

SUSTAINABILITY REPORT

2022



شركة تنمية نفط عُمان
Petroleum Development Oman



HIS MAJESTY
SULTAN HAITHAM
BIN TARIK



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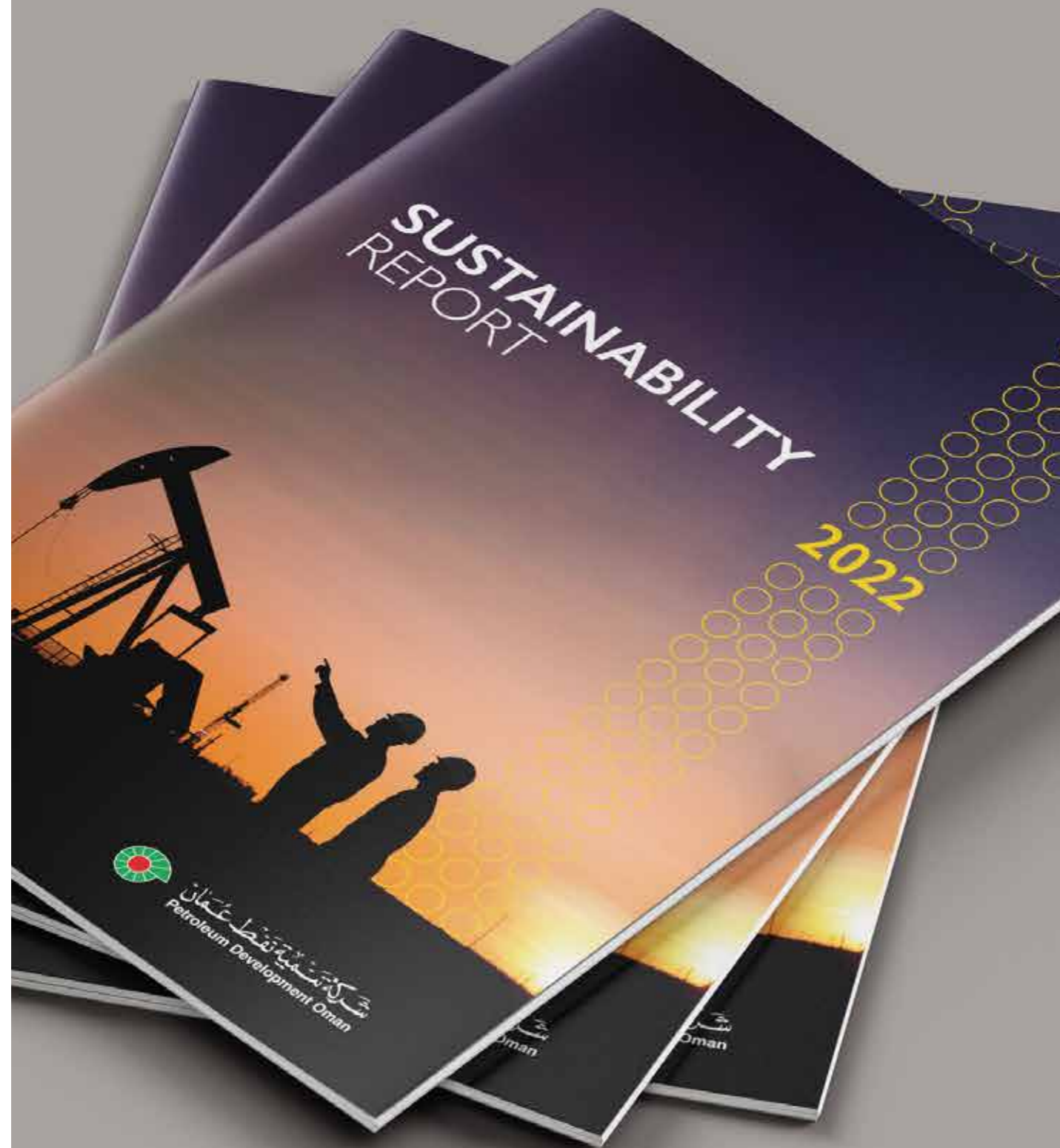
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ABOUT THIS REPORT

The body of this report is organised according to eight priority areas, which are integrated into the Company's business processes. The Company continues to aim to strike the right balance between successfully delivering oil and gas to its shareholders, whilst respecting the welfare of society and of the natural environment.

This report also integrates the Company's sustainability performance, charting its performance to operate safely, responsibly and efficiently to deliver lasting economic benefits to the whole of Oman. The report covers the economic, environmental and social impact of our performance. This report has been prepared in accordance with the GRI Standards: Core option.

This update is testimony to our commitment to transparency and honesty in our business dealings. We will be using it as our Communication On Progress to the United Nations Global Compact (UNGC), which we formally joined in January 2015. We remain firmly committed to the UNGC's 10 principles on human rights, labour, environment and anti-corruption.

This report can also be viewed on our website www.pdo.co.om and on our internal staff intranet.

Most of our technical functions are certified by the relevant national, regional or international bodies, and the organisation as a whole is annually audited by the State Audit Institution of Oman which is financially and administratively independent of us.

This annual report covers the 2022 calendar year and follows on from our previous Annual Sustainability Report for 2021, which was published in June 2022. The report has been prepared with reference to the Global Reporting Initiative (GRI) Standards. Wherever possible, we endeavour to measure our practices against national and international benchmarks, such as the ISO 14001 certification. Going forward, our intention is to seek full external assurance.

If you have any queries about this report, please contact us at corporatecommunications@pdo.co.om

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Postal Code 100,
Muscat,
Sultanate of Oman

2-1 Organizational details
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CHAIRMAN'S FOREWORD

In the Name of Allah, the Compassionate, the Merciful

It is an honour to affirm the steadfast commitment of all those working in the Omani energy sector who align with Your Majesty's vision for the sustainable growth and development of this great nation.

The year 2022 was a banner year for PDO as it celebrated its 85th anniversary and enabled us to reflect on its great history and exciting future.

I was particularly heartened by its contribution to national oil production, accounting for 661 thousand barrels per day (bpd) or 62% of total country output – generating a major revenue boost for the Sultanate, and its role as gas swing producer.

At the same time, PDO worked incredibly hard to support the national effort to reduce harmful greenhouse gas emissions to Net Zero by 2050. The Company emitted 10.6 million tonnes of CO₂e, resulting in 0.1 million tonnes of CO₂e savings due to the implementation of flare reduction, renewable energy, production water management and energy efficiency projects.

PDO will continue to deliver world-leading projects of strategic importance to the nation, not least those which reduce its carbon footprint. In this respect, last year's inauguration of the Rima Water

Treatment Plant to process oilfield wastewater stands out as one of the most innovative, environmentally friendly projects in the global oil and gas industry.

Additionally, the agreement with Shell to jointly study carbon capture, utilisation and storage (CCUS) opportunities, the work on solar, wind and green hydrogen projects show how serious PDO is about supporting the decarbonisation of the Omani economy and contributing to a greener, cleaner planet.

The unveiling of a new purpose – "Building a sustainable and low-carbon future to maximise value for Oman" – new strategy and new operating model after extensive consultation with multiple stakeholders will underpin this evolutionary change.

Of course, it is essential for the country to build reliable, competitive local supply chains and develop talented Omanis if we are to retain more of the industry's wealth in Oman, while delivering on the main mandate of hydrocarbon production and simultaneously striving to transform the Sultanate into a regional, if not global, hub of renewable excellence.

Last year, there was further evidence of PDO's





status as an In-Country Value pioneer with the delivery of more than 2,900 job opportunities for nationals, the operationalisation of its 76th ICV facility, a 54% rise in SME investment and the completion of 66 social investment projects in line with the United Nations' Sustainable Development Goals.

One area which needs addressing is the negative trend in safety performance and I'm pleased with the urgency and proactivity with which PDO is tackling this at all levels of the business.

The Safety Refresh programme, the strengthened partnership with contractors, intensified training and the deployment of new technology will all help on the journey towards Goal Zero.

This is my first Annual Sustainability Report Foreword as Chairman of PDO and as Minister of Energy and Minerals and I would like to pay a warm tribute to my predecessor His Excellency Dr Mohammed bin Hamad bin Saif Al Rumhy.

For 25 years, he played a critical role in the development of the Omani oil and gas industry, including 19 years as PDO Chairman, confronting major challenges and opportunities with a steady hand and visionary outlook.

During that period, PDO made significant progress in embedding sustainability into its operations, while also focusing on the development and well-being of its people, communities and environment.

It is no exaggeration to say Dr Al Rumhy has been instrumental in the enduring success of PDO as the central engine of the national economy while laying the groundwork for its transition to a fully fledged energy business.

In that same spirit, I reaffirm my pledge to Your Majesty to ensure PDO and the Sultanate's energy sector as a whole support the Oman Vision 2040 and your determination to build a sustainable future for our great country.

In conclusion, I would like to thank all PDO staff and contractors, as well as their peers in other companies working in the same field, for their dedication to maximise value and serve our beloved Oman safely, efficiently and responsibly.

This report illustrates transparently the successes and challenges of this approach in 2022.

May Allah protect Your Majesty so that Oman continues as a bastion of peace, innovation, prosperity and stability under your visionary guidance and wise leadership.

H.E. ENG. SALIM BIN NASSER AL AUFI

Minister of Energy and Minerals and
Chairman of the Board of Directors



BOARD OF DIRECTORS

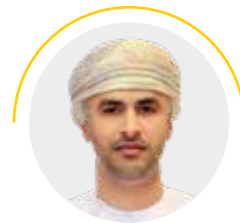
REPRESENTING THE GOVERNMENT OF OMAN



H.E. SALIM BIN NASSER AL AFI
Minister of Energy and Minerals
Chairman



H.E. NASSER BIN KHAMIS AL JASHMI
Secretary General of Ministry of Finance
Deputy Chairman



H.E. ABDULLAH BIN AL HARTHI
Director General of Revenue
Ministry of Finance



MR. MAZIN BIN RASHID AL LAMKI
Chief Executive Officer
Energy Development Oman (EDO)



MR. SULTAN AL MAMARI
Chief Finance Officer (EDO)



MR. TALAL AL AWFI
Group Chief Executive Officer
OQ

REPRESENTING THE PRIVATE SHAREHOLDERS



MR. PETER COSTELLO
Shell Netherlands



MR. ERIC GREENLEE
Shell Oman



MR. WALID HADI
Shell Oman



MR. LAURENT VIVIER
Total Energies



MR. KOMSON TACHAPANICH
PTTEP Oman E&P Corporation

EXECUTIVE OFFICER

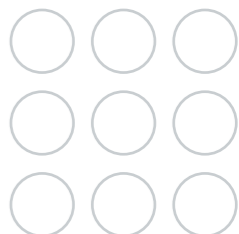


MR. STEVE PHIMISTER
Managing Director

SECRETARY



MS. HAIFA AL KHAIFI
Finance Director



WHO WE ARE

Petroleum Development Oman (PDO) is the leading exploration and production company in the Sultanate of Oman.

We deliver the majority of the country's crude oil production and natural gas supply, but above all we focus on sustainable value and growth for Oman, within and well beyond our industry.

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THE COMPANY IS OWNED BY

60% ENERGY DEVELOPMENT OMAN (EDO)
(Representing the Government of Oman)

34% THE SHELL GROUP

4% TOTAL

2% PTTEP

Gas fields and processing plants are operated by PDO exclusively on behalf of the Government

PDO is a limited liability company and operates on a no-profit, no-loss basis and is officially revenue-neutral. In 2022, PDO's capital expenditure (Capex) was US\$5 billion and operating expenditure (Opex) was US\$1.9 billion.

On 1 January 1980, PDO was registered by Royal Decree as a limited liability company in the Sultanate.

The Company adopted its name in 1951, first struck oil in Yibal in 1962 and has been exporting oil produced in its 90,874 km² concession area known as Block 6 since 1967. Our headquarters is based at Mina Al Fahal in Muscat.

We operate **202 producing oil fields**, 43 gas fields, 29 production stations, more than **9,400 active wells**, more than **33,000 kilometres** of pipelines and flowlines and **230 operating units** in our well engineering fleet, including 55 rigs and 51 hoists.

Late in 2022, we unveiled a new Purpose and Strategy, designed to guide us in our part to ensure energy security, affordability and sustainability in Oman.

Their implementation directly addresses the volatile energy landscape and mounting climate change realities while delivering on our commitments to Vision 2040 and NZE 2050.

Our purpose – **“Building a sustainable and low-carbon future to maximise value for Oman”** – defines our core reason for being and the resulting positive impact we have and can continue to have in Oman and the world.

We intend to continue to maximise value to Oman through abated growth in our core oil and gas business. We will support the energy security and resilience of Oman by mobilising domestic and global partners, inspiring a new generation of world-class Omani talent and deploying new technologies across our business to enhance production, while reducing our associated carbon footprint.

In delivering on our purpose, our Strategy maximises value from our oil and gas core business in the short and the long term, whilst organically building low-carbon revenue streams for the future.

The key components of this refreshed strategy are to:

- Achieve and sustain Goal Zero – no harm to our people, communities, environment or assets – as the fundamental bedrock of everything we do
- Maintain Ethics and Compliance
- Build and leverage PDO's cost competitiveness to generate resilient cash flows well into the future
- Grow oil production sustainably beyond 700,000 barrels a day
- Execute carbon competitiveness strategies to meet our net-zero ambitions by 2050 and halving emissions by 2030
- Manage integrated infrastructure network (power, water, oil evacuation) to support abated growth and meet sustainability targets.



We manage a large and diverse portfolio of oilfields in terms of field sizes, reservoir and oil types, development methods and maturity. Our aim is to improve the recovery factor of hydrocarbons through the application of a combination of world-leading well and reservoir management, the deployment of the latest innovative technology, and a comprehensive range of recovery mechanisms including:

- **Primary**, such as fields on natural flow and artificial lift
- **Secondary**, such as fields under water floods and pressure maintenance
- **Tertiary**, such as enhanced oil recovery (EOR), where we work to modify the physical/chemical properties of in-situ oil.

The Company has become a global pioneer in EOR due to its maturing asset base and the complexity and challenging nature of Oman's geology. The three main recovery methods we currently use are thermal, chemical and miscible high pressure gas injection.

PDO meets its wider responsibility to society and secures a social licence by taking economic, social and environmental factors into account in all decisions, specifically in terms of the provision of oil revenues, domestic employment, staff and contractor development, the support and advancement of local businesses and community investment.

We aim to sustain a robust HSE culture by meeting if not exceeding international standards. This is being achieved through our Golden Rules of Comply, Intervene and Respect and our refreshed Life Saving Rules, as well as close collaboration with government, regulators, contractors, operators and academia.

At the end of 2022, PDO had 8,904 staff and **over 52,000** contracting employees, a combined workforce made up of over 60 nationalities.

MANAGING DIRECTOR'S COMMITTEE (MDC)

The Managing Director's Committee or MDC shares responsibility for the Company's overall performance and business direction.

It is headed by the Managing Director who is assisted by 13 other directors, who are responsible for setting the technical, operational and functional standards, the allocation of staff and their development.

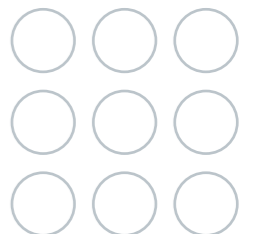
The MDC is answerable to the Board of Directors which provides objectives and guidelines to the Managing Director. The Board consists of **13** members. There are **6** Government representatives, including our new Chairman, the Minister of Energy and Minerals His Excellency Salim bin Nasser Al Afi; and **5** who represent PDO's private shareholders (The Shell Group, Total and PTTEP).

PDO GENERAL BUSINESS PRINCIPLES (PGBPS)

PDO's reputation and its future success are critically dependent on compliance with the law and with the highest ethical standards. PDO conducts its business in accordance with the principles of honesty, integrity and fairness, including in our relationships with our contractors and suppliers.

The PGBPS form the foundation of our business strategies, activities and reputation. These principles are endorsed by our shareholders and apply equally to corporate decision making, as well as the individual behaviours expected of employees when conducting business on behalf of PDO.

The Company was the first national oil company in the Gulf to become a member of the United Nations Global Compact (UNGC) – the largest voluntary corporate social responsibility initiative in the world. As a member, PDO is committed to support the UNGC's 10 universal principles on human rights, labour, environment and anti-corruption. Since joining in 2015, PDO has remained steadfastly committed to strengthening its already rigorous internal controls and continuing its UNGC membership.





THE CODE OF CONDUCT (COC)

The PDO COC provides requirements and guidance on how to apply the PGBPs in practice, and compliance is expected from all PDO staff, as well as contractors and suppliers.

The COC is categorised into five sections addressing:

- People and safety
- Anti-bribery and corruption (ABC) practices
- Safeguarding information and assets
- Communications management
- Free competition and trade controls.

Our Ethics and Compliance Risk Management (ECRM) approach aims to mitigate any risks in these five sections. Through a structured approach of continuous education and awareness programmes, the ECRM contributes to effectively combat ABC challenges, as well as the misuse of power, bid rigging, unfair business practices and undue influence exerted for private gain.

PDO has an online Conflict of Interest tool that all staff are required to respond to annually, Gifts, Hospitality, Travel and Confidentiality confirmation process, and a Whistle Blower programme for anyone to anonymously raise concerns regarding compliance with the PGBPs or COC by PDO, staff or contractors.

2022 ETHICS AND COMPLIANCE ACTIVITIES

Our Ethics and Compliance (E&C) work programme for 2022 focused on the assurance of compliance by PDO, its shareholders and stakeholders.

- **General training:** Continued application of online training modules, with 443 new joiners and 817 other staff completing the ABC online training module.

