

# SUSTAINABILITY

## REPORT 2023

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Shaping  
Our ESG  
Foundation







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## Message from Our Vice Chairman

I am honoured to present our first Sustainability Report, aligned with our commitment to Oman Vision 2040. This report represents a key milestone for our company, underscoring our firm dedication to integrating sustainability into every aspect of our operations.

With this report, we begin a new chapter of leadership, focused on driving the sustainable growth and continuous improvement of our company. Our priorities remain clear: promoting sustainable business practices, ensuring environmental stewardship, enhancing health and safety standards, fostering social responsibility, and upholding strong governance principles. This approach not only helps us meet present challenges, but also positions us to seize opportunities during this critical energy transition.

We worked closely with our stakeholders to conduct a double materiality assessment, identifying key ESG topics that hold strategic value. This process allowed us to assess both the internal and external impacts of these issues, laying the foundation for value-added initiatives.

Our Core Values, especially “We look after each other and the world around us,” continue to guide our path. These principles shape our actions as we balance economic growth with our responsibility to safeguard the environment and support the communities we serve, both in Oman and internationally.

Looking ahead, Petrogas E&P is well-prepared to play a leading role in advancing energy transition. We are committed to ensuring resilience and commercial viability within an evolving energy landscape. Alongside our partners and stakeholders, we remain dedicated to powering a sustainable future.

I invite you to explore this report and join us as we pursue this journey together.

Sincerely,  
**Usama Al Barwani**  
**Vice Chairman**, MB Group  
**Managing Director**, Petrogas E&P Group

*Mr. Usama Al Barwani former Company CEO until December 2023, nominated Vice Chairman MB Group and Petrogas E&P Group Managing Director, as of January 2024.*





## Message from Our Chief Executive Officer

At Petrogas E&P, sustainable development and energy transition are of paramount strategic importance, as we align with Oman Vision 2040 and with the goals of the EU Fit for 55. We firmly believe that our success is closely intertwined with the wellbeing of our environment and the communities we serve.

Throughout 2023, we have made significant progress in reducing our operational footprint by adopting cutting-edge technologies and investing in our people, even in the face of challenging circumstances. I am proud to lead a team of dedicated professionals, who prioritise the welfare of our workforce, value chain partners, and the communities in which we operate.

Among our key achievements, I am pleased to announce that we have achieved zero routine flaring at Block 5, Oman operated by Daleel Petroleum (subsidiary of Petrogas Mazoon), well ahead of the 2030 target, set by the Omani Government. Furthermore, our operations in the Netherlands have made substantial reductions in CO<sub>2</sub> and methane emissions, reinforcing our commitment to minimising our environmental impact. Corporate Social Responsibility (CSR) continues to be central to our Core Values, with "Giving Back" being one of the key ones.

We maintain an inclusive workforce, driving innovation through comprehensive health and well-being benefits. We fully comply with labour laws, ensuring human rights, prohibiting child and forced labour, and supporting parental leave. Through targeted initiatives, training programs, and robust support systems, we foster a diverse, collaborative environment for long-term success.

Together, with the support of our employees, partners, and stakeholders, I look forward to leading Petrogas E&P into a future where sustainability and growth go hand in hand.

Sincerely,  
**Kingsuk Sen**  
**Chief Executive Officer (CEO)**  
Petrogas E&P Group

*Mr. Kingsuk Sen formerly Petrogas E&P Group CCO and Vice President Petrogas Europe until December 2023 appointed CEO as of January 2024.*



# Report Overview

GRI (2-1), (2-2), (2-3), (2-4), (2-5)

We are pleased to present the first annual Sustainability Report for Petrogas E&P Group of Companies, laying the groundwork for our sustainability efforts in 2023. This inaugural report is a key milestone in our ongoing journey towards sustainability. In this report, we strive to transparently assess our environmental and social footprint, while highlighting how our operations align with our growing sustainability strategy.

To ensure we shape the structure and content of our report with fair representation of our operations as an oil and gas company, we have developed this report in alignment with GRI's Oil & Gas Sector Standard [1], International Petroleum Industry Environmental Conservation Association (IPIECA) [2] and UN Sustainable Development Goals (SDGs) [3].

## Scope of the Report

### Organisational Details

Petrogas E&P LLC (hereafter referred to as 'Petrogas' or 'PGEP', 'company' or 'organisation') is a privately owned, limited liability company registered and incorporated in the Sultanate of Oman and engaged in the exploration and production of oil and gas reserves in Oman and internationally.

### GRI Accordance & Reporting period

Petrogas has reported with reference to the GRI Standards for the period from January 1, 2023, to December 31, 2023.

### Entities included in the Sustainability reporting

The sustainability report covers information of Petrogas E&P LLC (hereafter referred to as 'Petrogas') the corporate level and its selective subsidiaries/affiliate as below,

- Daleel Petroleum (hereafter referred to as 'Daleel')
- Petrogas Rima LLC (hereafter referred to as 'PGR')
- Petrogas E&P Netherlands B.V (hereafter referred to as 'PEPN')
- From this report operations from Egypt and UK subsidiaries/Business units are excluded

### Reporting Approach

Environmental quantitative data for subsidiaries is reported based on the Equity share approach, i.e., the working interest of Petrogas, following the GHG Protocol's guidance.

### Restatements of information

A restatement of information is not applicable, as this is our first sustainability report.

### Monetary value

The monetary values are mentioned in Omani Rial (OMR) and United States Dollar (USD). The use of monetary currency is dependent on the standardised requirements of the respective regulation.

### External assurance

No external assurance was conducted for the report. We, however, conducted an internal audit and thorough reviews to ensure the credibility, accuracy, and authenticity of the disclosed information.

### Contact point

For any queries regarding this sustainability report, please contact us at: petrogasep@petrogasep.com



2023 ESG

Performance Highlights

Accelerating Climate Action

- Zero routine flaring in 2023 by Daleel Petroleum
- Energy Intensity of 0.72 TJ/BOEPD Total Production based on Working Interest (WI)
- Emission Intensity of 19.05 tCO<sub>2</sub>e/BOEPD Total Production based on WI
- Real-time air quality monitoring using AAQMS

Operating with Resilience

- Zero process safety incidents, including Tier 1 and Tier 2 events
- PEPN established 95% reusing or recycling target of the infrastructure removed

Conserving Natural Environment

- Corporate Paperless Policy in place to reduce waste generation
- Preventive measures to mitigate risks to birds and mammals associated with drilling operations

Cultivating Community Engagement

- Invested 508,465 OMR towards the CSR spending
- 99 Community Development Programs

Responsible Supply Chain

- 378.12 million USD expenditure on locally sourced goods and services
- 100% Environmental screening of suppliers

Empowering our people

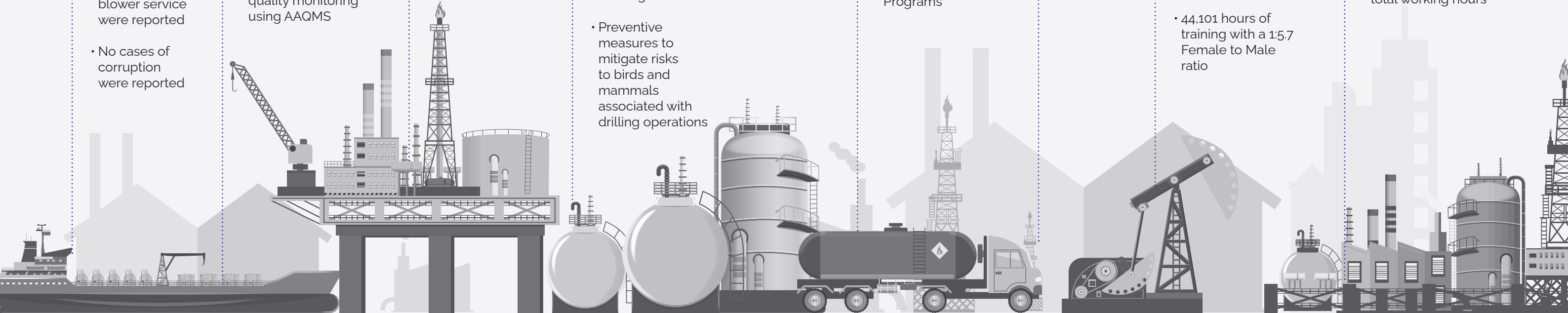
- Employees across 21 nationalities
- 44,101 hours of training with a 1:5.7 Female to Male ratio

Safeguarding our people

- Zero number of fatalities as a result of work-related injury and ill-health
- One high-consequence work-related injuries (excluding fatalities)
- Eleven recordable work-related injury across 12,465,707 total working hours

Leading with Purpose

- No entries to the Whistle-blower service were reported
- No cases of corruption were reported



# About Petrogas E&P LLC

GRI (2-1)

Petrogas E&P LLC is an international oriented operator, which is registered and incorporated in the Sultanate of Oman and engaged in the exploration and production of oil & gas reserves. The company is a wholly owned subsidiary of MB LLC.

## Areas of Operations GRI (2-6)

### MIDDLE EAST



**Block 5**  
Oman



**Rima Small Fields**  
Oman



**Lekhwaier Small Fields**  
Oman

### AFRICA



**Area A**  
Egypt

### EUROPE



**BLOCK A12A,B,&D, A15A,  
A18,A,B&C, B16A&C, B10A&C**  
The Netherlands\*



**LICENSES  
P2025, P2433, P2582**  
United Kingdom



**BLOCK 12/06, BLOCK 4/16**  
Denmark

*\*P/Q is not in production*



### CORPORATE VISION

To be a world class independent E&P company and a partner of choice for our expertise, people, and performance.



### CORPORATE MISSION

To find and develop hydrocarbons safely, in a socially responsible and economically sustainable way while maximising value.





## CORPORATE VALUES

Petrogas E&P has been growing steadily, earning a reputation as a global player in exploration and production of oil & gas. This growth has been achieved without losing focus on its existing assets. Our organisation is driven by sound technical and operational policies, and we have devoted time and efforts to ensure that we manage our operations in a safe and environmentally responsible manner.

Operations across subsidiaries are conducted in an efficient, profitable and most of all, ethical manner based on core corporate values. Our organisation's growth depends on our ability to provide opportunities for all stakeholders, be they our employees, temporary workers, partners, suppliers, investors, or the local communities.

# We aspire to help everyone around us grow within our organisation.

## Our Core Values



### The Will to Succeed:

Enduring drive, determination and commitment to achieve.



### Accountability:

By holding ourselves and each other responsible for our actions and results, we continuously improve the effectiveness of our organisation.



### Passion:

Our energy and enthusiasm inspire and sustain us.



### Integrity:

Our word is our bond.



### Openness and Diversity:

Free and ready exchange of information and views, always shared with respect and actively seeking perspectives from different mindsets.



### Giving Back:

Contributing our time and assistance for other's benefits.



### We look after each other and the world around us:

Caring for our people and our environment.

## Our Customers

Petrogas E&P (thru its subsidiary Petrogas Rima) holds a **75% share in a service contract with PDO and earns a service fee.**

Petrogas E&P (thru its subsidiary Mazoon Petrogas) **sells its share of oil from Block 5 to ITOCHU (Tokyo, Japan).**

Petrogas E&P LLC **sells natural gas to Engie SA through the Dutch operational subsidiary**

### Subsidiary/Affiliate Information GRI (2-6)

<p><b>Daleel Petroleum LLC</b></p> <p>Daleel Petroleum was established in 2002, as a joint venture between Mazoon Petrogas SAOC (Subsidiary of Petrogas E&amp;P LLC under MB LLC) and Mazoon Petrogas BVI (Subsidiary of China National Petroleum Corporation). Daleel main stakeholder, then and now, is the Government of the Sultanate of Oman.</p> <p>Daleel's growth as an oil producer is closely reflected in its steadily increasing engagement with the communities in which it operates. Starting in 2002, the company has expanded its social investments to nearly OMR 1 million for various community projects. Additionally, Daleel has enhanced its contributions to the Omani economy by providing greater opportunities for local talent and enterprises.</p>	<p><b>Block 5 Concession Area</b> Oman (Onshore Operations)</p> <p><b>Lekhwair Small Fields (LSF)</b></p> <p><b>Main Oil Fields</b> Daleel, Shadi, Bushra, Mazoon, and Furat.</p> <p><b>Petrogas E&amp;P holds a 50% working interest in Daleel's operations.</b></p>
<p><b>Petrogas Rima LLC</b></p> <p>Rima Cluster of Small Fields is a heavy oil field located onshore Oman and is mainly operated by Petrogas Rima LLC. The field is in Rima Satellite Small Fields in the South-eastern part of Oman. Rima is a joint venture between Petrogas E&amp;P and OQ SAOC.</p>	<p><b>Rima Satellite Small Fields</b> Oman (Onshore Operations)</p> <p><b>The working interest of Petrogas E&amp;P is 75% over Rima Satellite Small Fields and rest is owned by OQ SAOC</b></p>
<p><b>Petrogas E&amp;P Netherlands B.V.</b></p> <p>Petrogas' operations in the Netherlands are completely offshore in the A/B Gas fields and the legacy P/Q oil fields, which are under decommissioning, and responds to societal need for more affordable local gas with low carbon footprint. PEPN is 100% subsidiary of Petrogas International E&amp;P Coöperatief U.A., PIEP (incorporated in The Netherlands), which is the holding company for Petrogas' European businesses. PIEP is held by Petrogas BVI Ltd which is 100% owned by Petrogas E&amp;P LLC.</p>	<p><b>A/B Gas Fields</b> Netherlands (Offshore Operations)</p> <p><b>P/Q Oil Fields</b></p> <p><b>PEPN has ~34% working interest in A/B Gas fields and 80% in the P/Q oil fields</b></p>

### Membership and Agreement GRI (2-28)



Petrogas E&P is an active member of **Oman Energy Association (OPAL)** in Oman. Previously known as Oman Petroleum Alliance (OPAL). Through this membership, Petrogas E&P aims to elevate the operating standards and be an internationally competitive figurehead in the sustainable management of Hydrocarbons.



PEPN is an active member of **Element NL** in the Netherlands and is working on a CO2 neutral energy system, natural gas is basic for this. It provides security for households and raw materials for the local industry. During the transition, the Netherlands can therefore count on safe, clean, and affordable gas production.



PEPN is committed to disclose information to the **Extractive Industry Transparency Initiative (EITI)** of the Dutch authorities. EITI is a multi-stakeholder initiative between governments, companies, and civil society, which promotes the open and accountable management of extractive resources. Under EITI, companies publish what they pay to governments, and governments to publish what they receive from companies; both are independently verified by a third-party auditor.

### Certifications



Quality Management Systems  
**2015**



Environmental Management System  
**2015**



Occupational Health & Safety Management Systems  
**2018**



# Streamlining ESG Framework GRI (2-14), (2-17), (2-22)

Petrogas is firmly committed to operating in a responsible and sustainable manner and to align our operations with evolving stakeholder expectations and global sustainability trends, we conducted a double materiality assessment. This process enabled us to identify and prioritise the key sustainability issues that are most critical to our operations, our stakeholders, and the environment, ensuring that our ESG strategy is aligned with both internal and external priorities. The assessment comprehensively considered both the societal and environmental impact of our activities, as well as their financial implications for our organization.

Our approach integrated the GRI Oil and Gas Sector Standard recommendations of the likely-material topics with the European Sustainability Reporting Standards (ESRS) guidance on double materiality.

## Stakeholder Mapping and Engagements GRI (2-29)

To ensure that our materiality assessment is reflective of the diverse perspectives of our stakeholders, we conducted engagements through online surveys to our internal and external stakeholders, followed by interviews with departmental focus groups, top management and subject matter experts (SMEs). The engagements spanning across the Corporate Office and SBUs offered invaluable insights into the ESG impacts, risks and opportunities that are relevant to our operations.

By engaging with our stakeholders across several phases of the assessment, starting from the screening and benchmarking of 22 likely-material topics to the final list of 15 material topics, we were able to build a stronger understanding of the subject to solidify our focus and commitments.

