



الشركة العمانية للغاز الطبيعي المسال ش.م.م

Oman LNG L.L.C.

# Sustainable Partnerships

Oman LNG Development Foundation







HIS MAJESTY  
SULTAN QABOOS  
BIN SAID



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## ABOUT US

It speaks volumes about our business principles that our initial investment in social development began even before our production line was fully functional. This move establishes our company's core objective to deliver tangible value to Oman and its people through social investment by capitalising on the country's natural gas resources.

Viewed from that perspective, it is easy to understand the reasoning behind Oman LNG's investment in the establishment of Sur General Hospital, even before the company shipped its first volumes of liquefied natural gas (LNG) in 2000.

We believe, that as a responsible corporate citizen, Oman LNG has an obligation to bring home to the community, and the country at large, the benefits born of delivering LNG to customers in various parts of the world, an endeavour through which the company earns substantial revenue for the country.

Over the past seventeen years, our company's social investment programmes have spanned the length and breadth of the country. Our success in working with a number of key stakeholders and partners has led to measurable improvements to national healthcare, entrepreneurship, tourism and employment to maintain a fruitful relationship between Oman LNG and the people of the Sultanate.

## CEO's MESSAGE

Since its inception, Oman LNG has placed significant emphasis on contributing to the growth and development of Oman and its people in various spheres; not in the least, its vigorous Social Investment Programme.

In order to further strengthen its robust Corporate Social Responsibility (CSR) efforts with more focus and prominence, Oman LNG's Board of Directors decided to establish a separate legal foundation back in 2009. July 1st, 2015 marked the operational start-up of Oman LNG Development Foundation (ODF).

The establishment of ODF will do more than just provide financial support for projects, initiatives and programmes for the benefit of the Omani society; it will also act as Oman's largest CSR centre of excellence and function as a role model for sustainable social investment in the Sultanate.

I take this opportunity to congratulate the shareholders, Board of Directors, management and staff of Oman LNG on their remarkable journey in establishing Oman LNG Development Foundation. I would like to thank the Cabinet of Ministers, government entities, Oman LNG's shareholders and non-government organisations for their support in making this journey a successful reality.

### **Khalid bin Abdullah Al Massan**

Chief Executive Officer  
Oman LNG Development Foundation

“ We are very proud of this moment as it marks the start of a completely new and novel way of managing and sustaining Corporate Social Responsibility throughout Oman ”

**His Excellency Dr. Mohammed bin Hamad Al Rumhy, Minister of Oil and Gas**

# THE JOURNEY

The journey started when the Board of Directors decided to further improve Oman LNG's extensive social development programmes across the Sultanate of Oman. It was critical to the Board of Directors, that the Foundation's establishment would be an enabler for a better CSR - that it would provide a robust, sustainable and innovative platform from which to build and develop CSR programmes to deliver more value to the communities of Oman.

In 2011, a significant milestone was reached when the Ministry of Social Development approved the company's request to establish a social development foundation. A Ministerial Decision was issued approving the establishment of Oman LNG Development Foundation (ODF) while outlining and detailing the mandate and proposed business activities of the organisation. The license to operate for this initiative is the first of its kind issued to an Omani company. The Ministerial Decision received the support and blessing from the Cabinet of Ministers.

In 2013, PricewaterhouseCoopers (PwC) completed a study into the construction of the Foundation taking into consideration the terms of reference and mandate of the organisation as defined in the Ministerial Decision. Further professional input was provided by Deloitte in 2014, who were assigned to advise on the process of establishing the Foundation.

In November 2014, the Foundation was formed and members for the Board of Directors nominated; awaiting the approval from the authorities. Mr. Khalid Al Massan was appointed by the Board as the CEO of the Foundation.

On the 1st of July 2015, ODF was officially launched by HE Dr. Mohammed bin Hamad Al Rumhy, Minister of Oil and Gas, and Chairman of Oman LNG Board of Directors, to further bolster Oman LNG's pioneering social investment programmes. In 2016, the Oman LNG Development Foundation Board of Directors was approved.