- **At high-risk training:** Nearly 400 staff in higher-risk positions were trained in face-to-face sessions, involving live interaction and response tools to provide valuable insights into potential areas or risk, and/or opportunities for E&C control improvements.
- **Sanctions:** We rolled out our first ever Sanctions and Trade Controls awareness communications and training for selected teams.
- **Whistle-Blowing and Investigations:** The E&C team initiated investigations into several allegations concerning potential Ethics and Compliance violations resulting in appropriate response and mitigation.
- **Tone from the top:** The E&C team shared quarterly learnings from investigations, and our annual training session was presented to the MDC. The leadership approach to Ethics and Compliance reaffirms and reinforces a corporate ethical culture and ensures it is embedded our business priorities at all levels.
- **Risk-based approach:** Our risk-based approach is on governance, people and improved methods and practices, built on the "Good to Great Principle."
- **Compliance Champions programme:** We embarked on a pilot scheme aimed at the appointment of Local Ethics and Compliance Officers (LECOs). They are tasked with empowering directorates in setting the correct tone, and to manage basic non-critical E&C functions from within the business.
- **Integrity due diligence:** 395 vendors were assessed in 2022 while several improvement process and system opportunities were identified that will enhance controls, as well the identification of trade control risks.

COST COMPETITIVENESS

Business efficiency is a strategic aim to ensure PDO's long-term sustainability and deliver value to stakeholders.

After the US\$1 billion reduction in expenditure achieved by our Near-Term Sustainability programme (NTSP) in response to low oil prices and COVID-19, we further enhanced our rigorous cost competitiveness regime in 2022 to respond to inflationary pressures caused by a variety of factors, including the Russia-Ukraine conflict, the post-pandemic recovery in business activities, gas and semi-conductor shortages and rising oil prices.

A special cross-functional response team was formed, aligned with recognised market intelligence agencies, to determine the competitiveness of our portfolio and pinpoint the gaps preventing us from being a top quartile performer globally. As a result, regular internal deep-dive investigations were conducted, and action taken to close the identified gaps.

Alongside the above, other savings were accrued through different streams:

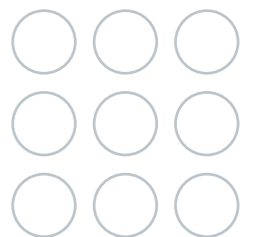
- Pre-award strategies
- Effective post-award contract management
- Implementation of Category Strategy resulted from Category Management Programme
- Materials management
- Quantity Surveyors validations

Some of the tools used by the above streams are:

- Cost Modelling: Should Cost Models and Total Cost of Ownership
- Online Bidding (OLB)
- Contract Optimisation Reviews (COR)

Our 2022 capital expenditure (Capex) was US\$5 billion operating expenditure (Opex) remained stable at US\$1.9 billion. We achieved more than US\$670 million in total cumulative savings against a budget of US\$7.4 billion.

Capex savings came from a mix of our NTSP revisions, drilling efficiencies, well optimisation and project savings.



We are placing increasing focus on operational cost competitiveness, aiming to sustain our current top-quartile unit operating cost of US\$6 per barrel of oil equivalent through to 2030 and thereby ensure our robustness to lower oil prices in the future.

There is also significant focus on deferment reduction and improving the availability of our oil and gas facilities. Our aspiration is to cut all forms of deferment to less than 5% by 2030.

Our Category Management (CM) programme was launched in 2021 with the appointment of five Category Portfolio Managers whom are mandated to further build on and exceed NTSP results.

CM is a holistic approach to contracting and procurement (C&P), whereby resources and commercial activities are organised cross-functionally around key spend categories that have similar supply and usage characteristics and partnerships with suppliers to meet business objectives.

CM is regarded as industry best practice, proven to deliver on total value creation beyond cost savings (for example, innovation), optimising value for money by enhancing specifications, and establishing collaborative relationships with the supplier community to jointly embed improvements.

CM will not only help us to deliver our cost competitiveness objectives, but also embed improvements aligned with PDO ways of working, supporting our Energy Transition objectives and controlling greenhouse gas emissions.

Moreover, as part of our Continuous Improvement, we are working with the Hackett Group for external benchmarking to determine best practice and how we are performing in different areas including, for example, cost efficiency, process optimisation and vendor performance. The results and recommendations are part of an ongoing C&P Strategy Refresh.

PDO SERVICES

PDO Services (PDO-S) is a limited liability subsidiary company of PDO, which was established in 2021 to commercialise our strong technical capabilities, inherent capacity and competitive edges in niche areas, including enhanced oil recovery, geo-solutions and innovative technologies.

In 2022, two multi-million dollar deals were signed with Total and Shell in Oman following the first commercial deal with Tethys Oman Oil Limited in December 2021 for seismic data acquisition in Block 56.

Various opportunities are currently under negotiation, with a healthy market pull for the services the firm offers, including the potential to widen its offering in other business areas.

MEMBERSHIPS

PDO is a member of the:

- United Nations Global Compact
- Regional Clean Sea Organisation
- Oil and Gas Methane Partnership 2.0
- Aiming for Zero Methane Emissions Initiative (OGCI)
- National Hydrogen Alliance (Hy-Fly)
- Gulf Co-operation Council (GCC)
National Oil Company Steering Committee
- Oman Energy Association (OPAL)
- International Association of Oil Producers (via Shell)

PDO has successfully completed more than 20 years since it became the first oil company in the Middle East to attain the ISO 14001 Environmental Management System Certification in 1999 (with recertification obtained also in 2019).

It successfully completed the first independent verification of its Greenhouse Gas (GHG) data for 2017 and 2018 in accordance with ISO 14064 methodology and system for quantification, reporting and independent verification of GHG emissions that are reported externally and internally.

PDO also completed the second independent verification of its GHG data for reported emissions in 2019 and 2020.



MANAGING DIRECTOR'S FOREWORD

It is an honour to present to Your Majesty Petroleum Development Oman's Annual Sustainability Report for 2022, my second as Managing Director of this esteemed company.

The report charts our performance, activities and aims during another challenging year in the energy sector, characterised by a strained global geo-political situation, oil and gas price volatility, growing pressure to expedite the Energy Transition, inflation and the ongoing cost and supply chain constraints linked to the COVID-19 recovery.

It was a year in which we celebrated the 85th anniversary of PDO's inception, which afforded us the opportunity to reflect on its illustrious past and consider its structure, values and objectives in the years to come.

With that in mind, we launched our new Purpose and Strategy, following an extensive stakeholder consultation process, to answer the question of how we will continue to serve Oman and deliver value to the Sultanate in a rapidly evolving energy landscape.

The changes, approved by the Board of Shareholders, acknowledge that fossil fuels have a significant role in the global energy system for decades to come, but that hydrocarbon development must be sustainable.

Our goal of achieving economic and environmental sustainability informs our new Purpose of "Building a sustainable and low-carbon future to maximise value for Oman", which replaces our previous vision and mission.

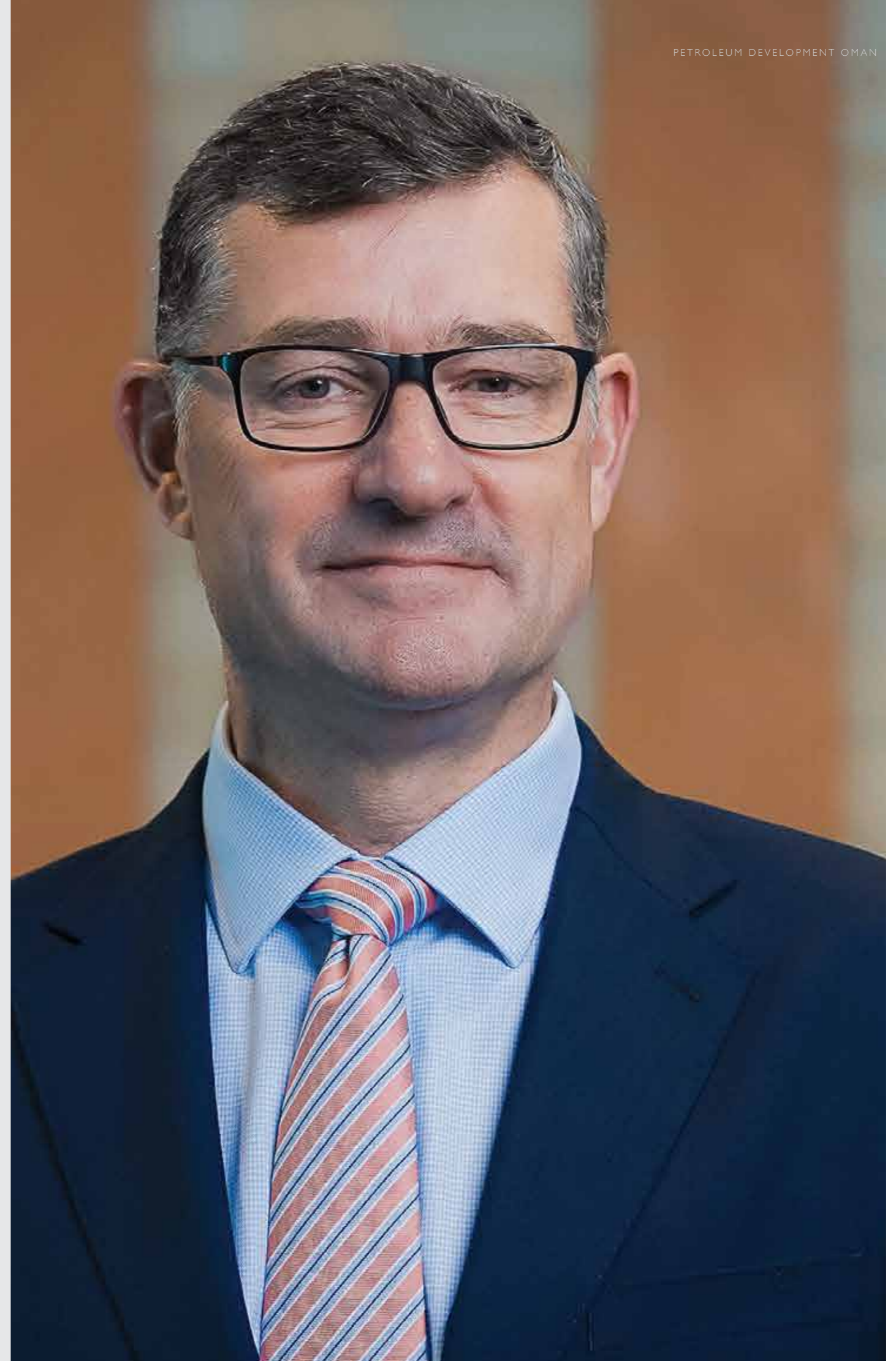
In this new world, maximising value will remain central as we fulfil our role in contributing to Oman's Vision 2040 and reaching net zero by 2050. We are committed to both cost and carbon

competitiveness – safely, efficiently and sustainably growing our core oil and gas business whilst minimising emissions from our operations.

Our refreshed Strategy will help us achieve this purpose. Its key components are to: (1) achieve and sustain Goal Zero – no harm to people, environment, assets or the communities in which we operate – and have zero tolerance to breaches of Ethics and Compliance; (2) leverage our cost competitiveness to generate resilient cash flows; (3) execute carbon-competitive strategies to meet net zero ambitions, including halving our own emissions by 2030; (4) grow oil production sustainably beyond 700,000 barrels a day; (5) organically diversify revenue streams for our future competitiveness; and (6) manage an integrated infrastructure network to support abated growth and meet our operational targets.

Through the Strategy, we aim to be a pioneer, leading in technology deployment, developing world-class Omani talent, driving operational excellence, spearheading decarbonisation and developing the supply chain for the nation's oil and gas industry; we will do this through collaboration with Omani and global partners.

PDO is undergoing a business transformation. In addition to our refreshed Purpose and Strategy we are embarking on major changes to our Operating Model (Processes, Systems and Structures) as well as addressing a cultural shift in our ways of working. The combination of these changes will make us more competitive by reducing and removing non-value-added tasks, empowering our people to think and act differently; which is why our leadership is committed to deeply engage staff and contractors on their future roles and responsibilities during these transformational times.



HSE

Safety remains the overarching priority underpinning everything we do. It's a matter of great pride that many parts of our organisation have already attained Goal Zero status. However, I'm also pained to report that our safety performance in 2022 fell well short of our expectations.

We had a total of 12 fatalities around our operations in 2022, including five PDO/contractor personnel in work-related incidents, four in non-work-related private commuting incidents and three third-party fatalities in work-related incidents.

There were 43 Lost Time Injuries (LTIs) in 2022. These statistics are consistent with a deteriorating trend over the last three years. To intervene on this concerning pattern, we implemented a major Safety Refresh programme with six priority areas: Road Safety, Safety Leadership, Learning Organisation, Risk Management, Contractor HSE Management and Process Safety; these focus areas target the systemic root causes of all incidents over recent years.

In early 2023, we accelerated our safety journey via a three-phase urgent response to personal safety issues. The first focuses on a "boots-on-the-ground" deployment of resources to the Interior to support site teams in their site supervision and interventions. The second phase defines staff capability and capacity gaps in managing operations safely. And the third investigates our end-to-end resources strategy to ensure PDO reaches and sustains its desired safety status.

We are building on the progress we are making with our contractors on HSE and on the success of our existing schemes such as Ihtimam and Safety for Frontline Supervisors. Training, technology and simpler, standardised rules will support this mission.

We continue to make excellent progress in Asset Integrity-Process Safety Management, where our Step Change programme saw a halving of the total of our Tier-1 and Tier-2 incidents. There was also an 81% fall in the number of oil spills over one barrel per million tonnes of production.

COST COMPETITIVE PRODUCTION

Our 2022 capital expenditure (Capex) was US\$5 billion whilst operating expenditure (Opex) was US\$1.9 billion. We achieved more than US\$670 million in total cumulative savings against the budget, an increase of

more than 21% in savings compared to 2021.

Oil capital expenditure (Capex) savings of US\$632 million came from a mix of our Near-Term Sustainability programme (NTSP) revisions, drilling efficiencies, well optimisation and project savings; Gas Capex savings of US\$38 million were achieved.

CARBON COMPETITIVE PRODUCTION

Our average oil production for 2022 was 660,894 barrels per day (bpd), which was 8,894 bpd higher than the planned target. Condensate output was 100,172 bpd, higher than plan, while gas production was 62.93 million m³/d, consistent with lower customer demand.

The combined total average barrel of oil equivalent production per day (boepd) was 1.17 million boepd.

The strong production effort was underpinned by a record number of completion and well intervention activities and the delivery of 715 wells, a 4.5% increase on 2021. We also managed to reduce our Non-Productive Time (NPT) in our drilling activities from 4.8% in 2021 to 3.5% in 2022, the lowest ever overall NPT recorded.

We ended the year with 70% of our wells being rated in the top quartile compared to our competitors. This was achieved through Continuous Improvement (CI) and by narrowing the Gap to Potential.

Our strong delivery focus also helped accomplish another successful year on the exploration front, with a total of 126 million barrels of oil and 0.34 trillion cubic feet of gas booked as commercial contingent resource volumes. The overall unit finding cost was just US\$1.3/boe.

This exploration and production effort must go hand-in-hand with reducing our carbon footprint, and we remain committed to the Oman Energy Master Plan 2040 and its sectoral decarbonisation drive as we turn climate change realities into opportunities while working to meet rising energy demands.

As we continue to grow our core hydrocarbon production business, we are also investing to improve our energy efficiency, especially in power-intensive activities such as artificial lifting and water management, which account for more than half of our power consumption. In 2022, we cut over 12,000 tonnes of carbon dioxide (CO₂e) by optimising well power consumption.



PDO emitted 10.6 million tonnes of CO₂e, resulting in 0.1 million tonnes of CO₂e savings due to the implementation of flare reduction projects, renewable energy, production water management and energy efficiency projects. GHG intensity fell 9% and flaring by 8%. This was achieved through a number of improvements, including the improved reliability and availability of our gas system, operational enhancements, process optimisation, upgrading our Flare Waiver tool, replacement and repair of passing valves and monthly flare meter checks.

PDO's Decarbonisation Roadmap is enabling us to make the right technical and commercial choices at the right time as we move to become a competitive, sustainable energy company by the end of the decade. Our renewable power plans are proceeding well, as we aim to derive 30% of our power from solar and wind sources by 2025 and 50% by 2030.

We continue to develop solar projects and our ground-breaking Amin 100-megawatt (MW) Photovoltaic Power Plant has generated more than 800,000 megawatt hours of solar energy into our grid since it began commercial operations in 2020. We are now progressing with plans for a second 100-MW solar storage IPP plant in the North. We are also on track to complete two wind farms in the South in 2026 and a geothermal energy study has shown early promise.

A major highlight of the year was the official inauguration of the Rima Water Treatment Plant, one of the most innovative, environmentally friendly projects in the global oil and gas industry. The facility deals with the

long-standing challenge of processing oilfield wastewater and uses a gravitational oil and water separation and natural biological treatment process, an emerging breakthrough technology.

The project has the capacity to reduce greenhouse gas (GHG) emissions by an impressive 53,000 tonnes per year and create new wildlife habitats.

To facilitate a low-carbon value chain in Oman, our agreement with Shell to jointly study carbon capture, utilisation and storage (CCUS) opportunities was a landmark moment.

We remain intent on the use of low carbon fuels (such as hydrogen) in PDO's operations, for example to replace the use of hydrocarbons in steam generation, for gas-blending applications in gas turbines and replacing conventional heavy-duty vehicles with hydrogen fuel cell vehicles.

SUSTAINABLE GROWTH

Our refreshed Strategy focuses on investing in the growth of our core oil and gas business while abating emissions. We have set an ambitious goal of growing and sustaining black oil production beyond 700,000 bpd and halving our emissions by 2030 (against a 2019 baseline) on the way to our NZE2050 ambition.