	
Stakeholders Engaged for Impact Materiality	Stakeholders Engaged for Financial Materiality
Employees	Shareholders
Suppliers	Managing Director & Chief Executives
Government Entities	Top Management
Strategic Partners	
NGOs & Community Associations	
Clients & Customers	

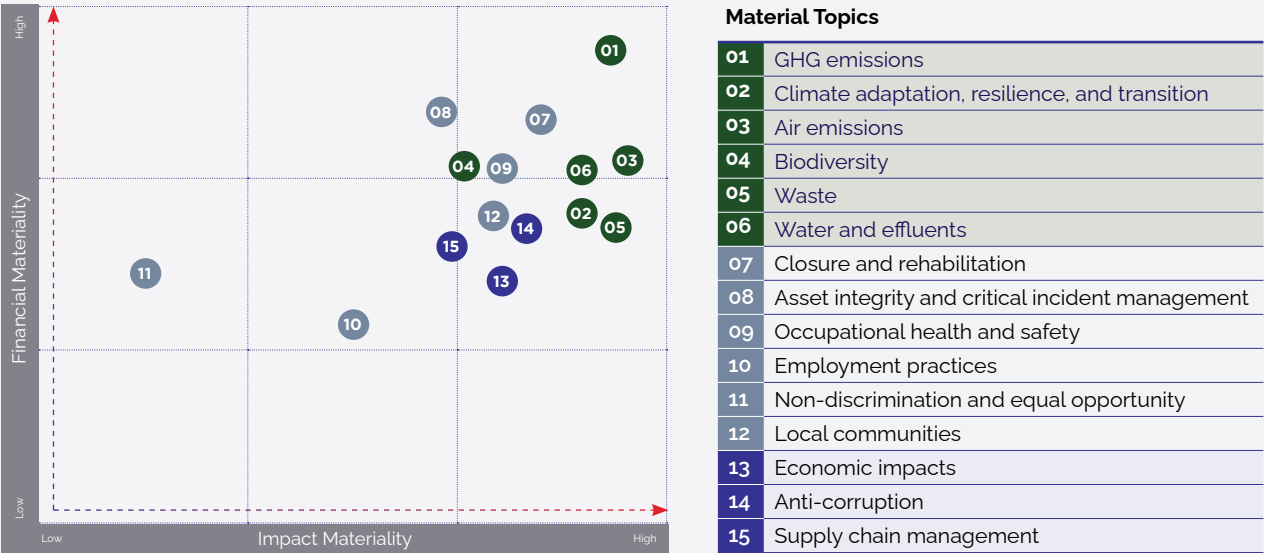
Additionally, we engaged with subject matter experts (SMEs) in the fields of environment, climate change, occupational health and safety, in-country value (ICV), and social impact. Through engaging discussions and real-world scenarios, these SMEs contributed valuable perspectives that helped us bring add forward-looking prioritisation to some of the key material topics.



## Double Materiality Matrix GRI (3-1), (3-2)

We took the strategic approach of establishing a baseline of negative impacts to set a clear process to proactively assess risks and opportunities. By evaluating both the internal significance of sustainability and financial issues to Petrogas' business operations and their external importance to stakeholders and environment, the double materiality assessment provided a nuanced understanding of our ESG landscape.

The matrix serves as a valuable tool for our management and financial decision-making, guiding Petrogas towards a more sustainable and responsible future. This strong foundation positions us to address challenges, capitalise on opportunities, and contribute to a more sustainable future.



For the impact materiality, the rankings considered the severity level of actual negative impacts, focusing on the scale, scope, and remediability of incidents. Additionally, the assessment evaluated the likelihood and severity of potential negative impacts, providing a holistic view of sustainability risks.

Regarding the financial materiality, the assessment incorporated stakeholders input on the potential impact of the material issues on Petrogas' financial position, financial performance, and reputational risks. This input was crucial in determining the criticality of each material topic and its influence on decision-making and financial statements.

## ESG Framework

The relevant frameworks, sectoral context, regulatory landscape of the countries where we conduct business, the stakeholder engagements, and the development of a double materiality matrix have all informed the development of our ESG Framework. The Framework is built upon six pillars supporting our key focus areas and associated material topics. Our ESG Framework is designed to be adaptable and responsive to evolving priorities. As we move forward in the coming years, we will continuously review our performance and identify emerging commitments through materiality assessments. This iterative approach will allow us to refine our framework and ensure that it remains aligned with our evolving sustainability goals.

ESG Pillars	Focus Areas	Material Topics
Accelerating Climate Action	Managing Our Emissions	GHG Emissions
		Air Emissions
	Managing Our Risks & Opportunities	Climate Adaptation, Resilience & Mitigation
Conserving Natural Environment	Utilising Resources Responsibly	Waste
		Water & Effluents
	Conserving Biodiversity Proactively	Biodiversity
Operating with Resilience	Rehabilitating Operational Sites	Closure & Rehabilitation
		Asset Integrity & Critical Incident Management
Maximising Workforce Potential	Empowering Our People	Employment Practices
		Non-discrimination & Equal Opportunity
	Safeguarding Our People	Occupational Health & Safety
Prioritising Value Chain Impacts	Cultivating Community Engagements	Local Communities
	Driving Shared Responsibility	Supply Chain
Leading with Purpose	Governing with Integrity	Anti-Corruption
	Sustaining Our Financial Performance	Economic Impacts

To establish impact thresholds for our material topics, we adopted the International Petroleum Industry Environmental Conservation Association's (IPIECA) methodology. As part of the series of stakeholder engagements, we conducted a thorough evaluation of our potential impacts, considering both the likelihood and severity of associated risks. By prioritising risk identification, we aimed to ensure that our strategic approach is aligned with the most critical challenges facing our industry sector. This proactive approach would enable us to mitigate potential risks effectively and transform them into opportunities for growth and innovation.

We established key performance indicators (KPIs) and targets at both the corporate and subsidiary levels. This serves as a roadmap for 3 year and a long-term goal for 2035. Under the leadership of the CEO, the ESG Steering Committee will play a pivotal role in ensuring the effective execution of this strategy. By clearly defining priorities at the management level and transparently communicating them to ESG champions at the subsidiaries level, we are fostering a culture of ESG accountability and engagement.

In our next sustainability reports, we will provide the overview of our progress toward achieving our established KPIs and outlining our strategic roadmap for future sustainability initiatives.



# Leading with Purpose

GRI (3-3), (205-1), (205-2), (205-3), (406-1)

Petrogas is dedicated to fostering a culture of sustainable business practices, underpinned by strong governance, ethical conduct, and financial resilience. Our robust governance structure with the establishment of an ESG Steering Committee highlights our commitment to integrity and reflects our comprehensive code of conduct that guides the behaviour within Petrogas and across its value chain. To ensure transparency and accountability, we will discuss our mechanisms for managing conflicts of interest and safeguarding sensitive information.

This chapter delves into the interconnectedness of these aspects in supporting our commitment to leading a sustainable business and operations. In this year's report, we have brought transparency in our financial performance and in the next reporting years, we will expand on the linkage of our sustainable operations and financial impact.



## Governing with Integrity GRI (2-10), (2-12), (2-13), (2-15), (2-16), (2-18), (2-23), (2-24), (2-26)

Integrity is one of Petrogas' Core Values and a fundamental aspect of our operations and across all our subsidiaries. The establishment of trust with stakeholders and the maintenance of long-term sustainability is contingent upon the implementation of effective governance, ethical conduct, and transparency. This section will provide insight to our dedication to adhering to the law, protecting human rights, and conducting business with the greatest ethical standards. We believe that, when we conduct business with integrity, we can make a positive impact on both the local and global communities..

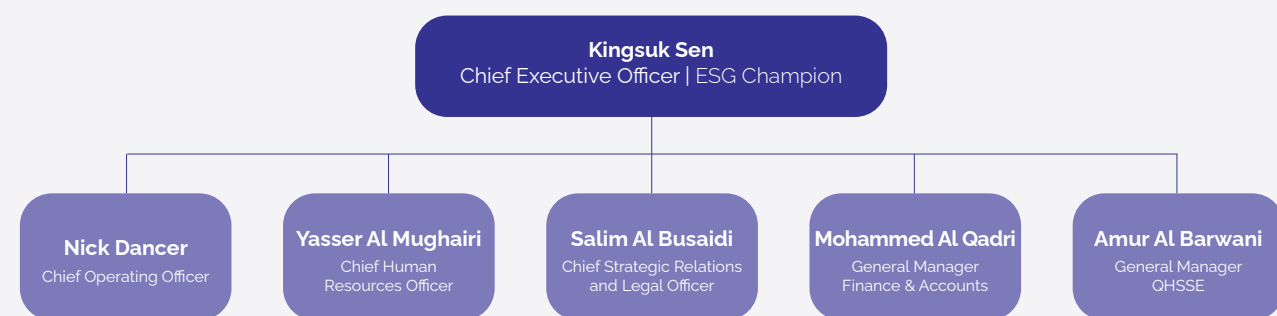
### Management of Petrogas E&P

Petrogas E&P is overseen by its CEO, who operates within the framework set by the MB Holding LLC (MBH) Board. The CEO has the authority to make decisions within certain limits, but for matters outside of these boundaries, approval must be obtained from MB Holding or its designated representatives. The COO is responsible for the daily operations of the company, supported by the senior management team and staff.

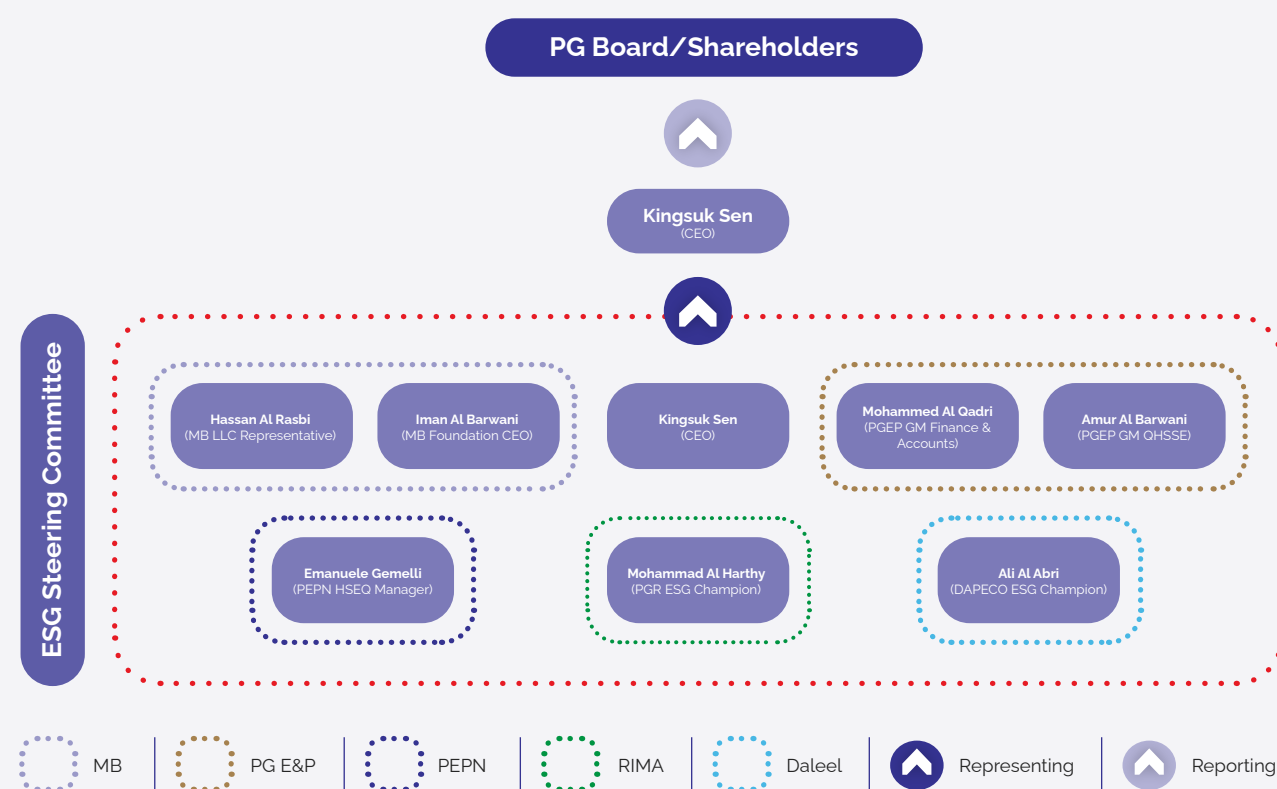
The CEO and the management team have the authority to establish specialised committees to handle specific tasks. Any new committee must be approved by the CEO, and its members and guidelines must be formally documented.

The Petrogas Leadership team is responsible for overseeing the company's strategy, ensuring alignment between operations and objectives, setting and communicating annual goals, reviewing budgets and business plans, managing the management structure, making decisions about senior positions, addressing stakeholder expectations, forming committees, and ensuring effective governance and crisis management.

# Governance Structure GRI (2-9), (2-11)



# ESG Governance



Our ESG Steering Committee comprises of key personnel across corporate office, subsidiaries and affiliate. Regular communication and engagements within the committee oversees the development and implementation of the Petrogas' ESG strategy, along with monitoring progress toward sustainability and compliance objectives. The committee is instrumental in driving Petrogas' sustainability agenda, ensuring that all departments contribute to meeting the long-term goals outlined in Oman Vision 2040.

**Code of Conduct:** Our Code of Conduct Policy contains guidelines to ensure that every staff member at Petrogas E&P understands and follows governance and ethics. We have detailed policies in place that define what constitutes corruption, bribery, and other unethical behaviour. Our HR Manual includes a dedicated section with guidelines to prevent bribery and corruption. We have an internal audit department, which regularly monitor the implementation and effectiveness of the policies.

Some of the subsidiaries have their own independent Code of Conduct Policy and other policies, with guidelines more specific to their operations and requirements. These independent subsidiary policies are aligned to the Petrogas E&P's Vision, Mission, and Core Values.

PART ONE: People	PART TWO: Fighting Corrupt Practices	PART THREE: Safeguarding Information & Assets
<ul style="list-style-type: none"> <li>Dress and Appearance Policy</li> <li>Bullying and Harassment Policy</li> <li>Drugs and Alcohol Policy</li> </ul>	<ul style="list-style-type: none"> <li>Conflict of Interest (COI)</li> <li>Gifts and Hospitality Policy</li> <li>Anti-bribery and corruption</li> <li>Anti-boycott, anti-trust and anti-lobbying policy</li> </ul>	<ul style="list-style-type: none"> <li>Confidentiality of Information and Copyright</li> <li>General Data Protection Regulations (GDPR) Policy</li> <li>Care of Company property</li> </ul>

**Whistle-blower Policy:** At Petrogas, we have a Whistle-blower Policy in place that outlines the procedure for reporting any suspicious activities or wrongdoings. The policy specifies cases that can be reported, such as violations of the law, suspected fraud, and corruption. Our policy ensures the protection of whistle-blowers and guarantees the channel of communication. Similarly, our subsidiaries have their own independent Whistle-blower Policies tailored to their operations. **No entries to the Whistleblower service were reported in 2023.**

**Conflict of Interest:** We have a system in place to ensure that all employees submit a Conflict of Interest (COI) declaration every year. All our subsidiaries also follow the same pattern and require a similar COI declaration from their employees on a yearly basis.

**Anti-Corruption Policy:** We have an Anti-Corruption Policy in place, along with other policies like Anti-Trust policies, to ensure fairness in the procurement and good ethics throughout the organisation. These policies are briefed through the company portal, announcements and through manuals. **No cases of corruption were reported in 2023.**

Making sure that our staff are informed on our policies is of utmost importance to us, since this ensures smooth and ethical conduct throughout our organisation and operations. We organized a campaign named 'Work Ethics' to raise awareness and provide training to our staff about the policies in place to ensure ethical business conduct. Similarly, our subsidiaries also ensure that their staff remains informed about such policies by conducting training sessions.



Sustaining Our Financial Performance

GRI (3-3), (201-1), (203-1), (203-2), (204-1)

Petrogas reported a remarkable financial result. Our strategic focus on optimising cash flows and sustainable growth positioned us well to capitalize on favorable market conditions. Petrogas E&P, along with our subsidiaries, remains committed to maintaining this upward trajectory of growth and financial success, with sustainability at the core of our operations.

Petrogas E&P and its subsidiaries are registered taxpayers in all jurisdictions it operates in and subjected to various taxes. We are also subject to CIT and VAT. Our policy, as accepted by the shareholders, is to comply fully with all applicable tax legislation. The company's objective is to optimise tax implications to the extent permitted by tax rules, while avoiding tax evasion. A dedicated tax function periodically analyzes the company's tax planning and compliance practices. In 2023, Petrogas E&P paid USD 137 million in taxes.

