



# *Socioeconomic review*

**Oman 2022**



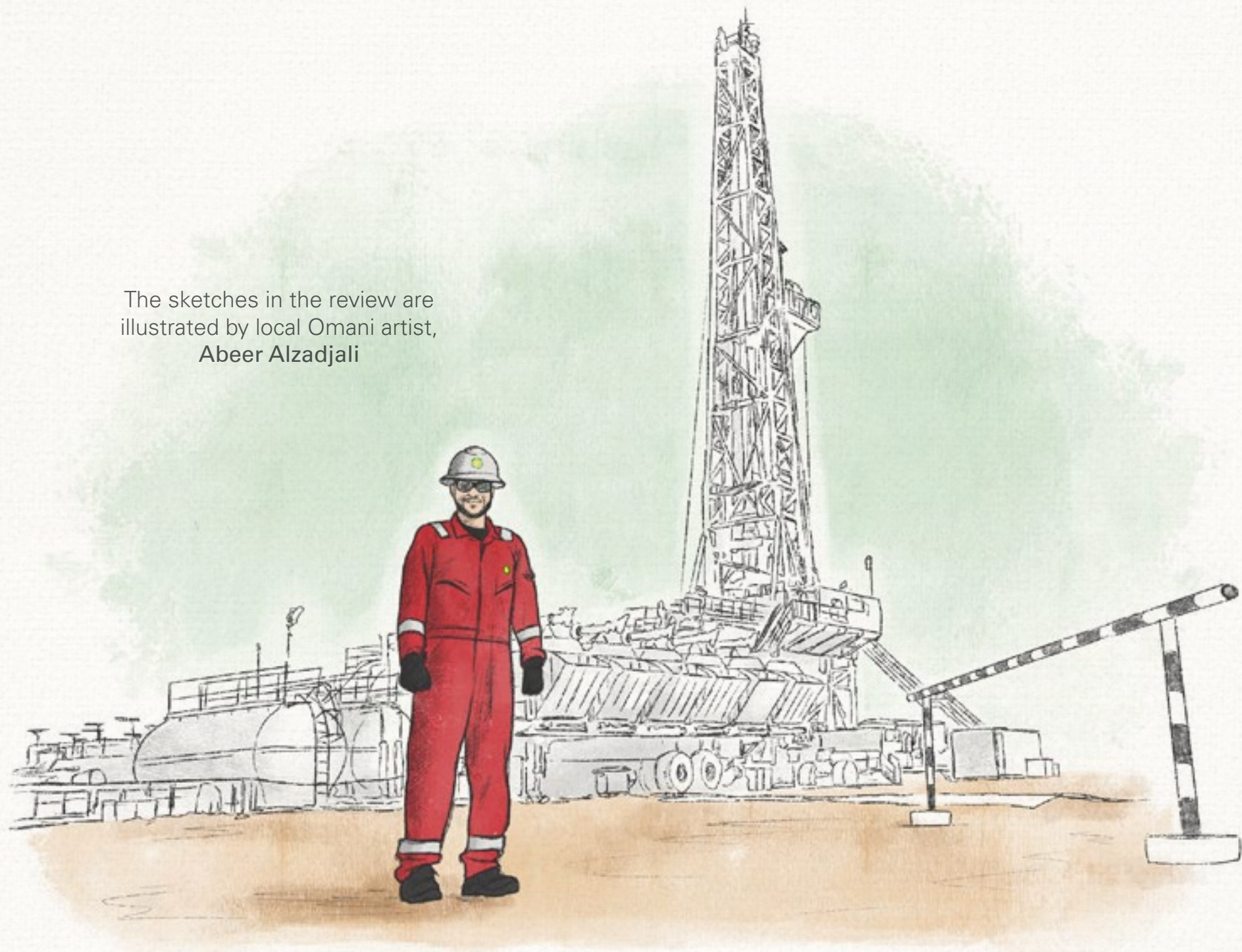
**We want to keep materials in use for longer  
and value them throughout their life cycle.  
This review is made entirely with recycled  
paper and vegetable-based inks.**



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The sketches in the review are  
illustrated by local Omani artist,  
**Abeer Alzadjali**







It is my pleasure to share with you the third edition of bp Oman's socioeconomic review, which continues to deliver on our aim 9 – to be a leader in the transparency of reporting.