Our 2022 production was achieved through the delivery of new projects and optimised well, reservoir and facility management. New projects which contributed significantly included the Yibal Khuff and Marmul Phase 3 projects.



Scan the QR Code to watch the Rima Water Treatment Plant inauguration



Whilst the production has continued to rise, we have also succeeded in replacing more reserves than we have produced, and our Reserves Replacement Ratio will remain above 1 over the next five-year period.

The recent discoveries, including Asfoor North, Nimr West, Raba West, Bout, Khulud West, Anzuz and Makarem, have provided us with the opportunity to grow low-cost and low-carbon development in future.

During 2022, we made final investment decisions for multiple projects, the most significant of which were in our thermal cluster's Amal West field (Amal West 2A), the satellite fields at Waha and Amal South and the Marmul RTQ fields.

PDO's success in increasing and sustaining low-cost and low-carbon production and maintaining a healthy hydrocarbon portfolio can be attributed to multiple factors, such as building local Omani capabilities within our workforce, CI initiatives, implementation of our NTSP, capital efficiency, an agile development approach and the use of new technology and digitalisation.

TECHNOLOGY AND IN-COUNTRY VALUE (ICV)

New technology continues to play a crucial role in addressing our emerging challenges, while delivering sustainable and equitable economic growth. Artificial intelligence, robotic process automation and data analytics are enabling us to optimise and automate our decision-making and workflow processes in real time, ensuring safer, faster and efficient operations.

In 2022, we undertook a record number of technology trials and deployments. A total of 21 game-changing technologies were initiated to address our pressing corporate technical challenges and 17 concluded proof-of-concept or proof-of-value trials.

In line with our decarbonisation drive and our ambitious plans for a sustainable future, we initiated five technology trials and concluded three as part of our 2022 Energy Management programme. These technologies address the key focus areas of GHG emissions, flaring, energy efficiency, renewables, power generation and energy intensity.

Moreover, we have awarded 21 academia-industry projects to different Omani universities to tackle some of our priority technical challenges, such as energy efficiency, water management, enhanced oil recovery, bioenergy, material and corrosion and renewables.



Of course, as we grow sustainably, it is imperative that the wider society shares more of the fruits of our work and expertise and our ICV drive delivered almost 2,900 job opportunities to spur national employment efforts. Six more ICV opportunities amounting to US\$30 million were realised, making a total of 86 since the ICV Blueprint Strategy was unveiled in 2013. We have also operationalised 76 ICV facilities.

We boosted our investment in SMEs – a key component of a diversified economy – by 54% to over US\$508 million while at the same time maximising our beneficial social impact in line with the United Nations' Sustainable Development Goals.

We completed 66 social investment projects aligned with the themes of HSE, education and science, youth and female empowerment and community welfare, and committed to a further 82.

REVENUE DIVERSIFICATION

To be a sustainable business, we must look to additional sources of long-term revenue, particularly in the face of mounting climate change realities. As well as addressing its own emissions whilst growing its hydrocarbon revenue stream, PDO is studying potential investment opportunities in technology adjacencies that will enhance existing business revenue, generate new revenue streams and support Oman's NZE2050 objectives. A good example of this is investment opportunities in CCUS, which is expected to play a significant role in the Decarbonisation Roadmap for multiple Oman (industrial) sectors.

In the first instance, PDO is looking to pilot the use of CO₂ emissions from its oil and gas operations to enhance oil production from existing fields. This is done by capturing CO₂ from existing facilities and re-injecting them into oil and gas reservoirs to enhance oil and gas recovery.

In addition, we continue to look for opportunities to commercialise our strong technical capabilities, inherent capacity and competitive edges in niche areas.

Our limited liability subsidiary company PDO Services (PDO-S) continued to focus on establishing new supply chains and complementing and filling capability gaps in the Omani market, and offered conventional and tailored services to clients who want to tap into our vast experience and resources.

In 2022, it signed two multi-million dollar deals in 2022 with Total and Shell in Oman, following the success of its first commercial deal with Tethys Oman Oil Limited in December 2021, for seismic data acquisition in Block-56.

OPERATING MODEL

We must adopt new practices, new technology and advanced digital solutions. And that is why we have been tasked by our Board to refresh many aspects of our Operating Model and our Ways of Working in PDO.

To align with our strategic goals, we are undertaking a comprehensive transformation of our Operating Model with a strong emphasis on prioritising safety, cost discipline, efficiency and upholding the highest ethical



and compliance standards.

This change is driven by a set of principles including value-focused decision-making, a performance mindset, speed, staff empowerment, innovation and agility.

As part of the refresh, we are upgrading a number of our core business processes including our Contracting and Procurement process, to reduce sourcing cycle times and enhance value delivery, and we have initiated a series of workstreams to improve governance, people and performance, hydrocarbon maturation and digitalisation.

These workstreams will ensure we become more agile, more efficient and more productive in how we work together and in collaboration with other companies and partners, and ultimately be successful in an ever-changing business environment.

Lean will continue to play a critical role in optimising our processes, standards, structures and resources. It's vital that we continue to streamline and standardise our work processes and ensure those improvements are sustained.

In that respect, the scale and depth of the

implementation of Lean business efficiency tools and techniques have been impressive. Our CI programme has helped to deliver value, eradicate waste, support organisational priorities, such as carbon reduction, cost competitiveness, safety and manpower efficiency, and realise US\$150 million cost savings and cost avoidance.

At the end of 2022, over 9,000 new improvement ideas had been generated by our people across the business with over 650 teams deploying CI Fundamentals' methods and routines in their work. Over 300 successful CI projects had been closed spanning a diverse range of tasks in core business areas, including surface and sub-surface operations, finance and HR.

We've also been able to support 19 government ministries on their own CI journeys and to date have helped to Lean over 100 public services and processes.

2023 AND BEYOND

As we adapt to the changing energy landscape, our direction will be guided by our strategic priorities: ensuring the cost and carbon-competitiveness of our core business – today and in the future; growing our oil and gas business safely and sustainably; and ensuring long-term portfolio resilience whilst organically diversifying revenue generation options.

We remain committed to building a sustainable and low-carbon future, not only to ensure our Company's long-term success but also to continue generating oil and gas revenue in a cost-effective, energy-efficient manner to maximise value for the Sultanate.

As well as pursuing renewable opportunities based around the accelerated deployment of solar, hydrogen, wind and potentially geothermal energy, PDO is placing even more focus on operational cost competitiveness. We aim to sustain a top-quartile unit operating cost of US\$6 per barrel of oil equivalent through to 2030.



The 2023 oil production target is 659,000 bpd and 90,500 bpd of condensates. The total expected Capex and Opex are US\$5 billion and US\$2 billion respectively. This should generate US\$9 billion net cashflow for our shareholders (based on an oil price of US\$50 a barrel and of US\$4.5 per million British thermal units of gas).

Safety will remain our main priority and we must significantly improve our HSE performance and learn from our mistakes to protect our people and our communities.

In a fast-changing world, we are proud to retain our membership of the UN Global Compact, the world's largest voluntary corporate social responsibility initiative. We will stay committed to its 10 principles on human rights, the environment, labour and anti-corruption, and embedding them in our Strategy, culture and day-to-day operations.

These principles underpin our core values and ethical approach to business and provide the framework in which our staff and contractors are encouraged and expected to operate.

In conclusion, I would like to express my immense gratitude to Your Majesty and Your Government for your unwavering support and guidance and to all PDO staff, contractors and shareholders, who continue to serve Oman to the best of their ability, no matter what the circumstances.

There will be challenges ahead as we navigate the Energy Transition in an orderly manner but also many significant opportunities to help both the Company and country to progress and prosper.

I firmly believe PDO's business transformation will provide the solid foundations we need to ensure its future success.

STEVE PHIMISTER

Managing Director

OUR STAKEHOLDERS AND THEIR PRIORITY AREAS

PDO is the central engine of Oman's economy and its activities and performance directly impact the fortunes and futures of a rich diversity of stakeholders, including local communities, the Government, shareholders, customers, suppliers, regulatory bodies, municipal authorities, academia, non-governmental organisations, the media, and, of course, employees and contractors.

Our determination to be a good corporate citizen, putting sustainability at the heart of all we do, necessitates that we regularly engage with our stakeholders to understand their needs, opinions and expectations.

PDO believes it is important to engage with our key stakeholders honestly and clearly, report on our achievements and activities, while at the same time receiving feedback from them as this helps us to respond to any concerns about our impact and continuously improve our performance.

Our reporting focuses on the economic, environmental and social challenges that matter most to our stakeholders, and their feedback and information come from a variety of sources, including formal and informal face-to-face and telephone meetings, visits, workshops, surveys and digital communication.

Stakeholder engagement continues to play a vital part in building and protecting PDO's reputation.

We were aware of the need to clarify and consolidate our role in a fast-changing world characterised by mounting climate change realities, pressures to phase out fossil fuels and rapid digital disruption.

As a result, we took extensive soundings from our Board and more than 300 stakeholders to craft a new corporate purpose, which will help us retain our position as the central engine of the Omani economy, as the provider of secure, affordable and sustainable energy in a decarbonised world.

This endeavour resulted in the following purpose - **"Building a sustainable and low-carbon future to maximise value for Oman"** - which is underpinned by a new strategy that will help us become pioneers in this new energy landscape, leading technology deployment, decarbonisation, operations and supply chain for oil and gas and adjacent value pools.

The purpose and strategy will enable us to sustain our current energy system, meet existing customer needs and deliver value for Oman at the same time as building a new one. This means that, as we navigate the change, we must increase production while cutting emissions and rolling out cleaner alternatives to fossil fuels.

In a nutshell, our new strategy aims to deliver on our purpose, maximising value from our oil and gas core business and building a low-carbon energy future.

The comprehensive consultation with stakeholders enabled us to obtain internal and external feedback on our challenges and opportunities during the Energy Transition and secure full buy-in for our future

We conducted two PDO Majlis sessions on important topics aligned with the Oman Vision 2040:

- **"Maximising Value Through The Circular Economy,"** which discussed the need for a circular and green economy that meets national needs and keeps pace with global trends. It also considered the need to prepare a national roadmap and adopt a national policy that encourages and supports the circular economy and emphasises integration with various existing policies, programmes and agencies.
- **"Tourism Opportunities for SME enterprises in the Governorate of Dhofar,"** which shed light on the opportunities and promising sectors for small and medium enterprises in Dhofar Governorate. It also considered the challenges and facilities to enable SMEs and entrepreneurs, and the investment, financing and institutional readiness to exploit available opportunities.

We maintained our outreach through our Khebra project, which we launched in 2018 to share our expertise with staff from the government and private sectors, holding a joint workshop with a key stakeholder, the Ministry of Labour, to shed light on the programme and the registration process for different government learning and development professionals.

plans, which will be vital if we are to continue to succeed in a fast-changing world.

As further evidence of our commitment to meeting stakeholder expectations and working with them on mutually beneficial projects linked to the Oman Vision 2040, we signed 17 knowledge sharing MOCs with multiple entities.

Fortunately, during 2022, we were able to conduct more of our stakeholder management events in person after many of the COVID-19 restrictions were lifted.



There was also further engagement through our Edhaat programme, which ensures our staff are acquainted with government and main stakeholder initiatives and processes. In 2022, this focused on the digital economy, be'ah's Trash to Cash programme and an Oman Food Bank initiative.

Visits were conducted to share best practice between the Company and its stakeholders such as with Shell Development Oman on its government relations set-up and Non-Technical Risks Framework.

A number of engagements were conducted with the Ministries of Labour and Social Development on areas of mutual interest and improvement and there was constant interaction with contractors, specifically around boosting HSE, In-Country Value and operational efficiency.

A total of 195 staff and 174 civil society organisations

are now registered on our Baader Volunteering initiative to offer community support, with the total number of volunteering opportunities reaching 40. We also hosted a Baader exhibition in the Mall of Oman to showcase its work.

We participated in the 9th Oman Energy Environmental, Social and Governance Forum to help stakeholders on finding solutions to power sustainable economic diversification in the Sultanate.

There was also further outreach to government ministries on embedding Lean ways of working in their systems and processes to add more value, enhance efficiency and streamline procedures.

Since 2019, we have worked closely with the Oman 2040 Vision Unit to help it simplify governmental processes, have supported 19 entities on their efficiency journeys and Leaned more than 100 services.



COMMUNICATIONS AND EVENTS

Our Corporate Communications and PR and Events Management teams worked together on a series of key events and campaigns, including National Day, PDO Day, Oman Sustainability Week, Safety and Process Safety Days and our 85th anniversary celebrations.

In total, they presided over 115 events and a number of VIP visits, including from Saudi Arabia and the Czech Republic.



423,400
Followers



112,900
Followers



64,200
Followers



18,200
Followers



8,000
Followers

To ensure a timely, accurate and newsworthy flow of information, 2022 saw the publication of around 30 press releases, the execution of more than 55 media engagements, interviews and activities and almost daily social media updates on a wide variety of activities, topics and campaigns across the Company's five social media platforms.

Indeed, social media remains a key focus for PDO to reach a wider audience and increase digital brand visibility. The Company's LinkedIn page is the most followed Omani corporate account in the Sultanate with more than 423,400 followers. In addition, PDO has been able to grow exponentially on other platforms.

From ongoing engagement and inputs, we have drawn up our Materiality Matrix covering our major aspects, the current potential impact on our business and level of concern to our stakeholders.

3-1 Process to determine material topics
3-2 List of material topics

3-1 Process to determine material topics
3-2 List of material topics

Stakeholder	Key Issues Raised	Our Response
Government, shareholders, State and Shura councils (via face-to-face and telephone meetings during the year)	Energy Transition (renewables, hydrogen, CCUS) Personal and Process Safety In-Country Value (jobs, training, Omanisation) Value Creation Funding/ Cost Control/Lean Digital Disruption	See MD's Foreword, Chairman's Message, and sections on Who We Are, Our Stakeholders Priorities, Exploration and Hydrocarbon Maturation, Hydrocarbon Production and Reservoir Management, In-Country Value, General Welfare, Environmental and Safety Performance, Environmental Sustainability and New Technology
Employees (via online People Survey, town hall engagements, face-to-face meetings during the year, PDO Trade Union)	Energy Transition (renewables, hydrogen, CCUS) Diversity and inclusion Digital Disruption Remote Working (COVID-19) People Development and Training Personal and Process Safety Omanisation Quality Healthcare Lean	See MD's Foreword, and sections on Who We Are, In-Country Value People and Staff Development, Environmental and Safety Performance, and General Welfare
Communities, including municipal authorities, governors, and walis (via face-to-face and telephone meetings during the year)	Energy Transition (renewables, hydrogen, CCUS) In-Country Value Infrastructure Development Community Relations Social Investment Environmental Stewardship	See MD's Foreword, and sections on Who We Are, In-Country Value, General Welfare, Environmental and Safety Performance and Environmental Sustainability and New Technology
NGOs (via face-to-face and telephone meetings during the year)	Need for Ongoing Support (both Financial and Non-Financial)	See MD's Foreword and section on General Welfare
Business partners and suppliers (via face-to-face and telephone meetings during the year)	Energy Transition (renewables, hydrogen, CCUS) Cost Control Personal and Process Safety In-Country Value Contracting and Procurement (incl. Contract Optimisation Reviews) Digital Disruption	See MD's Foreword and sections on Who We Are, In-Country Value, General Welfare, Environmental and Safety Performance, Environmental Sustainability and New Technology
SMEs (via face-to-face and telephone meetings during the year and new online Daleeli system)	Energy Transition (renewables, hydrogen, CCUS) In-Country Value Working with PDO Technical and Financial Support	See MD's Foreword and sections on Who We Are and In-Country Value
Academia (via face-to-face and telephone meetings during the year)	Energy Transition (renewables, hydrogen, CCUS) In-Country Value Working with PDO Technical and Financial Support Energy Transition (renewables, hydrogen, CCUS) In-Country Value (Ejaad) Employment Opportunities for Graduates Closer Collaboration on Research and Development Digital Disruption	See MD's Foreword and sections on Who We Are, In-Country Value and Environmental Sustainability and New Technology
Customers (via face-to-face and telephone meetings during the year)	Reliable, Sustainable Delivery Energy Transition (renewables, hydrogen, CCUS)	See MD's Foreword and sections on Who We Are, Exploration and Hydrocarbon Maturation and Hydrocarbon Production and Reservoir Management
Media	Reliable and Regular Flow of Timely, Relevant and Accurate Information Energy Transition (renewables, hydrogen, CCUS) New Discoveries In-Country Value Social Investment 85th Anniversary of PDO	See this chapter and MD's Foreword and sections on Who We Are, In-Country Value, Hydrocarbon Production, Exploration and Hydrocarbon Maturation, General Welfare

Material Aspect (including key topics)	Aspect Boundary (internal and external)
HSE Impact <ul style="list-style-type: none"> • Safe Operation • Energy Transition • Environmental Sustainability • Energy Management • Water Management 	PDO (as a whole), Government, Community, Customers, Suppliers, Contractors
Economic Performance <ul style="list-style-type: none"> • In-Country Value • Omanisation – Jobs, Training • Economic contribution • Cost-competitiveness • Lean 	PDO (as a whole), Government, Community, Customers, Suppliers, Contractors
Sustainable Business Model <ul style="list-style-type: none"> • Funding/Cost Control • Energy Transition • Hydrocarbon Exploration, Maturation and Production • Continuous Business Improvement (Lean) • Technical Innovation 	PDO (as a whole), Government, Community, Customers, Suppliers, Contractors
Operational Performance <ul style="list-style-type: none"> • Exploration and Production 	PDO (as a whole), Government, Community, Customers, Suppliers, Contractors
Employee Satisfaction <ul style="list-style-type: none"> • Training and Development • Remuneration • Employee Engagement • Recruitment and Retention • Employee Well-being (including Occupational Health and Safety) • Diversity and Inclusion • Remote Working 	PDO (as a whole), Government, Community, Customers, Suppliers, Contractors
Community Commitment <ul style="list-style-type: none"> • Social Investment • SME Support • R&D Collaboration With Academia 	PDO (as a whole), Government, Community, Customers, Suppliers, Contractors
Corporate Governance	PDO (as a whole), Government, Community, Customers, Suppliers, Contractors
Business Ethics	PDO (as a whole), Government, Community, Customers, Suppliers, Contractors
Supply Chain Management	PDO (as a whole), Government, Community, Customers, Suppliers, Contractors
Customer Satisfaction	PDO (as a whole), Government, Customers

EXPLORATION AND HYDROCARBON MATURATION

2022 HIGHLIGHTS

- Booked 126 million barrels of Contingent Resource (CR) oil volumes
- Booked 0.34 Tcf Contingent Resource (CR) gas volumes from the Barik and Miqrat plays
- Innovative seismic technique identifies new hydrocarbon accumulations in the Mabrouk field and Gharif reservoirs
- Maintained a low unit finding cost for oil and gas of ~US\$1.3 per barrel (oil equivalent)
- Completed 3D seismic acquisition over the complex Central Oman dune-dominated area
- Commissioned the RPAS project moving the remote sensing work to the next level
- Goal Zero: completed seven years without a Lost Time Injury (LTI)

Exploration and hydrocarbon maturation concentrates on the subsurface aspects of field development plans: finding hydrocarbon-bearing reservoirs; appraising their size, structure and properties; accurately simulating the way in which the hydrocarbons flow through them into the wells; and then deciding – in light of all the data and all the uncertainties – how best to extract the hydrocarbons from them. The task of discovering and appraising new reservoirs is entrusted to the Exploration Directorate. The field simulations and conceptual planning are carried out in PDO's Hydrocarbon Maturation Centre. This allows most of the Company's reservoir engineers and production geologists to plan properly for the future without being side-tracked by the demands of short-term production.



