining trust and integrity across our business. We have adopted OQ's robust framework that includes our Whistleblowing Policy, Anti-Bribery and Corruption Policy, Code of Conduct, and the Audit and Risk Committee Terms of Reference. These documents comprehensively address issues such as bribery and corruption, conflicts of interest, interactions with third parties, and the protocols for charitable contributions and sponsorships. They also outline rules for giving and accepting of gifts, adhere to relevant laws and regulations, and provide clear avenues for raising concerns.

Zero

confirmed incidents of corruption in 2023

Cybersecurity & Data Privacy

In today's digital landscape, robust cybersecurity and stringent data privacy are crucial for safeguarding our operations and maintaining stakeholder trust. As a pipeline company, we are acutely aware of the risks associated with cyber threats. To mitigate these risks, we have established a comprehensive cybersecurity program to protect our digital infrastructure, data, and assets from unauthorized access and exploitation. Additionally, we prioritize data privacy and adhere to relevant laws and regulations to ensure that all personal and sensitive data is protected and managed responsibly. Our Code of Conduct provides clear guidelines on handling personal data safely and responsibly.

Our cybersecurity program adheres to international best practices and standards, including ISO Standards 27001 and 27002, Information Security Management System standards, and Security of the Industrial Control Systems in Operational Technology standards. It is designed to protect both corporate and operational technology. We embed cybersecurity considerations into every phase of project planning and implementation, and we conduct regular assessments to identify and prioritize cybersecurity risks and implement suitable controls and mitigation strategies. Additionally, we perform ongoing analyses and reviews to ensure that our practices comply with relevant regulations, laws, and industry standards. We regularly provide updates about the program to OQGN management.

To build a culture of cybersecurity awareness, we have implemented a Cybersecurity Awareness Program. As part of the program, all employees complete baseline cybersecurity training to understand cybersecurity risks and best practices. We also employ tools and simulations to engage and test employee readiness in identifying and responding to cybersecurity events. We enhance our regular training programs with awareness initiatives such as posters, newsletters, and events to maintain a high level of engagement. Moreover, employees can report suspicious emails and activities through dedicated channels.

In 2023, we achieved several advancements in cybersecurity and data privacy. We implemented various digital tools to enhance organizational agility, secured regulatory approval for continued infrastructure investments, and signed a shared services agreement with OQ for cybersecurity services. Furthermore, 97 percent of our employees completed the Cybersecurity Awareness Program in 2023. We also completed an extensive cybersecurity review of our operational technology sites, maintained a 99% uptime of our fibre optic telecommunications network, and submitted comprehensive risk assessment reports to relevant stakeholders.

Spotlight:

Electronic Management of Change (e-MOC) system

In 2023, we introduced the Electronic Management of Change (e-MOC) system, designed to meticulously track all technical changes and ensure comprehensive risk assessments. This innovative tool enhances our ability to manage modifications efficiently, promoting safety, compliance, and operational excellence.

The e-MOC system streamlines the change management process, providing real-time tracking and documentation, thus ensuring that every change undergoes a thorough risk evaluation. This guarantees that all potential hazards are identified and mitigated, aligning with our commitment to maintaining the highest standards of safety and reliability.

OQGN

INVITATION

Cybersecurity Stand Down
Don't Get Hooked by Phishing Attacks

Wednesday, 18th Oct 2023
Head Office 1st Floor — 09:30 AM – 10:00 AM
Head Office 4th Floor — 11:00 AM – 11:30 AM

Your active participation will be highly appreciated.
Do Your Part, Be Cyber Smart

oqgn.om | @weareoqgn

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OQGN
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Investing in the Future

As we look to the future, we are firmly committed to embracing digital transformation as a strategy to drive innovation, efficiency, and competitiveness. This forward-thinking approach ensures that we stay ahead in a rapidly evolving business landscape, optimizing our processes and enhancing our service offerings through advanced technologies and digital solutions. By investing in digital transformation, we are not only preparing to meet the challenges of tomorrow but also ensuring sustainable growth and continued success in all our endeavours.