Our purpose is to reimagine energy for people and our planet. We want to help the world reach net zero and improve people's lives. The review outlines our contribution to Oman's economy and society, and our commitment to achieving net zero emissions by 2050 or sooner.

We have been able to create a positive impact through our social investment programmes that are designed to create value in the country, and innovative solutions and technologies that contribute to the sustainable development of Oman and the transition to a clean energy future.

By leaning on our relationships and strengthening our partnership with Oman, we aim to provide integrated energy and mobility solutions to help the Sultanate reduce carbon emissions, establish the 2050 net zero pathway and benefit the people of Oman through social, environmental and economic sustainability initiatives.

Oman is blessed with a wealth of natural resources to support its energy transition. A favorable geographical location, excellent wind speeds, and an abundance of sunlight are all ideal conditions for the growth and development of Oman's future sustainable energy economy.

Our teams at bp Oman look forward to being a key contributor to Oman's sustainable growth, success, and prosperity in the years to come.

**Yousuf bin Mohammed Al Ojaili**  
bp Oman President

As the world continues to experience the impact of climate change, nations have embarked on a global energy transition, decarbonising their economies, finding more sustainable economic models and investing in cleaner energies.

By implementing environmentally conscious and sustainable techniques, Oman is at the forefront of this endeavour.

In 2022, Oman announced its commitment to achieving net zero emissions by 2050, in line with the Paris Agreement and the goals and objectives of Oman Vision 2040.

Oman's strategy is underpinned by fundamental principles which include minimising economic costs whilst creating a positive impact for the country and encouraging job creation – the private sector and our national industries play a significant role in this energy transition.

As the country seeks to reduce its emissions, we are keen to work with our long-standing partner bp Oman, to support our sustainable practices.

And as a leader in renewables, bp Oman has developed innovative solutions and environmentally friendly technologies that have been exemplary to other industries in the country.

We are proud of bp Oman's commitment to making a positive impact in Oman. Their unique and individually catered development programmes continue to empower Omani talents, and their sustainable initiatives such as the net zero roadmap helps enable Oman to lower its carbon emissions year after year.

I am confident that bp's commitment to creating in-country value, and developing clean and green energy will serve as an inspiration to others in the industry and will help drive the transition to a more sustainable and prosperous future.

**Salim bin Nasser Al Aufi**  
Minister of Energy and Minerals





# Our business

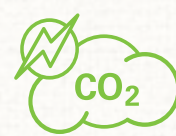


## Our purpose

Building on our purpose, together with our beliefs about the future of energy systems and changing customer demands, our strategy is built around three focus areas of activity:



Convenience and mobility



Low carbon energy



Resilient hydrocarbons

## bp's sustainability frame

Our sustainability frame underpins our strategy and puts our purpose into action. It takes an integrated approach while focusing on the areas where we believe we can make the most difference.

We have set aims for each of our focus areas: ten aims to get bp to net zero and help the world get there too, five aims to improve people's lives and five aims to care for our planet.

## bp in Oman

### Block 61

bp has had a presence in Oman since 2007 and is a major investor in the country.

We have brought technology and experience to develop Block 61, one of the Middle East's largest unconventional gas resources – a leading example of resilient hydrocarbons.

## Block 61's partnership includes



bp as an operator with a  
**40%**  
interest



OQ with a  
**30%**  
interest



PTTEP with a  
**20%**  
interest



Petronas with a  
**10%**  
interest

### Block 77

We are working jointly with Eni towards an exploration opportunity at Block 77 as part of the signed Exploration Production Sharing Agreement, signed in 2019, with the Ministry of Energy and Minerals.

### Green hydrogen

In 2022, we signed a Strategic Framework Agreement and a Renewables Data Collection Agreement with the Ministry of Energy and Minerals to support the potential development of a multi-gigawatt, world-class renewable energy and green hydrogen project in Oman.

### LNG

bp trading and shipping purchases LNG from Oman LNG under a seven-year deal that started in 2018.



For more about bp in Oman, please visit [www.bp.com/oman](http://www.bp.com/oman)

## In 2022

we produced almost  
**1.5** bcf  
of gas per day

that's around  
**60,000**  
barrels of associated  
condensate

**2017**  
Phase one of  
production started  
from Khazzan

**2020**  
Phase two of  
production started  
from Ghazeer

## Aligning with Oman's net zero strategy

In 2020, we launched 10 sustainability aims to help us get to net zero or sooner. We are in action towards reimagining energy – aligning with Oman's commitment to reach net zero, which was announced in 2022.

