bp

Our *impact* in Oman

Socioeconomic review 2023

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نساء سدَاب SIDAB WOMEN

The envelope made for this socioeconomic review has been carefully hand-crafted by Sidab women. It aims to empower women by bringing them together to manufacture bags and materials using traditional knitted fabrics.

Introduction



I am delighted to present the fourth edition of bp Oman's socioeconomic review. This review demonstrates our support towards Oman's society and economy in line with our purpose of reimagining energy for people and our planet. This ambition is aligned with bp's sustainability framework of getting to net zero by 2050, improving people's lives and caring for our planet.

Our priority is to deliver safe, reliable, and lower-carbon energy in Oman. Oil and gas is a key pillar of bp's strategy. Our world-class natural gas facility at Block 61 provides nearly a third of the country's natural gas demand in collaboration with our partners OQ, PTTEP and Petronas. We are also exploring the potential for green hydrogen development at Duqm.

We aim to continue empowering local Omani talent and encouraging socioeconomic growth. We are taking action to support Oman's in-country value by developing local capabilities and demonstrating support for our local supply chain.

After ten years of working with our local communities, our social investment programme benefitted nearly 180,000 Omanis through more than 150 initiatives which aim to improve people's lives. We continue delivering exciting initiatives that support our aims of providing more clean energy, advancing a just transition and supporting the livelihoods of Oman's people.

We look forward to working with the government, our partners and local communities to provide energy security in Oman and continue to support its socioeconomic growth.

Yousuf Al Ojaili
bp Oman President

Foreword



In 2022, Oman announced its ambition to achieve net zero emissions by 2050 in line with the Paris agreement. Our partnership with bp helped provide energy while supporting the Sultanate's decarbonization targets.

Block 61's operations have been a major source of energy in Oman. bp and its partners continue to embed emission-reducing technologies as it extracts gas from the complex tight-gas reservoir.

bp's commitment to explore the potential for green hydrogen development in Duqm supports our hydrogen strategy to achieve a lower-carbon energy future. It has achieved this while prioritizing the up-skilling of our local workforce and helping drive a competitive market through its in-country value efforts.

Our partnership with bp is helping retain greater value within Oman. It is empowering local business to develop, which enhances overall economic performance.

We are proud of its dedication towards supporting Oman's communities through its social investment programme which has empowered Omanis in the fields of education, energy sustainability and enterprise development.

We look forward to the sustained impact bp will generate in the coming future.

HE Mohsin Al Hadhrami
Undersecretary, Ministry of Energy and Minerals

2023 at a glance

$474 million
total expenditure in Oman (excluding Block 77)

$10 million
total expenditure at Block 77

$327 million
total procurement spend

$281 million
spend with Omani-registered companies

$4.2 million
spend on our social investment programmes

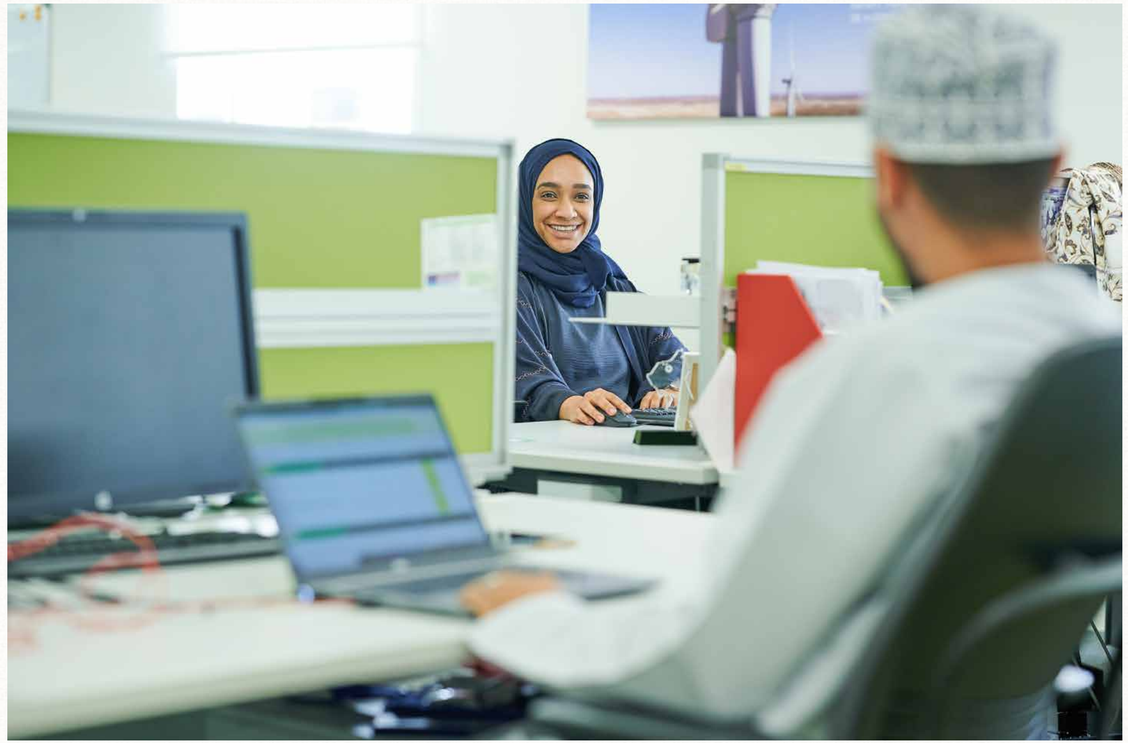
43,441
people benefitted from our social investment programme