Tax returns are compiled, reviewed, and approved before being sent to the tax authorities. Senior management personnel are the authorized signatories/representatives with tax authority. Tax-related stakeholder interaction, whether internally or externally with suppliers, takes various forms. A dedicated tax function guarantees that all tax-related concerns are dealt with effectively.

Spending our finances in a responsible manner is of great importance to Petrogas E&P and our subsidiaries. In addition to employee wages and other operating expenses, we make sure to set aside a considerable amount of money for spending on local suppliers and for developing and supporting community initiatives.

In the year 2023, Petrogas E&P gross revenue was **USD 706 million.**



Facilities built by Daleel for community benefits

- Supporting in needs families during Ramadan month
- Fak kurba initiative - Oman Lawyers Association
- Supporting Al Masarah hospital with ultrasound machine
- Medical supplies for diabetic foot clinic- Bousher polyclinic
- Hamra Al Drooa festival for heritage and camel activities
- Developing the government offices area in Hamra Al Drooa (Second Stage)
- Removing cumulated sand in Masrooq
- Ibri walkway
- Al JabaL Al Akhdar emergency unit project
- Renovation of an elderly woman's house - Concession area
- Financial contribution for educational projects



# Accelerating Climate Action

GRI (3-3), (201-2), (302-1)

The top management of Petrogas is committed to fostering a culture of environmental accountability. By actively leading and implementing an effective environmental management system, they ensure that the company's operations align with sustainable practices and minimise the impact on the environment. This commitment is evident in their dedication to setting clear environmental objectives, integrating environmental considerations into business processes, and providing the necessary resources to support environmental initiatives.



Our approach to environmental management ingrained in our Integrated Management System (IMS) and in the Quality, Health, Safety, Security and Environment (QHSSE) Policy, is further anchored in our ESG strategy, which prioritises compliance, continuous improvement, and innovation. By integrating environmental considerations into every aspect of our operations, we are committed to operating responsibly, protecting biodiversity, and mitigating climate change impacts. This strategic focus would enable us to maintain and expand our vision to be a world class independent E&P company and a partner of choice.

We are also committed to supporting programmes and initiatives aimed at improving the awareness of environmental sustainability with our workers. Therefore, the intended outcomes of the IMS are extended to include 'Embed a culture of sustainability'.

This chapter outlines our environmental performance, initiatives, and goals through transparent reporting, and demonstrates our commitment to environmental accountability. While we have presented Daleel and PEPN's initiatives in more detail, PGR's efforts are in-line and operationally managed by Petrogas. We believe that by sharing our performance and progress, we can foster open dialogue with our stakeholders and contribute to a shared vision for a sustainable future.

Our vision will always  
**continue towards making all  
efforts to achieve excellence in  
environmental management.**

**PGR integrated the ISO 14001  
standard, encompassing the  
entirety of its environmental  
management system.**

Daleel through its HSE Policy is committed to minimise impact of its operations on the environment and set standards and procedures which are applicable to protect environment, prevent pollution, control emissions, and ensure optimum use of natural resources and reduction of waste.



## Managing Our Emissions GRI (302-1), (302-2), (302-3), (305-1), (305-2), (305-3), (305-4)

At Petrogas, we aim at actively reducing Greenhouse Gases (GHG) emissions across our operations and stay at the forefront of developing and implementing emission reduction strategies.

A key component in managing our emissions and reduction of GHG emissions is our overarching QHSSE policy, which incorporates the ISO 14001:2015 standard.

We recognise our environmental responsibilities in local, national and global terms, therefore, we are committed to taking a strong lead as a corporate citizen and in achieving an excellent standard of environmental control, whilst maintaining our position as a highly competitive oil and gas exploration and production organisation.

**Through our QHSSE Policy, we are committed to the global operation of an EMS, which is intended to:**



**Enhance  
Environmental  
Performance**



**Fulfil  
Compliance  
Obligations**



**Achieve  
Environmental  
Objectives**

The environmental aspects and impacts associated with our operating activities, products and services determine the greatest risks and opportunities to the organisation. The risks and opportunities associated with the context in which Petrogas operates, as well as the needs and expectations of stakeholders, are also considered in line with ISO 14001:2015 requirements.

The Petrogas Environmental Management Manual enables the stakeholders to navigate through the Petrogas' IMS and act as a signposting document to indicate how each environmental clause could be addressed. The system is audited internally and externally once over the three-year certification period to check compliance with the requirements of the ISO.



**The 'Register of Environmental Management System Interested Parties' further includes needs and expectations which Petrogas shall be complying, with its value chain.**

## GHG Emissions

We are dedicated to mitigating our environmental footprint and are actively working to reduce GHG emissions. By investing in innovative technologies, optimising operational processes, and exploring renewable energy sources, we aim to minimise our impact on the climate. Reducing GHG emissions is not only a moral obligation for us, but also a strategic imperative, as it helps us to mitigate regulatory risks and enhance our reputation within the oil and gas sector.

Effective energy management is another imperative for minimising the GHG emissions. By implementing energy-efficient technologies, conducting regular audits, and promoting awareness among our employees, we are striving to achieve significant reductions in our energy consumption. This commitment aligns with our broader goals of environmental stewardship and operational excellence, in line with the Omani Vision 2040.

Energy Consumption - Petrogas	Consumption (in volume)	Energy (in TJ)
Petrol used for road vehicles owned or leased by the organisation	314 litres	0.01
Diesel used for road vehicles owned or leased by the organisation	139,077 litres	5.00
Diesel used for stationary machinery & generators owned or leased by the organisation	475,504 litres	18.41
*Natural gas used by the organisation	820,538,537 m3	32,493.19
**Electricity	14,914,154 kWh	53.69
<b>Total Energy Consumed (TJ)</b>		<b>32,570.29</b>
<b>Energy Intensity</b> (TJ/BOEPD Total Production based on WtI)		<b>0.72</b>

*\*Natural gas consumption includes PGR (LPG used for Cycling Steaming Operation), Daleel (Fuel gas by power plant and gas plant) and PEPN (Gas used by A12-CPP, A18 and B13)*

*\*\*Daleel is currently commissioning the integration to PDO grid, which might be used in the future to supply some of the power demand. Therefore, scope 2 data do not include Daleel's emission since they generate their own electricity (in 2023 the total generated was 187,246,000 kWh). The Head Office's electricity consumption from grid is currently not included in the emissions reporting.*





### Daleel's Energy Efficiency:

- Energy-saving Lighting:** Facilities are upgraded to use energy-efficient lighting systems. This change reduces electricity consumption and the associated carbon emissions from power generation.
- Energy-efficient Air Conditioning Systems:** The older air conditioning units are replaced with more energy-efficient models across the operations. This not only reduces energy use and GHG emissions, but also lowers operational costs.
- Solar Energy Utilisation:** Solar panels have been installed at some remote off-plot facilities, Remote Terminal Units, and Gateways. However, the energy generated by these panels has not been quantified yet.

Emissions Indicators - Petrogas		Emissions (in tCO <sub>2</sub> e)
Scope 1		211,794
Scope 2		644,629
Scope 3		Currently under evaluation and will be available in future reports
Emission Intensity (tCO <sub>2</sub> e/BOEPD) Total Production based on W1		19.05

PEPN's Emission Data Management and Reporting Procedure is aimed at presenting comprehensive, accurate, and verifiable tracking of energy consumption and emissions inventory. The procedure encompasses CO<sub>2</sub>, CH<sub>4</sub>, HFCs, NO<sub>x</sub>, N<sub>2</sub>O, SO<sub>2</sub>, PM (Particulate Matter), and VOCs, for all operational offshore facilities. Additionally, it provides specific guidance for complying with the European Union Emissions Trading Scheme (EU-ETS) requirements at the A12-CPP facility.

### GHG Reduction Initiatives

Our subsidiaries have implemented a comprehensive approach to reducing GHG emissions, driven by their commitment to environmental sustainability and alignment with government goals.

Key initiatives that collectively contribute our efforts to reduce GHG emissions include:



#### HSE Policy Commitment:

Prioritising environmental protection, pollution prevention, emission control, and natural resource optimisation.



#### Governmental Goals Alignment:

Aligning strategies with national targets and regulations for emissions reduction.



#### Flaring and Venting Reduction:

Minimising flaring and prohibiting venting, seeking alternative methods to reduce emissions during production.



#### Energy Management:

Exploring options to improve energy efficiency and reduce consumption, thereby lowering emissions.

Daleel successfully achieved zero routine flaring by 2023, demonstrating its commitment to minimising emissions and environmental impact.





# Flaring and Venting Reduction Initiatives

## Daleel's Gas Recovery Compressors, and Flaring and Venting Reduction:

- **Commissioning of Compressors:** in 2023, Daleel successfully commissioned gas recovery compressors to eliminate continuous routine flaring.
- **Non-Routine Flaring:** the remaining flaring is primarily non-routine and safety related. To minimise non-routine flaring in existing compressors, Daleel is considering installing a stand-by compressor.

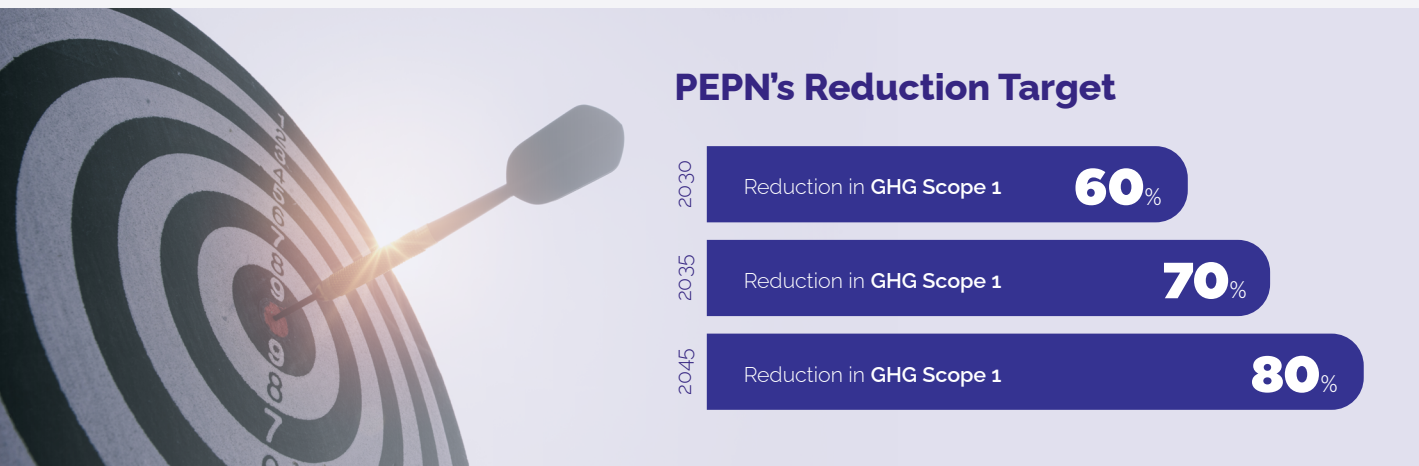
## Daleel's Venting Reduction:

- **Pipeline Connections:** the majority of producing wells are connected to the pipeline network from the start of production, preventing venting to the atmosphere in early production facilities (Flow Back Tanks).
- **Ministry of Energy and Minerals (MEM) Waivers:** due to MEM regulations, Daleel obtains waivers for a limited number of wells to be hooked up to early production facilities for very specific and temporary periods as approved by MEM.

## PEPN's Flaring and Venting Practices:

- **Offshore Flaring:** flaring is generally not permitted on offshore facilities in the Netherlands. Limited flaring is allowed only during well cleaning operations during drilling activities.
- **Nitrogen Lifting and Permit Constraints:** the amount of flaring is strictly limited thanks to nitrogen lifting techniques and permit restrictions.
- **Venting Reduction:** PEPN has reduced venting emissions by approximately 85% since 2017, following an industry agreement.

PEPN has established goals and targets based on the Paris Agreement baseline year 1990. To set the primary target, we made use of the local Dutch government requirements on top of EU "Fit for 55" program to ensure Scope 1 emissions are reduced up to 60% by the end of 2030 and add incremental reduction of 5% within 2050, provided that the company is still in business.



# Air Emissions GRI (3-3), (305-7)

PGR has integrated ISO 14001 into its QHSE management system in tandem with ISO 45001 focusing on air quality monitoring by ensuring each contractor conducts emission test to ensure they are in permissible limits. Apart from this, PGR has no quantifiable measurement and management of air quality with regards to its activities.

Daleel manages its impact on local air quality using several advanced technologies and processes as below:

01

## Ambient Air Quality Monitoring System (AAQMS):

This system continuously monitors air quality around Daleel's operations, providing real-time data on pollutants.

02

## Continuous Emission Monitoring Systems (CEMS):

Installed at the power plant, these systems monitor emissions directly from combustion sources, ensuring compliance with environmental regulations.

03

## Emission Control Technologies

Daleel employs technologies like filters and scrubbers to reduce or treat emissions from its operations, minimising harmful substances released into the atmosphere.

04

## Data Analysis and Compliance

Daleel analyses data from AAQMS and CEMS to assess emission patterns and their impact, adjusting to meet environmental standards.

05

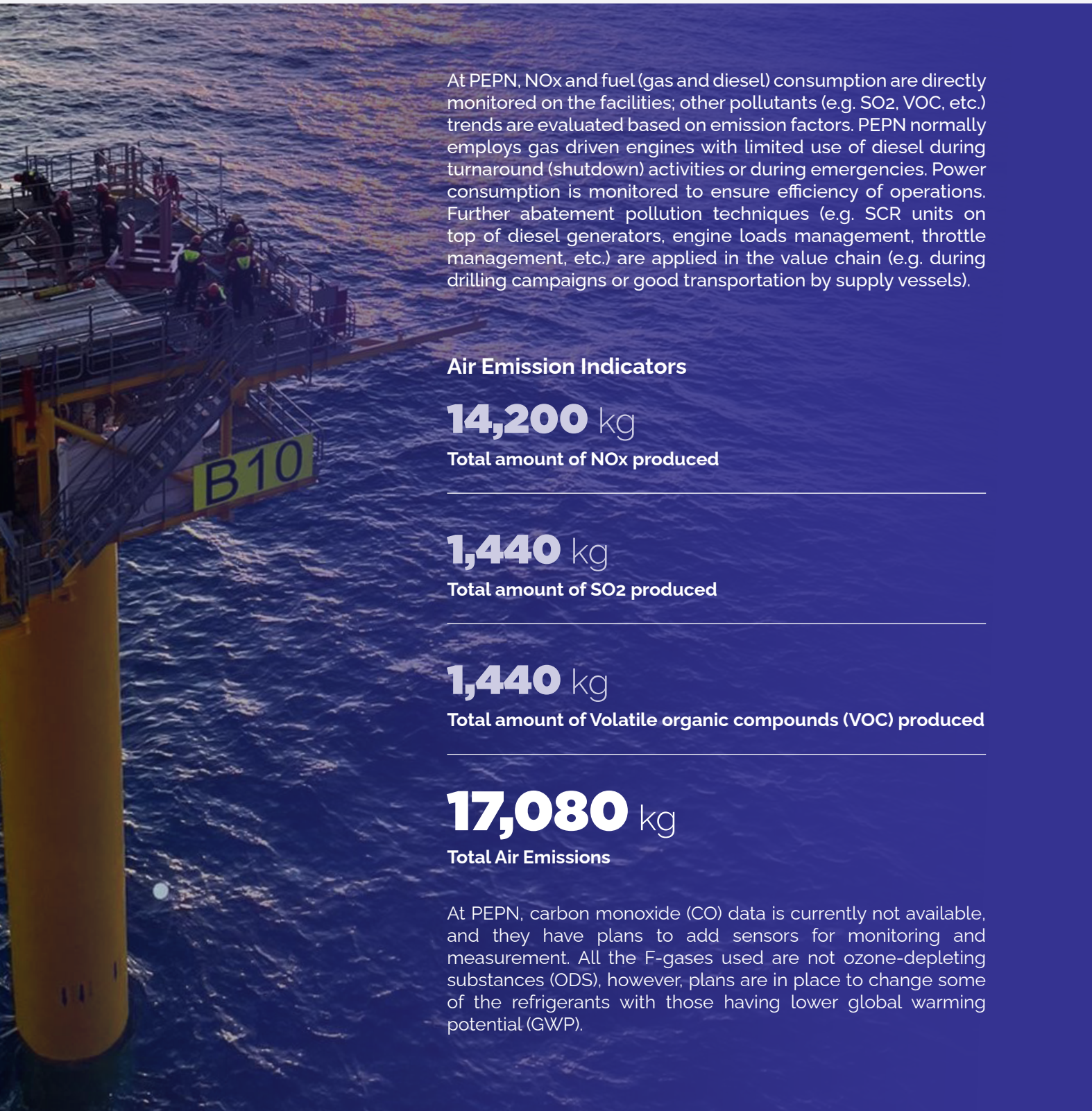
## Regular Reporting and Review

Daleel regularly reviews and reports its findings to regulatory authorities and stakeholders, maintaining transparency and facilitating ongoing improvement in its environmental performance. These measures help Daleel effectively monitor, manage, and reduce its air quality impacts, aligning with environmental standards and sustainability goals. This is followed by a streamlined process of gathering feedback from Environment Authority and conducting rectification process.