We developed a carbon reduction roadmap to show how we plan to reduce our emissions by 2030 which was recognized by Oman's Energy Association best practice awards. We are actively taking steps to deliver our roadmap, which has set a target to reduce 56% of our emissions by 2030 through installing methane monitoring technologies, strategic emission reduction, and planting indigenous trees.



# 2022 at a glance



**\$453**  
million

total expenditure in Oman  
(excluding Block 77)



**\$2**  
million

total expenditure  
at Block 77\*



**67,167**  
tonnes

of equivalent sustainable emissions  
reduction in 2022



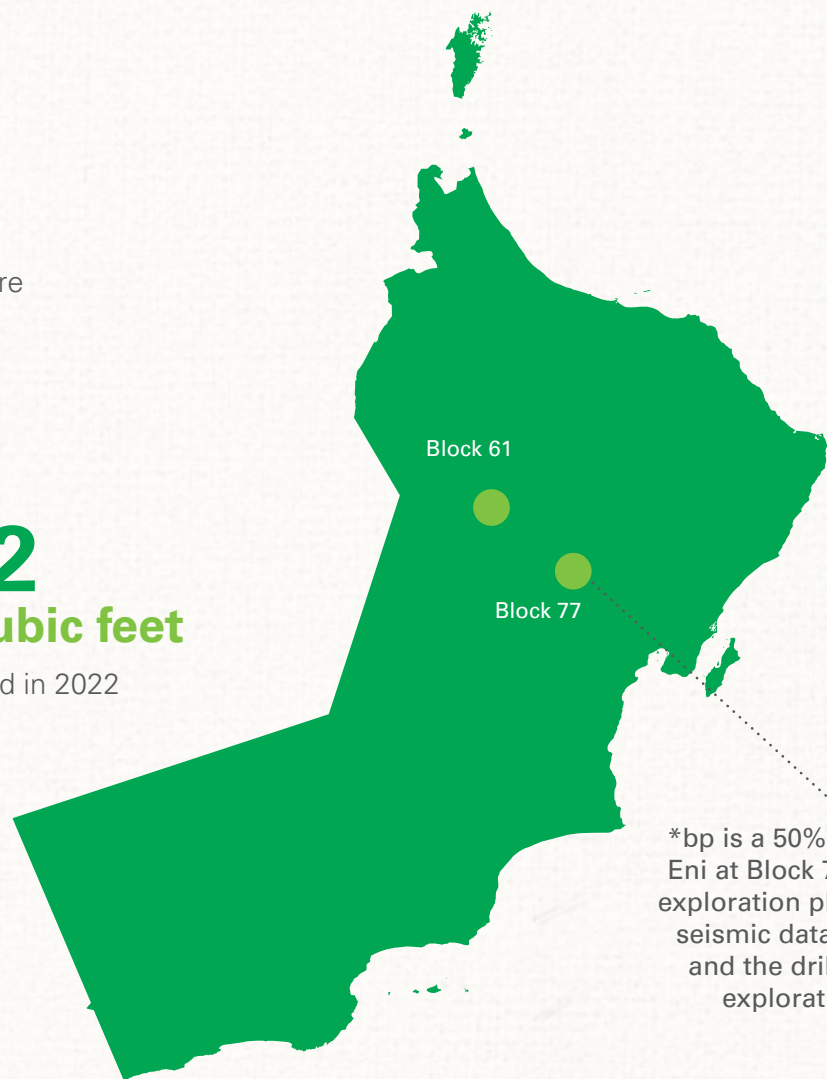
**546.2**  
billion cubic feet

of gas produced in 2022



**\$275**  
million

total procurement spend



\*bp is a 50% partner with Eni at Block 77, where the exploration phase includes seismic data processing and the drilling of one exploration well.



**\$247**  
million

spent with Omani-registered  
companies (90% of total spend)



**40,362**

people benefitted from  
our social investment  
programme in 2022

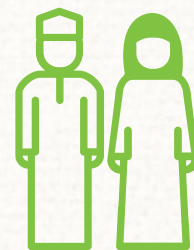


**\$5**  
million

spent on social investment programmes in 2022



Omanization rate



of the leadership  
team are Omani



## Local economy



We are committed to supporting the sustainable development of Oman's economy through various in-country value (ICV) initiatives aimed at advancing the capabilities and knowledge of the national workforce through our contracts.