“ It will create added value for the volunteering institutions and contribute actively towards educational activities and events related to social development work ”

His Excellency Sheikh Mohammed bin Said Al Kalbani, Minister of Social Development

# THE VISION

Create a sustainable income channel and provide financial support for programmes, projects and initiatives that benefit the local community located near Oman LNG's liquefaction plant as well as communities in other governorates of the Sultanate.



The establishment of the Foundation will leverage both social investment and in-country value opportunities and provide the necessary focus to tackle larger projects and invest its funds to ensure perpetuity of the Foundation to cater to future generations ”

Mr. Harib Al Kitani, CEO of Oman LNG

# THE MISSION

- Become a role model for Corporate Social Responsibility (CSR) globally and make Omanis proud of their contributions.
- Create a new concept of CSR (income/sustainability) in the Sultanate.
- Be a pioneer as a sustainable CSR Foundation and advance the overall image/brand of Oman LNG and its shareholders.

# OUR APPROACH

Oman LNG invests 1.5% of its net income after tax (NIAT) to contribute to the social of its development and sustainability programmes. Additionally, the Foundation conducts studies to serve and develop the society, while maintaining the existing levels of support – established through the framework of Oman LNG's CSR – in the Wilayat of Sur and other wilayats across the Sultanate.



# THE OBJECTIVES

The objectives of the Foundation are to provide financial support to programmes, projects and initiatives aimed to benefit and advance the society of Oman with a focus on the following key areas:

- Infrastructure Development
- Human Resources Development (Training and Education)
- Health, Safety and Environment awareness initiatives and training programmes
- Heritage and Culture
- Sports and other youth development activities
- Charities and other Corporate Social Responsibility activities (including government recommendations) as agreed by the Board of Directors