Agility, Innovation, & Digital Transformation

Our sustainability strategy is fundamentally supported by agility, innovation, and a robust approach to digital transformation. Acknowledging the fast-paced nature of today's business environment, we understand the importance of leveraging technology and fostering innovation to stay competitive. These elements are key to adapting swiftly to market changes and maintaining our leadership position.

In 2023, OQGN proudly launched its digital transformation program in collaboration with a local digital transformation service provider. This ambitious initiative began with the formation of a dedicated digital transformation committee and securing leadership endorsement to ensure strong organizational support. We undertook a comprehensive assessment of our current operations, set clear objectives, and crafted a forward-looking strategy and vision. Our approach includes prioritizing and executing key digital initiatives, developing a roadmap for implementation, and conducting regular reviews to drive continuous improvement.

The digital transformation at OQGN is poised to significantly enhance our operational capabilities. By focusing on targeted digital initiatives, we aim to increase operational efficiency, improve our service offerings, and meet or exceed customer and stakeholder expectations. Additionally, this transformation is designed to boost employee productivity and engagement, enhance regulatory compliance and security, and support environmental and operational sustainability.

Spotlight:

Process Information (PI) Vision Launch

In 2023, we launched our new PI Vision software at the corporate level to transform our operational data into actionable insights. Software features include data visualization, which allows for easy transformation of raw data into insightful visual graphics; real-time monitoring, ensuring immediate updates and responses; customizable graphs and charts, tailored to specific analysis needs; and ad hoc calculations, facilitating on-the-fly computations directly within the displays.

"Our goal at OQGN is to become a powerhouse for futuristic digital skills and talent while continuing to operate our existing operations with utmost excellence. We aim to transform the way we work through embedding a digital mindset & strategy into our growth and fostering a culture of digital innovation for the new era. This transformation will lead to harnessing core performance metrics such as agility, effectiveness, and efficiency in everything we do, especially decision making."

Mansoor Al Abdali
Chief Executive Officer, OQGN

Appendix A: Performance Data*

*Note: Due to OQGN's recent IPO, some historical data was available and has been included in the data tables below. Where data was unavailable, we have stated "N/A".

Environmental				
Metric	**Unit**	**2021**	**2022**	**2023**
GHG Emissions				
Direct GHG emissions (Scope 1)	$mtCO_2eq$	338,002	230,208	191,457
Indirect GHG emissions (Scope 2)	$mtCO_2eq$	11,144	9,174	8,412
Total flared gas	Cubic meter	4,284,881	2,296,844	2,455,579
Total vented gas	Cubic meter	10,317,975	3,262,381	603,747
GHG emissions intensity	Scope 1 & 2 emissions / throughput thousand cubic meter	0.010	0.007	0.005
Total GHG emissions	$mtCO_2eq$	349,146	239,382	199,868
Energy Consumption				
Direct energy consumption				
Diesel consumption from operations and vehicles	L	N/A	N/A	276,418
Gas consumption	Cubic meter	N/A	N/A	91,312,665
Total direct energy consumption	GWh	N/A	N/A	932
Indirect energy consumption				
Electricity consumption (office, storage, facilities, etc.)	kWh	N/A	N/A	18,298,953

Energy Intensity				
Energy consumption intensity (direct energy only)	Total direct energy GWh / throughput TWh	N/A	N/A	2.32
Water				
Total water consumption	Cubic meter	N/A	N/A	104,033
Total water recycled	Cubic meter	N/A	N/A	750
Total water to be discharged but managed and processed by third-parties	Cubic meter	N/A	N/A	3,581
Waste				
Total hazardous waste disposed	Metric tonnes	N/A	N/A	15
Total non-hazardous waste disposed	Metric tonnes	N/A	N/A	97
Biodiversity & Land Use				
Percentage of sites covered by an EMS (e.g.: ISO 14001 or EMAS)	%	100	100	100
Total area of disturbed land (includes land that is owned, leased or operated)	Hectares	N/A	N/A	18.442
Percentage of land area affected by operations that was restored during the reporting period	%	N/A	N/A	46.35
Number of sites owned adjacent to protected and/or key biodiversity areas	#	N/A	N/A	1
Percentage of land owned, leased, or operated within/ adjacent to protected and/ or key biodiversity areas	%	N/A	N/A	82