This aligns with our aim 14, to create greater equity and aim 20, to develop a more sustainable supply chain.

### Increasing overall economic productivity

#### Warehousing and material management

We signed a four-year agreement with TruckOman extending its warehousing and material management contract.

The partnership, over the past five years, has been instrumental in the growth of TruckOman's knowledge and experience – encouraging the development of Omani capabilities and supporting the business growth.

The integration has allowed an accelerated learning curve to support the transformation of TruckOman from a trucking and transportation company into a full-service logistics company, including warehousing and inventory management services.

*"TruckOman is proud to note that 85% of its staff employed on the contract are Omanis. This has increased from 45% at the start of the contract. The staff continue to receive online and offline training to upgrade their capabilities."*

**Chairman of the board of TruckOman group**

### Developing Omani skills and capabilities

#### We have launched our first national training programme

In October 2022, we launched the 'Ruwad' national training programme in collaboration with Oman's Energy Association and various oil and gas contractors.

The one-year training programme aims to enhance nationalisation and present a framework that enables the upskilling of national competencies and their contribution to the market and economic growth. It aims to equip technical and non-technical bachelor, diploma and general diploma graduates with the skills needed to build a successful career in the local market.

Using a standardised process, the programme enables stakeholders to find and obtain fit-for-purpose participants seeking training in their respective fields.

Ruwad compliments our commitment to building a skilled and capable national workforce in line with the objectives of Oman Vision 2040. We aim to create a platform that fosters positive and effective interactions between employers and new graduates.



**We signed an agreement with Haliburton, making it the first contractor to adopt the framework and have provided 30 training opportunities for Omanis**



# Local economy

## Supporting local business growth

In early 2018, Rihal identified a concept that could transform information management work within bp Oman.

From this concept, a pilot was conducted, starting with digitizing documentation and data reports. The concept was further advanced with Rihal to develop a data engine and upload tools to smoothly migrate documents from the projects to the operations teams.

Rihal’s successful pilot with bp Oman has earned them a place as one of our service providers globally. They have been able to grow and compete internationally and deploy the latest technologies with the support of bp.

*“bp became a pivotal partner that enabled Rihal to expand their services base by adding multiple offers in data management, software engineering and intelligent process automation, becoming a technology powerhouse in Oman.”*

**Azzan Al Kindi**  
CEO and founder of Rihal

This expansion allowed Rihal to grow to more than 150 staff over four years, helping to employ and upskill Omanis to meet the global demand for data management capabilities and give back to the community by providing opportunities for Omani youth to innovate and compete globally.

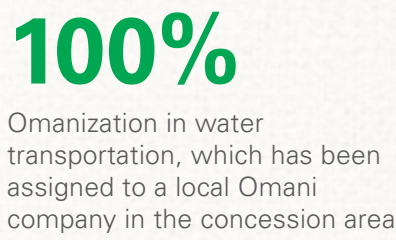
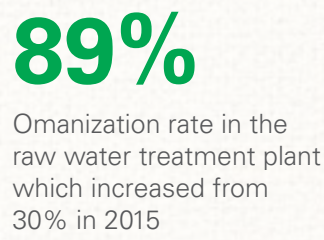


## Empowering Omani contractors

In 2015, Veolia was awarded a contract to build and operate the raw water treatment plant at Block 61.

The contract was renewed for another five years in 2019. It was expanded in 2021 to incorporate the majority waste management of Block 61 and operate the two sewage treatment plants, and in 2022, to include water transportation.

To deliver the expanded scope, Veolia boosted its local capability and Omanization rate. In 2022, Veolia reached the following:



Furthermore, Veolia has partnered with our social investment partner MEDRC, through their ‘Tahlya’ vocational training programme, to provide young Omanis hands-on training at Block 61’s raw water treatment plant to gain skills to join the labour market.





# Caring for our people

We understand that the consistent force behind achieving our goals has been our people, from supporting energy security to implementing sustainable initiatives and contributing to economic growth in Oman.

That’s why we empower and develop our people through training opportunities and personalized career pathways to become more integrated, agile and future-focused.