The core mission of our Exploration Directorate is to safely and efficiently explore and mature commercially viable hydrocarbon volumes in Block 6 to create near-term value and long-term sustainability for PDO and our stakeholders. Even after decades of exploring in our concession area, new advances in seismic imaging, coupled with highly skilled and enthusiastic geoscientists and engineers, have enabled the continuous replenishment of produced resources.

The directorate's strong delivery focus helped complete another very successful year with oil and gas bookings made from various plays from the core, such as Shuaiba and Gharif. A total of 126 million barrels of oil and 0.34 trillion cubic feet (Tcf) of non-associated gas (NAG) were booked as Contingent Resource (CR) volumes in 2022. The overall (oil and gas) unit finding cost (UFC) was near US\$1.34 per barrel of oil equivalent. The unit technical cost of these discoveries was also highly competitive, with early wells already in production and full field development plans underway. Significant oil and gas portfolios were evaluated – partially as a result of extensive maturation work, including the implementation of a novel way of working using an agile approach. This "Innovation Pod" method will lead to an increased drilling activity programme in 2023 and beyond in support of our exploration growth programme in the next five years.

The directorate safely drilled 23 oil and gas exploration wells including ultra-deep ones into the Nafun plays in North Oman. Several oil discovery wells were hooked up for production and early monetisation, resulting in the delivery of a daily average of ~ 3,200 barrels.

Early hook-up and production from more exploration discovery wells remain a focus area in 2023 and in the programme plan. A "Produce While We Explore" initiative has been initiated to ensure more value is generated from discovery exploration wells.

CR VOLUMES BOOKED IN 2022:

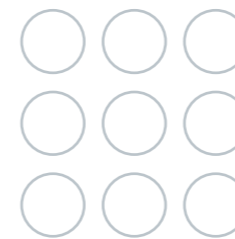


126 million
barrels of oil



0.34 trillion
cubic feet of non-associated gas

Unit finding cost: US\$ 1.34 per barrel
of oil equivalent



OIL MATURATION

The 2022 oil maturation work focused on extending the creaming of the proven plays of Shuaiba and Gharif through expanding the evaluation of novel oil trapping concepts across Block 6, as well as growing the delivery potential for the emerging Mesozoic plays such as Mafraq, Jilh and Sudair. The new concepts and plays are part of the exploration growth activity plan supporting PDO's production target. Focus continued with oil portfolio rejuvenation and diversification using the latest 3D Wide Azimuth (WAZ) seismic data. In addition, dedicated resources were set to further process the 3D WAZ seismic information and facilitate advanced quantitative interpretation (QI). This will provide another technique to identify and mature novel opportunities and improve the exploration success rate.

Oil bookings were in the core plays of Shuaiba and Gharif reservoirs in North Oman and dominantly in the Gharif reservoirs in the South of Block 6. Several discovery wells were hooked up for early production. The overall unit finding cost (UFC) for oil was around US\$1 per barrel, a 30% reduction from US\$1.36 in 2021.

GAS MATURATION

Gas maturation work continued with a strategy that is linked to extending the novel stratigraphic and pinch-out trapping concepts in the gas provinces and focusing on the deeper and potentially complex reservoirs close to existing ones. This approach is considered critical to replenish and rejuvenate the portfolio for long-term sustainability and potential growth. To achieve success, it was critical to integrate play-based regional assessments with advanced QI to define new concepts and opportunities. These concepts were tested in multiple plays - Gharif, Barik, Miqrat, Amin, Birba, Buah and Khufai.

As a result of extensive maturation work, the Gas Exploration team were able to book 0.34 Tcf of Contingent Resource (CR) gas volume in 2022. They also added 0.8 Tcf of risked ultimate recovery prospective portfolio volumes, which resulted in a portfolio replenishment ration of approximately 2.3. This addition was made across different plays spanning shallow to deep, opening more options and choices in future gas maturation plans.



GEOPHYSICAL ACTIVITIES

3D WAZ seismic acquisition continued at pace in 2022 using the state-of-the-art technique of Ultra High Productivity (UHP), which was initiated in 2018. A new wireless nodal system receiver technology was rolled out at production scale for the first time during the acquisition of 3D WAZ data at Haniya in 2021. In 2022, exploration geophysics supported the inauguration of PDO Services with the safe and successful completion of 3D WAZ seismic data for both Tethys in Block 56 and Shell in Block 55. In the latter half of 2022, the most challenging central Oman dune-dominated 3D WAZ survey was completed deploying the most innovative digitalisation techniques in data harvesting and a new dozing technique, least-resistance dune cutting. In total, 7,500 square kilometres of seismic data were acquired with a total of 355 operational days undertaken safely without any LTIs, significant asset damage or environmental impact. These efforts were lauded

regionally with PDO being named Operational Excellence Company of the Year (Excellence in Remote Operations) during ADIPEC 2022.

Exploration continued to make significant strides in progressing automated workflows in seismic data processing and interpretation, through our strategic alliance and long-term partnership programmes. These workflows were used to open new plays, accelerate the pace of work and advance the definition of subtle traps and detection of geobodies. A good example of this is the application of the innovative dispersion-dependent seismic technique to identify new hydrocarbon accumulations in the Mabrouk field and Gharif reservoirs. More trials are set to continue in 2023.

GEOMATICS ACTIVITIES

The Geomatics department continued to deliver differentiated, efficient, integrated, and innovative trusted geospatial services and solutions across the business. The department activities are central to core activities such as well location delivery, engineering survey work, urban planning, facility inspections, field subsidence monitoring and geographic information system (GIS) and remote sensing solution offerings.

Leveraging on our in-house-managed geospatial data and capability, the team continued to develop insightful geospatial

platforms that brought more business integration, enhanced business workflows and better decision-making. Among many of those solutions was the platform built to integrate the outcome of a road safety "deep dive" exercise.

The platform brought integration and insight, helping PDO to understand trends and anomalies related to driving. Similarly, the solution leveraged the capabilities of GIS and geospatial data to optimise daily rig move travels by minimising obstacles and hazards along the route.



Beside the baseload work, the department continued to grow its scope to include emerging business themes such as the net-zero emissions journey. The remote sensing team were instrumental in monitoring emissions through satellites and sensors mounted on drones. This allowed PDO to immediately act to repair leak sources where and when detected.

2022 also witnessed the deployment of world-class 'Beyond Visual Line of Sight (BVLOS)' remotely piloted aircraft systems (RPAS). Such long-range drones, which are equipped with state-of-the-art sensors, enable the department to remotely collect daily data across all our assets.

Our Remote Sensing Centre analyses this daily feed of data

from the drones using an in-house developed artificial intelligence technology. This can detect and report to asset owners any defects found within 24 hours of a drone flight, as well as deliver high-end remote sensing products. The deployment of this technology is making PDO more expansive in its thinking and will lead to less deferment and HSE exposure and fewer emissions.

Overall, the department continued to grow in scope, while using technology and digitalisation to generate more value for internal stakeholders. Above all, it continued to sustain its excellence in safety by registering 41 years of LTI-free operations.

CASE STUDY: MABROUK MOMENTUM

The Mabrouk (MBR) main field is set for further gas development generating a huge revenue boost for the nation. The field has been producing since 2010, with 18 wells tapping into the shallow Gharif reservoir, south west of Saih Rawl. However, with output from existing fields and organic growth from exploration declining, robust identification of intra- and near-field hydrocarbon maturation (HCM) opportunities has become crucial to securing mid- to long-term gas supply.

Three main appraisal opportunities have been identified - MBR South East, MBR West and MBR North East - by adopting innovative dispersion-dependent seismic techniques to identify hydrocarbon accumulation coupled with existing knowledge of stratigraphic traps. The breakthrough combines current seismic interpretation and a new method to look at the relevant data from a different angle, thereby avoiding the cost of a new seismic shooting in the area.

The promising Mabrouk opportunity was matured to the

drilling stage in a record time of four months and the first appraisal well (MBR-65) was spudded in 2021. This was tested with a commercial production rate (0.3 million cubic metres per day and a higher expected potential of 0.5 million m³/d.

More importantly, the well has proved the seismic anomaly concept of dispersion and has led to the identification of follow-up wells with a potential to unlock up 10 billion cubic metres of additional contingent reserves from Mabrouk. The second well (MBR West) is currently being drilled to test this method west of the field.

Additional new opportunities are being matured based on the same concept. In addition, the technique can be replicated across PDO to identify new accumulations and infill targets within developed fields for different reservoirs. The project is of low unit technical cost (US\$0.57/per million British thermal units), since the facilities are already in place, with a total net present value of US\$364 million.

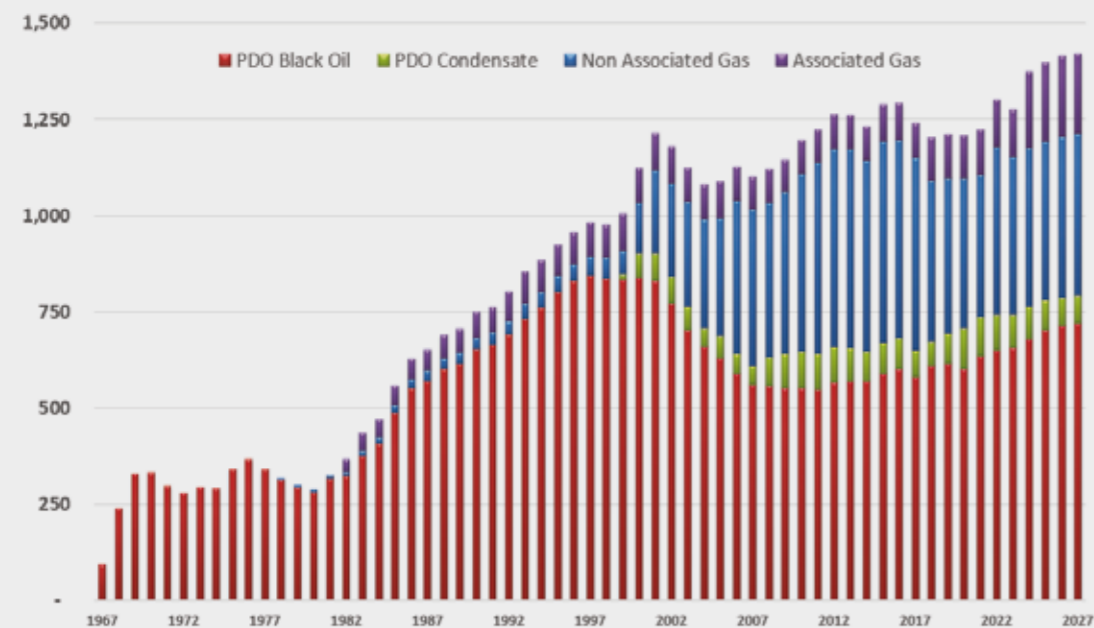
HYDROCARBON PRODUCTION AND RESERVOIR MANAGEMENT

2022 HIGHLIGHTS

- Delivered a combined oil, gas and condensate production of 1.17 million boepd
- Raised long-term oil production plateau aim to exceed 700,000 bpd
- Carried out a record number of completion and well intervention activities
- 70% of wells rated as top quartile

Hydrocarbon Production and Reservoir Management aim to optimise production from existing oil and gas fields in such a way that short-term output is maximised without jeopardising production sustainability.





660,894 bpd
Oil Production



62.93 million m³/d
Gas Production



100,172 bpd
Condensate

As the country's largest hydrocarbon producer, we continued our role as the country's swing producer for gas, requiring us to operate in a highly dynamic mode.

PDO average oil production for 2022 was 660,894 barrels per day (bpd), which was 8,894 bpd higher than the planned target due to improved new oil performance and scheduled activities.

Condensate output was 100,172 bpd, while gas production was 62.93 million m³/d, consistent with lower customer demand.

The combined total average barrel of oil equivalent production per day (oil, condensate and gas) was 1.17 million boepd. The coming years will see continued production growth, in line with our production ambition of more than 700,000 bpd.

WELL ENGINEERING

The Well Engineering Directorate delivered 715 wells, a 4.5% increase on the 2021 total of 684.

It also carried out more than 4,700 hoist well and reservoir management (WRM) and 22,000 completion and well intervention (CWI) activities, marking the largest number ever recorded in one year, and this was achieved without additional resources.

We also reduced overall Non-Productive-Time (NPT) in our activities from 4.8% in 2021 to 3.5% in 2022, the lowest ever overall NPT recorded.

We ended the year with 70% of our wells being rated in the top quartile compared to our competitors. This was achieved through Continuous Improvement and by narrowing the Gap to Potential (GTP).

The GTP for rigs, hoists and CWI units, in combination with Performance Improvement Staircases, have proven to be key enablers for performance improvement. To take our performance to the next level we will focus on reducing Invisible Lost Time (ILT) from our operations. The target for 2023 is to reduce ILT by 10% by focusing on the identified ILT key performance indicators across our operations.



HSE

As far as health and safety are concerned, 2022 was a challenging year, marked by the tragic loss of four of our colleagues. Even with numerous HSE initiatives in place, we are still far from reaching Goal Zero – no harm to our people, environment or assets. We are therefore applying new approaches to our operations, both at corporate and directorate levels and focusing on six elements in a Company “HSE Refresh”: Safety Leadership, Contractor HSE Management, Learning Organisation, Road Safety, Process Safety and Risk Management.

We will sustain our efforts through our behaviour-based Ihtimam (I Care) and Safety Leadership for Frontline Supervisors (FLS) programmes and roll out new initiatives. Since the end of October 2022, we have been running the “Boots on the Ground” scheme, whereby our operational team leaders follow a shift pattern in the field to be close to the operation so that we gain a better understanding of our HSE gaps and develop, jointly with our people there, more effective ways of closing them. With the commitment and the contributions from the many talented people in our wider Wells community, we will aim to turn around our HSE performance and further progress our operational improvement, decarbonisation and digitalisation journeys.

DECARBONISATION

We made good progress during last year on reducing our carbon footprint. One of our initiatives was to electrify all rigs and hoist camps. Construction took place at 19 locations and five camp locations were electrified. We also introduced four new electric hoists to our operations. In the near term many of our units will need to be hybrid - both diesel and electrical – as in some locations the distance from the grid makes it uneconomic to connect the unit to the power network.

On contracting, we signed an agreement with KCA Deutag to locally manufacture four rigs for PDO operations with highly automated systems. In addition, we signed a Memorandum of Understanding with Borets Overseas to establish two facilities in Oman, one for manufacturing industrial cables for electrical submersible pump (ESP) applications, and another to manufacture permanent magnet motors (PMMs) for ESP applications, which offers power savings in artificial lift applications compared to conventional motors.

As part of PDO's Energy Transition journey, we have identified five In-Country Value (ICV) opportunities, which are expected to contribute US\$14 million in terms of local spend per year, in addition to help decarbonise operations. This will be incremental to our current total annual ICV spend of US\$783 million, which comes from workforce Omanisation, localising services and manufacturing goods and products.