The responsive and corrective approach demonstrates Daleel's commitment to effective air quality management and its proactive engagement with regulatory authorities to safeguard the environment.





At PEPN, NOx and fuel (gas and diesel) consumption are directly monitored on the facilities; other pollutants (e.g. SO<sub>2</sub>, VOC, etc.) trends are evaluated based on emission factors. PEPN normally employs gas driven engines with limited use of diesel during turnaround (shutdown) activities or during emergencies. Power consumption is monitored to ensure efficiency of operations. Further abatement pollution techniques (e.g. SCR units on top of diesel generators, engine loads management, throttle management, etc.) are applied in the value chain (e.g. during drilling campaigns or good transportation by supply vessels).

**Air Emission Indicators**

**14,200** kg  
Total amount of NOx produced

---

**1,440** kg  
Total amount of SO<sub>2</sub> produced

---

**1,440** kg  
Total amount of Volatile organic compounds (VOC) produced

---

**17,080** kg  
Total Air Emissions

At PEPN, carbon monoxide (CO) data is currently not available, and they have plans to add sensors for monitoring and measurement. All the F-gases used are not ozone-depleting substances (ODS), however, plans are in place to change some of the refrigerants with those having lower global warming potential (GWP).

## Managing Our Risks & Opportunities GRI (201-2)

We have identified business risks within our related operations. Each subsidiary manages its identified risks and opportunities and report to the Corporate Office. A Risk Register is maintained and reviewed periodically at the head office level and each subsidiary is responsible to update its risks register accordingly.

Daleel has identified several significant climate change risks, including operational disruptions due to extreme weather, increased costs from stricter regulations, supply chain vulnerabilities, reputational damage from neglecting climate risks, and financial impacts such as higher insurance premiums and potential asset devaluation. These risks highlight the urgent need for the Petrogas to implement effective climate change strategies to mitigate their potential negative consequences.

PEPN has conducted a comprehensive Impact, Risks and Opportunities (IRO) Assessment as part of its Business Excellence Management System (BEMS Risk Management Process) and CSRD implementation. The assessment has linked identified risks and opportunities to the company's master risk register, i.e. Business Risks and Opportunities Assessment Register. While the primary climate change risks are associated with the transition to a low-carbon economy and present significant financial challenges, physical impacts of climate change are currently being evaluated through modelling and are moderate risks, given the nature of PEPN's infrastructure and operations (i.e. upstream offshore, far away from local communities).

### Climate Adaptation, Resilience, & Transition

We prioritise climate adaptation, resilience, and transition as integral components of our operations. We are actively addressing the challenges posed by the transition to a low-carbon economy through a multifaceted approach. In Daleel, a Business Planning team oversees the inclusion of climate change risks and opportunities within the business risk register and in-line with Business Continuity Management.

#### Organisational Structure and Governance:



##### QHSSE Department:

The QHSSE department, reporting directly to executive leadership, ensures that climate-related considerations are integrated into strategic decision-making processes and operational planning.



##### Cross-Functional Collaboration:

The QHSSE team collaborates closely with other departments, such as operations and subsurface, to assess and address climate-related risks and opportunities.



##### Board Oversight

The board plays a crucial role in overseeing the management of climate-related risks and opportunities, providing guidance and strategic direction. Board oversight includes regular review of climate-related risks and progress towards sustainability goals.

**Daleel Shareholders supported the company to be the 1st operator in Oman to achieve Zero Routine Flaring in 2023, 7 years ahead of Oman national target.**



## Performance Assessment and Incentive Mechanisms:

- **Ongoing Development:** While climate-related targets are not yet linked to performance assessments and incentive mechanisms at the corporate level, Petrogas is actively encouraging innovative ideas that could impact their performance evaluation, one of which is the internal carbon-pricing.

Gas price and CO2 price are included in the PEPN Business Plan models to determine the financial sustainability of the company. GHG related KPI are included in PEPN Scorecard, which is the basis for the annual incentive scheme applied to the company employees, including the senior management.

- **BU/JV Level Initiatives:** At the BU/JV level, climate change targets may already be linked to performance assessments and incentive mechanisms..

At Daleel, the responsibility for managing climate-related impacts is systematically integrated into the performance evaluation and compensation frameworks for senior executives and members of the highest governance bodies. Performance assessments for these roles explicitly incorporate environmental metrics, including specific Key Performance Indicators (KPIs) for greenhouse gas (GHG) reduction. These KPIs are embedded within the company's comprehensive scorecard system, which directly influences incentive structures and remuneration policies.

## Risk Management and Planning:

- **Risk Identification and Management:** Petrogas has identified business risks related to its operations. Each subsidiary manages its identified risks and reports to the corporate office. Guidelines, procedures, and a risk register are maintained and reviewed periodically.

As part of ISO14001:2015, PEPN has an Environmental Aspect Register that caters for all risks and opportunities related to the development of oil and gas project from the inception to the end of life.

- **Environmental Impact Assessments:** Environmental Impact Assessments (EIA) are conducted for all required activities to identify potential risks and opportunities.

As part of an ongoing continuous improvement, Daleel plans to update the old EIA for the Daleel field through a certified 3rd party, which include considerations of climate change impacts. We aim to assess the resilience of the strategy against various climate-related scenarios. This initiative represents a proactive step towards integrating climate change considerations into the company's strategic planning and risk management processes.

PEPN operates in the A/B blocks, which are located in a Nature2000 preservation area and subject to EIA and detailed nature studies.

## Target Setting and Collaboration:

- **National Program Alignment:** Petrogas is in the process of setting specific targets and baselines for climate change mitigation, aligning with the National Program on Carbon Net Zero.

Daleel advocates for policies that support a fair transition to a low-carbon economy and protect workers' interests. The efforts are aimed at ensuring a smooth transition to sustainable energy practices while supporting the employees and local communities.

- **Industry Collaboration:** The company participates in initiatives like OPAL and engages in discussions with other oil and gas producers regarding climate change challenges and opportunities..

PEPN actively participate in Element NL, the Dutch E&P trade organisation, activities to find proactive ways to limit the environmental footprint of our operations. Through Element NL initiatives, PEPN has been able to dramatically reduce Methane and NOx emissions.

## Key initiatives include:

- **Prioritising Safety and Well-being:** Petrogas places a strong emphasis on the safety and well-being of its workers and local communities, implementing training and awareness programs, job retraining opportunities, and supporting alternative livelihood initiatives.

Daleel offer training in new energy technologies and sustainability to keep its workforce competitive and relevant.

- **Investing in Technology and Innovation:** We invest in advanced technologies to reduce emissions, improve efficiency, and explore renewable energy options. This includes implementing carbon capture and storage technologies, exploring renewable energy projects, and optimising the supply chain.

Daleel is exploring investment in renewable projects with co-benefit of generating local jobs and help national economic diversification. PEPN is actively looking to the use of renewable fuels and to upcycle its legacy oil pipeline to transport and store CO2 captured by third-parties.

- **Engaging with Stakeholders:** Petrogas actively engages with stakeholders to foster transparent communication and collaboration in its sustainability efforts.



**Our formal Hazards and Effects Management Process (HEMP) and Health, Hazards, Safety and Environmental Management System (HSEMS) supports our sustainability roadmap.**



# Operating with Resilience

GRI (3-3)

Petrogas is steadfast in its commitment to mitigating environmental and operational risks within its exploration and production activities. To have a positive impactful legacy, we prioritise comprehensive closure and rehabilitation strategies, coupled with robust asset integrity and critical incident management practices.



This chapter present our efforts in protecting and bringing resilience in our business-as-usual by considering the multifaceted environmental impacts, fostering meaningful stakeholder engagement, and prioritising the health and safety of our employees in key activities specific to our sector. By understanding and implementing best practices in those areas, companies can significantly enhance their environmental performance, safeguard their valuable assets, and contribute to the energy transition.

## Closure and Rehabilitation GRI (402-1), (404-2)

Decommissioning activities may have a significant environmental impact on the local community and the environment. We allocate resources to ensure that wells, pipelines, and facilities are properly decommissioned to prevent exposure of humans, flora and fauna to hydrocarbons and any other hazardous materials.

### Daleel's Closure and Rehabilitation Practices

Daleel's Abandonment and Suspension Guidelines establish a detailed and sustainable framework for initiating and executing abandonment and restoration projects across its facilities.

Daleel adheres to the strict guidelines outlined in the EPSA with the government and the detailed regulations of the MEM regarding abandonment and decommissioning. These regulations govern all aspects of the closure and rehabilitation process.



### Annual Review and Financial Provisions

Daleel conducts a comprehensive review of all wells and facilities on an annual basis. Any asset that meets the criteria of MEM for abandonment are immediately considered for inclusion in the following year's programme. The annual abandonment plan is then presented to and approved by the company's board of directors, during their annual meeting. The total financial provision for decommissioning onshore projects for the end of the EPSA period is currently under negotiation with Daleel's shareholders and the government.

While there were no significant decommissioning projects in 2023, Daleel has established practices for reusing assets whenever possible. A total of 8 wells were abandoned during the year, but no facilities were decommissioned. Additionally, no operational sites were closed.



### Employee Notification

The minimum notice period provided to employees and their representatives prior to significant operational changes that could substantially affect them varies depending on the nature of the changes. However, the average notice period is generally between 1 and 3 months.



## PEPN's Closure and Rehabilitation Practices

PEPN is fully committed to decommissioning, removing, and disposal of its infrastructure in accordance with local legislation, licenses and permits [4]. While the company prioritizes removal and disposal, it also evaluates the possibility of leaving parts of the infrastructure in place, when it is environmentally beneficial, financially sustainable, and supported by stakeholder engagement and approval.

### Reuse and Recycling



PEPN has established a target of reusing or recycling a minimum of 95% of the infrastructure removed. In 2023, PEPN successfully removed the Haven and Hoorn facilities and transported them to a third party for safe and environmentally sound disposal. To allow for the complete decommissioning of the assets in the P/Q fields, PEPN successfully completed the conversion to lighthouse mode of Helder and Horizon facilities and completed the plug and abandonment of the legacy exploration wells in the Pg and Q1 blocks of the Dutch Continental Shelf. The P&A activities were executed in conjunction with NexStep, the Dutch National Platform for Re-use & Decommissioning, which includes several O&G E&P operators.

### Economic Impact and Workforce Management




Acknowledging that decommissioning of the P/Q assets has a direct economic impact on the workforce, offshore employees, who were not retiring or leaving the company, were reallocated to the A/B facilities, with necessary training and coaching provided. Some offshore seconded contractors were released, while PEPN worked with their employers to identify alternative employment opportunities. Others remained with PEPN and were also reallocated to the A/B facilities. Personnel were engaged throughout the process through the Work Council or individually.

### Decommissioning Planning



All assets within PEPN are required to have a decommissioning plan in place once they are no longer in production. The P/Q assets have a detailed decommissioning plan. The P/Q pipelines are subject to a Comparative Assessment under Dutch law to evaluate the feasibility of leaving them in place. The removal of the Halfweg Gravity Base Structure (GBS), which is currently still in place after the removal of the topside and legs has been postponed to 2029, after permission obtained by the relevant ministry. Plans for the A/B assets will be compiled after 2030.



**In 2023, there were ZERO process safety incidents, including Tier 1 and Tier 2 events, across all operational, construction, and decommissioning activities.**

*As defined according to API Recommended Practice 754*

## Asset Integrity and Critical Incident Management GRI (306-3)

Our offshore operating company, **PEPN**, employs a comprehensive approach to managing assets and responding to critical incidents, particularly those involving oil or chemical spills. This strategy centres around three primary plans: the Emergency Response Plan (ERP), the Spill Preparedness and Response Plan (SPRP) and the Well Control Emergency Response Plan (WCERP). These plans outline procedures for mitigating, and responding to emergency situation such as fires and explosions, ship collisions, spills and well control situations.

### Emergency Response Levels

The level of emergency response is determined by the severity of the incident. PEPN has established three levels:

- **Level 1 (Operational):** Incident at sea with minor effects for the surrounding area and people.
- **Level 2 (Tactical):** Incident at sea with potential major effects for the surrounding area and people.
- **Level 3 (Strategic):** Potential serious incidents affecting people or the environment, such as blowouts or major oil spills, which could effect the people and nature located at the coastline. In these cases, the local Crisis Management Team is activated for further support. In case, the crisis presents a potential global impact to the organisation, the Corporate Crisis Team is activated. At this level governmental agencies, such as Rijkswaterstaat Noord Zee, can take the lead in managing the situation, with PEPN in full support.

The Dutch Coastguard must immediately be informed of any event requiring SAR operations or posing a threat to the environment, such as a fire, spill, blowout, or drifting vessel. The Coastguard is also to be informed about the mobilisation of a stand-by boat and on the evacuation with a lifeboat.

### Spill Response Procedures

For major liquid spills (chemical or oil) on PEPN offshore installations, the initial response is guided by the applicable Facility Emergency Procedures Manual (FEPM) and the SPRP. This plan outlines specific procedures for containing, cleaning up, and mitigating the effects of spills that could occur due to various factors, including:



Damage to diesel fuel storage tanks



Damage to hazardous chemical storage tanks or containers



Damage to drilling fluids storage tanks or containers



Incorrect isolation or de-isolation procedures

By inherently minimising hazardous material inventories and implementing these plans and procedures, PEPN aims to minimise the environmental and operational impact of oil spills while ensuring a timely and effective response. No "Major" spills as defined in the EU Offshore Safety Directive occurred in 2023.



# Conserving Natural Environment

GRI (3-3)



Petrogas is committed to responsible resource management and environmental stewardship. Recognising the critical role of natural resources in sustaining our planet and future generations, we prioritise the efficient use of water, the proper management of waste, and the proactive conservation of biodiversity. By adopting sustainable practices and innovative solutions, we aim to minimise our environmental footprint and continue our sustainability journey.

3
GOOD HEALTH AND WELL-BEING

6
CLEAN WATER AND SANITATION

12
RESPONSIBLE CONSUMPTION AND PRODUCTION

14
LIFE BELOW WATER

15
LIFE ON LAND

## Utilising Resources Responsibly GRI (3-3), (306-1), (306-2), (306-3), (306-4), (306-5)

At Petrogas, we have placed a strong emphasis on environmental stewardship across our organisation, our subsidiaries. With our extensive involvement in exploration and production, we understand the potential impact our industry has on the natural environment. We are committed to minimising our environmental footprint while actively supporting Oman's goal of achieving net-zero emissions by 2050.

### Waste

Petrogas is performing its projects striving for waste minimisation and waste management to reduce the volume of waste generated and to direct and control the safe disposal of various types of wastes. Given the substantial environmental and potential human health risks associated with waste generation, this topic is considered highly material to our operations.

In Oman, the subsidiaries' operations are compliant with the local regulations governing the management of non-hazardous solid waste in Oman, as established by the Ministry of Regional Municipalities and Environment. Thereby, all the non-hazardous waste are sent for treatment and disposal only to the sites licenses by the Ministry.

Petrogas Paperless Policy has streamlined operations in pursuit of reducing environmental impact, and improved efficiency. By digitising documents and communications, we have saved costs, optimised resources, and enhanced data security.



## PGR's Waste Management Practices

Adherence to ISO 14001, 45001, and relevant ministerial directives (MDs) 286, 17 & 18/93 is paramount for PGR as an oil and gas producer and explorer in Oman. Proper waste management practices not only ensure compliance with environmental regulations, but also contribute to a more sustainable and efficient operation.

By optimising resource utilisation, reducing the environmental footprint, and mitigating risks associated with waste disposal, Rima demonstrates its commitment to environmental stewardship. This approach not only safeguards ecosystems and biodiversity, but also enhances the company's reputation among stakeholders and regulatory bodies such as Ministry of Environment and Climate Affairs (MECA).