## Omanization at bp Oman

We employ Omani talent and enhance capabilities and careers by providing an array of career opportunities, world-class development programmes and a diverse culture at our Muscat headquarters and facilities at Block 61.



## Work-life balance

We believe that flexible working supports a work-life balance, and it gives our people the ability to work at a place or time that better suits their needs and drives our business performance culture.

Our 60:40 model aims to accommodate a flexible working style. Employees can choose to spend 60% of their time working in the office and the remaining 40% working remotely.

*“The model encourages our employees and their teams to be accountable to deliver business as usual in a flexible, engaging and dynamic way of working”*

**Hussain Al Bulushi**  
People and culture director, bp Oman

## Developing tomorrow’s leaders

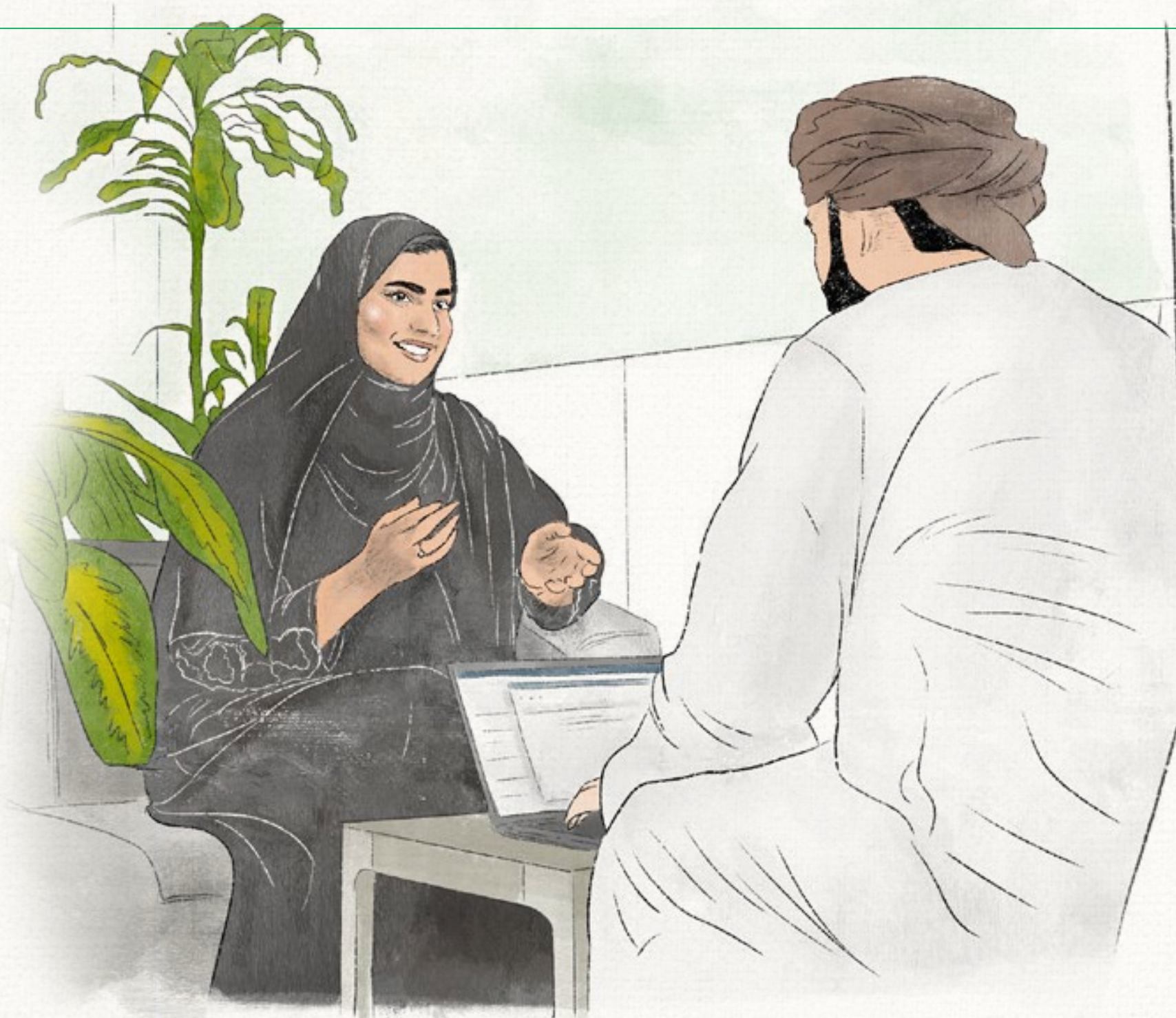
### Graduate programme

We recruit and develop new Omani graduates who gain hands-on experience while working in full-time roles. This three-year experience allows the graduate to be backed up by a full programme of structured learning and support from mentors that share ongoing feedback and development.