DIGITALISATION

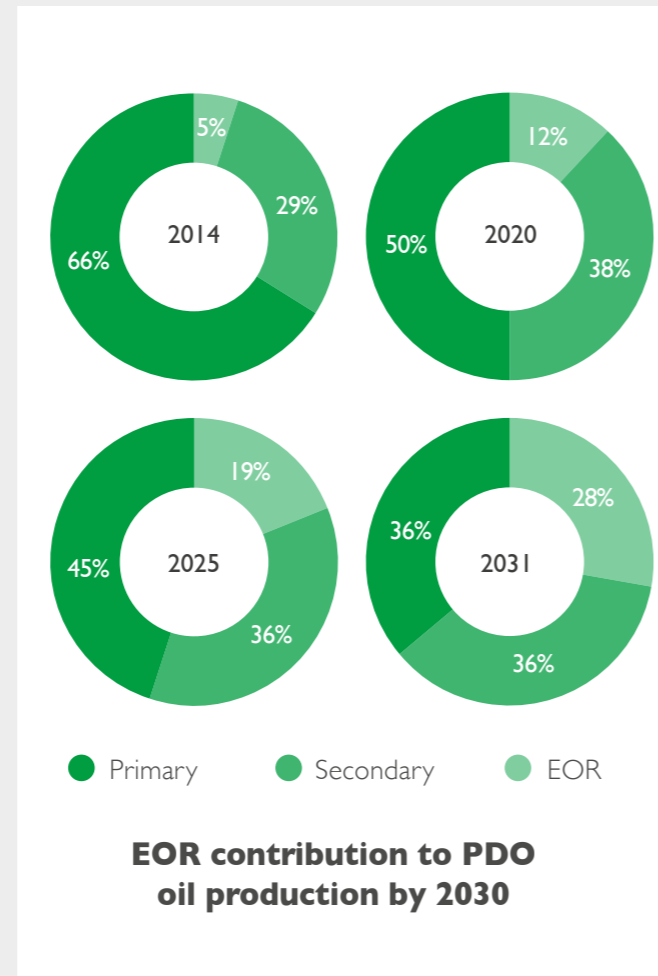
Part of our mission is to drive a digital transformation in Wells and to integrate all our processes while building our digital capability to deliver our business goals. To deliver our wells with a Goal Zero HSE performance in half the current end-to-end delivery time and at half the current lifecycle cost, we will digitalise all Wells processes, whilst staying abreast of technological developments and building our people's digital skills.

One aspect of how the Fourth Industrial Revolution (4IR) is significantly improving our performance is our Stuck-Pipe and Tight-Spot Events Prediction (STEP) tool. This is our first advanced analytics system using machine learning and artificial intelligence to predict potential tight-spot and stuck-pipe incidents, which has been fully deployed on all our rigs. In 2022, more than 700 confirmed alarms of such occurrences were raised with a precision rate of around 87%.

We are also working on capitalising on the latest virtual reality (VR) and augmented reality (AR) technologies to optimise our training efficiency, partnering with a vendor jointly with a vendor to develop a stuck pipe course which will harness state-of-the-art VR and AR technologies.

ENHANCED OIL RECOVERY (EOR)

PDO's journey in growing the future EOR contribution to oil production continued in 2022. It is anticipated that by 2031 around 28% of our production will come from such projects. We are currently operating a range of commercial-scale EOR schemes, including chemical EOR, miscible gas injection (MGI) and thermal applications. Further optimisation of the PDO portfolio and entry of new opportunities into the hydrocarbon maturation funnel has increased the production contribution from primary and secondary processes.



Full Field Developments Under EOR Processes

The Marmul Polymer Phase 1 and Phase 2 projects were commissioned in 2010 and 2015 respectively with a total oil contribution of 29 million barrels of oil to date. The combined production gain from both phases hit 9,700 bpd in April 2022, the highest production gain during the year.

Work is continuing on the third phase to further improve execution readiness. The project will develop an additional 61 million barrels of incremental oil, with the first oil expected by Q1 2023. Gas injection in the Birba field has been taking place for the past 30 years, yielding an additional 69 million barrels of oil with a current field recovery factor of approximately 25%.

The Al Noor Phase 3A MGI project began in 2015 but at a very low uptime/availability. However, follow-up improvements have been intensively pursued, with solid progress between 2019 and 2022. To date, 1.92 billion m³ gas have been injected and a positive reservoir pressure response continues to be observed, with MGI incremental oil to date at around 12.1 million barrels. The expected total recovery with MGI is about 17%.

The Harweel 2AB project (Zalzala field) started MGI in April 2014 and is currently injecting at about 3 million m³/d. So far, 7.6 billion m³ of gas have been injected. A clear response to the MGI process has been established in terms of incremental oil rates to date around 39 million barrels, and target pressures above the minimum miscibility pressure across the field. The expected total recovery with MGI is about 50%.

MGI Injection in the Sakhiya (SAK) field as part of the mini-flood project was initiated in mid-2015 with high injectivity of up to 2.5 million m³/d from three injectors. Until now, 4.3 billion m³ of gas have been injected and a positive reservoir pressure response continues to be observed.

The Rabab Harweel integrated project (RHIP) – the largest and most expensive in our history – commenced in June 2019. To date, 48 wells (20 injectors, 28 producers) of the planned 55 (21 injectors, 34 producers) have been drilled. Currently, gas recycling into the Rabab gas field has reached 5.5 million m³/d while MGI into the SAK fields and Dafaq field was close to its 2023 target of approximately 8.6 million m³/d. Additional total MGI incremental oil to date is around 25 million barrels from SAK A2C and 6.1 million barrels from SAK A3C. The expected total recovery with MGI in both reservoirs is about 50%.

The Amal Steam project continues to improve in all areas, and the year-average oil production for 2022 at 2,825 m³/d (equivalent to around 17,766 bpd). There was a continued strong steam injection performance, with a 2022 average injection rate of around 13,967 tonnes per day. Currently, there are 385 active thermally compliant wells (producers, injectors and observation wells) in both Amal West and Amal East.

These are being developed with thermal steam injection generated by the Miraah Solar plant and heat recovery steam generators in Amal West and once-through steam generators in Amal East, demonstrating a thermal response in both fields. The year average was 33,403 bpd.

Field Trials And EOR Research

PDO is continuing to identify and develop novel technologies that have the potential to unlock difficult hydrocarbon resources, further reduce the technical costs of these developments and accelerate project delivery. This is being done through a series of dedicated laboratory and desktop studies and field-testing programmes in collaboration with local and international institutions, as well as screening third-party, off-the-shelf solutions.

As an output from these alliances, technologies such as alkaline surfactant polymer (ASP), foam injection, surfactant foam, cyclic solvent injection, and polymer/water simultaneous injection have been tested in the laboratory and by desktop and have shown positive results. Furthermore, off-the-shelf and cheaper chemical formulations have shown promising results in the lab. Moving forward, we are exploring the most efficient and cost-effective methodology to trial these technologies in the field.

In 2021, the second phase of ASP project was successfully launched at Marmul Al Khalata, using a different, more readily available alkaline and an optimised surfactant injected into a larger spacing pattern. The data from this phase will ensure de-risking the upscaling element of the ASP technology towards full field deployment which aims to develop approximately 78 million barrels of reserves.

Other research initiatives have targeted cost optimisation in our current and future EOR developments. Work is ongoing to expand the surfactant polymer application for more viscous oil. If successful, this will open up significant potential volumes across PDO fields, estimated to be around 185 million barrels based on the latest EOR portfolio review. We are striving to reduce technical and development costs and greenhouse gas emissions on the next chemical-flooding phase.

In the carbonate portfolio, several EOR options have been evaluated, with limited technical and/or economic viability. Currently, the most attractive new technique is surfactant foam or low-tension gas (LTG) technology. Intensive lab testing conducted over the last six years has identified a chemical formulation that can efficiently displace any remaining oil after waterflood, improving conformance and reducing residual oil saturation.



The formulation has been proven to be efficient at lab scale with optimised slug sizes and concentrations in stable conditions. To mature the concept to field scale, a field test is planned in 2023 to assess the uncertainties to provide a robust project outlook. A phased agile implementation strategy is planned to de-risk the LTG technology and provide exit points and lessons for field application, including calibration data. The expected unlocked volume from this technology is approximately 63 million barrels.

For the gas portfolio, the EOR team are currently assessing the opportunity of an enhanced gas recovery (EGR) technique. A study will focus on screening all gas fields in PDO's portfolio to identify and rank the best candidates for EGR, considering the options of carbon dioxide and nitrogen injection.

The amount of additional gas condensate and dry hydrocarbon gas that could be recovered by CO₂ and N₂ injection will be estimated for all the fields, and a simple/high level surface concept, including injection and gas processing facilities will be developed. A high-level unit technical cost will then be estimated for the candidate fields to rank the best opportunities. In addition, the storage capacity will be estimated for the case of CO₂ EGR. The preliminary results of this study are expected to be ready by mid-2023.

Finally, we are investigating the applicability of the Operational Lease (OL) concept to EOR projects. This is being particularly pursued for the new chemical polymer projects in the South, such as Nimr A and E and Haima West, with an expected total recoverable volume of 80 million barrels. This is in line with our Lean and replication processes. It is envisaged that OL will allow for faster field implementation through a phased development approach and reduce risk and cash exposure.

In the last five to 10 years, various EOR technologies have been further developed and several EOR projects and trials have been successfully conducted. This has generated valuable information from a field testing and field performance perspective, including operational learnings. It has also allowed for a much wider window of application and contributed to our aspirational production target of over 700,000 bpd.

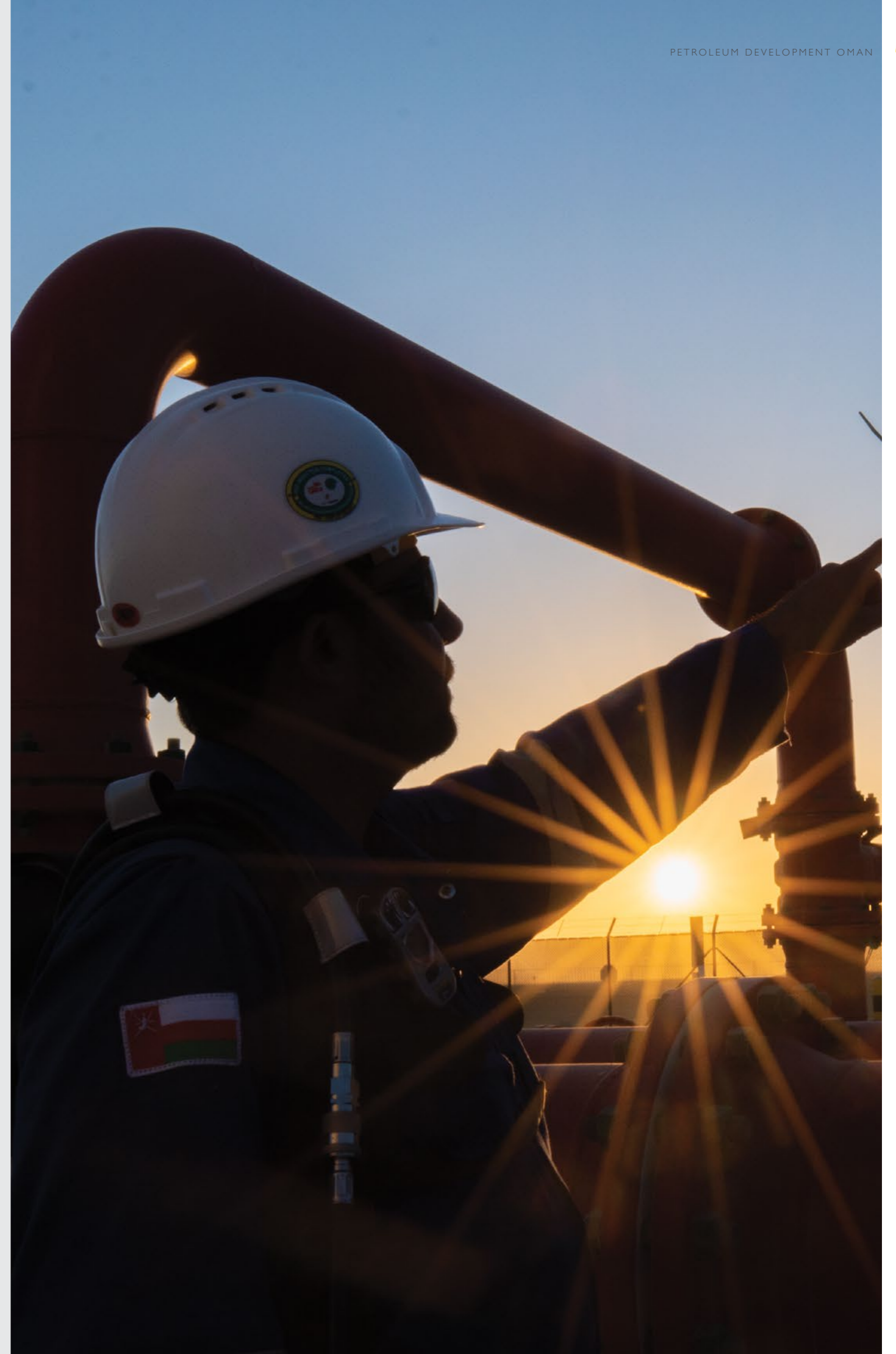


OPERATIONS EXCELLENCE

2022 HIGHLIGHTS

- A 70% fall in Tier-1 and Tier-2 process safety incidents over five years
- Continuous Improvement and digitalisation enhance operating integrity and risk management
- New PDO and contractor leadership safety drive
- Ihtimam behaviour-based safety system expanded to 52,000 employees
- 40% rise in number of HSE assessors

Operations excellence essentially refers to the top-class running and maintenance all surface facilities across PDO. It is about achieving the desired reliability and availability of processing plants and keeping the oil and gas flowing safely through pipelines to the Terminal.



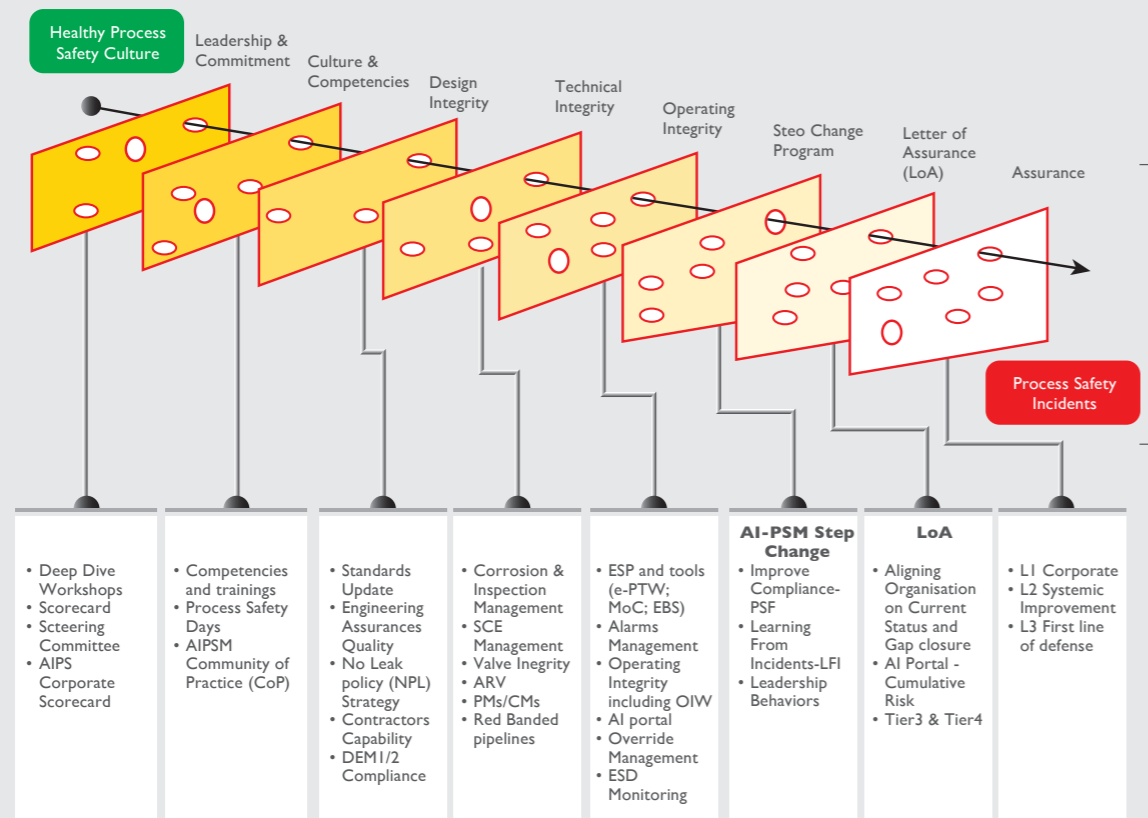
ASSET INTEGRITY AND PROCESS SAFETY MANAGEMENT

Asset Integrity-Process Safety Management (AI-PSM) is crucial for achieving the Company's strategic goal: "Our Assets Are Safe and We Know It."

There has been an increased awareness about AI-PSM across the board through leadership prioritisation and numerous campaigns. The Company has made significant year-on-year progress and our Tier-1 and Tier-2 incidents have decreased by over 70% over the last five years, with a 50% fall from 2021. In 2022, there were 1 Tier-1 (2 in 2021) and 11 Tier-2 (22 in

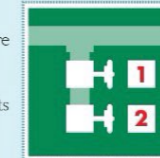
2021) process safety events – 10 on-plot and two off-plot.

To achieve Goal Zero, PDO is shifting the focus from lagging to leading indicators that could play a major role in preventing process safety incidents. In addition, our senior executives identified the leadership behaviour commitments required to drive our asset integrity process safety Step Change programme. We continue to 'stay the course' in implementing the following AI-PSM programmes:



Process Safety Fundamentals

PSF# 1 Always ensure two barriers are in place for hydrocarbon and chemical drains & vents



PSF# 2 Do not leave an open drain or critical transfer unattended



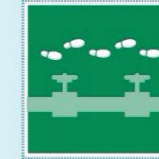
PSF# 3 Define interim mitigation measures for any defective Safety Critical Element and ensure controls are effectively implemented



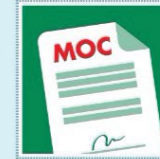
PSF# 4 For all defined high risk activities, follow the procedures and sign off after each step



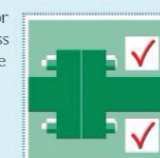
PSF# 5 Walk the Line – Verify and validate any line up change



PSF# 6 Do not make a change without a MOC



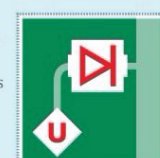
PSF# 7 Verify for complete tightness after maintenance work



PSF# 8 Always check that equipment and pipes are depressurized, drained and safely isolated before opening



PSF# 9 When connecting utilities to process ensure backflow protection is installed



PSF# 10 Respond to critical alarms



AI-PSM Step Change Programme

We made progress on both the goals of the AI-PSM Step Change programme - Process Safety Fundamentals and Learning From Incidents. These are reviewed every quarter by the respective functional director and half yearly by the Technical Director with managers.