Key areas of focus include use of virgin material reduction, recycling, treatment, disposal, and effective environmental monitoring, all of which are essential components of a comprehensive waste management strategy.



Fostering strong relationships with local communities to ensure that waste disposal is conducted responsibly and in designated areas, all waste disposal sites utilised by PGR and its contractors, are strictly regulated by PDO, guaranteeing adherence to the ministry's standard requirements (MD 17-18 /93).

Guided by PGR's Waste Management Guideline, all waste generated, and their by-products are divided into two major parts,

Hazardous Waste Generated	Lubricant oil, Used Tires, Air Conditioners, Sewage Sludge, Hazardous Empty Drums, Batteries, Air filters / Oil filters, Light bulbs / tubes, Clinical Waste, Waste Toner, Crude oil leaks, Lab Chemicals – Organic Solvents, Lab Chemicals - Aqueous Waste, Chemicals for the oil/water treatment, Contaminated Soil with chemicals, fuel or lubricant, Grit Waste, NORM / Radiography Waste.
Non-hazardous Waste Generated	Office Waste, Kitchen Waste, Non-Hazardous Empty Drums, Tree Cuttings, Scrap Metal, Concrete Waste / Construction Waste.

PGR also mandated the receipt of monthly waste management audits from its contractors. This allows adequate supervision of waste management process ensuring that it is done by the standard.

## Daleel's Waste Management Practices

Daleel prioritises effective waste management to safeguard the health and safety of its employees and surrounding communities. This waste management protects the environment, ensures regulatory compliance, improves operational efficiency, and enhances corporate reputation. To facilitate effective implementation, Daleel provides training to employees on waste management practices.

The company ensures sustainable waste management through both internal efforts and partnerships, including the following initiatives:

### Third-Party Partnerships

	<b>Certified Contractors:</b> Daleel collaborates with certified waste management contractors for proper disposal of hazardous and non-hazardous waste. These efforts and partnerships help Daleel manage waste sustainably, ensuring regulatory compliance and environmental responsibility.
	<b>Government Collaboration:</b> The company works with government agencies to ensure compliance with national waste management standards and supports community initiatives.



Daleel's Efforts

- 

**Recycling Initiatives:** Recycling programs reduce landfill waste, encouraging the reuse of materials like plastic and metal drums.
- 

**Waste Reduction:** Process optimisation and employee education minimise waste generation.
- 

**Hazardous Waste Handling:** Strict procedures ensure safe segregation and disposal of hazardous waste.
- 

**Contaminated Soil Treatment:** Contaminated soil is treated to reduce environmental risks and restore soil quality.
- 

**Produced Water Treatment:** Water produced during operations undergoes treatment to remove contaminants before reuse or safe disposal.
- 

**Sewage Treatment:** Sewage treatment ensures that waste is properly processed and treated to avoid environmental pollution.

Daleel's non-hazardous waste in 2023 was 3,658,320 kg, and scrap was 8,419.56 Metric tons. Plastic, paper and glass waste is part of domestic waste.

Hazardous Waste Type	Quantity	Management Efforts
Lubricant Oil	633.10 litres	Identified & controlled to minimise environmental impact
Crude Oil Leaks	78.74 bbls	Identified & controlled to minimise environmental impact
Lab Chemical Organic Solvents	596 bottles	Treated or recycled responsibly
Empty Chemicals Drums	3,144 drums	Treated or recycled responsibly
Used Batteries	33 nos.	Disposed of following safe waste management practices
Oil and Chemical Contaminated Soil	764 m3	Treated to minimise the environmental risk
Vehicle Tyres	569 nos.	Collected and recycled or disposed of safely
Electronic Waste	548.22 kg	Reuse, recycled responsibly or disposed of safely

PEPN's Waste Management Practices

PEPN produces a variety of waste, including both industrial non-hazardous and hazardous substances. To minimise the environmental impact, the company is prioritising waste reduction at the source and implementing effective strategies for reuse, recycling, and proper disposal. They adhere to stringent environmental regulations through its HSE Policy, Environmental Aspect Register, and Waste Management Procedure.

PEPN has also outsourced waste disposal to specialised third-party contractors who adhere to stringent Dutch regulations and EU standards. These contractors are rigorously evaluated through a comprehensive management process, including qualification, audits, and engagements. To ensure compliance and best practices, PEPN participates in audits organised by other members of the Element NL Association.

PEPN annually collects and analyses waste data to identify opportunities for waste prevention and circularity initiatives. They are exploring the feasibility of upcycling infrastructure components, such as pipelines for carbon transport and storage (CTS). They are implementing a comprehensive plan to increase awareness of circularity principles within the organisation. This initiative aims to reduce raw material consumption and foster a culture of reuse and recycling.

PEPN has established a policy to maximise the end-of-life value of offshore (such as platforms) and onshore assets (such as pipeline), aiming for a recycling rate of 95%.

While a detailed list of input (virgin) raw materials is currently unavailable, monitoring and reporting of waste data to relevant authorities are diligently followed by company. PEPN has identified specific actions to address knowledge gaps and are actively working to implement these measures.

Total wasted generated in 2023 was **80,615** Metric tons.

PEPN's Waste Type	Quantity (in Metric tons)
Plastic	0.62
Paper	0.53
Glass	0.53
Steel	0.60
Electronics	0.12
Hazardous Waste	32.82
Non-hazardous Waste	47.80
Food Waste	0.82
Wood	10,240
Domestic Waste	34,771

PEPN adheres to regulatory requirements for the disposal of water-based mud and the offshore collection and recycling of synthetic oil-based mud. As PEPN completed only the A2 well of the A15 campaign in 2023, all emissions related to this campaign will be accounted for in the upcoming year.



Water & Effluents GRI (3-3), (303-1), (303-2), (303-3), (303-4), (303-5)

Petrogas' environmental management system, prioritises water efficiency in accordance with regulatory guidelines. Our wastewater management practices are designed to safeguard employees from exposure to harmful and toxic substances. By implementing effective water management strategies, we aim to reduce both consumption and wastage, promoting environmental sustainability. Our subsidiaries and JV have set their own commitments and efforts on water and effluents.

**PGR's Efforts for Water & Effluents Management |** The company prioritises efficient water and effluent management to ensure compliance with local regulations, conserve valuable resources, optimise operational efficiency, and uphold its social responsibility. By adhering to Omani and PDO standards, PGR minimises environmental risks and costs associated with water usage and disposal. This commitment to sustainable practices not only benefits the company's operations but also positively impacts local communities and ecosystems, strengthening its position as a responsible corporate citizen.

Since most direct water access belongs to PDO, PGR only acts as a custodian to ensure that its operations do not contribute to water scarcity in local communities. To this end, PDO mandates water testing for all contractors' camps and conducts regular inspections to guarantee the safety of drinking water. Additionally, it closely monitors water consumption by contractors to promote efficient use and conservation. While PGR utilises fresh groundwater and employs mitigation measures to prevent the spread of contaminated water, it does not have direct control over groundwater extraction.



**The Field Owner of PGR, PDO manages all the water discharge and impacts related to water discharge, including the concentration of hydrocarbons discharged in produced water and process wastewater.**

**Daleel's Efforts for Water & Effluents Management |** Daleel prioritises water and effluent management to ensure environmental sustainability, operational efficiency, and regulatory compliance. It has implemented a water management strategy to minimise freshwater consumption in its production activities. A 30-kilometer pipeline was constructed to receive produced water from PDO, which is then used for injection into oil reservoirs, effectively reducing and potentially eliminating the need for freshwater injection. Produced water is not discharged to the surface and is safely managed to prevent contamination. In emergency situations, excess produced water may be temporarily stored in lined evaporation pits. Additionally, aquifer water is utilised for specific operational purposes, such as camp and office facilities, rig activities, and as a supplement when produced water is insufficient. This approach demonstrates Daleel's commitment to responsible water usage and environmental stewardship.

Water Consumption - Daleel	Volume (in m3)
Ground Water	1,359,469
Surface Water	358,718
<b>Total Water Consumption</b>	<b>1,718,187</b>





**Daleel identifies water-related impacts through a structured strategy involving monitoring, reporting, and sampling. These strategy helps Daleel manage water impacts while promoting a culture of shared responsibility for water stewardship. The approach below ensures it accurately identifies and manages water-related impacts.**


Scope of Assessment

Three assessments cover all water sources and areas impacted by the company's operations, focusing on the quality and quantity of both surface and groundwater.

Tools and Methodologies


- 


**Monitoring:** Continuous and periodic monitoring systems collect data on water levels, flow rates, and contamination levels.
- 


**Reporting:** Regular reports document water usage, pollution levels, and compliance with environmental regulations.
- 


**Sampling:** Samples are collected from various sources and analysed to detect pollutants and identify changes in water quality over time.

Actions Taken

- 

**Mitigation Measures:** Implementing water treatment and conservation strategies to minimise pollution and reduce water usage.
- 

**Stakeholder Collaboration:** Collaborating with local communities and regulatory bodies to ensure sustainable water management, including regular consultations and transparent information sharing
- 

**Supplier Engagement:** Collaborating with suppliers to implement effective water management practices and reduce their water footprint.
- 

**Customer Collaboration:** Educating customers about the company's water management standards and encouraging responsible water use in downstream operations.



PEPN's Efforts for Water & Effluents Management

PEPN operates its A/B block facilities within the Doggerbank Nature 2000 protected area, adhering to stringent mining and nature permit requirements. The natural gas produced is primarily dry, with minimal produced water discharged overboard after treatment. Due to the offshore location, the facilities have no direct impact on local freshwater availability. Seawater is utilised as a cooling agent and subsequently returned to the seat or processed into potable water via reverse osmosis for operational and human consumption purposes, like food preparation and personal hygiene. To supplement domestic water supply, commercially available bottled mineral water is also provided. The office and supply base rely on a reliable supply of freshwater from local municipalities, ensuring no risk of water shortages.



Water Discharge Indicators - PEPN	Volume
Produced water and open drains discharge water	4,100 m³
Dispersed oil in discharged water	2.1 kg

Conserving Biodiversity Proactively GRI (3-3), (304-1), (304-2), (304-3), (304-4)

At the heart of Petrogas' biodiversity efforts is its commitment to environmental protection, as outlined in its QHSSE policy. The policy serves as a guiding framework, ensuring that biodiversity considerations are integrated into all aspects of the company's operations. Among our subsidiaries, only PEPN operates in environmental protected area (listed in Natura 2000, which is a network of nature protection areas in the territory of the European Union.). While PGR and Daleel in Oman do not have any direct biodiversity constraints, the companies have proactive efforts to contribute to biodiversity preservation.

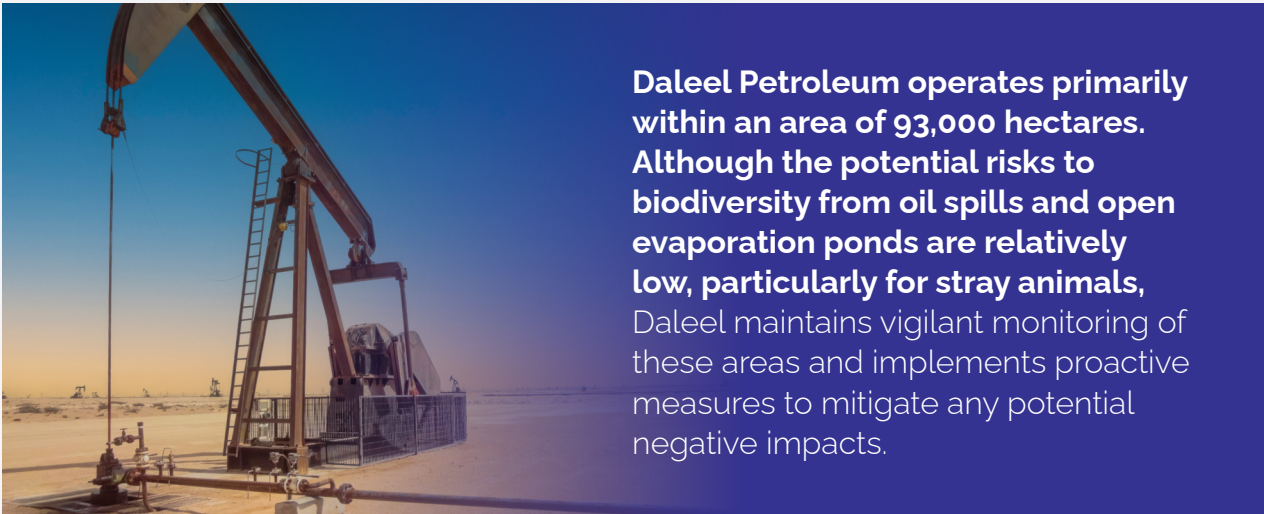
Daleel's Biodiversity Efforts

Daleel incorporates biodiversity-friendly practices into its daily operations to minimise habitat disruption. This includes careful planning of operational boundaries, regular biodiversity monitoring, and the implementation of restoration initiatives in disturbed areas. By adopting such practices, Daleel actively seeks to protect and enhance local ecosystems.

To proactively identify and mitigate potential impacts on biodiversity, Daleel plans to conduct Environmental Impact Assessments (EIAs), before initiating any new projects. These assessments would enable them to evaluate the potential risks to local ecosystems and develop targeted mitigation strategies.

Collaboration plays a crucial role in Daleel's biodiversity conservation efforts. Daleel partners with government bodies and local organisations, thus aligning initiatives with regional conservation strategies.

Daleel proactively manages biodiversity impacts in its supply chain by setting supplier standards, conducting risk assessments and audits, collaborating with suppliers, and monitoring their performance to ensure compliance with biodiversity protection policies and best practices.



Daleel Petroleum operates primarily within an area of 93,000 hectares. Although the potential risks to biodiversity from oil spills and open evaporation ponds are relatively low, particularly for stray animals, Daleel maintains vigilant monitoring of these areas and implements proactive measures to mitigate any potential negative impacts.

PEPN's Biodiversity Efforts

Biodiversity considerations are integral to the environmental permits that govern PEPN's operations. PEPN carefully evaluate biodiversity factors, when planning and executing development initiatives. The company is currently developing a comprehensive Biodiversity Plan to outline strategies for minimising environmental impact and potentially enhancing biodiversity.

Prior to undertaking activities that could generate underwater noise, such as those associated with in nature sensitive areas. PEPN conducts EIAs and where required, implements preventive measures to safeguard marine and aviary species.

PEPN's production assets are in Natura2000 areas, subject to strict regulations. Decommissioning assets, while outside protected areas, still require permits with stringent environmental requirements. PEPN installations have a 500-meter exclusion zone, benefiting biodiversity.

The harbour porpoise, a critically endangered species according to the IUCN Red List (2008), has a breeding ground in the Doggerbank and these marine mammals are particularly vulnerable to the disruptive effects of loud underwater activities and marine traffic. To mitigate the impact, a prevention plan is implemented in PEPN's A/B facilities prior to high-impact operations, such as drilling conductors or piles hammering. The establishment of a 500-meter exclusion zone around platforms inherently creates a food-area area for these mammals.

In 2023, PEPN installed two new natural gas production platforms - A15 and B10, two new pipelines and two umbilicals with "near zero" discharge and disturbance to the ecosystem as per permits requirements. Flaring operations associated with the new wells development will be executed with procedures in place to minimise the risks to impact to birds.

In 2023,  
we have fulfilled  
our agreements  
removing  
the Haven  
and Hoorn  
platforms  
restoring the  
sea bottom.



# Cultivating Community Engagement

GRI (3-3), (413-1), (413-2)

Petrogas is committed to responsible resource management and environmental stewardship. Recognising the critical role of natural resources in sustaining our planet and future generations, we prioritise the efficient use of water, the proper management of waste, and the proactive conservation of biodiversity. By adopting sustainable practices and innovative solutions, we aim to minimise our environmental footprint and continue our sustainability journey.

1
NO POVERTY

3
GOOD HEALTH AND WELL-BEING

5
GENDER EQUALITY

6
CLEAN WATER AND SANITATION

16
PEACE, JUSTICE AND STRONG INSTITUTIONS



We focus on four key pillars for our CSR investments:



Education



Health



Society



Women Empowerment

While these pillars are the primary recipients of CSR funding and projects as determined by our shareholders, we understand that our community involvement extends beyond these areas. Petrogas, therefore is committed to supporting other causes, where we can make a significant positive difference.