92%
Omanization rate

80%
of our leadership team are Omanis

77,200 tonnes
of CO2 equivalent (CO2e) emissions reduced

4,286
trees planted at Block 61



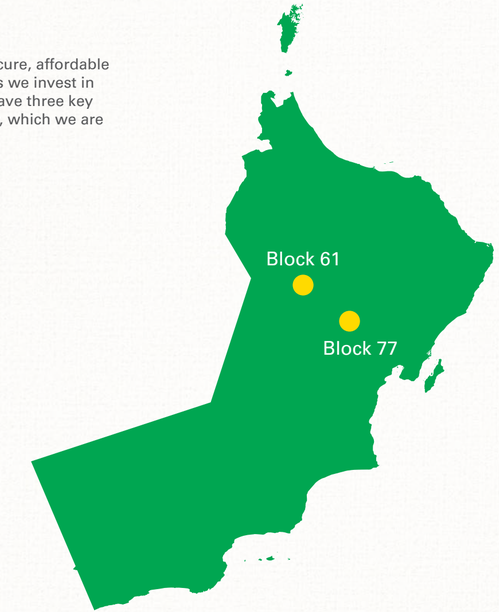
Our business in Oman

Our purpose

At bp, we are delivering secure, affordable and lower-carbon energy as we invest in the energy transition. We have three key foundations of our strategy, which we are delivering on globally:

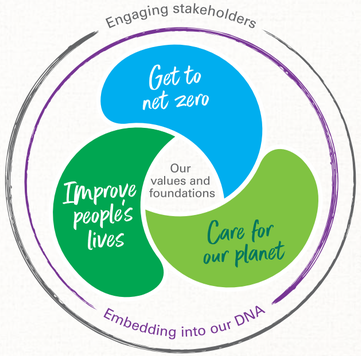
- Resilient hydrocarbons
- Low carbon energy
- Convenience and mobility

In Oman, we are supporting the delivery of resilient hydrocarbons and finding methods to achieve more lower carbon-energy.



Sustainability framework

Our sustainability framework underpins our strategy and puts our purpose into action. In 2020, we set 10 aims to get to net zero and help the world get there. We also set an additional five to improve people's lives and another five to care for our planet.



Block 61

bp has had a presence in Oman since 2007 and is a major investor in the country. It has brought technology and experience to develop Block 61, a tight gas reservoir which is operated in partnership with OQ, PTTEP and Petronas. The block has the capacity to deliver around 35% of Oman's total gas demand.

Block 77

We worked jointly with ENI towards an exploration opportunity at Block 77 as part of the Exploration and Production Sharing Agreement (EPSA) with the Ministry of Energy and Minerals.

Hydrogen

In June, we signed a project development and land use agreement with Hydrom for a potential 150,000 tonnes a year green hydrogen project near Duqm, Al Wusta governorate. The project is currently in the concept development stage, and we continue to progress our data collection campaign using LiDARs, solar stations and met masts.



LNG shipping

In November 2023, bp trading and shipping (T&S) signed a Sales and Purchase Agreement (SPA) with Oman LNG to supply bpT&S with one million metric tonnes per annum (MTPA) of LNG starting in 2026. In 2018, bpT&S purchased liquified natural gas (LNG) from Oman LNG under a seven-year deal.

Safe turnaround at Block 61

To continue running our operations safely and with optimum efficiency, facilities need to be taken offline periodically to allow for maintenance, equipment repairs and upgrades.

In 2023, we delivered a successful turnaround (TAR) two days ahead of schedule, alongside delivering safe and reliable operation of the Block 61 production trains.