Infrastructure Development



Human Resources Development



Health, Safety and Environment



Heritage and Culture

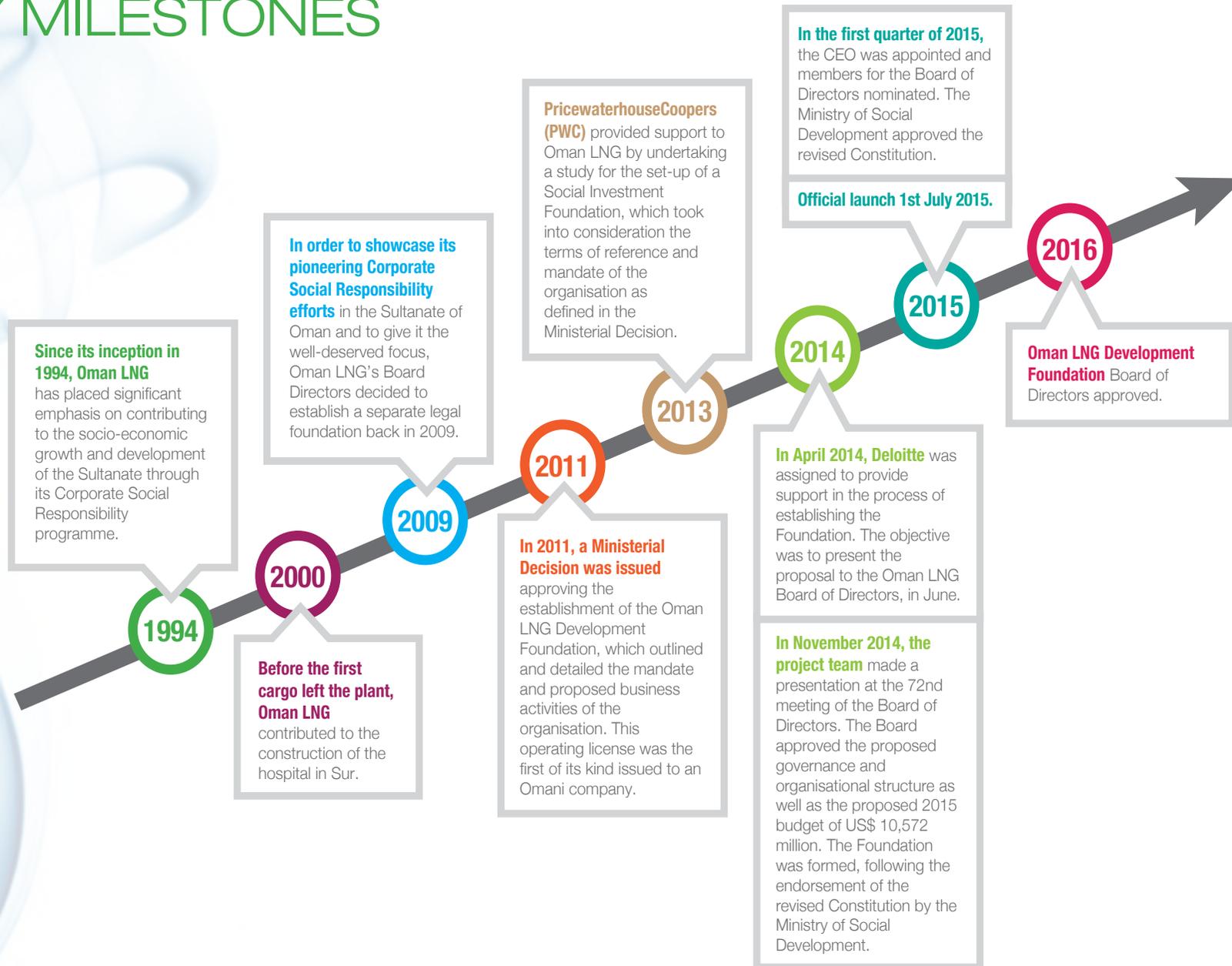


Sports and Youth Development



Charities and Corporate Social Responsibility

# KEY MILESTONES



# GIFT TO THE NATION

'Gift to the Nation' initiatives support and enhance the socio-economic fabric of the Sultanate of Oman. This unique opportunity of contributing to the welfare of society is based on an agreed selection criteria, every five years. It has become customary that major companies in the oil and gas sector in Oman contribute to society through 'Gift to the Nation' initiatives.

In 2015, during the 45th National Day, Oman LNG announced its sponsorship for two monumental projects. The first project, in collaboration with the Ministry of Social Development, will fund the construction of the National Centre for Autism in Muscat dedicated to serve the entire Sultanate. The

second project, in partnership with the Royal Oman Police, will streamline the efforts for traffic safety and to curtail the number of road accidents through a futuristic Road Safety Institute in Sur, South Sharqiyah Governorate, home to the Sultanate's flagship LNG entity. This is Oman LNG's second 'Gift to the Nation' addressing safety; the first was a US\$ 2.6 million project donated in 2010 to purchase and equip 26 ambulances to enhance the response rate across the nation.

Both projects were endorsed by Oman LNG's Board of Directors for an approximate sum of US\$ 15 million. The initiatives reflect the Company's ambitious drive

to realise His Majesty's directives on improving social welfare and traffic safety across the Sultanate, through strategic partnerships, to ensure these essential needs are accessible for the entire society. Furthermore, the projects complement the Company's rigorous Corporate Social Responsibility portfolio related to social care and safety initiatives, bolstered through the recently established Oman LNG Development Foundation.



Gift to the Nation:  
Improving emergency  
response rates across  
the country.

# CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) - brings sustainability into our projects, running them as thematic programmes to provide continued social investment support. CSR is divided into:

- A Community Fund targeting initiatives related to the Sur Community where Oman LNG's world-class, three-train liquefaction plant is located.
- A National Fund that covers a large swath of the Company's social development programmes across the nation.
- A Reserve Fund to provide continuity (1.5% of NIAT) to ensure financial sustainability for current and future CSR projects/programmes.



Investing in heritage: A sailing school for future champions.

## COMMUNITY FUND (CF)

The Community Fund (CF) provides financial support for the community in Sur, home to Oman LNG's plant, and its neighbours.

