

Oman LNG Sustainability Report 2023

Driving Environmental,
Social & Governance Excellence

Executive Summary





Driving Environmental Social & Governance Excellence



Oman Liquefied Natural Gas (Oman LNG) presents its second annual Sustainability Report, which covers the company’s Environmental, Social, and Governance (ESG) performance for the 2023 calendar year. This report provides an overview of our efforts and progress in sustainability areas that are most important to our organisation and stakeholders.

Drive Operational Excellence: We reached a remarkable production milestone of 11.5 million metric tonnes, exceeding the plant’s enhanced production capacity for the second year in a row. Moreover, the reliability of our LNG trains stands at 95%, alongside a plant utilisation rate of 92%. To continue advancing, we have launched a multi-year transformation that aims to increase LNG supply reliability, reduce resource usage, minimise GHG emissions, and ensure employee safety. Additionally, We continue to invest in safety, achieving 21 million man-hours and 43.34 million kilometers driven without any recorded Lost Time Injuries (LTI).

Minimise Environmental Impacts: Aligned with the national Net-Zero Emissions Strategy, we continue to make progress towards our goal of achieving net-zero emissions from our internal operations by 2050. We demonstrated our commitment by signing the Oil & Gas Methane Partnership’s Global Methane Pledge. By joining, we agree to take voluntary actions to contribute to the collective effort to reduce global methane emissions by at least 30% from 2020 levels by 2030. Additionally, we had the great honour to participate and support representation of the Sultanate of Oman’s Pavilion at the UN Climate Change Conference (COP28), highlighting Oman’s efforts in combating climate change, supporting environmental preservation, and leading the energy transition.

Put People First: Our people are key to our success. We invest in their growth and maintain an inclusive culture where all employees have equitable opportunities to thrive. In 2023, we were pleased to see gender diversity in our workforce increasing, at all layers of the organisation. We also take pride in maintaining an impressive Omanisation rate of over 90% among our workforce through a rigorous staff development and knowledge transfer program. We were pleased to see that 80% of Oman LNG employees who took part in our 2023 People Survey felt that their team leader encourages open dialogue and understands how to align and engage the team to create an outstanding work environment.

Create Shared Value: Oman LNG strives to create positive societal development and shared value for all stakeholders. We remain committed to contributing 1.5% of the company’s net income after tax to social investment programmes aligned with community needs. In 2023, through the Oman LNG Development Foundation (ODF), we supported local initiatives including the inauguration of the Road Safety Institute in Sur, the Sultanate of Oman’s first National Autism Centre in Muscat, and the rehabilitation of Mibam Sustainable Village, the first of its kind in the Sultanate. Additionally, we sustained our pledge to foster In Country Value (ICV) as demonstrated by our site-based business partners, which have a 73% Omanisation rate overall and a 55% Omanisation rate in supervisory roles. Furthermore, 87% of our supply chain spend was with locally registered companies.



"I am pleased to present Oman LNG's second Sustainability Report. This annual commitment to reporting on our material sustainability issues provides us with an opportunity to reflect on our progress to our stakeholders in line with international standards."

Saud Al Shukairi, Chairman



"At Oman LNG, we are driven by our mission to produce, market, and deliver LNG safely, reliably, and profitably; to develop our business and employees to their full potential; and to be a trusted partner in the sustainable development of Oman and its people."

Hamed Al Naamany, CEO

How We Manage Sustainability

Our approach to sustainability is essential to our mission and to meeting – and exceeding – our stakeholders’ expectations.

We provide access to efficient energy that helps power industries, light people’s homes, and connect communities. But our impact goes much further. We have the ability to create long-lasting impact based on our decisions and actions – on our employees, the communities in which we operate, and the planet we live on. By focusing on sustainability as an integral part of how we operate, we work to create positive impact throughout our value chain.

Our Sustainability Framework

Our mission and vision are at the centre of our Sustainability Framework. It focuses on areas where we believe we have the most significant potential to generate long-term positive impact for our stakeholders and Oman LNG. Divided into four pillars, our framework is aligned with the national priorities of the Oman Vision 2040 and the UN SDGs.

In 2023, we continued to build on and integrate our framework throughout our businesses, while developing our approach towards sustainability management.



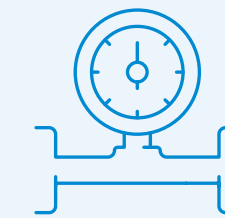
Drive Operational Excellence

Our Progress at a Glance

11.5 MPTA

LNG Production

Exceeding enhanced
nameplate capacity



173

LNG cargoes delivered



We play an essential role in powering the vital infrastructure of our communities, ensuring the continued operation of homes, hospitals, schools, and businesses. This compels us to prioritise reliability across our operations.

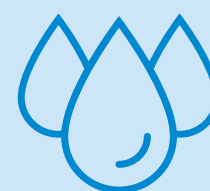
Our commitment to sustainability extends beyond technical excellence. Through proactive engagement, we collaborate with employees, communities, and regulators to identify and mitigate potential disruptions. This approach fosters trust and transparency while supporting a reliable energy supply.