Social				
Metric	Unit	2021	2022	2023
OHSAS/ISO sites				
Percentage of sites covered by either OHSAS 18001 or ISO 45001 health and safety management system	%	N/A	N/A	100
Number of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by the organization's OH&S management system (OH&S MS)	#	N/A	N/A	2,262
Percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by the organization's OH&S MS	%	N/A	N/A	90
Number of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by the organization's OH&S MS that has also been internally audited.	#	N/A	N/A	2,041
Percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by the organization's OH&S MS that has also been internally audited.	%	N/A	N/A	90
Number of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by the organization's OH&S MS that has also been audited or certified by a third-party.	#	N/A	N/A	2,041
Percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by the organization's OH&S MS that has also been audited or certified by a third-party.	%	N/A	N/A	90

Health & Safety				
Total employee manhours	#	N/A	N/A	844,125
Total contractor manhours	#	N/A	N/A	8,380,720
Total manhours (millions)	#	N/A	N/A	9,224,845
Employee fatalities	#	N/A	N/A	0
Contractor fatalities	#	N/A	N/A	0
Total fatalities as a result of ill-health	#	N/A	N/A	0
Employee total recordable injuries	#	N/A	N/A	0
Contractor total recordable injuries	#	N/A	N/A	2
Total recordable injuries as a result of ill-health	#	N/A	N/A	0
Total recordable injuries	#	N/A	N/A	2
Total recordable injury frequency	#	N/A	N/A	0.22
Employee lost-time injuries	#	N/A	N/A	0
Contractor lost-time injuries	#	N/A	N/A	2
Total lost-time injuries	#	N/A	N/A	2
Lost-time injury frequency (LTIF)	#	N/A	N/A	0.22
High Potential Incidents (HPIOs)	#	N/A	N/A	16
Number of Safety Observations	#	N/A	N/A	12,338
Observations Actions Close-Out	%	N/A	N/A	96
Total number of reportable pipeline accidents and incidents	#	N/A	N/A	9
Number of accidents/ incidents associated with gas transmission, gathering and distribution	#	N/A	N/A	9
Audits, training & inspections				
Total number of health and safety audits conducted on contractors	#	N/A	N/A	10
Total percentage of natural gas pipelines inspected	%	N/A	N/A	12.2

Health & safety impacts of products				
Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	%	N/A	N/A	10
Asset Integrity – process safety events				
Tier 1	#	0	0	0
Tier 2	#	1	0	0
Tier 3	#	7	5	8
Workforce				
Total workforce size	#	N/A	N/A	488
Full-time employees	#	N/A	N/A	468
Contractors and/or consultants	#	N/A	N/A	20
Workforce by employment level				
Full time employees in senior management	#	N/A	N/A	6
Female employees in senior management	%	N/A	N/A	0
Male employees in senior management	%	N/A	N/A	100
Full time employees in middle management	#	N/A	N/A	69
Female employees in middle management	%	N/A	N/A	7.2
Male employees in middle management	%	N/A	N/A	92.8
Full time employee staff (other levels)	#	N/A	N/A	393
Female employee staff (other levels)	%	N/A	N/A	15
Male employee staff (other levels)	%	N/A	N/A	85
Workforce by gender profile				
Female full-time employees	#	N/A	N/A	64
Male full-time employees	#	N/A	N/A	404
Workforce by age				
Under 30 years old	#	N/A	N/A	58
30 to 50 years old	#	N/A	N/A	377
Over 50 years old	#	N/A	N/A	33