Despite the complex scopes, the TAR was completed without any incidents to people or the environment. Technology was used where possible to complete tasks safely. We used drone technology to complete inspections, which reduced the need for confined space entries, thereby ensuring our staff's safety.

In 2023,
1.5
billion cubic feet of gas per day was produced

Nearly
55,650
barrels per day of associated condensate

Advancing our local economy

In line with Oman's 2040 vision of developing our local capabilities, we are implementing sustainable in-country value (ICV) initiatives which empower the capabilities and knowledge of our local workforce.

$327 million
total procurement spend

$281 million
spend with Omani-registered companies

$16.4 million
total direct spend on SMEs (6% of total procurement spend)

68%
Omanization of contractors' workforce



Procurement hub launches in Oman

In collaboration with Worley, we launched a global procurement hub in Oman to help streamline global procurement activities and increase efficiency. The hub will cover procurement operations for bp sites in the eastern hemisphere, including Germany, Rotterdam in the Netherlands, Spain, Mauritania and Senegal and our Khazzan and Ghazeer projects at Block 61.

The hub will enable a more sustainable supply chain by embedding sustainable practices and increasing purchase circularity. This builds on our aim 20 of developing a more sustainable supply chain across our operations.

We aim to offer Omanis growth opportunities by exploring a wide range of supply chain practices and solutions across the globe.

"As Worley supports bp in the transition to a global procurement model for the site projects we deliver, this achievement should help us expand our commercial and procurement team by hiring and training Omanis in the field of global supply chain management,"

Partick Tranter
Vice president Oman operations, Worley.



Procurement hub launch signing in collaboration with Worley

Advancing our local economy

Ruwad training programme

The Ruwad programme was launched in 2022 as a joint effort between bp Oman, Oman Energy Association (OPAL) and a number of oil and gas contractors. The one-year programme prepares graduates with the skills and competencies needed in the labour market in line with Oman's 2040 vision of developing Omani capabilities.

In 2023, we signed an additional three agreements with SLB (formerly known as Schlumberger), Worley and Nafath to provide 46 training and internship opportunities to participants.

30
graduated in 2023

80%
of participants
hired in 2023



Ruwad graduation ceremony

Empowering Omani contractors

Oceaneering Muscat

In August 2023, Oceaneering Muscat LLC was awarded a five-year agreement to develop the capabilities of entry-level employees and experienced engineers.

The Omani-based company provides both engineering and execution services. They specialize in providing inspection services, corrosion campaigns, cathodic protection surveys, civil and structural inspection, vibration, and condition monitoring.

We have set a target to support the company's Omanization roadmap from 41% to 80% by 2025 to maximize in-country value and empower Oman's workforce.

Oceaneering will offer a dedicated programme committed to growing both entry-level employees and experienced local engineers to hold future positions in the company.



bp and Oceaneering signing ceremony

UTT procurement

We are working with UTT Procurement — an international supplier — to source, procure, inspect, prepare and ship spare parts and consumable materials. The scope was previously handled by more than 80 contracts but has now been consolidated to be led by UTT procurement under one contract. As part of our aim to enhance in-country value, we requested the company to establish an office and warehouse in Oman, hiring local staff and increasing spend with local suppliers.

It aims to encourage greater investment and enhance local capability by providing development and training to Omanis.

Caring for our people

Omanization

At bp, we recognize the value of our people in helping us put our purpose into action. We aim to enhance the presence of national talent through our operations, with a key focus on retaining and developing Omanis.

In 2023, we maintained a
92%
Omanization rate

80%
of our leadership team are Omanis

36
Omanis are in global roles*

16
Omanis are on international assignments

***Employees who are based in Oman and are supporting bp operations overseas.**



Early careers programme

Our programme provides fresh graduates with hands-on experience while working in full-time roles for a period of three years. As part of the competency-based programme, graduates work on projects of various scales and rotate within different teams so that they gain as much exposure as possible.

44%
of fresh graduates
moved to senior roles

Diversity, equity and inclusion

At bp, we provide different opportunities and support to reach equality for all. We have a framework of three pillars – transparency, accountability, and talent. This framework supports us in advancing diversity, equity and inclusion across our business.

In Oman, we continue to enable women in the business to feel empowered to excel in their work. In 2023, we launched a detailed maternity leave policy. The policy reinforces the rights of pregnant employees and new mothers around pre-natal care, nursing hours, maternity leave and flexible working.



Advancing labour rights

Our aim 12 is to support a just energy transition that advances human rights and education. We are committed to respecting workers' rights, in line with the International Labour Organization Core Conventions on Rights at Work and we expect our contractors, suppliers and joint ventures we participate in to do the same.