Programmes, projects and initiatives executed under this fund have played a major role in fostering healthy relations among the people of Sur and surrounding communities. The initiatives have also enabled the

growth of trade and commerce in vocations that are at the heart of society's existence. Occupations like fishing and boat building for instance, evolved over the years and shaped as a result of Sur's coastal proximity, have grown in scope with the use of modern technologies that promote them.

Our projects under Community Fund include



Improving social infrastructure: New coastal boulevard in Sur.



Easing lives: Braille devices and training given to visually impaired.



Encouraging healthy lifestyles: One of the outdoor gym facilities in Sur.



Investing in road safety infrastructure and awareness: Pedestrian bridge in Sur.

Community Fund Investment



**TOTAL: US\$ 38,236,519**

# NATIONAL FUND (NF)

The National Fund (NF) is established for the purpose of funding programmes, projects and initiatives that go beyond the community where the company's world-class liquefaction plant is located. This fund comprises three focus areas: Human Resources Development (HRD), National Projects (NP), and Sponsorship and Donations (SD).

Initiatives executed under the National Fund are spread across all governorates in the Sultanate of Oman and are intended to have a wide beneficial impact on its people, improving the quality of life across the nation.

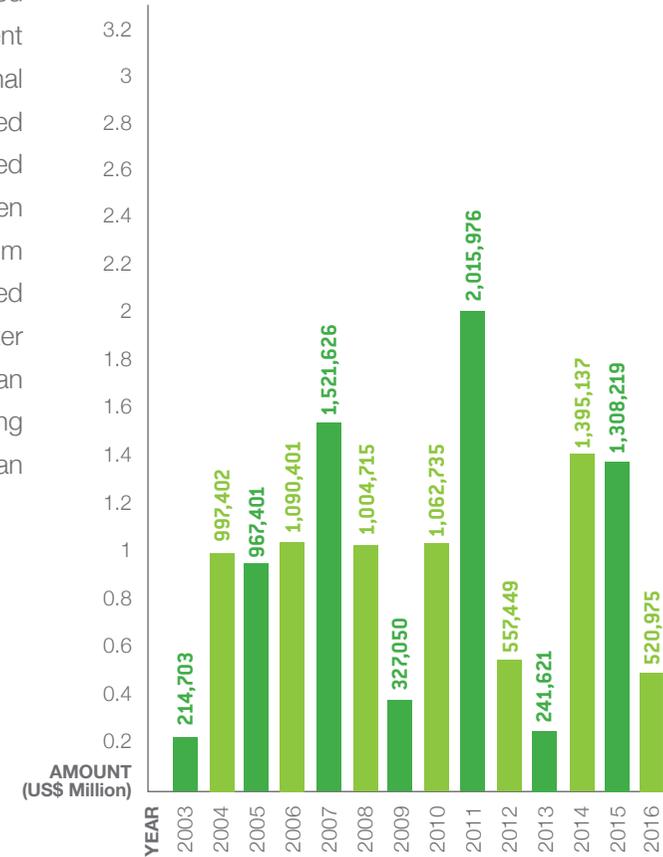


Fostering capacity building: Investing in skills development across the Sultanate.

## Human Resources Development (HRD)

The Human Resources Development (HRD) programme is one of the core focuses of the National Fund geared towards supporting the initiatives of the Government of Oman. They are aimed at improving the national development of a strong, capable and equipped human resource base through imparting specialised skills to young Omani people. The programme, often done in partnership with Oman Society for Petroleum Services (OPAL) and the Ministry of Manpower, has led to employment for many promising young Omanis after the successful completion of their training. More than 3200 candidates have been trained and are embarking on careers in a wide range of fields supported by Oman LNG's incisive HRD programme.