New Hires and Turnover				
New employee hires by gender				
Female	#	N/A	N/A	14
Female new hire rate	%	N/A	N/A	15.5
Male	#	N/A	N/A	76
Male new hire rate	%	N/A	N/A	84.5
New employee hires by age group				
Under 30 years old	#	N/A	N/A	21
Under 30 years old new hire rate	%	N/A	N/A	23.3
30 to 50 years old	#	N/A	N/A	69
30 to 50 years old new hire rate	%	N/A	N/A	76.7
Over 50 years old	#	N/A	N/A	0
Over 50 years old new hire rate	%	N/A	N/A	0
New hire by location				
Oman	#	N/A	N/A	84
Oman new hire rate	%	N/A	N/A	94
Other – non-G.C.C	#	N/A	N/A	6
Other new hire rate	%	N/A	N/A	6
Employee turnover				
Total number of employees who left the company	#	N/A	N/A	31
Full time	#	N/A	N/A	Voluntary =21 Non-Voluntary = 10

Total number of employees leaving employment during the reporting period (full-time)				
Male	#	N/A	N/A	8
Female	#	N/A	N/A	23

Contractor turnover				
Total number of contractors/ consultants who left the company	#	N/A	N/A	7
Attrition & absentee rates				
Employee turnover rate (full-time employees)	%	N/A	N/A	4.48
Employee turnover rate (contractors)	%	N/A	N/A	35
Nationalisation				
Nationals among total full-time workforce	#	N/A	N/A	442
Female National full-time employees	%	N/A	N/A	13.68
Male National full-time employees	%	N/A	N/A	80.77
Training				
Training that the organization's employees have undertaken				
All employees	Hours	N/A	N/A	19,276
Male employees	Hours	N/A	N/A	16,275
Female employees	Hours	N/A	N/A	3,001
Senior management employees	Hours	N/A	N/A	340
Middle management employees	Hours	N/A	N/A	1,125
Non-management employees	Hours	N/A	N/A	17,811
Training on Specific Areas (percentage of full-time & part-time employees)				
Occupational health & safety	%	N/A	N/A	33
Performance reviews				
Percentage of employees that received a regular performance review	%	N/A	N/A	100
Employee Engagement				
Employee satisfaction score	%	54	66	75

Parental leave				
Total number of employees that were entitled to parental leave.				
Female	#	N/A	N/A	64
Male	#	N/A	N/A	404
Total number of employees that took parental leave				
Female	#	N/A	N/A	35
Male	#	N/A	N/A	4
Total number of employees that returned to work after parental leave ended				
Female	#	N/A	N/A	34
Male	#	N/A	N/A	3
Community Investment				
Amount of community investment	OMR	N/A	N/A	100,000
Total number of employee volunteering hours	Hours	N/A	N/A	20

Governance				
Metric	**Unit**	**2021**	**2022**	**2023**
Board				
Total number of board members	#	N/A	N/A	5
Percentage of independent members	%	N/A	0	40
Percentage of non-independent members	%	N/A	100	60
Percentage of executive members	%	N/A	0	0
Percentage of non-executive members	%	N/A	100	100
Percentage of board seats occupied by men	%	N/A	60	60
Percentage of board seats occupied by women	%	N/A	40	40
Percentage of Board committee chairs occupied by a woman	%	N/A	50	50
Percentage of Board committee chairs occupied by a man	%	N/A	50	50

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Finance				
Direct Economic Value generated (revenues)	OMR Million	157.5	160.4	174.0
Operating expenses	OMR Million	74.9	73.1	71.7
Employee wages and benefits	OMR Million	15.8	16.2	17.8
Economic value retained 'direct economic value generated' minus 'economic value distributed (Opex, wages, etc.)	OMR Million	66.8	71.1	84.6
Total Economic Value Distributed (operating costs, employee wages and benefits, payments to providers of capital, payments to government	OMR Million	90.7	89.3	89.5
Profit/loss before tax	OMR	51.7	53.1	62.4
Tangible assets other than cash and cash equivalents	OMR	1,055.63	1,072.75	1,077.91
Corporate income tax accrued on profit/loss	OMR	8.631	7.506	6.929
Suppliers				
Total number of local suppliers engaged	#	N/A	206	277
Procurement spending on local suppliers	OMR Million	N/A	14.93	18.45
Percentage of procurement spending on local suppliers	%	N/A	31	31
Total procurement spending	OMR Million	N/A	47.92	59.25