We regularly provide sessions to our contractor community and subcontractors around best practices in labour rights and workers' welfare. We also carry out regular due diligence checks on our suppliers to ensure alignment with local regulations and bp's best practices.



Technician development programme

The programme aims to develop Omanis in technical professions to prepare them for the labour market. Since the launch of our technician development programme in 2012, we trained and hired more than 100 technicians. We continue to deliver the programme in partnership with Takatuf Petrofac Oman (TPO).

Grow@bp

Forming a single point of entry to all bp's learning and development experiences, grow@bp is the company's personalized learning platform for employees. It brings together curated content from bp and trusted sources - helping to bolster skills and development with articles, books, videos and complete courses. The platform also supports employees in growing their skills in line with their career ambitions.



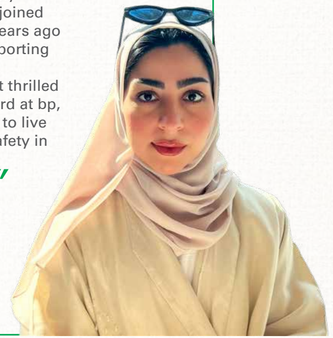
Our people

"I joined bp's early careers programme in 2022 and began my first rotation in the production management squad. I worked closely on projects which reduce carbon emissions from our Block 61 operations which directly support our net zero aims. In my field, achieving optimal efficiency while delivering on bp's sustainability aims is truly rewarding."



Sulaiman Al Kindi
Process engineering graduate

"Having the opportunity to work on Azerbaijan's offshore operations has given me a breadth of knowledge which I will take forward in my career as a wells engineer. I joined bp as a fresh graduate five years ago and led several projects supporting Khazzan's completion and intervention operations. I felt thrilled to win the 'Who we are' award at bp, which recognizes our efforts to live our purpose and prioritize safety in our day-to-day activities."



Alaa Abbas
Completions and interventions engineer

"Joining the early careers programme in the people and culture team expanded my skillset and helped me build valuable relationships with different departments within the organization. In April 2022, I moved to talent acquisition and am currently leading the company's recruitment efforts in line with the country's Omanization efforts."



Hanadi Al Mamari
People and culture advisor for Middle East and Africa

"My focus is to support the production of gas and condensate from Block 61, ensuring we continue to provide safe, reliable, and lower-carbon energy. I joined bp as an early careers graduate in process engineering and had the pleasure of working on Khazzan facilities' design and operations in its early stages, focusing on safety and plant reliability. I'm now continuing to deliver on these aims as a production management squad lead."



Abdul Rahman Al Maskari
Production management squad lead

Improving people's lives

In 2014, we launched our social investment programme in Oman with a focus on improving people's lives and making a positive difference to the environments in which we operate.

Social investment

Our social investment programme align with Oman's 2040 vision to support the economic development of the country and enhance the capabilities of its people. It also delivers on our aims of supporting sustainable livelihoods, embracing diversity, equity and inclusion.

To read more on our impact over the last decade, please read our latest publication '10 years of empowering Omani capabilities'

In 2023,

43,441

Omanis benefitted from 17 programmes

Since 2014,

180,000

Omanis benefitted from more than 150 initiatives



Marefa programme workshop

Sharah

We partnered with Al Tawasul Institute for Training to launch a programme which supports Omanis with hearing disabilities. In 2023, the programme delivered a series of workshops which aim to increase people's professional development and empower them to be more involved in the wider community.

The programme supports our aim 14 to instil greater equity and inclusion in our workforce. It also supports Oman's 2040 vision pillar of advancing our local labour market.

40 people participated in the programme in 2023



Sharah programme workshop

Mustadeem

We partnered with Nafath to deliver 'Mustadeem 4', which provides renewable energy solutions to local farmers in Al Suwaiq and Al Khabourah. The programme aims to design, supply, and commission 10-kilowatt solar energy systems for water pumps and greenhouses, resulting in reduced electricity costs for farmers.

This aligns with our aim 11 to develop more clean energy and supports Oman's ambitions towards a net zero future. In 2023:

56 farms were installed with renewable energy systems

30 jobs and training opportunities were provided



Solar panels installed at a farm in Al Suwaiq

Improving people's lives

Mahtat

In partnership with Al Masarrah Youth, the programme aims to train electrical engineering graduates and grant them the license to practice electrical work independently.

This allows young professionals to gain the electrical engineering skills needed to compete in the labour market. This builds on our aim 13 to develop greater resilience and sustainable livelihoods. It also aligns with Oman's 2040 vision pillar of advancing the local labour market.