We continuously enhance operational performance through the strategic application of cutting-edge technologies. This enables us to optimise our efficiency and minimise our environmental footprint. By embracing innovation, we ensure a responsible and sustainable approach to powering progress.

At the core of our operations is a culture that prioritises the health, safety, and security of our employees and everyone involved in our work. We implement industry best practices to prevent accidents and environmental harm, creating a reliable and sustainable future for all stakeholders.

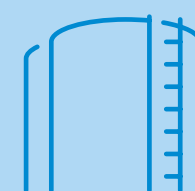
95%

Reliability of LNG trains



0.20

Million Tonnes
NGL production



9

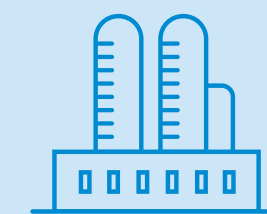
Life Saving Rules

Updated from 12 rules, in
alignment with best practices



92%

Plant Utilisation Rate



Minimise Environmental Impacts

We recognise our responsibility to deliver reliable energy with minimal environmental impact and contribute to the reduction of the sector's impact. Central to our approach is the use of data, digital tools, and technology to increase efficiency and mitigate risks to the environment from our operations.

A critical component of our sustainability mission and approach to climate change mitigation is working to reduce Greenhouse Gas (GHG) emissions from our operations. The impact of climate change presents opportunities for us to lead in the transition to more sustainable energy through our innovation and technology efforts. But it also poses risks. Our long-term success requires that we effectively monitor, mitigate, and manage climate risk throughout our value chain.

Environmental stewardship and compliance is a foundational commitment to the communities in which we operate. We aim to preserve and protect natural resources and are committed to responsibly managing the waste produced as a result of our direct operations.

Our Progress at a Glance



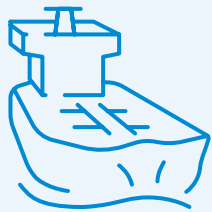
Zero

High-potential incidents and Tier-1 leaks



-2.4 PJ

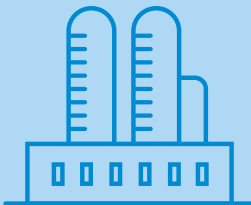
Reduction in total fuel consumption from non-renewables



COP28
UAE

COP 28

Participation to support the Oman Pavilion



~220 kt CO₂e p.a.

Reduction target set for a new energy-efficient power plant



-.06 M tCO₂e

Reduction in Scope 1 Emissions



-100 T

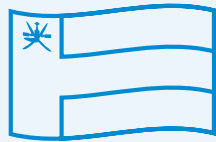
Reduction in total waste

Put People First



Our Progress at a Glance

96%
Omanisation Rate



A new female member has joined our Management Team



We are committed to fostering a workplace that prioritises health, safety, growth, and dignity. Our people drive our progress through innovation and discovery. By focusing on cultivating an inclusive, growth-driven culture, we place skilled individuals in roles that align with their expertise, paving the way for rewarding careers at Oman LNG. We integrate Diversity, Equity, and Inclusion (DEI) into our operations to drive innovation. Prioritising diverse perspectives fosters a sense of belonging and enhances performance. Our commitment to ethical practices and employee well-being strengthens engagement and retention, making Oman LNG more resilient.

78%
Participation rate
in our People Survey



70%
of the 139 interns
secured jobs



Financial Well-Being
Platform launched
for employees



Zero
Workforce human
rights violations



Create Shared Value

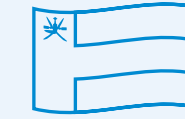


Our Progress at a Glance



87%

Of supply chain costs spent on national companies

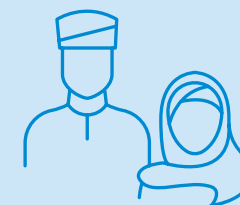


Shurooq Platform
Launched for Social Investment Initiatives

As a major contributor to the Omani National Domestic Product, Oman LNG embraces its responsibility to support Oman's socio-economic development throughout our value chain. Working with local partners, we co-create In Country Value (ICV) and long-term impact through our Social investment and business activities, aligned with the National Priorities outlined in the Oman Vision 2040 and relevant United Nations Sustainable Development Goals (UN SDGs). As we continue to grow, our circle of impact grows with us.

73%

Of ICV site-based business partners are Omanis

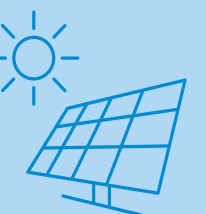


26

Community initiatives supported



Youth Excellence Award
Received from the Ministry of Culture, Sports & Youth



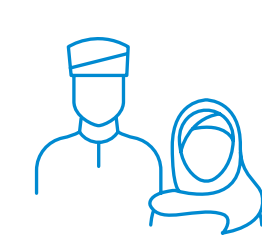
Renewable Energy
Course developed with Sultan Qaboos University

Governance

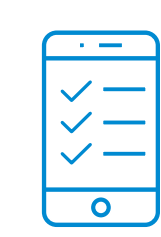
Operating a responsible business that acts with integrity and with a long-term mindset is fundamental to earning and maintaining the trust of our stakeholders, mitigating the risks we face, and protecting the sustainability of our business.