## Human Resources Development Investment

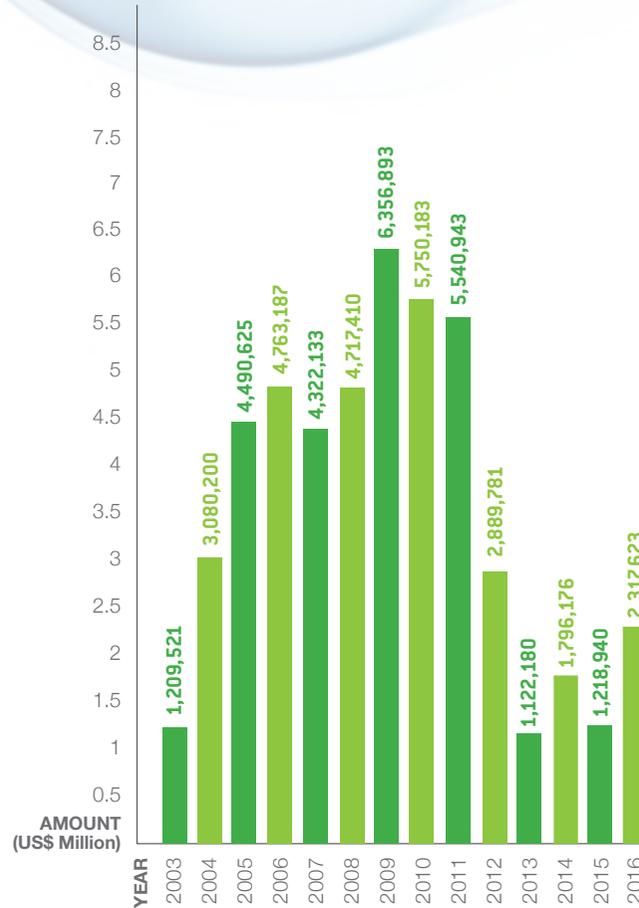


**TOTAL: US\$ 13,225,412**

## National Projects (NP)

National Projects (NP) funding has enabled the initiation of many projects that have helped improve the quality of life across the Sultanate of Oman. Through the funding of National Projects, the Foundation has collaborated with stakeholders to promote road safety, encouraged better care for people who are physically challenged and ensured a better quality of health through the acquisition of modern equipment for hospitals. The Foundation has also encouraged the preservation of Oman’s traditional irrigation system – the Falaj. Furthermore, the initiatives have improved many education and training facilities throughout the country. Every governorate in the Sultanate of Oman boasts some examples of projects where ODF has contributed through the section: National Projects.

## National Projects Investment



**TOTAL: US\$ 49,575,795**

“ It offers many more opportunities for social investment and development in the country and we hope others will soon follow suit ”

His Excellency Dr. Mohammed bin Hamad Al Rumhy, Minister of Oil and Gas



Enhancing education: Delivering novel equipment to improve learning experiences.

## Sponsorship and Donations (SD)

Sponsorship and Donations (SD) is aimed at supporting smaller scale social investment initiatives. These initiatives are requested by individuals, institutions, associations, governments or non-government organisations from any part of the Sultanate of Oman as per their needs and requirements. The requests are reviewed by a panel and selected based on a specific selection criteria to ensure the value and benefits of these projects are for the betterment of the community and are safeguarded.