In 2023
327 participants
benefitted from the programme



Mahtat programme workshop

Aligning with our sustainability aims

In 2023, we launched the sustainable future programme in partnership with Outward Bound Oman to spread awareness of sustainability to higher education students.

We have launched new cycles of programmes we previously supported:

- **'Habbah'** and the **'Youth Sada Centre'** in partnership with Youth Sada.
- **'Marefa'** programme in partnership with the Children's Public Library.
- **'Khazzan for SMEs'** in partnership with Sharakah.

The programmes we have launched support Oman's 2040 vision of economic diversification, enhancing education, and preserving the environment.

Partnering with Dar Al Atta

We have also signed an agreement with Dar Al Atta to deliver two programmes which will focus on improving the lives of 36 families in 'Hay Al Atta' who have lost their homes to Cyclone Shaheen in 2021. The first programme will supply solar energy systems to the houses, supporting our aim 11 of providing more clean energy in partnership with Nafath.

The second programme will provide a wastewater treatment system for the houses in the same location in partnership with 4elements. This supports our aim 17 to become more water-positive by 2035.



Learning centre programme, in collaboration with the National Museum

Getting to net zero and caring for our planet

In 2020, we set five aims to help us be a net zero company by 2050 or sooner and five aims to help the world get there. This ambition is consistent with the Paris Agreement and Oman's net zero goals.

We have also set five aims to help care for our planet. They cover enhancing biodiversity, water management, nature-based solutions, increased circularity and sustainable purchasing.

Our net zero road map

Our aim 1 is to be net zero across our entire operations on an absolute basis by 2050 or sooner. Our net zero task force in Oman has set targets to cut down over 50% of our emissions by 2030. Over the next 10 years, around 236,000 tonnes of CO2 equivalent are targeted to be reduced from our production and wells.

In 2023, we have put into action multiple initiatives which reduce emissions from our operations. This includes optimizing testing days for wells that required flaring, changing equipment maintenance strategies to reduce maintenance downtime and reducing diesel sewage in treatment plants.

In 2023, we reduced over

77,200 tonnes

of equivalent emissions

This is equivalent* to removing nearly

18,400 CO2e

gasoline-powered vehicles from the road for a whole year

*** The equivalency has been calculated by www.epa.gov**



Turning waste into power

Our aim 19 is to unlock new sources of value through circularity. We want to keep materials in use for longer and value them throughout their life cycle.

At our Block 61 operations, 600 litres of used cooking oil was repurposed to create a biodiesel blend for a frac and stimulation operation at Block 61. Biodiesel is a fuel source that is derived from food and waste sources such as cooking oil and can be made and used without harming the environment. The blend of 5% biodiesel and 95% diesel was used for a total of 13 pumps in the operation.

The initiative was successfully completed in collaboration with WAKUD, an Omani-based biofuel manufacturer.

650kg

CO2e equivalent

emission reduction in a matter of hours



Getting to net zero and caring for our planet

Green completions technology

This is a zero-flaring concept whereby hydrocarbons produced during well test operations are ‘cleaned’ and then routed to processing facilities for export rather than being flared. We are the first to introduce ‘green completions’ technology in Oman. In 2023, it was applied in eight new wells and four re-tested wells.

61,000
tonnes of CO2e
were safely avoided this year

465,000
tonnes of CO2e
have been avoided since ‘green completions’ were first implemented

Reducing flare purging

Flare purging is a safety-related mechanism that prevents ignition inside pipes. At Block 61, the purge rates were previously based on standard field practices.

To support our aim 1, we worked on a comprehensive study to see if we could reduce emissions from flare purging while optimizing safety. The outcome of the study was successful and was applied, reducing nearly 253,000 tonnes of CO2e.



Hydrogen

We aim to be a leader in hydrogen and rapidly scale up our presence worldwide. We plan to work with partners and governments to develop a hydrogen infrastructure network and support demand creation through market and supply chain development from bp’s global operations. In June 2023, we signed a project agreement for the potential development of a green hydrogen project in Duqm, Oman.

In addition, we have signed three memorandums of understanding with:

- **OPAZ** for the potential allocation of land to develop green hydrogen derivatives within the Special Economic Zone at Duqm (SEZAD).
- **Asyad** to jointly explore the development of the hydrogen sector in Oman.
- **Oman Hydrogen Center** to potentially focus on green hydrogen and renewable energy education, upskilling and developing local capabilities and hydrogen research and development.





Central processing facility at Block 61

وحدة المعالجة المركزية في المربع 61