AI-PSM MDC Deep Dive

The Deep Dive is an annual structured meeting for senior leadership to step back and reflect on the Company's AI-PSM journey to Goal Zero. In 2022, it provided an opportunity to stress the importance of Tier-3 and Tier-4 leading indicators. During the session, participants identified what PDO leaders would do differently, from the perspective of leadership behaviours, to strengthen AI-PSM.

AI-PS L2 Assurance

There was a cross-directorate AI-PS L2 assurance process at Marmul, Yibal Oil, Saih Nihayda Gas Plant and Power (South) in June 2022. The assurance results indicated that systemic progress was occurring, but specific localized risks remain, particularly around compliance to standards and procedures and Change Management. Recommendations were made to focus on closing existing systemic actions and emerging specific risks, while supporting site organisations with a broad coaching model.

AI-PSM KPIs for Engineering and Maintenance Contractors

AI-PSM mandatory requirements were updated in a new standard template of C5 and C9 in the contracts. A workshop in November established AI-PSM KPIs for existing Engineering and Maintenance contracts, which are being operationalised in 2023.

Letter of Assurance (LoA)

The LoA is intended to assure that process safety risks are identified, documented and managed to as low as reasonably practicable (ALARP). It was established as a one-stop shop for AI-PSM monitoring and focuses on leading key performance indicators (KPIs) to provide early warning signals including lagging KPIs. The LoA was one of Operations' best sustained practices and was replicated and operationalised by Engineering, Wells and Petroleum Engineering in 2022.

Cumulative Risk Management

The AI Portal for cumulative risk visualisation is now increasingly used, while efforts are ongoing to fully automate the annual LoA and support better Safety-Critical Element (SCE) insights. A station-level LoA, focusing on a smaller scope was rolled out across PDO in 2022. The operational risk assessment procedure was also updated to address cumulative risks.

SCE Management Improvements

2022 efforts were focused on clearly defining and implementing accountabilities for analysing and improving SCE performance and building up a healthy pool of Technical Authorities (TAs) within our assets. Monthly working group meetings were held to ensure consistent SCE failure analysis across all directorates to increase visibility and ownership of SCE health. The corporate discipline teams were brought into the analysis process in Q4 to further support site teams. Significant improvements were made in the Facility Status Reporting (FSR) tool, with a reduction of about 70% in FSR reds. Coaching sessions are being held across the assets to use the mitigation management functionality in FSR. In October, we achieved a record of no overdue SCEs for the first time. This was achieved by identifying and mitigating four structural drivers of overdue SCEs: planning, master data issues, cross-team delivery and execution maturity.



ENSURING SAFE PRODUCTION

An Ensure Safe Production Asset Management System was rolled out across all assets with audits completed in the North, South and Gas assets. Following a successful pilot in Marmul, an Ensure Safe Production (ESP) Level 3 audit programme has been rolled out across the Company. This has brought several additional benefits including the prioritisation of operator work through daily operator Instructions and an improved alarm management regime.

The use of the new alarm override eMoC tool has been embedded bringing an improved digitalised risk assessment along with actions sent to an operator's standard work.

A new operational statement of fitness tool has also been rolled out to meet the latest Asset Management System requirements, as well as to improve risk visualisation.

A new Facility Upgrade Management System was launched, which increases operability, improves the ability to manage change throughout the Facility Change Proposal lifecycle and boosts the rate of project turnover.

An automated Well Location Custody Transfer tool has now been rolled out in Nibras and is now able to cover new wells. The Level 3 IA assurance task for this has been developed in Nibras, is currently being piloted and is expected to be brought online in the near future.

Frontline Barrier Management (FLBM)

The FLBM programme helps to create a line of sight between the daily activities of frontline staff and its significance in maintaining hardware and human barriers. A knowledge-level course is available to our entire frontline workforce and there is a skill-level one for supervisory staff.

Exception Based Surveillance (EBS)

EBS is a proactive technical monitoring programme which has been deployed to approximately 97% of our critical surface equipment and is reported monthly as part of the LoA. EBS provides alerts when there are deviations from operating windows or envelopes to allow early identification and mitigation of threats. In 2022, EBS replication continued across PDO and a new EBS system was implemented for stabilisation columns.

OPERATIONAL SAFETY

Across PDO, we have embarked on a Safety Refresh plan to address and improve safety performance. The plan focuses on six main areas: Safety Leadership, Learner Organisation, Hazards and Risk Management, Contractor HSE Management, Road Safety and Process Safety. To accelerate the implementation of the plan, we introduced a "Safety First Intervention" programme that is aimed at tackling safety issues at site level by integrating various frontline teams to work under one umbrella and provide immediate support and intervention in high-risk and critical activities.



Worksite Hazards Management

The Safety Leadership for Front Line Supervisors (FLS) programme continues to gain momentum and we certified a new pool of 60 facilitators from different departments in the Infrastructure Directorate, including the Logistics, Real Estate, Production Chemistry, Terminal Tank Farm, Marine Operations and Infrastructure Power teams.

We now have over 110 facilitators, have conducted more than 160 workshops and engaged over 3,400 frontline staff and contractor supervisors to consolidate FLS principles and processes.

Ihtimam (I Care)

PDO's in-house behaviour-based safety system was launched in 2018 to improve the people safety culture by managing unsafe conduct. Ihtimam is

currently implemented in 96 units including PDO departments and contractors, covering some 52,000 employees across the whole organisation.

Sustainability reviews were conducted on over 40 units in 2022 to assess staff comprehension of the system by gathering feedback, deep-dive analysis and perception surveys. These indicated an improvement in communication, leadership and the overall safety culture.

The corporate 2022 Ihtimam maturity level stood at 79%, which met the set target for the year.

A software enhancement is currently ongoing to include artificial intelligence and predictive analysis that should help with easier, faster, and more user-friendly extraction of data.

HSE In Contracts

The Corporate HSE department continues to support the business through simplified HSE standards, procedures and document access, personnel competence assurance, and regular formal PDO staff and contractor engagements. HSE is firmly embedded in contracts, where minimum compliance standards and expectations are clearly stated.

Our HSE-in-contract-management process underwent a complete review to strengthen contractor HSE capabilities during the pre-award period. The existing HSE evaluation model has been replaced and aligned to the International Association of Oil and Gas Producers' Report-423.

Work on improving contract holder and contractor competencies is continuing, identifying milestone reviews of HSE monitoring plans and focusing on sub-contractor management.

Nine HSE-in-contract workshops were conducted and attended by 185 staff and contractor participants. Another four were held on post-award HSE-in-contracts, attended by 73 delegates.

We relaunched the PDO-CEO HSE Forum, bringing together company and contractor leaders to collaboratively define and drive the HSE improvement plan. Over 300 safety leadership activities, including site visits, were conducted jointly by the PDO leadership team and contractor CEOs.

HSE Coaching

We increased the number of HSE assessors from 60 to 84 and in 2023 we are planning to develop an additional 65. Twelve out of 15 contractor HSE advisers have been qualified by the Oman Energy Association (OPAL).

Around 1,600 employees attended nine Life Saving Rule sessions via webinar, and we completed awareness sessions for Local Community Contractors (LCCs),

We also hosted a number of candidates from the Ministries of Labour, Defence and Health as part of our Khebra project, which we launched in 2018 to share our expertise with staff from the government and private sectors.

Process Safety Day

The theme for the 2022 event was "Maintaining Strong Barriers."

More than 4,000 staff and contractors participated in 100-plus engagement sessions spread across all assets and directorates, and discussed ways of maintaining reliable hardware and human barriers to prevent major incidents and hazards.

CHANGE AND CONTINUOUS IMPROVEMENT (LEAN) BUSINESS EFFICIENCY

Throughout 2022, PDO continued to strengthen its Lean, CI and Change programmes across the whole organisation. These provided a solid foundation to stay the course, deliver value and support organisational strategy and priorities, such as HSE.

The CI Fundamentals (CIF) programme, which empowers all teams with the ability to daily track, monitor and improve all critical processes, covered more than 650 teams, with over 300 projects executed annually across all of our business areas, including Finance, HR, External Affairs and Surface and Sub-Surface operations.

By the end of 2022, around 9,000 CI Ideas were generated from every corner of our organisation, a rise of over 50% over the past three years.

Throughout 2022, we continued to drive parallel elements of our Change and CI programme: capability building, value delivery and supporting change initiatives.

Some of the results are listed below:



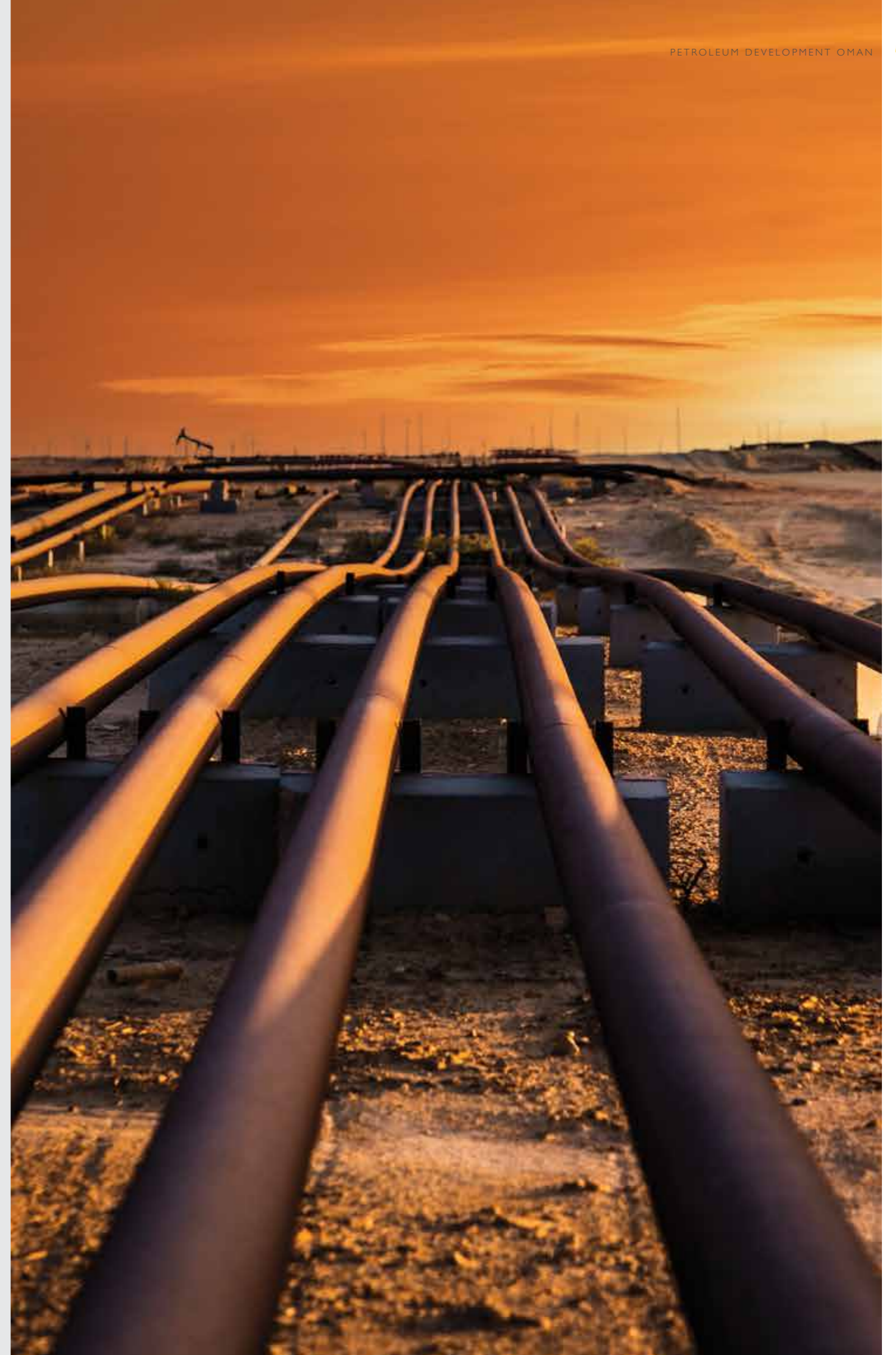
The Change and CI function will continue to maintain this level of momentum and delivery across all areas and to use its capability to support key corporate programmes such as Safety, Cost Competitiveness, Deferment Reduction, Carbon Reduction and Manpower Efficiency.

PROJECT DELIVERY

2022 HIGHLIGHTS

- Delivered targeted project onstream milestones in the Oil North, Oil South and Gas asset portfolios
- Commissioned Rima Water Treatment Plant
- Achieved off-plot scope of Marmul Polymer Phase-3
- Commissioned and delivered Haniya and Raba Production Stations

Successful project delivery – in its widest sense – is about planning, engineering, procuring, executing, setting the right controls, and commissioning facilities safely, with quality, on budget and on time, as promised to our shareholders. In the short term, the Company is focused on producing oil and gas in as cost-efficient way as possible from its fields, according to existing development plans. In the longer term, good project delivery becomes even more important as PDO brings on stream more complex sour and enhanced oil recovery projects, which require steam or chemicals to produce the oil, and explores exciting renewable energy opportunities through halving carbon emissions by 2030, as we work towards becoming a net-zero operator by 2050.



Our Project Delivery team maintained their high level of activities despite the global impact on the supply chains due to continued COVID-19-related challenges in 2022. In terms of cost and schedule performance, we managed to achieve the original plan by delivering the Corporate Scorecard target for capital projects on or ahead of schedule.

Project Delivery met our shareholder commitments whilst maintaining a rigorous focus on safety, quality and staying within agreed targets for both cost and schedule. The team demonstrated a high level of professionalism and expertise in managing all projects where lessons were captured so they can be applied to future endeavours to ensure we continue to improve and deliver value for Oman.

There were some notable highlights on the green energy project front, including the **commissioning of the US\$225 million Rima Water Treatment Plant (RWTP)**, after the successful implementation of a Design-Build-Own-Operate-Maintain (DBOOM) contract. The concept

requires the service provider to take on a more comprehensive role, including the design, construction, ownership, operation and maintenance of a facility.

The RWTP is an eco-friendly alternative to gas-hungry deep-water disposal and is a world-class addition to our portfolio. The sustainability showpiece uses gravitational oil and water separation and natural biological treatment, which is an emerging breakthrough technology used for the first time in Oman. The complex is capable of processing up to 65,000 cubic metres of wastewater a day, higher than the design capacity of 40,000 m³/day, cutting high-energy consumption by 10 megawatts and greenhouse gas emissions by 53,000 tonnes a year.

The project, which can create new habitats for wildlife, involved Suez, a renowned French company, working with two Omani firms and used equipment procured and prefabricated in the Sultanate, boosting In-Country Value (ICV).



The plant is another great example of how innovative approaches and green energy technology can be used to deliver high-quality infrastructure projects, following on from the success of our award-winning **Nimr Wetlands project**. This uses reed plants to treat contaminated water with a production capacity of around 700,000 barrels a day.

Other success stories were the completion and changeover of the off-plot of the **Marmul Polymer Phase-3 project**. The scheme, carried out under a long-term engineering and procurement frame agreement, encompasses the extension of off- and on-plot facilities associated with around 500 production and 75 injector wells.

The full deployment of Continuous Improvement (CI) and digitalisation measures helped to control

costs and enhance performance. In the future, greater digitalisation and a shift from deliverables-driven to information-driven project frameworks will underpin people and process efficiency improvements by driving closer collaboration across teams.

We also successfully completed the **Raba and Haniya Production Stations**, the largest detailed design project executed by our Front-End Engineering and Design (FEED) Office, with Omanis making up the majority of the lead engineers.

The project will result in the production of 17,000 barrels a day and an ICV contribution of around US\$50 million, with all pressure vessels, micro-turbine and hydro-cyclone skids fabricated and assembled in Oman.

IN-COUNTRY VALUE

2022 HIGHLIGHTS

- Created almost 2,900 employment-related opportunities for Omanis
- Boosted SME investment by 54% to over US\$508 million
- Super Local Community Contractor (SLCC) turnover of US\$240 million

PDO's In-Country Value (ICV) programme has transformed thousands of lives for the better, by retaining more of our total spend in country to benefit business development, build Omani capability and capacity and stimulate productivity and diversification in the country's economy.



Our business philosophy has been based on four key pillars

 <p>The Omanisation of Skilled Contractor Personnel</p>	 <p>Maximising the Procurement of Omani Goods and Services</p>
 <p>Local Vendor Development</p>	 <p>Social Investment</p>

Our business philosophy has been based on four key pillars – the Omanisation of skilled contractor personnel, maximising the procurement of Omani goods and services, local vendor development and social investment.

To help spur economic diversification and progress in a fast-changing world, our focus has been, and will remain, on digitalisation, the Energy Transition, business development, job creation, assurance and sustainability, maximising ICV from contracts and capability building.

JOBS AND TRAINING

PDO supported the creation of 2,886 job opportunities in disciplines such as HSE, maintenance, rig mechanics and IT through our employment and training initiatives in 2022. We signed 17 capability-building and employment Memorandums of Collaboration (MoCs), providing over 327 jobs and vocational training opportunities.

Partnerships with government, other operators and contractors have been key to consolidating and expanding ICV. A good case in point was the launch of our new internship programme, which attracted positive feedback from the industry and contributed to the employment of 103 from 135 candidates enrolled in the programme. We have also supported academia by donating six heating, ventilation and air conditioning (HVAC) units to the College of Higher Technology and Applied Science in Muscat to bridge the gap between graduate skills and market needs.