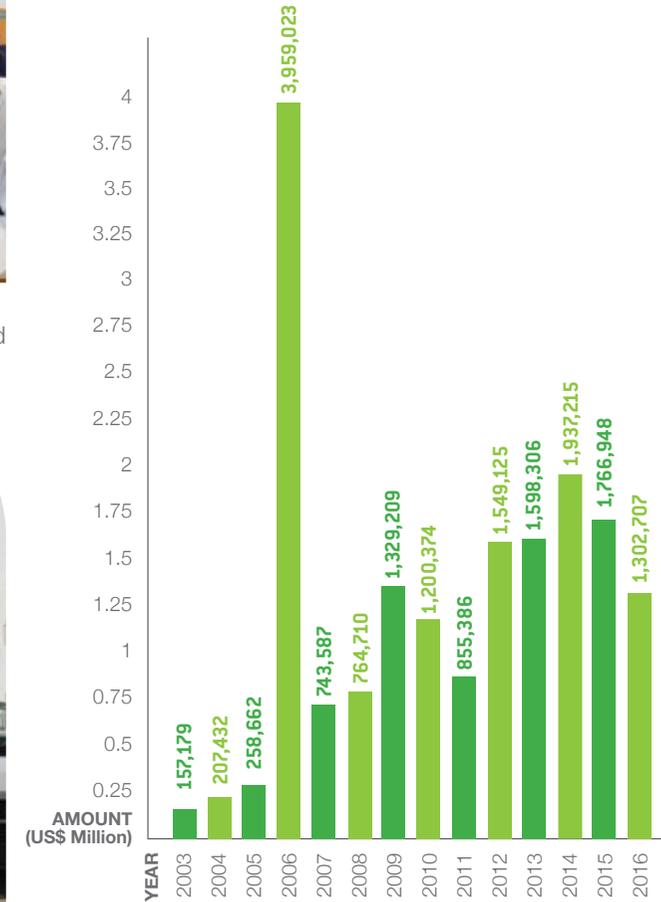


Improving learning environments: Donation of education and learning equipment.



Facilitating community support: Donation of vehicles to charitable organisations.

## Sponsorship and Donations Investment



**TOTAL: US\$ 17,629,865**



## RESERVE FUND

The Reserve Fund addresses the sustainability of these CSR programmes. The revenues acquired to fund the CSR programmes are resourced through the export of Oman LNG's liquefied natural gas (LNG) cargoes produced from harnessing the country's natural gas resources. A third of the funds are earmarked annually to invest in the Foundation's CSR efforts and secure the sustainability of the CSR programmes. Annually these funds equate to 1.5% of Oman LNG's net income after tax (NIAT).



Powering the entrepreneurial spirit: Graduation ceremony for 20 Omani women completing training in tailoring and dressmaking.

The company's investment in carefully considered initiatives and programmes support the government's ambition to improve the quality of life for the Omani people. With the future unknown, the Reserve Fund will enable the sustainability of programmes and initiatives already underway today as well as safeguard the perpetuity of CSR efforts for Oman in the future.

## CENTRE OF EXCELLENCE

The Centre of Excellence will enable the development of CSR initiatives through partnering, knowledge sharing, funding and investment with Oman LNG Development Foundation. Our belief is that a sustainable future is more successful in collaboration with others. The Foundation aims to be a platform to enhance CSR activities, to partner both on a national as well as international level to invest and further bolster CSR in all its facets.

## DELIVERING VALUE

As a subsidiary of Oman LNG, the Foundation provides corporate affairs support to enhance the brand and manage the reputation of both Oman LNG and ODF,

and are the first point of contact for the community. With their offices in Muscat and downtown Sur, the teams are available to meet external stakeholders, be close to businesses and operations as well as near the community.

## SECURE THE FUTURE

Through collaborations and partnerships collectively build self-sustaining organisations, businesses and/or institutions while simultaneously fulfilling the needs and demands of the society.

The Hay Al Sharooq International School (HASIS) located in Sur is the Foundation's first investment project. The HASIS will cater to the increasing number of students seeking top-level education and will be able to accommodate 1200 students as well as have room for expansion. It is part of the employee value proposition (EVP) to support Oman LNG staff and their families and to be an "Employer of Choice". The benefits of HASIS are not limited to providing education, accommodating more students and bringing world-class facilities and systems to staff and families, but it will also bring opportunities for employment, local Small Medium Enterprise (SME) development and to fulfil our commitment to In-country Value (ICV) and supporting the long-term objectives of the Foundation.

Today, the company's CSR programmes span the length and breadth of the country with over 4000 projects ranging from healthcare and education to preserving the environment and road safety; reflecting its sincere interest to embed the principles of social responsibility as part of its core existence. Through strengthening the cooperation between the public and private sectors, the projects and programmes aim to supplement the national economy and ambitious development plans implemented in the Sultanate.



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