In addition to Education and Healthcare as CSR pillars, Daleel also focuses on pillars such as Environment and Municipal & Public Services. Our operations within Daleel have set aside 1.5% of shareholder net profit for the CSR activities. Daleel also publishes annual CSR reports, which are accessible on the website for a broader audience of stakeholders.

Invested  
**508,465** OMR  
towards the CSR  
spending across PGEP  
and subsidiaries.

At Petrogas, we evaluate any request or proposal for CSR activity based on the number of beneficiaries and long run benefits, with great impact to the communities. To communicate our engagement with local communities, we announce the initiatives over our social media platforms.

During the year 2023, we engaged in several partnerships or sponsorship initiatives, charitable donations, and employee volunteering programmes.



## Number of implemented community development programmes in 2023

04

Corporate Office

19

PGR

70

Daleel

06

PEPN

## Engagement strategy with affected stakeholders

We believe that establishing a transparent communication channel is essential in engaging with our community. This communication channel helps in engaging with affected stakeholders and thereby in addressing their grievances.

Our CSR focal point documents all feedback and responses to gain a comprehensive understanding of stakeholder concerns. An efficient response mechanism is in place to provide timely acknowledgment, transparent investigation outcomes, and fair resolutions within capacity, fostering stakeholder trust. Additionally, periodic reviews and engagements are conducted based on stakeholder feedback to drive continuous improvement and build lasting trust.



PEPN engages with NGOs either directly or through Element NL, the Dutch O&G Operators Trade Organisation, to discuss the potential impact of the operations.

## Approach to community development

Collaborative partnership and tailored initiatives with either the community or governmental entities help in community development and social responsibility. **We are currently preparing a detailed CSR strategy, which will ensure our operations to aligned in an ethical, sustainable, and socially responsible manner.**

Daleel's CSR team meet and evaluate the proposals twice in a quarter. This evaluation is based on criteria of impact and sustainability, along with government strategy, measurable outcome, stakeholders' partnerships potentials. After evaluation, all the potential requests or proposals are sent to the management for final review and endorsement.

For the Netherlands operations, a local Societal Ethics Committee (SEC) was established, to steer the activities involving community outreach and address any concern related to business ethics and transparency. The Connect Team, a team comprised by volunteers within the PEPN workforce, is tasked to plan and organise the community outreach opportunities, such as charities, volunteering, social events, etc.

### Assessing needs of the Stakeholders

Assessing stakeholders' needs is a key part of our operations at Petrogas and our subsidiaries. At Daleel, we conduct a needs analysis by arranging separate meetings with stakeholders to identify their specific requirements, as well as through fixed annual gatherings, such as the Stakeholders Ramadan Gathering. In the Netherlands, PEPN regularly engages with its workforce representatives, including the Work Council, to ensure open communication and address any potential conflicts. The PEPN Context and Stakeholders Analysis Register is reviewed annually to verify that stakeholders' needs are being properly addressed and that effective mechanisms are in place for ongoing engagements.

### Assessing impacts on local communities

We prioritize evaluating the success of our efforts to prevent, minimise, and address negative impacts. This involves setting clear objectives, conducting regular performance assessments, and actively seeking feedback from stakeholders. Our emphasis lies on implementing CSR initiatives that not only achieve their goals, but also garner strong support and approval from the communities we serve.

To effectively drive community development and fulfil our social responsibility, we forge strong partnerships with both community organisations and government agencies to create tailored initiatives.

We adhere to government regulations by allocating a specific portion of our budget to CSR initiatives. The exact percentage dedicated to these activities is determined by government guidelines.

Petrogas E&P Netherlands has established a Societal Ethics Committee **to oversee community engagement activities and ensure adherence to ethical business practices.**



### Managing Shared Resources

Concerning the use of shared resources and potential environmental and health impacts, our operations at PGR are self-sufficient in terms of resource usage. We draw water from dedicated wells that are located deeper than the freshwater zones, ensuring that our activities do not impact the local community's access to clean water. Additionally, our operations are designed to have minimal environmental impact, with stringent controls in place to manage any use of hazardous substances or pollution emissions.

Our operations in Netherlands are located at a considerable distance from local communities, significantly reducing the potential for any adverse effects related to natural resource consumption, land conversion, or environmental pollution.

Across all operations, we are committed to maintaining the highest standards of environmental stewardship and community engagement, ensuring that our activities do not negatively affect the health and well-being of the local population.

#### Our CSR Activities by Corporate Office:

- Partnership initiatives in World Robot Olympiad and World Clean-up Day.
- Charitable Donations at Muscat Charity Team and Al Rahma Charity Association.



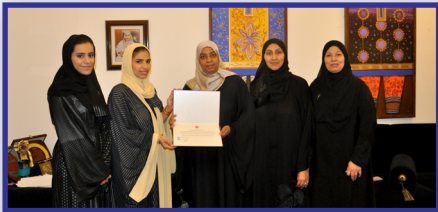
#### Our CSR Activities by PGR:

- Charitable donations for Needy families, Quraan Misk, Association of Blind, Quraan School Boushar, Al Jazer Charity and Rima School.
- Al Bashayer and Musharif Annual Camel Racing event.
- Partnership activities at Society of Petroleum Engineering, Sponsorship for College of Science and College of Engineering.
- Building Educational Hall for Al Mutanabi school.
- Sustainable social investment initiative for people with hearing disabilities.
- Omani Women's Day for communities.



#### Our CSR Activities by Daleel:

- Healthcare and Medical Support, Medical supplies for diabetic foot clinic, Supporting Hospital with Ultrasound machine, Medical freezer for bone flap storage.
- Community Development initiatives such as Iftar Preparations, supporting needy families, and Omani Women Association, providing equipment for Oman Association for Persons with Disabilities and Contribution towards Gaza.
- Educational initiatives such as technical exhibition in IOT & Math, providing school supplies, smart boards & printers.
- Environmental and Safety Initiatives.
- Cultural & Heritage promotion.



#### Our CSR Activities by PEPN:

- Golf Tournament.
- Conqueror Challenge Walk, with proceedings donated to the ALS Foundations.
- Toys for needy children with proceedings donated to hospitals, cancer research and schools.
- Food bank collection.
- Employee Volunteering programmes such as Willows planting, Rotterdam canals cleaning, and Gifts distribution to needy kids for Sinterklaas.





# Responsible Supply Chain Management

GRI (3-3)

At Petrogas our Core Values drive the execution of our businesses upholding the highest business ethical standards. We work together with the value chain to live up to those standards. Each subsidiary builds upon our guidance and develops new standards or regulations where necessary.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

17 PARTNERSHIPS FOR THE GOALS

## Business Ethics at Practice GRI (2-23), (2-24), (414-1)

Our operations comply with the Code of Ethics which pertains to Supplier Code of Conduct and responsible procurement practices. All contractors should comply with the Code of Ethics, which encompasses all applicable laws related to bribery, corruption, money laundering, fraud, or similar activities including those of the Sultanate of Oman, the United Kingdom, the United States, any country in which this Contract is to be performed, and the country of incorporation of either of the Parties.

Our Code of Ethics ensures that the contractor’s agents, directors, officers, employees, and agency workers have received proper training and are aware of their obligations under applicable corruption laws. Additionally, the policy ensures that regulations and procedures are in place to prevent wrongdoing.

The procurement is based on the best economical value. We have incorporated QHSSE terms and conditions, along with the business ethics in the general contract draft.

PEPN conduct safety and environmental studies (such as HAZOP, HAZID, QRA, etc.), engagement sessions to align stakeholders on contracted activities (such as Shutdown Meetings, Lesson Learnt sessions, etc.), and contractor audits. These measures are intended to prevent and mitigate negative impacts of key Tier 1 (where the contractor’s performance is critical to safe operations) and important (where the contractor’s performance is important to safe operations) contractors.





Petrogas' tools and methods to track effectiveness of suppliers:

Departmental KPI

Master contract list

Procedure for Kick Off Meeting

Post Award Contract Management Plan

Role & Responsibilities of Contract Holder and Contract Engineer



Daleel monitors the performance of Supply chain in the company by using different tools:

Master tender plan system

Departmental Business plan

Departmental score card

Individual smart goals

Monitoring contractors' performance by having several performance reviews

## Improving local supplier base

**ICV Policy in the Sultanate of Oman ensures local procurement by mandating that organisations in the country should source from a percentage of local suppliers.**

We adhere to the country's In-country Value (ICV) governmental guidelines and regulation to improve the ability of local suppliers. In addition, Daleel also has a Vendor Development Programme (VDP) that develops local manufacturing.

As PEPN operates outside Oman, they are not required to comply with the ICV guidelines. However, around 95% of their suppliers are based in the Netherlands and EU, which are required to follow stringent rules and regulations. Four key elements of ICV Policy:



Investment



Workforce



Goods



Services

We include all the four elements as key requirements in the scope of work for tenders. We ensure that many of our suppliers are locally based by following procedures and policies, which are in place to monitor the implementation of ICV guidelines throughout our supply chain. For each of our subsidiaries based in Oman, the ICV bids evaluation is carried out by their respective ICV officer and then later reviewed by the Head of ICV & Contract in the Supply Chain Department. An ICV index (weighting factor) is assigned to each technically qualified bid complying with ICV requirements.

Fixed weighting sets applicable to the nature of contract will be applied in line with industry standard, and ICV index will be calculated as per formula given in the approved tender strategy. At the end, the ICV bid evaluation report is presented to the Commercial Evaluation team, which applies the ICV score in the commercial bid evaluation. Each step of the ICV procedure is done with utmost responsibility thereby ensuring that only qualifying suppliers are selected by Petrogas E&P and our subsidiaries.

Organisation	Local Expenditure (in USD)
Petrogas E&P	1,568,830
PGR	93,405,943
Daleel	150,848,428
Petrogas E&P Netherlands	228,674,127

All our subsidiaries in the country have their own ICV initiatives, plan and packages and audits to trace the source of products sourced by them:

- **PGR** – Depends on PDO approved mills, ISO certified, etc.
- **Daleel** – Depends on Made in Oman Certificate, which is provided by Ministry of Commerce, Investment Promotions & Industry.



## Supplier Screening

Our Supplier Screening process is based on the ICV guidelines that enforces various labour rights that suppliers must adhere to. As a result, the suppliers we choose are socially responsible and have established procedures to ensure compliance with labour rights. A set of QHSE guidelines are used by the QHSE department during the screening of suppliers. Petrogas E&P and our subsidiaries conduct environmental assessments of suppliers through their respective QHSE departments.



# Empowering Our People

GRI (3-3)

At Petrogas, building an inclusive workforce is integral to our organisational strategy and culture, ensuring a dynamic and innovative environment. We support our diverse workforce with a set of benefits to ensure their health and well-being. We comply to the relevant labour laws for human rights, prohibition of child and forced labour, and parental leaves to ensure our employees' rights. Through targeted initiatives, comprehensive training programmes, and a robust support system, we cultivate a workplace that values and leverages diverse perspectives, driving sustained success and fostering collaboration.



## Diversity and Inclusion at Workplace

GRI (2-7), (401-1), (401-3), (405-1), (405-2)

Diversity and inclusion are fundamental for our operation to foster innovation, collaboration, and sustained success. Our commitment to inclusivity is reflected across all our operations and is a cornerstone of our organisational culture. We follow an inclusive recruitment strategy that ensures equal employment opportunities for all candidates, from application to offering, regardless of gender, ethnicity, or other characteristics. The oil and gas business is historically gender skewed, however, we are dedicated to creating a diverse workforce that reflects the communities we serve and fostering an environment, where everyone is able to succeed.



Our Total Workforce  
Total Full-time Employees

901



Male  
Workforce

64%

PGEP

88%

PGR

88%

Daleel

79%

PEPN



Female  
Workforce

36%

PGEP

12%

PGR

12%

Daleel

21%

PEPN

	PGEP	PGR	Daleel	PEPN	Total
Senior Management	8	6	17	12	43
Middle Management	15	28	141	14	198
Staff Category	27	83	463	87	660



Female  
Representation  
across all  
subsidiaries

05%

Senior Management

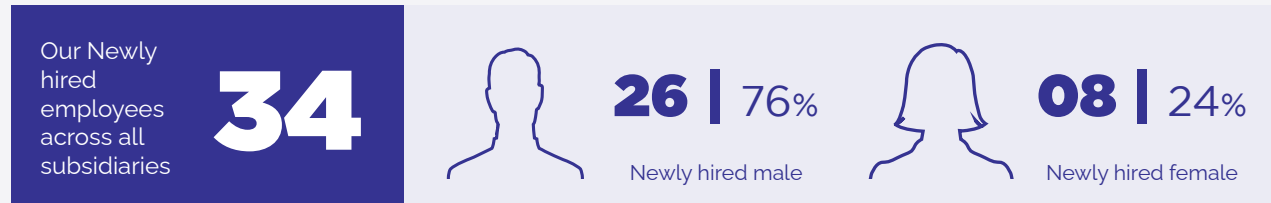
07%

Middle Management

18%

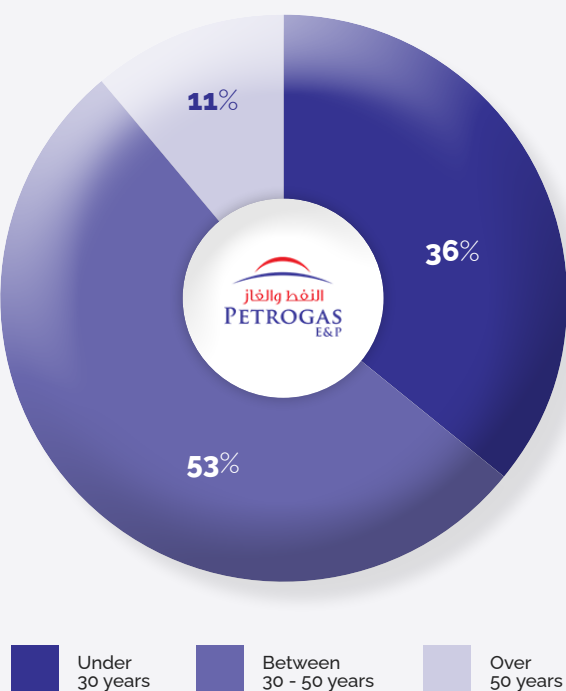
Staff Category





### Diversity by Employee Age

We value the diverse perspectives and experiences that employees of different age groups bring to Petrogas.



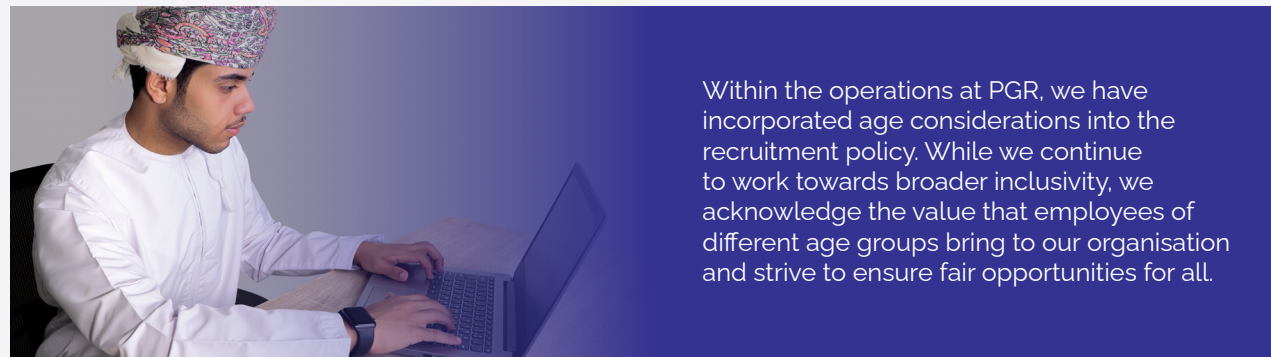
**Under 30 Years:** This group includes 468 younger employees who bring fresh ideas and energy within the Staff Category.