PDO secured funding of almost US\$6.5 million from the Ministry of Labour to fund the training and job creation programmes spearheaded by the Company.

Our commitment to providing meaningful job and training opportunities for Omanis saw our Emdad programme win two awards during the year: the Oman Petroleum and Energy Show (OPES) Award for Human Capital Development; and the Alam Allkisaad Award for Sustainability Leadership in Job Creation.



GOODS AND SERVICES

The E-tendering value of some 534 contracts reached US\$5.1 billion.

PDO realised six more ICV opportunities amounting to US\$30 million in 2022, taking the total number to 86 since 2013. These included the local manufacture of direct current cables and gratings, the repair and maintenance of power generators, and the provision of mud plant, park and ride and surveillance drone services.

We have also operationalised 76 ICV facilities, factories and workshops in nine years.

A key milestone was achieved when a 10-year contract was signed with KCA Deutag Energy to provide drilling services with four new highly automated rigs that will be built in Oman. The technologically advanced rigs will be the first of their kind to be constructed in the Sultanate, marking a step change in the rig-building capabilities in the country.

We also signed an agreement with Borets aiming to establish two manufacturing facilities. These will again break new ground by producing industrial power cables, including cables and permanent magnet motors for electrical submersible pumps (ESPs) – again a first for Oman. The two facilities will jointly offer around 180 job opportunities with an Omanisation rate of up to 85% within five years of commercial operations.

Business Opportunities up to 2022

 <p>76 Facilities Operationalised</p>	 <p>US\$ 377 million Value Invested</p>	 <p>US\$ 2.6 billion Value Spend</p>	 <p>2,886 Jobs Created</p>
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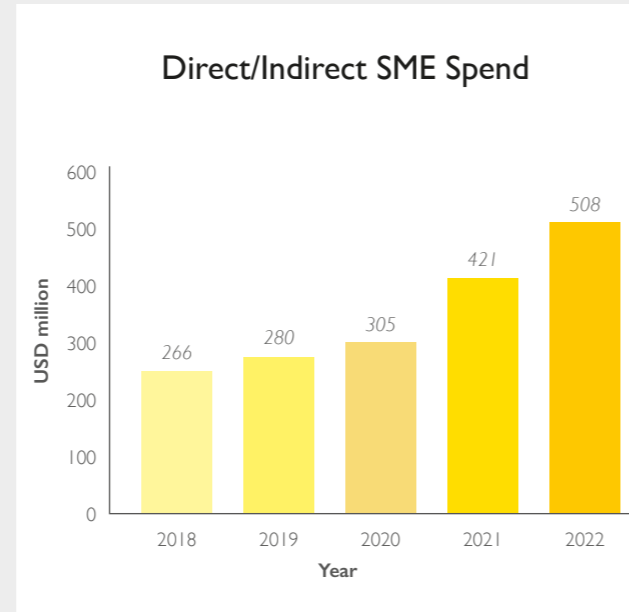
SMALL AND MEDIUM ENTERPRISES (SMEs)

We conducted an ICV Energy Transition and Technology Lab to develop a five-year roadmap, which identified more than 20 new localisation opportunities for domestic businesses.

Such opportunities will be pivotal in realising a key pillar of PDO's new strategy – the execution of carbon competitiveness initiatives to meet net-zero ambitions, including becoming carbon-neutral by 2050.

In this respect, we conducted Tazeez sessions focusing specifically on green energy SMEs to better enable them to successfully bid for work as we navigate the Energy Transition.

By the end of 2022, the total investment in SMEs was over US\$508 million, up 20% on 2021. The team also ring-fenced four contracts for local vendors: a PDO solar scheme, the Collaborative Work Environment Interim Upgrade project, the Integrated Operation Centre and a park-and-ride hub at Adam.



SHARING OUR EXPERTISE

PDO assisted many government entities with Continuous Improvement advice and coaching to improve efficiency and streamline operations, with further outreach planned for 2023.

Our experts also supported the establishment of a new ICV Unit at the Government Tender Board. Furthermore, PDO collaborated with Sultan Qaboos University to establish an ICV MBA programme, which was endorsed by the SQU board. The initiative aims to prepare future leaders as ICV experts so they are able to extract the maximum localisation benefits from projects through the implementation of robust ICV processes in their procurement and contracting strategies.

Our Community Relations department helped Super Local Community Contractors (SLCCs) and Local Community Contractors (LCCs) boost their business abilities.

They staged an LCC Future Vision event, a two-day workshop for 60 participants, which included sessions on combating hidden trade practices, vendor registration, renewable energy opportunities for LCCs within PDO projects, and E-tendering using the online Joint Supplier Registration System (JSRS).

We also helped raise the regional profile of community contractors by funding three local companies to appear at ADIPEC, where they received interest from major clients, such as ADNOC and Saudi Aramco.

COMMUNITY DEVELOPMENT

LCCs

We continued our support for LCCs through a ring-fenced 10% scope in our main contracts, which is allocated to them via an inter-bidding process. A total of 510 LCCs had been registered in the JSRS up to the end of 2022.

We added a new transparency tool on the JSRS for PDO contracts to enable contractors and LCCs to appraise each other on defined key performance indicators (KPIs).

The "Rating and Appraisal" module for our contracts will help in improving the business-to-business environment in the short- and long-term future.

We have activated 19 contracts in the JSRS E-tendering module so far and a total of 131 awards were made in 2022 alone. A total of 12 Matured LCCs currently have direct contracts with PDO.



SLCCs

PDO has established five SLCCs which have more than 9,400 shareholders from across our concession area. These companies create job, investment and entrepreneurship opportunities for the people living in and around our fields and provide a range of core oil and gas activities, including hoist operations, well intervention, pipeline maintenance, drill water services, flowline replacement and facility management services.

All five – Al Baraka Oilfield Services, Al Haditha Petroleum Services, Al Sahari Oil Services, Al Shawamikh Oil Services and Sakan Facility Management – maintained their focus on growth, efficiency and business diversification beyond oil and gas throughout the year.

During OPES 2022 we have signed extensions to our contracts with three SLCCs until 2029 to sustain their business growth and raise their Omanisation ratio, which currently stands at 62%.

We also added a new digital portal for SLCC KPIs, focusing on their performance across PDO contracts in terms of ICV, Omanisation, HSE and revenues.



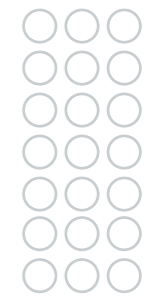
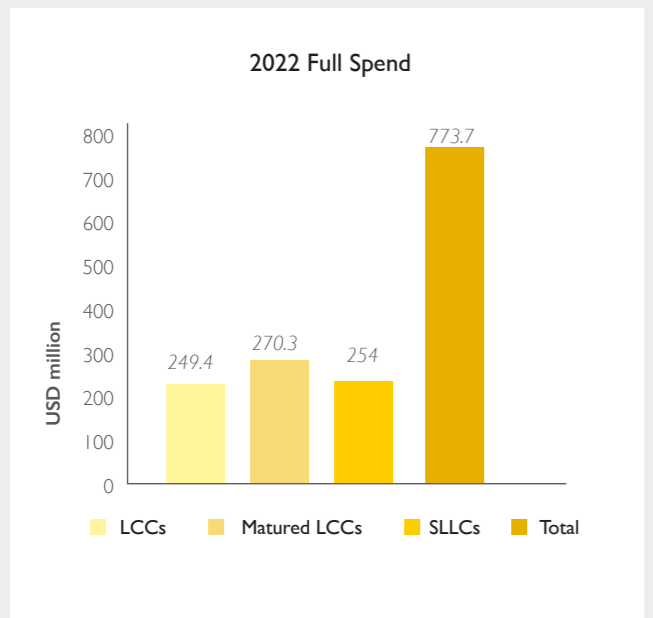
**2022 Full-Year
SLCCs/LCCs Spend (Revenues)**

The cumulative total contract value awarded for work to SLCCs exceeded US\$1.7 billion in 2022, and the total cumulative revenue from PDO contracts was more than US\$254 million.

The LCC spend was around US\$249.4 million and Matured LCC expenditure was about US\$270.3 million. The total SLCC/LCC turnover for the full year was around US\$773.7 million.

More than 6,562 Omanis are currently working with SLCCs and LCCs.

The following chart illustrates SLCC, Matured LCC and LCC revenues in 2022:



PEOPLE AND STAFF DEVELOPMENT

2022 HIGHLIGHTS

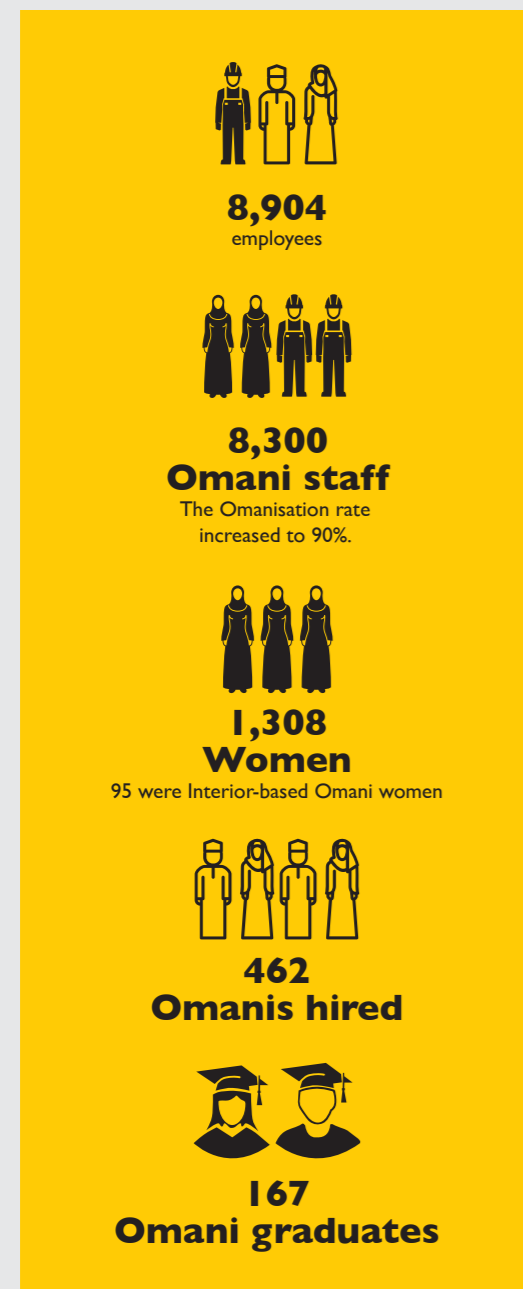
- Official launch of hybrid working
- Attained a record staff Omanisation level
- Achieved the highest number of women on staff
- Upgraded and integrated learning systems

PDO's people are the Company's greatest asset. They are skilled and knowledgeable and nine out of 10 of them are Omanis. It will be the collective commitment, skills and expertise of all our people that help sustain the development of the nation.



STAFF NUMBERS

At the end of 2022, the Company employed 8,904 employees. A total of 85.4% were male and 14.6% female (1,308), of which 7.3% (95) were Interior-based Omani women, testament to how we are trying to boost female numbers in the field. One in 10 of our staff were non-Omanis drawn from 60 nationalities. The remaining 90% were Omanis from all 11 governorates – a new Omanisation record for PDO. A total of 462 nationals were hired in the year and the total number of Omani graduates was 167.



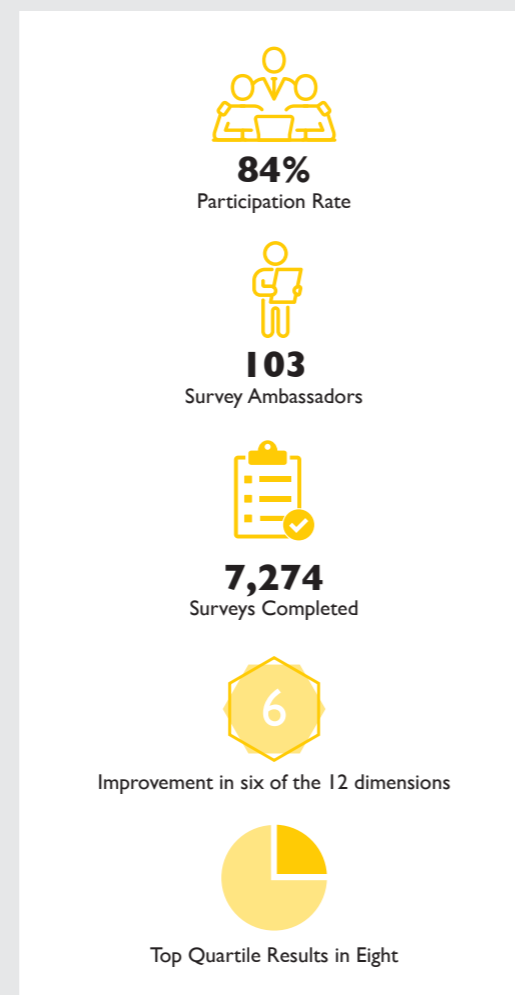
EMPLOYEE ENGAGEMENT

Our annual People Survey is a trusted mechanism to gauge employee sentiment and identify areas for improvement. We place great importance on responding meaningfully to its feedback.

There was a good response to the 2022 edition, with a participation rate of 84% after a major effort from team leaders and 103 survey ambassadors to engage and energise staff to share their thoughts.

Of the 7,274 surveys completed, the overall 2022 People Survey sustained top quartile ratings in eight dimensions, with the most positive results being registered for team leadership, collaboration and people development.

The introduction of training supervisors and leaders as coaches has been one of many factors that contributed to the steady results. However, the survey also showed a 1% drop in sentiment in PDO's responsible business scores, which could reflect the sub-standard safety performance in 2022.



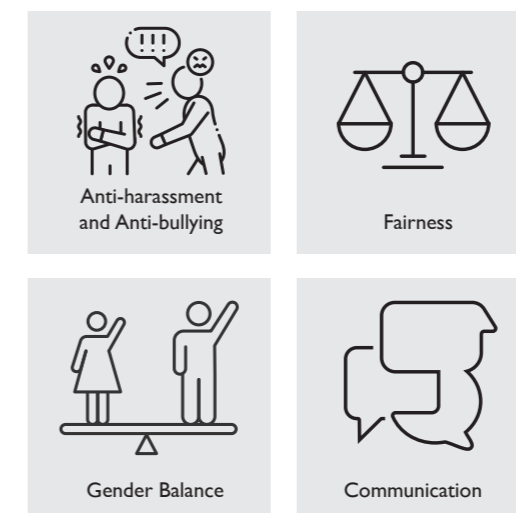
CULTURE, DIVERSITY AND INCLUSION

Diversity and Inclusion (D&I) has always been recognised as a **business imperative** in a company with the maturity, size, and complexity of PDO, and there has been an even greater focus on it due to the Coronavirus crisis.

Moreover, the recent endorsement of the new PDO purpose has identified D&I as an enabler in achieving our corporate strategy, and further establishing Culture, Diversity and Inclusion as a business imperative. We are keen to see this embedded in more people processes.

We define a **fair workplace** as one where people are treated equally without bias, favouritism or discrimination, and where the people processes are merit-based and provide opportunities dependent on ability and skills.

D&I in PDO is comprised of four focus areas:



Each of these streams is championed by a director and supported by an appointed HR business consultant, working group and dedicated D&I Lead. The initiative is steered by the Managing Director and sponsored by the People Director.

The overarching areas addressed corporately across the four streams include education, supporting structures, reporting, monitoring, policies and processes and communication.

In our quest to widen the D&I scope from our current streams, we identified two corporate themes, inclusive recruitment and inclusive leadership, which we are being developed with D&I principles in mind.

As part of this shift, we have also acknowledged the importance of organisational culture and human behaviour in the effectiveness of D&I as an enabler. As a result, we now talk of Culture, Diversity, and Inclusion (CDI).

Our full-time CDI Lead works on raising awareness throughout the Company to tackle fairness, gender balance and harassment and bullying, as well as supporting the strategic development of the themes.

Due to COVID-19, the mandatory full-day face-to-face D&I course ceased. However, virtual awareness sessions were conducted across the Company keeping D&I consistently visible and embedded as a palpable business imperative.

Leveraging Lean and technology, we have developed our first CDI online module, which is set to be interactive with embedded quizzes and scenario cases. The module will be launched this year and allow for a standardised corporate-wide basic awareness. This will subsequently empower our HR employee advisers to take on a more strategic role in developing an holistic and bespoke D&I approach in individual business units.

We advocate a "speak-up" culture and offer access to a confidential D&I intranet site to all our employees where they can report concerns and submit ideas. There has been an increased use of the anonymous reporting channel, which indicates a greater staff confidence in raising issues.

One of our key D&I measures is taken from the People Survey. The survey's results showed that the overall Diversity, Equity, and Inclusion score remained the same as the previous year.

It also showed that, although we improved by 1% on our teams valuing different views and perspectives, we dropped by 1% on the metric for equal opportunities to develop and progress, and 2% for sense of belonging. We believe a factor in these falls could be attributed to the major changes happening as we navigate the Energy Transition.

REMOTE WORKING

The way our people work and how the organisation has adapted to alternative ways of working has changed markedly after COVID-19, with **flexible working becoming an essential component of life at PDO.**

We initially started our remote working journey with our Maktabi pilot project in 2017, testing the concept with 300 employees from different technical and non-technical business lines. The scheme created an understanding of remote working and enabled a more general acceptance of its merits and benefits within our corporate culture.

Maktabi laid the basis for a fast and smooth adoption of remote working across the Company when the pandemic struck in 2020, allowing more than 4,000 employees to work away from the office using the latest digital collaboration tools and to comply with social distancing and lockdown mandates.