### People in global roles and assignments

One of our aims is to become a lean and more agile organization. This means allocating the right talent to serve roles across different locations around the world.

We have placed 42 Omanis in global roles over the past 15 years, contributing to different regions and entities and offering more than 135 Omanis international assignments.



As of 2022, we have

**36**

women in leadership and managerial roles in Oman

## Diversity, equity and inclusion

We provide equal opportunities for everyone and allow competition within a diverse workforce for people. We act to make sure inclusion and gender equity exist in the workplace because inclusivity breeds productivity. In Oman, we have a dedicated nursing room – creating a space for staff to balance their needs and career aspirations.

We also expanded our maternity leave policy to 16 weeks from 10 weeks, in addition to annual leave entitlement.

At Block 61, women working in remote areas have dedicated accommodations with 24-hour security and a gym.



# Caring for our people



*“The Tallow Chandlers Awards is a shining example of achievement, symbolising the pinnacle of success and excellence in the energy industry. The award is a testament to my ability to lead and manage challenging projects and develop innovative solutions that have had a positive impact at Block 61.”*

**Mohammed Al Zakwani**

Pressure systems integrity engineer and 2022 Tallow Chandler awards winner



*“Working in a global role has given me the opportunity to exchange culture and knowledge within a multi-disciplinary international team. It has given me a wider view on the company’s long-term strategy and activities globally while enhancing my capabilities around communication and influencing.”*

**Mathna Al Maskari**

Carbon advisor for Middle East, North Africa, Mauritania and Senegal



*“As a young Omani, the challenger programme was a great accelerator for my career. It has helped me enhance my technical capabilities and enabled me to enrich my soft skills such as communication and presentation. I have great opportunities to work on projects such as green completions and lead the utilization of hybrid solar and diesel power in well interventions minicamp project.”*

**Taimur Al Shidhani**

Completions and interventions engineer



*“Working at bp’s Sunbury campus has been a great experience. I was able to support several projects, functions, stakeholders, and regions outside of Oman, which broadened my business expertise. The cases I managed produced excellent outcomes and cost savings that support our goals and aims.”*