Our commitment to doing the right thing starts at the top with our Board of Directors, which sets the tone for the rest of the organisation. Through Oman LNG, ethical and compliance-minded business practices underpin all we do. Acting ethically and with integrity is essential to how our employees make decisions and interact effectively with one another to achieve our mission and vision.

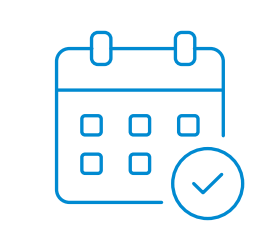
We had zero instances of non-compliance or fines related to ethical breaches. In addition, we:




Continued to raise employees’ knowledge on a range of compliance topics through sessions on gifts and hospitality, data protection, harassment in the workplace, anti-trust, conflict of interest, and trade controls.



Introduced an e-service tool to improve real-time tracking of compliance-related activities and collaboration between teams on compliance related projects.

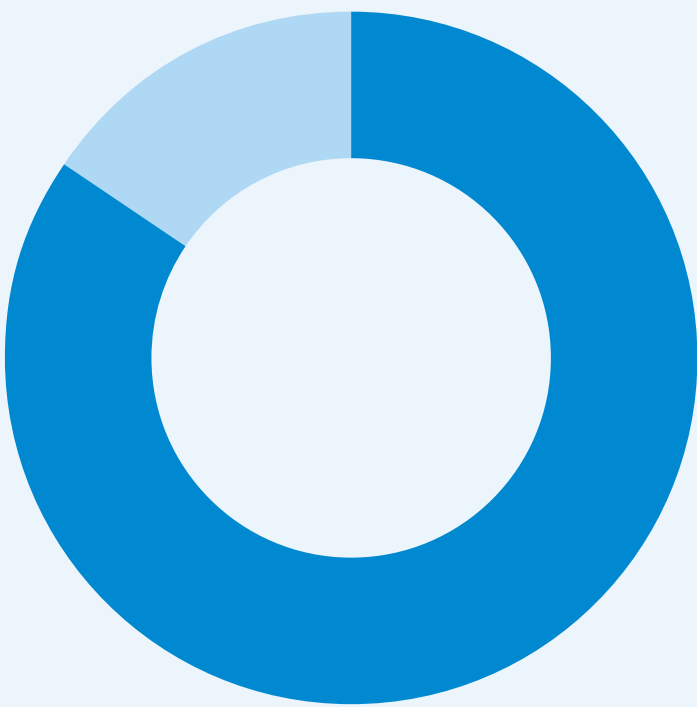


Held our first annual Compliance Day, welcoming our employees, business partners, shareholders, and representatives from the government. The keynote speaker was the State Auditor, who discussed conflicts of interest, how they can be identified, and what can be done to address them.



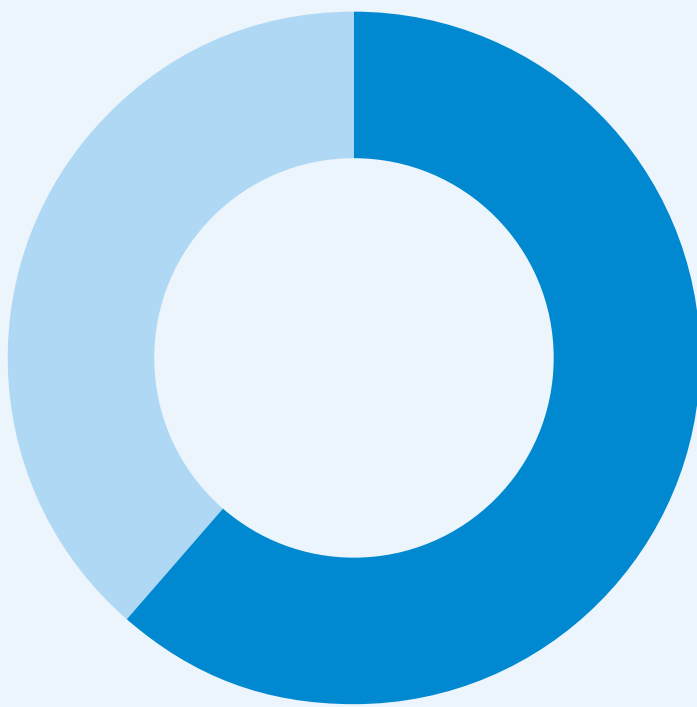
Launched a “Speaking up Culture” campaign to encourage employees to report any grievance/ harassment to foster a healthy and supportive environment for our staff.

Our Board of Directors



Independence

- 11 members are Independent
- 2 members are Non-independent



Gender

- Male: 8
- Female: 5

For more information, please refer to our full
2023 Sustainability Report available on our website.

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العمانية للغاز الطبيعي المسال
Oman LNG



ثلاثون عامًا
من التميز
**30 YEARS OF
EXCELLENCE**
Since 1994