**Between 30-50 Years:** Employees in this age group have substantial industry experience and play crucial roles in leadership and project management. The breakdown is as follows:

- **Senior Management:** 15 employees
- **Middle Management:** 163 employees
- **Staff Category:** 506 employees












**Over 50 Years:** Our most experienced employees, offering a wealth of knowledge and seasoned judgment. The breakdown is as follows:

- **Senior Management:** 26 employees
- **Middle Management:** 34 employees
- **Staff Category:** 75 employees



### Diversity by Nationality

Petrogas is proud to have a diverse workforce comprising employees from various nationalities across different levels. Here is a breakdown of the nationalities employed at the employee level:

PGEP Corporate Office	PGR	Daleel	PEPN
 Omani   <b>89%</b>	 Omani   <b>100%</b>	 Omani   <b>97.3%</b>	 Dutch   <b>83.2%</b>
 Egyptian   <b>2%</b>	 Chinese   <b>1.3%</b>	 British   <b>2.6%</b>	
 Indian   <b>9%</b>	 Indian   <b>0.3%</b>	 Omani   <b>1.8%</b>	
		 Italian   <b>1.8%</b>	
		Others*   <b>1.1%</b>	
			Others**   <b>10.6%</b>

\*Includes Algerian, Indonesian, Venezuelan, Egyptian, British  
 \*\*Include Indian, Chinese, Austrian, Brazilian, Columbian, French, Irani, Irish, Pakistani, Polish, Spanish, and Tunisian.

### Basic salary and remuneration ratio

The Gender Median Ratio is an important metric that helps us evaluate and address pay equity within our organisation. We aim to provide equal compensation for the contributions from our employees, thus there are differences in our pay scale for women and men based on their experience and educational qualification.

- **Senior Management | 1:0\***
- **Middle Management | 1:0.6267**
- **Staff Category | 1:0.9695**

\*Zero number represents no female at the Senior Management level



## Employee Benefits at Petrogas GRI (401-2)

We recognize that our employees are our greatest strength. To support their well-being and professional growth, we offer a comprehensive benefits package designed to meet a variety of needs and enhance the overall employee experience. The key benefits available to our full-time employees, provided regional differences, are:

- 

**Health and Wellness:**  
Employees receive health club memberships to support their physical fitness and well-being, comprehensive medical insurance (including dependents), and group life insurance for financial security.
- 

**Financial Benefits:**  
Employees receive welfare allowances, car and housing loan support, performance-based bonuses, end-of-service benefits, and a 13th-month salary for financial well-being.
- 

**Professional and Personal Development:**  
Employees receive education assistance and coverage for professional membership fees to support continuous professional and personal development.
- 

**Additional Benefits:**  
Employees receive mobile and GSM allowances, payable leaves for work-life balance, and long service awards for dedication. Expatriates also benefit from furniture allowances for home setup.

### Turnover Rate at Petrogas

In 2023, our turnover rate stood at 5.7%, with 51 out of 901 employees leaving the workforce. This relatively low turnover rate reflects our efforts to create a supportive and engaging work environment that encourages employee retention.

	PGEP	PGR	Daleel	PEPN
For all employees	4%	6%	4%	13%
For male employees	4%	5%	4%	9%
For female employees	0%	1%	0.5%	4%
For employee aged <30 years	0%	0%	0.2%	0.9%
For employee aged 30 - 50 years	2%	6%	3%	6%
For employee aged >50 years	2%	0%	1.6%	6%

We continuously strive to understand the factors contributing to turnover and implement strategies to enhance job satisfaction, career development, and overall employee well-being.

## Employee Rights and Inclusive Workplace GRI (2-25), (2-26), (3-3), (401-3)

At Petrogas, we are dedicated to upholding and promoting employee or human rights throughout our operations. Our commitment to human rights is reflected in our policies, practices, and corporate culture.

**Prohibition of Child or Forced Labour:** We are committed to complying with the local labour laws and regulations. Our adherence to these laws reflects our dedication to fostering a fair, safe, and respectful work environment for all our employees. Under the law, Petrogas doesn't engage in the child and forced labour. Employment agreements are based on the voluntary agreement of the worker and employees have the freedom to leave their job after giving the required notice as per their employment contract.

**Human Rights:** We do not engage in acts or activities, which violates Human Rights national and international legislation.

**Our grievance policy** is designed to provide a transparent and fair process for addressing and resolving employee concerns and complaints. This policy encompass procedure across two main categories:

1. Individual grievance settlement procedure
2. Collective grievance settlement procedure

The management of Petrogas and HR Department work closely with elected local workers representatives to ensure that all issues/grievances raised by them are resolved in the best possible manner.

Through our **Bullying and Harassment Policy**, we are committed to promote and maintain excellent employee relations in a working environment which fosters team working and encourages employees to give their best. It includes employees and non-permanent workers such as secondees, contractors, agency, temporary staff, consultants, and any other workers. The step under the policy includes:

1. Informal Resolutions
2. Formal Resolutions
3. Appeal Procedure
4. Records

### Parental leave

Our parental leave policy is designed to provide the necessary time and support for employees to bond with their new family members while ensuring job security and financial stability during this crucial period.

Parental leave by gender*	Male	Female
No. of employees who were entitled to parental leave	680	105
No. of employees who actually took parental leave	41	7
No. of employees who returned after completion of parental leave	21	1
No. of employees who returned to work after parental leave ended and were still employed 12 months after their return to work	0	2

100%  
of our  
employees  
are entitled  
for the  
parental  
leave.

\*This data excludes PEPN information.



## Workforce Training and Development GRI (3-3), (401-3), (404-2), (404-1)

Petrogas offers a diverse range of learning modules to enhance and update employee skills across various levels and disciplines. Employees have the opportunity to participate in professional training programmes through multiple learning modes, including external training (locally or overseas), e-learning, on-the-job training, and coaching.

We conduct a structured Learning Needs Analysis (LNA) process. Our development programmes also prepare employees for future roles within the organisation through various activities such as Succession Planning, Leadership Potential Assessment (LPA), and Individual Development Plans (IDPs).

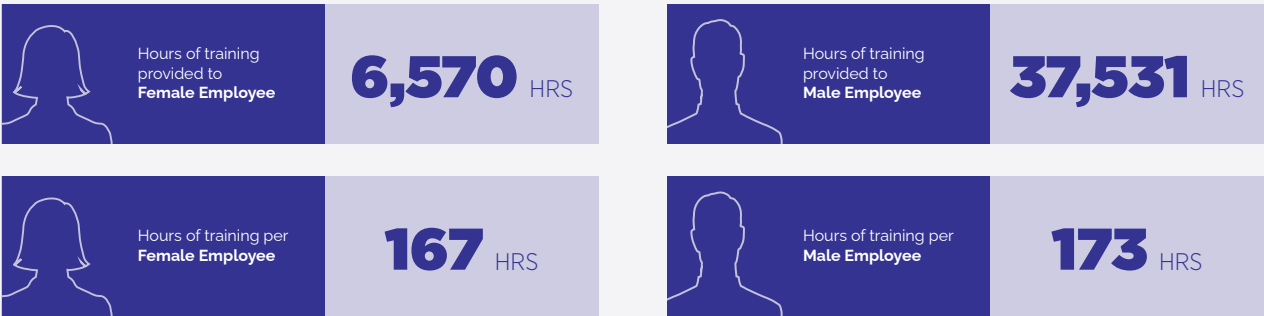
- Petrogas uses LPA to identify and nurture current and future leaders, ensuring they can effectively manage the evolving needs of the business.
- We offer Long Term International Assignment Opportunities to provide staff with global exposure and experience.
- Petrogas focuses on supporting the career development of fresh graduates and new professionals through a structured Graduate Scheme and a Functional Career Ladder for professionals at different job levels.



During the year 2023, Petrogas engaged in the trainings and skill development across five main categories:

Conferences and Exhibitions	<ul style="list-style-type: none"><li>GlTEX Conference &amp; Exhibition 2023</li><li>Geospatial World Forum (GWF)</li><li>Green Hydrogen Summit</li><li>OSHRM Annual Conference</li><li>Annual Tax Conference</li><li>Egypt Energy Show (EGPES)</li></ul>	<ul style="list-style-type: none"><li>Let's Talk Hogan Conferences</li><li>14th Annual MENA CFO Conference</li><li>AAPG GTW Petroleum Systems of the Middle East</li><li>11th Annual Global Executive Assistant Summit</li></ul>
Legal and Compliance	<ul style="list-style-type: none"><li>Enterprise Risk Management</li></ul>	<ul style="list-style-type: none"><li>New Labour Law</li></ul>

Leadership Development	<ul style="list-style-type: none"><li>Next-Level Leadership</li><li>Executive presence and influence: Persuasive leadership development</li><li>Accelerated Development Programme</li><li>Supervisory Skills Course</li><li>Supervisory Skills Course</li></ul>	<ul style="list-style-type: none"><li>Time Management</li><li>Communication skills</li><li>Dynamic business reports and dashboards using excel</li><li>Essentials of project management skills</li></ul>
Professional Development and Certifications	<ul style="list-style-type: none"><li>Certified Cost Professional (CCP)</li><li>Job Analysis &amp; Job Descriptions</li><li>Advanced Financial Statements Analysis</li><li>Project Management: Preparation for Agile Certified Practitioner</li><li>Transforming HR's Strategic Role for Culture Change</li><li>Essentials of project management skills</li></ul>	<ul style="list-style-type: none"><li>The Training Analyst</li><li>Effective Budgeting and Cost Control</li><li>Accelerated Development Programme</li><li>Financial Management and Investment Forum</li><li>Chief Financial Officer (CFO) Programme</li></ul>
Technical Skills and Industry-Specific Training	<ul style="list-style-type: none"><li>Risk Analysis, Prospect Evaluation, and Exploration Economics</li><li>Advanced Financial Statements Analysis</li><li>Advanced Excel</li><li>Customised Adobe training (Photoshop + InDesign)</li><li>GlTEX Conference &amp; Exhibition 2023</li><li>Effective Budgeting and Cost Control</li></ul>	<ul style="list-style-type: none"><li>Financial Management and Investment Forum</li><li>Advanced Financial Statements Analysis</li><li>Preparing financial statements and the annual report</li><li>Project Management: Preparation for Agile Certified Practitioner - Virtual Learning</li></ul>

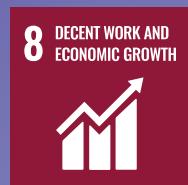


In 2023, Petrogas made a significant investment in the development of its workforce, allocating a substantial budget of 3 million USD for training initiatives. This investment underscores our commitment to ensuring that our employees have access to the best training resources, tools, and opportunities to enhance their skills and knowledge.



# Safeguarding Our People GRI (3-3)

We have a QHSSE Policy through which we are committed to preventing injuries, occupational illnesses, and any other health concerns declared by the Omani Government or any government, where we operate. Our compliance with ISO 45001:2018 enables us to effectively manage occupational health and safety risks.



## Occupational Health & Safety Management System GRI (403-1), (403-2), (403-4), (403-8)

Petrogas E&P has an ISO 45001-approved HSSE Management manual as part of its Integrated Management System (IMS). Each subsidiary also has its own HSEMS, compliant with international standards to ensure optimal HSE performance. We comply with Ministerial Decree No. 286/2008, a key OSH regulation in Oman, requiring companies to implement an OSH program tailored to their nature and size. Our HSEMS is also aligned with the Business Risk Management Guideline ISO 31000:2018 and the Process Safety Guidelines, applicable to workers, workplace environments, contractors, and contract management.

During our annual management review meeting, our QHSSE Department, CEO, General Managers, and Department Managers analyse the HSEMS' compliance with ISO 14001:2015 Environmental Management System, ISO 9001:2015 Quality Management System, and ISO 45001:2018 Occupational Health and Safety Requirements.

Our employees and contractors are always involved in QHSE audits, inspections and campaigns. Our operation at PGR has a HSE committee of 37 professionals, including QHSE Department, GM & Department Managers, Contracts Supervisors, and HR.



## Hazard Identification and Risk Assessment GRI (403-2), (403-9), (403-10)

PGEP and each subsidiaries have its own risk register, the mitigation and action plans to management risks in the areas of operations.

**SMART Action Plan by Daleel includes specific, measurable, achievable, relevant, and time-bound actions to address and mitigate risks. This ensures continuous improvement in the safety management system and helps maintain workplace safety at the highest standards.**

PEPN uses industry-standard methodologies like HAZID, HAZOP, SIL Assessments, Bow-Tie, and QRA, based on an internal Risk Matrix, to assess risks. A project is underway to implement a “Barrier Management” approach, enabling operational personnel to better control occupational and process safety barriers, reducing the risk of adverse consequences.



Health and Safety Indicators

	PGEP	PGR	Daleel	PEPN
For all employees				
Total number of hours worked	94,590	18,600	1,167,508	177,424
Number fatalities as a result of work-related injury and ill-health	0	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	0	0	0
Number of recordable work-related injury	0	0	0	0
Number of cases of recordable work-related ill health	0	1	0	0
For all workers who are not employees but whose work and/or workplace is controlled by Petrogas				
Total number of hours worked	3,170	2,966,225	7,526,185	512,005
Number fatalities as a result of work-related injury and ill-health	0	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	1	0	0
Number of recordable work-related injury	0	2	6	3

The injuries classified as Lost Time Injuries (LTI) resulted from hazards including unsafe lifting operations, falls, motor vehicle accidents, being struck by objects, and crushing from operating machinery. For PGR, there was one LTI related to unsafe lifting and pinch point hazards involving a subcontractor. Daleel reported no high-consequence injuries during the reporting period. In the case in PEPN, while no injuries were classified as high-consequence, there was an event with the potential for such an outcome, caused by a dropped object.

Risk Investigation

We have a process in place for incident investigation and reporting as per regulatory and industry standards. Qualified personnel handle the process of incident investigation and audits are performed to identify gaps and work on closing them accordingly.

We have Behavior Base System (BBS), namely Entabeh and Edraak, along with HSE Inspections, Audit & risk registers to identify hazards and risks at the “floor level”.

Where required adverse events (e.g. incidents, accidents, major non-conformities) are thoroughly investigated by each subsidiary or by Corporate to verify options for minimising the chances of recurrence and collect and share lessons learnt thought the companies and the industries.

Incident Reporting

Our reporting guideline requires all incident's initial written notification to be sent within 24 hours and the draft of the report within 72 hours to the PGEP-QHSSE team. Petrogas utilises an online reporting system, PetroHSE, to capture observations, incidents, audits and inspections.

- 1. Behaviour-Based Safety (EDRAAK):** Encouraging the reporting of unsafe acts, conditions, and positive safety observations to engage all employees in safety practices.
- 2. Just Culture:** Focusing on learning and prevention rather than assigning fault, ensuring employees feel safe and supported in reporting incidents.
- 3. HSE Policy Empowerment:** Allowing employees to stop work, if they believe it poses a serious risk to health or safety, ensuring immediate attention to hazards.
- 4. Incentives for Reporting:** Offering rewards for reporting high-potential near misses or quality safety observations, promoting vigilance and active participation.

These initiatives ensure that all employees are empowered and supported in contributing to a safer workplace environment.

**PEPN is actively engaged into rolling out a “Learning From Normal Work” program to further enhance safer and more efficient work practices. The program is led by the PEPN workforce with the support of PEPN Management.**

Incident Investigation

Our objective of incident investigations is to determine the root cause of an event and to establish controls to prevent a reoccurrence.

PGR investigate Road Traffic Incidents, Personnel Injuries, Environmental Incidents, Near Misses, Asset Damages, and Theft, to establish the underlying causes and to prevent the incident from recurring.

Daleel's investigative approach includes data collection, interviews with relevant parties, and cause analysis to determine both immediate and underlying causes. Following that, an Incident Review Committee examines findings, approves actions, and oversees implementation to prevent recurrence.

At PEPN, the “Learning from Incident” Process Specification is defined in accordance with Dutch Labour Conditions legislation and Industry Standard 86 (locally defined by ElementNL, the O&G trade organisation); incidents and accidents are investigated using standard methodologies based on their potential consequences; and learnings and improvement actions to eliminate / minimise reoccurrence are followed up with all relevant stakeholders.



## Evaluation of Management Systems

We have a Plan-Do-Check-Act process in place, which is used in the HSE Management System to perform evaluation and identify improvements areas. Scheduled audits internal and external are also part of ISO requirements to ensure continual improvement is maintained.

Plan

| Establish objectives and processes to manage QHSSE risks.

Do

| Implement these processes and maintain an HSE risk register.

Check

| Periodically review the risk register and evaluate effectiveness, especially after incidents or major changes.

ACT

| Conduct management review meetings to discuss findings and implement improvements.

## Health services GRI (403-3), (403-6)

Occupational health services at Petrogas play a crucial role in identifying,eliminating or substitute hazards, as well as minimizing risks, through the following functions:

**Annual wellness initiatives** | Encourages a healthier lifestyle via weight fitness programs, awareness programs, healthier eating, fasting, and medical check-ups.