**Aisha Al Amri**

Sourcing and contracting advisor currently on assignment in the UK

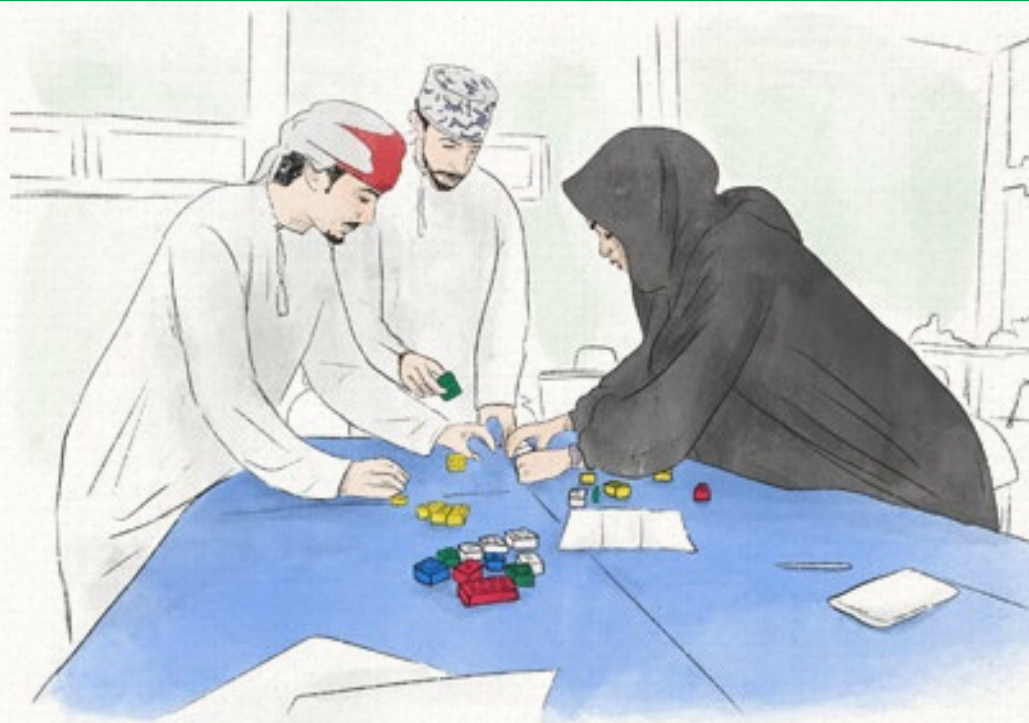


# Improving people's lives

Our sustainability frame outlines how we aim to help improve people's lives by supporting more clean energy, advancing an energy transition which respects human rights, supports sustainable livelihoods and well-being and enhances diversity, equity and inclusion. In 2022, we delivered several initiatives and programmes that support these aims in Oman.

## Social investment

We delivered a range of social investment programmes to support Oman's development in line with the country's 2040 vision and our sustainability aims of improving people's lives.



# 40,362

Omanis benefitted through  
21 programmes in 2022

### Hope programme

We partnered with the Ministry of Education and Kidsity, to launch the hope programme to encourage students with disabilities between the ages of 13 to 15 to enhance their knowledge of STEM. The programme held interactive workshops focused on science, technology, engineering and maths with the aim of developing their soft and interpersonal skills.

In 2022, the programme benefitted students with disabilities from Al Amal School, Al Tarbyia Al Fikriya School, and Omar bin Al Khattab Institute for the Blind.

Through four of our partners, we  
supported and trained

# 456

people with disabilities in 2022

### Teqdar programme

The Teqdar programme equips people with the necessary skills and knowledge to navigate the labour market. The programme offered 185 job-seekers workshops which included interview preparation, self-marketing, and practical scenarios to develop their employability and skills to deliver on job requirements.

### Tahlya 5 programme

In partnership with the Middle East Desalination Research Centre (MEDRC), the fifth cycle of the Tahlya programme continued in 2022 with the aim of building the capacity of Omani's in the field of desalination.

Over 60 Omanis graduated from the programme in 2022, which trained participants in the operation, mechanics, laboratory and instrumentation of desalination technologies. It included short-term internship periods so that students could gain hands-on experience.





# Improving people's lives

## Supporting diversity, equity and inclusion

### Sail Free programme

Sail Free is the GCC region's first-ever parasailing programme which enables people with physical disabilities to participate in sailing. When it launched in 2019, the programme aimed to form a national team representing Oman at local and international sailing championships.

In 2021, Oman's first national parasailing team was officially announced, and in 2022 they participated in international championships in Belgium, France, Italy, Japan and the United Kingdom.

Oman hosted the region's first RS Venture championships, where team members Sultan Al Wahaibi and Ahmed Al Wahaibi won first place in the Mussanah championship, sponsored by bp Oman.



## Supporting communities impacted by cyclone Shaheen

We launched two programmes dedicated to supporting communities affected by cyclone Shaheen while also delivering on our sustainability aims.

### Mustadeem 4 programme

We partnered with Nafath, an Omani company specializing in renewable energy manufacturing, to deliver independent solar energy systems for water pumps and greenhouses for farms in Al Batinah governorate. It aims to improve energy security and reduce costs for farmers in areas previously affected by cyclone Shaheen.

The programme delivers on our sustainability aim 11 – developing clean energy for communities.

### Build your resilience programme

To support the well-being of communities, we launched the 'build your resilience' programme in partnership with Outward Bound Oman. The programme includes 50 indoor courses at the OBO Muscat Centre to support the well-being of 1,000 young people aged 18 to 30 previously affected by the cyclone.

The programme delivers on our sustainability aim 15 – enhance the well-being of local communities.

## Worker's welfare

As part of our sustainability aim to support a just energy transition which advances human rights and education, we want to collaborate with key stakeholders and other industries to support the advancement of human rights through the transition.

In 2022, we hosted a labour rights forum with our contractors to demonstrate best practices to enhance the workers' rights and welfare at Block 61.