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Appendix B: OQGN Stakeholders

Stakeholder	Modes of Engagement	Interest
Shareholders	• Annual & public reports • Annual general meeting • Corporate website • Investor relations • Corporate announcements & press releases • Dividends	• Asset integrity & critical incident • Occupational health & safety • Climate adaption & energy transition • Agility, innovation, and digital transformation • Business ethics & anti-corruption • Human rights protection & labor management • Economic impacts • Government relations & tax • Sustainable finance
Government of Oman	• Board & senior management meetings • Annual & public reports • Corporate website • Concession agreements	• Asset integrity & critical incident • Business ethics & anti-corruption • Local community & social investment • Economic impacts • Government relations & tax • Supply chain management & ICV • Human rights protection & labor management • Employment practices & development • Pollution control • Water consumption
Shipper	• Transportation fees • Transportation services • Transportation framework agreement • Board & senior management meetings	• Asset integrity & critical incident • Business ethics & anti-corruption • Government relations & tax • Cybersecurity & data privacy
Potential other shipper(s)	• Multi-shipper agreement • Board & senior management meetings	
Authority for Public Services Regulation (APSR)	• Revenue & tariff regulations • Board & senior management meetings	• Government relations & tax • Business ethics & anti-corruption • Economic impacts

Stakeholder	Modes of Engagement	Interest
Gas suppliers	• Connection fees & agreements • Board & senior management meetings	• Asset integrity & critical incident • Business ethics & anti-corruption • Human rights protection & labor management • Climate adaptation & energy transition • Government relations & tax • Cybersecurity & data privacy
Customers	• Connection fees & agreements • Board & senior management meetings	• Asset integrity & critical incident • Business ethics & anti-corruption • Human rights protection & labor management • Climate adaptation & energy transition • Government relations & tax • Cybersecurity & data privacy
Environmental Authority	• Board & senior management meetings • Annual & public reports • Corporate website • Environmental regulations	• Government relations & tax • Pollution control • Water consumption • Supply chain management & ICV
Employees	• Human resources • Performance appraisals & rewards • Townhall meetings • Corporate events • Annual & public reports	• Occupational health and safety • Asset integrity & critical incident • Employment practices & development • Business ethics & anti-corruption • Human rights protection & labor management • Economic impacts
Local Communities	• Community engagement & programs • Annual & public reports • Corporate announcements & press releases	• Asset integrity & critical incident • Local community & social investment • Climate adaptation & energy transition • Pollution control
Contractors & Suppliers	• Corporate relationship management • Tender process • Annual & public reports	• Agility, innovation, and digital transformation • Supply chain management & ICV Business ethics & anti-corruption • Human rights protection & labor management • Economic impacts

Appendix C: Abbreviations

AD	Asset Damage
AGM	Annual General Meeting
ALARP	As Low As Reasonably Acceptable
BAT	Best Available Technique
CCUS	Carbon Capture, Utilization, and Storage
CMT	Crisis Management Team
DNA	Development Needs Analysis
EIA	Environmental Impact Assessment
e-MOC	Electronic Management of Change
EMT	Emergency Management Team
EPRS	Emergency Pipeline Repair system
E-PTW	Electronic Permit to Work
ESG	Environmental, Social and Governance
ESIA	Environment and Social Impact Assessment
FAC	First Aid Case
FAT	Fatality
FFS	Fitness for Service
GHG	Greenhouse Gas
GIS	Geographic Information System
GRI	Global Reporting Initiative
GWh	Gigawatt hours
GWP	Global Warming Potential
HiPo	High Potential
HSE	Health, Safety, and Environment
HVAC	Heating, Ventilation, and Air Conditioning