**First aiders** | Competent and trained first aiders provides essential emergency care until medical professionals can take over.

**Health campaigns** | PGR has multiple health related campaigns and surveys including ergonomic evaluations; PGR conducts infield medical emergencies drills with the contractors to ensure preparedness in terms of emergencies.

**On-site medical services** | Daleel has a medical team available on-site to provide immediate health assessments and interventions, ensuring quick responses to health issues.

**Health insurance** | Comprehensive health insurance ensures that employees have access to necessary medical treatments, supporting overall health and recovery from work-related injuries or illnesses.

**Well-being arrangements** | Programs and activities aimed at promoting physical and mental health are regularly implemented, helping to maintain a healthy workforce.

**Medical services** | To support the offshore services at PEPN, a back-up 24/7 service is available providing professional medical assistance. In case of medical evacuation, helicopters are arranged either by PEPN or the Coastguard.

## The organisation ensures the quality of occupational health services and facilitates workers' access through various measures.

- Maintaining compliance with all applicable QHSSE legal and regulatory requirements.
- Inspections on H&S-related equipment as per internal requirements and plans.
- Personnel are trained according to the industry, legal, internal requirements.
- Accessibility by locating health facilities within the workplace.
- Clearly communicating available services to all employees.
- Integrating health services with HR and safety departments to meet workers' needs.
- Feedback from workers is encouraged to drive continuous improvement in service quality.
- Regular audits are conducted on internal processes and external service providers to guarantee the continuous quality of services.

Non-occupational healthcare

The organisation ensures comprehensive non-occupational healthcare access for all employees through various initiatives. PGEF, along with its subsidiaries and joint ventures, provides medical services through approved institutions, with periodic HR reviews to maintain effectiveness.

- **PGR** | Offers health insurance to all employees, covering a wide range of medical needs.
- **Daleel Petroleum LLC** | Provides extensive health insurance, accessible healthcare facilities, and wellness programs, along with support for healthy lifestyles through policies and counselling.
- **PEPN** | Contributes to the employee's health insurance provides emergency medical support, fitness programs, and a Health and Wellbeing program, with participation in these initiatives considered during job performance evaluations.

We prioritize the protection of workers' personal health-related information and ensure that it is not used for favourable or unfavourable treatment. We maintain confidentiality of worker's health related information such as:

**Limitation to Access control**

**Legal compliance**

**Data Encryption**

**Secure storage of information**



Training on Occupational Health and Safety
 GRI (403-5)


At PGEP, we are committed to ensuring that our workforce, including subsidiaries and joint ventures, is fully equipped with the necessary skills and knowledge to perform their duties safely and effectively. This includes training for new personnel, as well as refresher courses to keep skills up-to-date. Additionally, we develop new training programs in response to incidents or near misses, incorporating lessons learned to prevent future occurrences.

We assess training needs by understanding gaps in performance via audit programs, evaluating competences, setting priorities, collating data, and identifying desired business plans and outcomes.

PGR	Daleel	PEPN
Ensure that both permanent & temporary personnel, including trainees, receive comprehensive HSE training and skills needed to handle the workplace hazards effectively.		
<ul style="list-style-type: none"> <li>H2S and SO4 awareness</li> <li>HSE orientation</li> <li>Frontline supervisor safety</li> <li>On-scene commander courses</li> <li>First aid</li> <li>Fire warden duties</li> <li>Incident investigation</li> <li>SCBA use</li> <li>Authorized gas testing</li> <li>Chemical handling management</li> <li>Defensive driving for field operatives</li> </ul>	<ul style="list-style-type: none"> <li>HSE induction</li> <li>H2S awareness and escape</li> <li>Gas testing</li> <li>Defensive driving</li> <li>Basic first aid</li> <li>Fire warden training</li> <li>Incident investigation</li> <li>Job hazard analysis</li> <li>Chemical hazard awareness</li> <li>Permit to work management</li> <li>Scaffolding safety</li> <li>Self-contained breathing apparatus training</li> </ul>	<ul style="list-style-type: none"> <li>Basic Offshore Safety and Rescue Training (BOSIET-HUET)</li> <li>Scenario-based training in line with the ElementNL Industry Standard 01</li> <li>Technical training such as Electrical Safety and ATEX protection</li> <li>Online courses on managing safe work and occupational hygiene</li> </ul>

Worker training on occupational health and safety	PGEP	PGR	Daleel
Average Health and Safety training hours per employee	16	134	8
Number of trainings conducted during the reporting period	7	75	761

PEPN data is not available for 2023.




**Modes of assessing effectiveness of training**

- Classroom-based training, “toolbox talks”
- Role plays and exercises
- Training in English or Native language
- End of course evaluations
- Visual Aids and Interactive Sessions
- Competency review
- Feedback surveys and follow-up evaluations

Impacts Directly Linked by Business Relationships
 GRI (403-7)

We recognize that H&S impacts within Supply Chain can arise from factors like working conditions, product safety, transportation risks, environmental impacts, and regulatory compliance.



Our operation at PGR assesses business partners' H&S compliance, pre-qualifies vendors and service providers on HSE requirements, and holds engagement sessions for complex projects.



Our operation at Daleel engages suppliers in H&S by familiarizing them with policies, offering frequent training, performing joint audits, and analysing performance.



Our operation at PEPN screens vendors and service providers using HSE and ESG standards, along with prioritizing risks, regularly connecting with vendors, and conducting audits.



# Abbreviations

<b>AAQMS</b>	Automated Ambient Air Quality Monitoring System
<b>BEMS</b>	Business Excellence Management System
<b>BOEPD</b>	Barrels of oil equivalent per day
<b>BOSIET</b>	Basic Offshore Safety Induction and Emergency Training
<b>CCS</b>	Carbon Capture and Storage
<b>CCT</b>	Corporate Crisis Team
<b>CEMS</b>	Continuous Emission Monitoring Systems
<b>CIT</b>	Corporate Income Tax
<b>CNPC</b>	China National Petroleum Corporation
<b>CSRD</b>	Corporate Sustainability Reporting Directive
<b>EIA</b>	Environment Impact Assessment
<b>EPSA</b>	Exploration and Production Sharing Agreement
<b>EITI</b>	Extractive Industries Transparency Initiative
<b>EMS</b>	Environmental Management System
<b>EU-ETS</b>	EU Emissions Trading System
<b>ERP</b>	Emergency Response Plan
<b>FEPM</b>	Facility Emergency Procedures Manual
<b>GBS</b>	Gravity Base Structure
<b>GHG</b>	Greenhouse Gas Emissions
<b>GWP</b>	Global Warming Potential
<b>HAZID</b>	Hazard Identification
<b>HAZOP</b>	Hazard and Operability Study
<b>HEMP</b>	Hazards and Effects Management Process
<b>HSEMS</b>	Health, Safety and Environmental Management System
<b>HUET</b>	Helicopter Underwater Escape Training
<b>ICV</b>	In-Country Value
<b>IRO</b>	Impact, Risks and opportunities

<b>IMS</b>	Integrated Management System
<b>KPI</b>	Key Performance Indicators
<b>LPA</b>	Leadership Potential Assessment
<b>LNA</b>	Learning Needs Analysis
<b>LTI</b>	Lost Time Injury
<b>MD</b>	Ministerial Directives
<b>MEM</b>	Ministry of Energy and Minerals
<b>MECA</b>	Ministry of Environment and Climate Affairs
<b>OPAL</b>	Oman Energy Association (Previously known as Oman Petroleum Alliance)
<b>OODA</b>	Observe, Orient, Decide, Act
<b>ODS</b>	Ozone-depleting substances
<b>PDO</b>	Petroleum Development Oman LLC
<b>QHSSE</b>	Quality, Health, Safety, Security and Environment
<b>QRA</b>	Quantitative Risk Assessment/Analysis
<b>SEC</b>	Societal Ethics Committee
<b>SPRP</b>	Spill Preparedness and Response Plan
<b>TJ</b>	Tera Joules
<b>VAT</b>	Value Added Tax
<b>WI</b>	Working Interest
<b>WCERP</b>	Well Control Emergency Response Plan

### Reference:

- [1] GRI Sector Standard for Oil and Gas - <https://www.globalreporting.org/standards/standards-development/sector-standard-for-oil-and-gas/>
- [2] IPIECA - <https://www.ipieca.org/resources/sustainability-reporting-guidance>
- [3] UN SDGs <https://sdgs.un.org/goals>
- [4] Detailed information on PEPN's decommissioning commitment is available in PEPN's Sustainability Report 2021 (<https://www.petrogasep.com/Admincms/Uploads/2022-10-30-10-48-54Petrogas%20E&P%20Netherlands%20Sustainability%20Report%202021.pdf>) and Sustainability Report 2022 (<https://www.petrogasep.com/Admincms/Uploads/2023-11-1-7-38-13PEPN%20Sustainability%20Report%202022.pdf>)

GRI Content Index

Statement of use	Petrogas E&P has reported with reference to the GRI Standards for the period January 2023 to December 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	GRI 11: Oil and Gas Sector 2021

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	OMISSION REASON	EXPLANATION	GRI SECTOR STANDARD REF. NO.
General Disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	8, 9, 12				
	2-2 Entities included in the organization's sustainability reporting	8, 9				
	2-3 Reporting period, frequency and contact point	8, 9				
	2-4 Restatements of information	8, 9				
	2-5 External assurance	8, 9				
	2-6 Activities, value chain and other business relationships	13, 16				
	2-7 Employees	65				
	2-8 Workers who are not employees			Information unavailable/ incomplete	Not assessed currently	
	2-9 Governance structure and composition	24				
	2-10 Nomination and selection of the highest governance body	23				
	2-11 Chair of the highest governance body	24				
	2-12 Role of the highest governance body in overseeing the management of impacts	23				
	2-13 Delegation of responsibility for managing impacts	23				
	2-14 Role of the highest governance body in sustainability reporting	20, 21				

GRI 2: General Disclosures 2021	2-15 Conflicts of interest	23, 24, 25				
	2-16 Communication of critical concerns	23				
	2-17 Collective knowledge of the highest governance body	20, 21				
	2-18 Evaluation of the performance of the highest governance body	23				
	2-19 Remuneration policies			Confidentiality constraints	Not disclosed due to confidential information	
	2-20 Process to determine remuneration					
	2-21 Annual total compensation ratio					
	2-22 Statement on sustainable development strategy	18, 19, 20, 21				
	2-23 Policy commitments	25, 61				
	2-24 Embedding policy commitments	25, 61				
	2-25 Processes to remediate negative impacts	69				
	2-26 Mechanisms for seeking advice and raising concerns	25, 69				
	2-27 Compliance with laws and regulations			Information unavailable/incomplete	Cases for non-compliance with laws have not been reported as Petrogas is compliant with all national laws.	
	2-28 Membership associations	17				
	2-29 Approach to stakeholder engagement	19				
	2-30 Collective bargaining agreements	N/A	N/A	Legal prohibitions	Petrogas follow Omani Labour Law which provides necessary provisions for collective bargaining. Also, this topic scored low during the materiality survey. Hence, the topic is not material for operations.	



Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	20, 21				
	3-2 List of material topics	20, 21				
GHG Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	28, 29				11.1.1
GRI 302: Energy 2016	302-1 Energy consumption within the organization	31				11.1.2
	302-2 Energy consumption outside of the organization	31				11.1.3
	302-3 Energy intensity	31				11.1.4
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	32				11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions	32				11.1.6
	305-3 Other indirect (Scope 3) GHG emissions	32				11.1.7
	305-4 GHG emissions intensity	32				11.1.8
Climate adaptation, resilience, & transition						
GRI 3: Material Topics 2021	3-3 Management of material topics	28, 29				11.2.1
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	37, 38				11.2.2
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions			Information unavailable/incomplete	As this is the first ESG report, reduction in GHG emission is not evaluated.	11.2.3
Air Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	35, 36				11.3.1
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	35, 36				11.3.2
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories			Information unavailable/incomplete	Not assessed currently	11.3.3
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	45, 52				11.4.1

GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	52, 53				11.4.2
	304-2 Significant impacts of activities, products and services on biodiversity	52, 53				11.4.3
	304-3 Habitats protected or restored	52				11.4.4
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	53				11.4.5
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	45				11.5.1
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	45, 46, 47, 48				11.5.2
	306-2 Management of significant waste-related impacts	45, 46, 47, 48				11.5.3
	306-3 Waste generated	48, 49				11.5.4
	306-4 Waste diverted from disposal			Information unavailable/incomplete	Not assessed currently	11.5.5
	306-5 Waste directed to disposal			Information unavailable/incomplete	Not assessed currently	11.5.6
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	45, 50				11.6.1
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	50, 51, 52				11.6.2
	303-2 Management of water discharge-related impacts	50, 51, 52				11.6.3
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	50, 51, 52				11.6.4
	303-4 Water discharge	52				11.6.5
	303-5 Water consumption	50				11.6.6
Closure and rehabilitation						
GRI 3: Material Topics 2021	3-3 Management of material topics	40, 41				11.7.1
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	41				11.7.2
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	41, 42, 43				11.7.3

Asset integrity and critical incident management						
GRI 3: Material Topics 2021	3-3 Management of material topics	40				11.8.1
GRI 306: Effluents and Waste 2016	306-3 Significant spills	43				11.8.2
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	72				11.9.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	73				11.9.2
	403-2 Hazard identification, risk assessment, and incident investigation	73, 74, 75				11.9.3
	403-3 Occupational health services	76, 77				11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	73				11.9.5
	403-5 Worker training on occupational health and safety	78, 79				11.9.6
	403-6 Promotion of worker health	76, 77				11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	79				11.9.8
	403-8 Workers covered by an occupational health and safety management system	73				11.9.9
	403-9 Work-related injuries	73, 74				11.9.10
	403-10 Work-related ill health	73, 74				11.9.11
Employment Practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	64, 69, 70				11.10.1
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	65, 66				11.10.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	68				11.10.3
	401-3 Parental leave	65, 69				11.10.4
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	41				11.10.5
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	70, 71				11.10.6
	404-2 Programs for upgrading employee skills and transition assistance programs	41, 42, 43				11.10.7

"GRI 414: Supplier Social Assessment 2016"	414-1 New suppliers that were screened using social criteria	61				11.10.8
	414-2 Negative social impacts in the supply chain and actions taken			Information unavailable/incomplete	Not assessed currently	11.10.9
Non-discrimination and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	64				11.11.1
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community			Information unavailable/incomplete	Not disclosed currently	11.11.2
GRI 401: Employment 2016	401-3 Parental leave	69				11.11.3
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	70, 71				11.11.4
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	65, 66, 67				11.11.5
	405-2 Ratio of basic salary and remuneration of women to men	67				11.11.6
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	25				11.11.7
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	54				11.15.1
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	55, 56, 57, 58, 59				11.15.2
	413-2 Operations with significant actual and potential negative impacts on local communities	56, 57				11.15.3
Economic Impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	26, 27				11.14.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	26, 27				11.14.2
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community					11.14.3
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	26, 27				11.14.4
	203-2 Significant indirect economic impacts	26, 27				11.14.5



GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	26, 27				11.14.6
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	22, 23				11.20.1
GRI 3: Material Topics 2021	205-1 Operations assessed for risks related to corruption	25				11.20.2
GRI 3: Material Topics 2021	205-2 Communication and training about anti-corruption policies and procedures	25				11.20.3
GRI 3: Material Topics 2021	205-3 Confirmed incidents of corruption and actions taken	25				11.20.4
Responsible Supply Chain Management						
GRI 3: Material Topics 2021	3-3 Management of material topics	60,61, 62, 63				

Topics in the applicable GRI Sector Standards determined as not material	
TOPIC	EXPLANATION
Land and resource rights	Operations are free from the involuntary settlement of local communities with no impacts from Petrogas' use of land and natural resources on human rights. Hence, the topic is not material for operations.
Rights of indigenous peoples	Petrogas has not experienced any incidents of violation of rights of indigenous peoples as it does not operate in any location where there is any interaction with indigenous peoples. Hence, the topic is not material for operations.
Anti-competitive behaviour	Petrogas focuses on adopting a high level of integrity and transparency. It does not participate in collusion with potential competitors. Hence, the topic is not material for operations.
Payments to governments	Petrogas complies with Omani Tax Authority and does not engage in any other payments to governments. Hence, the topic is not material for operations.
Public policy	Petrogas does not participate in influencing public policy development. Hence, topic is not material for operations.







## SUSTAINABILITY REPORT 2023

Shaping Our ESG Foundation

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