The forum reiterates our commitment towards human rights aligned with the international labour standards and requirements, bp's 'labour rights and modern slavery policy and principles and guidance on respecting the rights of workers and community' and Oman's labour laws and policies.

We expect that workers at our operations, joint ventures and supply chains are not subject to abusive nor inhumane practices, such as child labour, forced labour, trafficking, slavery or servitude, discrimination, or harassment.

Mahtat programme aims to train electrical engineering graduates and grant them a license to practice electrical work.





# Getting to net zero and caring for our planet

We have set five aims to get bp to net zero by 2050 or sooner and five aims to help the world get there too. This includes having net zero operations, reducing methane and having more investments in new energies.

We have also set five aims to help care for our planet. They cover enhancing biodiversity, water management, nature-based solutions, including those that reduce or remove carbon emissions, circularity, and sustainable purchasing.

## Reimagining energy in Oman

We want to invest more in new energies aligned with our aim 5. The Strategic Framework Agreement and Renewables Data Collection Agreement, signed in early 2022, could support the acceleration of renewable energy and hydrogen in Oman.

As we progress the data collection campaign, we have installed four LiDARs in areas of interest and will be installing the first Met Masts and solar stations in 2023. These instruments will serve to collect wind and solar data over a period of around 18 months.

The data, together with high-level geotechnical and environmental screening studies, will be shared with the Ministry of Energy and Minerals.



## Solar in wells

Our wells intervention minicamps at Block 61 have been conventionally powered by diesel generators.

In January 2022, we introduced a hybrid system that combines generators, solar photovoltaic panels, and a small storage battery unit – complimenting aim 1, to be net zero across our operations.

The next phase aims to maximize the renewable energy contribution and reduce the dependency on diesel generators at well intervention operations. Once proof of concept is successful, we aim to expand this technology to cover entire well intervention operations, including both minicamp and well site.



In November 2022, the energy generated from solar contributed to about



of the total energy consumed by the minicamp



# Getting to net zero and caring for our planet

## Green completions progress

We are the first to introduce 'green completions' technology in Oman, where hydrocarbons produced during well test operations are processed for export rather than flared. This is part of our sustainable emission reduction strategy – a zero-flaring concept.

This year, the technology was applied to nine wells, in addition to five re-testing wells, which produced zero flaring during the testing phase. So far, the technology safely avoided around 89,500 tonnes of CO<sub>2</sub>e in 2022 – in line with aim 4, reducing methane.

In addition, the hydrocarbons were alternatively recovered by producing approximately 0.9 billion cubic feet of gas and around 45,000 barrels of condensate – increasing the economic value.



Since 2019, we delivered

**52** green completed wells,  
saving more than

**406,000**

tonnes of CO<sub>2</sub>e emissions

which is equivalent to removing around

**89,000**

cars from the road for a year.\*

\*The equivalency calculated by [www.epa.gov](http://www.epa.gov)



## Reusing treated water

Our aim 17 is to become water positive by 2035. In 2021, our contractor, Veolia, started operating Block 61's sewage treatment plants – it was designed and built to inhabit all generated sewage from our field.

It operates by breaking down and filtering sewage to provide clean and environmentally friendly effluent that can be reused.

Through the plant, we have utilized nearly 80% of the water since October 2022 – and we aim to maintain this throughout. The treated water is currently used for non-crop plantation, construction, and dust control.

We have treated and reused more than 108,000 m<sup>3</sup> of water in 2022. This reduced abstracted water from aquifers.

We have also recycled the water used in hydro testing to reduce the harmful impacts on raw treated water obtained from Block 61's aquifers.

Hydro testing requires pressure vessels such as pipelines and plumbing to be tested for strength and leaks by passing raw treated water mixed with water-soluble chemicals at different pressure levels.

Given the significance of raw water in areas with limited water resources, recycling hydro testing water can help ease the strain on freshwater supplies and reduce wastewater discharges.

## Recycling Block 61's waste

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.

An accumulation of operational waste such as wood, plastic, metal, chemical and lube oil could cause a risk of fire, contamination, and environmental issues. That's why we started working with our contractor to manage the collection of waste and recycle it for other purposes to reduce the storage of waste, risk and environmental issues it may cause.

In several instances, by recycling the waste, we provide useful resources for other industries.



As of 2022, we have  
recycled over

**159**

tonnes of waste  
through Veolia