ICV	In Country Value
IMT	Incident Management Team
IPCC	Intergovernmental Panel on Climate Change
IPO	Initial Public Offering
IRT	Incident Response Team
JSA	Job Safety Analysis
KM	Kilometre
KPI	Key Performance Indicator
LED	Light-emitting diode
LPG	Liquefied Petroleum Gas
IRECs	International Renewable Energy Certificate Standard
LTI	Loss Time Injury
MSX	Muscat Stock Exchange
$mtCO_2eq$	Metric tons Carbon Dioxide Equivalent
MVI	Motor Vehicle Incident
NCR	Nonconformance Report
NM	Near miss
OBS	Observed
OGC	Oman Gas Company
OMR	Omani Rials
OOC	Oman Oil Company
OPAL	Oman Society for Petroleum Services
OQGN	OQ Gas Networks
PI	Process Information
PSPI	Process Safety Performance Indicators

QHSSE	Quality, Health Safety, Security, and Environment
RAB	Regulated Asset Base
SAOG	Public Joint Stock Company
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets initiative
SDGs	Sustainable Development Goals
SFZC	Salalah Free Zone Company
SI	Site Inspection
TBT	Toolbox Talks
TDP	Talent Development Plan
TRA	Task Risk Assessment
TRG HRS	Target Hours
TRIF	Total Recordable Injury Frequency
TWh	Terawatt hours
UN	United Nations
VP	Vice President
YTD	Year To Date

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Appendix D: Content Index

Statement of Use	OQGN has reported the information cited in this GRI content index for the period 1st January 2023 to 31st December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Page number(s) and/or direct answers
GRI 2: General Disclosures 2021	2-1 Organizational details	2
	2-2 Entities included in the organization's sustainability reporting	2
	2-3 Reporting period, frequency and contact point	2
	2-4 Restatements of information	Not Applicable
	2-5 External assurance	Not Applicable
	2-6 Activities, value chain and other business relationships	8
	2-7 Employees	53
	2-8 Workers who are not employees	53
	2-9 Governance structure and composition	47-48
	2-10 Nomination and selection of the highest governance body	47
	2-11 Chair of the highest governance body	47
	2-12 Role of the highest governance body in overseeing the management of impacts	10, 48
	2-13 Delegation of responsibility for managing impacts	10, 48
	2-14 Role of the highest governance body in sustainability reporting	10, 48

	2-15 Conflicts of interest	48
	2-16 Communication of critical concerns	10, 48
	2-17 Collective knowledge of the highest governance body	47-48
	2-18 Evaluation of the performance of the highest governance body	48
	2-19 Remuneration policies	29, 48
	2-20 Process to determine remuneration	29, 48
	2-21 Annual total compensation ratio	Not Disclosed
	2-22 Statement on sustainable development strategy	4
	2-23 Policy commitments	10, 20, 25, 30-32, 43, 49
	2-24 Embedding policy commitments	10, 20, 25, 30-32, 43, 49
	2-25 Processes to remediate negative impacts	31, 49
	2-26 Mechanisms for seeking advice and raising concerns	31, 49
	2-27 Compliance with laws and regulations	24-25, 34, 37, 43, 47
	2-28 Membership associations	https://oqgn.om/home
	2-29 Approach to stakeholder engagement	56
	2-30 Collective bargaining agreements	Not Disclosed
GRI 3: Material Topics 2021	3-1 Process to determine material topics	11
	3-2 List of material topics	11
	3-3 Management of material topics	15, 26, 39, 45

GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	42
	201-3 Defined benefit plan obligations and other retirement plans	30
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Promoting Environmental Stewardship
& Supporting the Energy Transition

Protecting & Empowering
our Workforce

Supporting Local
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