These arrangements were formalised and normalised in 2022. We believe that remote working is a crucial

part of sustainability, as fewer commutes to work sites improve air quality, reduce greenhouse gas emissions and enhance work-life balance.

Since last September, **remote working was officially introduced for most of our jobs at the Coast.** However, we adopted a hybrid model, with staff required to work three of their five days a week in the office as we believe that face-to-face interaction are vital for team building and connectivity.

We have built a detailed Work Flexibility Playbook, which provides employees with a detailed guide to the new set-up, ensuring the new systems and standards are applied consistently and fairly across the business. The publications also includes tips on wellbeing and psychological health.

We are continually monitoring the implementation of remote working and adapting to the required changes through ongoing engagement between our employees and leaders, based on the latest market trends and our business circumstances.



TRAINING

In 2022, a total of **191 employees were enrolled in our Graduate Development Programme (GDP).** This was launched in 2013 to provide structured, on-the-job training, monitoring and assessment for Omanis who join the Company after graduating from universities or colleges with Bachelor's degrees or above, as well as other specific categories of existing PDO staff who have completed their further studies.

The GDP provides participants with competency-based development covering soft, leadership and technical skills following different learning approaches, with 70% being done on the job, 20% through coaching, mentoring, and social learning, and 10% via training courses.

In light of our future focus and strategy to become a net-zero business by 2050 and embrace renewables and commercialise, the programme was also further enhanced to embed additional topics, such as business acumen and Continuous Improvement (Lean), to equip graduates with key skills earlier in their career and better enable them to adapt with current and future business requirements.

Furthermore, 10 new renewable and decarbonisation learning programmes have been successfully introduced to aid the Company's Energy Transition aspirations.

PDO had **56 active scholars** studying at different degree levels in Oman, the UK and Canada last year. A further 40 celebrated their graduation, the 34th for PDO-sponsored students since we launched our flagship Scholarship Scheme in the 1980s.

The successful scholars studied various subjects including Renewable Energy, Advanced Control and Systems Engineering, Applied Geosciences, Chemical Engineering, Geology/Petroleum Geology, Geomatics, Geoscience, Geospatial Surveying and Mapping, Material and Corrosion Control, Mechanical Engineering, Petroleum Engineering, Petroleum Geosciences, Process Safety, Reliability Engineering and Reservoir Management.

In addition, our Distance Learning Scheme annually supports 40 staff to complete their BScs and MScs, allowing them to pursue their academic development while continuing their current work duties. There are currently 98 active employees on this scheme.

In 2022, 805 training programmes in various specialisations were completed by our Learning and Development Academy, spanning 136,328 mandays.

To help embed safety as an overarching priority, **4,551 staff were trained on HSE courses, a 316% increase on the plan of 1,439.** Furthermore, 1,894 employees were trained on process safety courses against the plan of 1,073 – a 177% rise.

To enhance the learning experience, the academy has introduced additional specialised E-learning platforms to accelerate learning "anytime, anywhere" and increase productivity and cost efficiency. Staff completed more than 7,800 courses on the LinkedIn Learning platform, testament to how it possible to learn without impacting work.

As part of our goal to boost human capability, both inside and outside our organisation, the Wells Learning Centre, which is accredited by the International Well Control Forum, delivered 125 learning events to 710 candidates from PDO, local operators and contractors. This resulted in overall savings of almost US\$493,000.

Our academy obtained "Gold Star" approval from the Oman Energy Association (OPAL) to deliver OPAL-unified HSE courses in-house for staff. Another in-house course was also accredited by the International Electrotechnical Commission, saving US\$156,000 a year.



UPGRADING LEARNING SYSTEMS

PDO has started its journey to build an Integrated Talent System to deliver targeted learning interventions and take streamlined data-driven decisions concerning employees. This is being accomplished by integrating our Learning Management System with HR core modules, such as Performance Management, Succession Management, Workforce Planning and Talent Acquisition Management.

We are also launching a Creative Multimedia Lab (CML) to exhibit, showcase and uncover the latest, advanced and trending technologies, including

augmented, virtual and mixed reality, interactive E-learning, holograms and computer-based training. The CML focuses on raising awareness, improving vocabulary and demonstrating the technology to customise learning programmes and enhance the learner experience.

It also enables PDO's business units to have a first-hand experience of these technologies, generate ideas, and envisage the possibilities of developing customised learning solutions for their respective units.

The lab will, in turn, accelerate our academy to revolutionise the learning process by delivering self, virtual and immersive learning options.



Mixed Reality (MR) What is it:

MR is a blend of real and virtual worlds, unlocking natural and intuitive 3D human, computer, and environment interactions.



Interactive Hologram What is it:

Interactive holograms allows learners to interact with objects in a 3D simulated and virtual environments as if they are real.



Virtual Reality (VR) What is it:

VR allows the learner to simulate & virtualise any world you can imagine.



3D Computer Based training (CBT) What is it:

3D CBT is a training program that features detailed 3D model images and videos in which the instructor role is assumed by the computer.



Interactive Board What is it:

Interactive board provide an intuitive learning experience that allows the learners to be better in a classroom or virtually and interact, collaborate and engage with instructor, other learners and the content and connect to these boards via their personal devices.



Interactive E-Learning What is it:

Interactive E-Learning allows the learner to interact with learning content to enable to manipulate rather than just listening or reading information and design it.



Augmented Reality (AR) What is it:

AR allows learner to use a headset, tablet or smartphone to superimpose or augment the world in front of you.



PAY AND CONDITIONS

PDO's workforce predominantly consists of Omani nationals, with direct hire expatriates and secondees from Shell.

The benefits provided to these groups reflect the policies and terms of employment for these employee classifications, guided by Omani Labour Law and the established standards in the national and expatriate employment market.

Benefits provided to Shell secondees are largely aligned to Shell international mobility policies, with direct hire expatriate packages including benefits and allowances typical of expatriate contracts, such as home travel and educational support for children.

PDO applies a basic 3% minimum annual pay increase subject to "good performance" for all nationals, in line with the Omani Labour Law.

Whilst not required legally for non-nationals, we implement this standard across the board. All increases above the threshold are linked to performance and the employee's salary relative to the maximum limit on their wage scale.

All full-time Omani employees are eligible for the PDO Pension Fund that provides a defined benefit, final salary pension. This is not available to nationals employed on temporary contracts or non-national staff. A minimum notice period of a month is given for operational conditions.

PARENTAL LEAVE

We enhanced our Maternity Leave and Benefits policy in 2018 in line with our D&I strategy and our desire to be the employer of choice for females in the country.

The maternity leave was increased from 70 to 112 calendar days. The Company also extended the provision of one nursing hour per working day granted to mothers with children up to six months old until the child reaches the age of one.



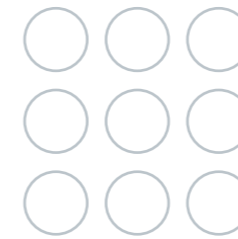
SAFETY PERFORMANCE AND GENERAL WELFARE

2022 HIGHLIGHTS

- Intensified HSE focus with a major Safety Refresh programme
- Conducted over 300 safety leadership activities
- Completed 66 social investment projects
- Committed to 82 new SI projects, totalling US\$12.4 million

The welfare of people and the natural environment are enshrined in PDO's Business Principles – the document at the top of our Corporate Management Framework. We will never be satisfied with the way we carry out our ambitious plans unless we do so in a way that respects people's health and safety, that benefits our neighbouring communities and that maintains the environmental richness of the country.





SAFETY

Safety remains PDO's overarching priority with an unrelenting focus on Goal Zero – no harm to people, environment, communities or assets.

Sadly, our 2022 performance fell well short of our aspirations. Twelve people died (10 in 2021), including five PDO/contractor personnel in work-related incidents, four in non-work-related private commuting incidents and three third-party fatalities in work-related incidents.

Lost Time Injuries (LTIs) also rose 13% from 38 to 43 and the number of people injured climbed 18% from 132 to 156.

Our Total Recordable Case Frequency rose from 0.69 per million manhours worked in 2021 to 0.79, and there were five PDO/contractor work-related fatalities. The Lost Time Injury Frequency also rose from 0.21 to 0.22 per million manhours worked, although the number of manhours also increased 9% from 180.8 million to 197.1 million.

Although many parts of our organisation have already attained Goal Zero, our overall trend in the last three years in terms of fatalities and Lost Time Injuries has unfortunately got worse.

To address such a concerning pattern, we are implementing a major Safety Refresh programme in six priority areas: Road Safety, Safety Leadership, Being a Learning Organisation, Risk Management, Contractor HSE

Management and Process Safety.

We have also instituted a three-phase urgent response to personal safety issues: the first focuses on a "boots-on-the-ground" deployment of headquarters resources to the Interior to support site teams, with the aim of having additional site supervision and immediate interventions, where needed. The second phase includes a review of staff capability and capacity in managing operations safely. And the third looks into our end-to-end resources strategy to ensure PDO reaches and sustains its desired safety status.

In addition, we are making excellent progress on contractor HSE, relaunching the PDO-CEO HSE Forum, bringing together company and contractor leaders to collaboratively define and drive our HSE improvement plan. Furthermore, over 300 safety leadership activities, including site visits, were conducted jointly by the PDO leadership team and contractor CEOs.

Our existing schemes such as Ihtimam and Safety for Frontline Supervisors, and a renewed focus on road safety should undoubtedly help to reverse the deterioration. Training, technology and simpler, standardised rules will support this mission but whether we succeed in reaching Goal Zero is ultimately down to an unfettered commitment on the part of all of us to make our workplace safer.

ROAD SAFETY

Road safety remained a high-risk area and an ongoing focus of PDO to more effectively manage. There was a 25% rise in Motor Vehicle Incidents (MVI) to 60 from 48 in 2021, of which 15 were classified as "severe," compared to 12 in the previous year.

Private commuting and incidents with third-party road users are of particular concern, especially when those involved are ignoring basic safety measures, such as wearing seatbelts, speeding or using mobile phones.

We are addressing such issues with the Ministry of Energy and Minerals and the Royal Oman Police. In addition, to actively address the risk in 2022, a new PDO Road Safety Standard – SP-2000 - was rolled out across our contracting community, and we supported the Oman Energy Association (OPAL) and other operators in publishing an enhanced Industry Road Safety Standard in December 2022.

In PDO, a multi-disciplinary team also embarked on Road Safety Deep Learning initiative in 2022 named "Darb Al Salama," which aims at understanding organisational, as well as behavioural root causes of MVIs. The study revealed that a greater focus was needed to improve visibility on road safety performance measures and strengthen accountability by both PDO and our contractors.

Journey Management Control Centre

Our Journey Management Control Centre (JMCC) monitors up to 8,500 vehicles and more than 15,000 drivers each day. It has achieved more than 98% driver compliance with road safety requirements since it was opened in 2016.

In 2022, the JMCC integrated data through a digitalised artificial intelligence platform that will improve understanding of data, enhance its decision-making process, increase the visibility of operations and enable the effective sharing of information to key stakeholders.

Commuter Bus Scheme

Our commuter bus service covers 34 hubs and 65 villages across the country, serving both PDO and contractor employees. Around 170,000 passengers use the service per year, with an average of 14,167 passengers a month.

The network is designed to serve those changing shifts with a reliable connection to flight services and our new park-and-ride facility in Adam. PDO is currently working with the Ministry of Energy and Minerals, OPAL, and oil and gas operators on a One-Drive project to provide an integrated commuting service for the whole industry in line with the OPAL HSE Standard. The project is expected to commence by Q4 2023.

Safety Performance 2018 - 2023 YTD

	2018	2019	2020	2021	2022
Fatalities	9	6	5	10	12
PDO/Contractor fatality from work related incident	2	2	4	5	5
Third Party fatality from work related incident	0	1	0	1	3
Reportable, non recordable work related incident	0	0	0	0	0
PDO/Contractor non work related private commuting	7	3	1	4	4
LTI Injuries	32	21	34	38	43
Worksite lost time injuries	29	19	29	32	39
Road traffic lost time injuries	3	2	5	6	4
No of people injured (excluding FAC)	154	120	113	132	156
RAM 4+ Incidents (Monthly Updated)	78	118	84	79	74
Motor Vehicle Incidents (MVI)	86	86	61	48	60
Severe MVI (LTIs, MTC, RWC and rollovers)	20	27	13	12	15
Minor MVI (first aid, damage)	66	59	49	36	45
Rollover MVI	20	27	7	6	11
Tier 1 Process Safety Incidents	3	7	4	2	1
Tier 2 Process Safety Incidents (On-Plot)	16	16	15	13	10
Tier 2 Process Safety Incidents (Off-Plot)	22	16	19	9	1
Incident Rates					
LTIF (per million manhours)	0.15	0.10	0.17	0.21	0.22
TRCF (total injuries per million manhours)	0.71	0.56	0.56	0.69	0.79
MVIR (motor vehicle incident rate per million km)	0.27	0.26	0.19	0.16	0.18
Severe MVIR (LTI, rollover, MTC, RWC)	0.06	0.08	0.04	0.04	0.06
Minor MVIR (first aid, damage only)	0.21	0.18	0.15	0.12	0.18
Exposure					
Million man-hours worked	216	215.9	203.7	180.8	197.1
Million km driven	314	324.5	326.3	301.5	238.2

MEDICAL CARE

PDO's Medical Centre in Mina Al Fahal (MAF) and its 10 Interior clinics deliver high quality, integrated healthcare and a real value proposition for employees, their eligible families and our pensioners.

The centre prides itself on being a leader in providing a comprehensive range of services to address the needs of every employee's health issues. It also ensures support for secondary and tertiary care, mostly through external providers or through in-house multi-specialty services provided by Omani visiting consultants in the following specialties: cardiology, obstetrics, gynaecology, ear, nose and throat, ophthalmology, and physiotherapy.

The multi-disciplinary team at the MAF Centre and Interior clinics includes 13 GPs, 43 nurses, five paramedics, four qualified lab technicians, one physiotherapist, three pharmacists and an administration team.

We have a well-established occupational health department managed by an occupational health adviser, five industrial hygienists and two public health officers, focusing on promoting the highest degree of physical, mental and social well-being for workers to prevent any detrimental works health impacts associated with the workplace.

Our Medical department was at the forefront on the fight against COVID-19, from providing regular advice to directorates and contractors to playing a key role in combating the disease by providing expert guidance, real-time data, lateral flow tests, contact tracing and managing all possible outbreaks. The team also ensured the availability of the necessary medical supplies across operational areas and maintained a system of daily tracking and follow-up for employees who tested positive, especially for those in high-risk category groups.



The Medical team continues to offer various programmes, including psychological counselling, workplace mental health support and resilience sessions for employees. Other services for staff include general lifestyle health sessions, chronic medical illnesses, health risk assessments, ergonomic, radiation, noise and respiratory protection and first aid.

The department works regularly in collaboration with the Ministry of Health (MoH) on its blood donation programme, which attracted 883 staff blood donors in 2022, despite post-COVID challenges.

In addition to the MoH, our healthcare experts extended their support to several other government and non-government organisations, including the Ministry of Labour, the Environment Authority and Oman Energy Association (OPAL). The support includes establishing and reviewing fitness-to-work standards, occupational health regulations and furnishing training and expert advice.

For the first time, our Medical team hosted the IOGP-IP-IECA Health Committee meeting in Oman, which is an international body giving advice and guidance on health and wellbeing for the oil and gas industry, with the aim of building a responsible and caring culture that enables workers to perform to the best of their potential.

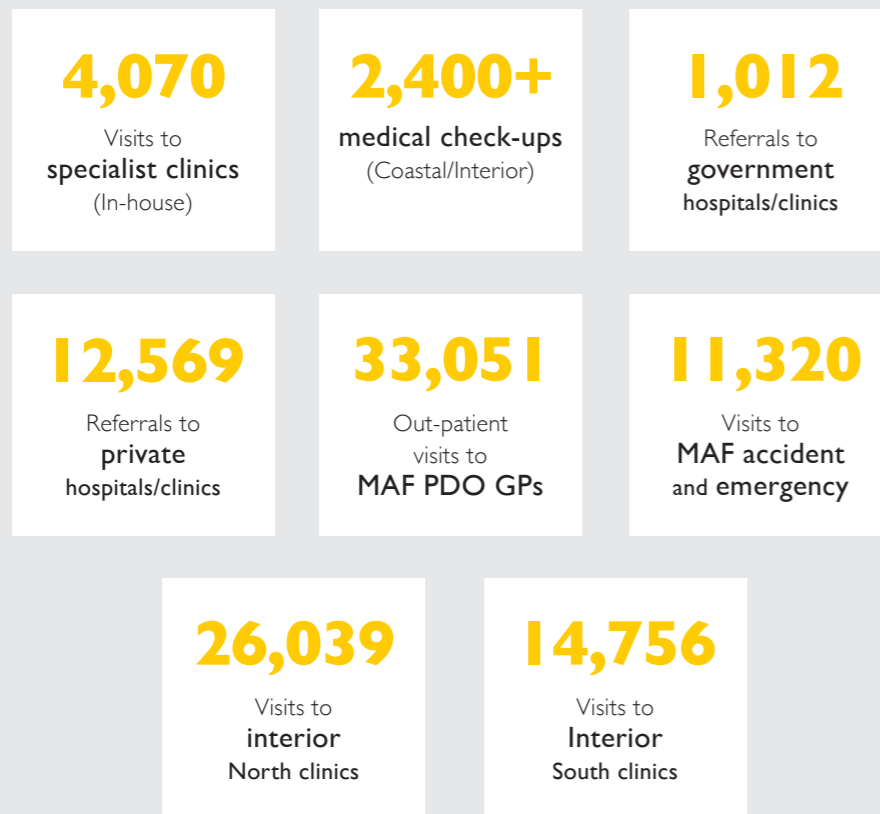
For PDO, health and worker welfare remain a top of the priority, which is enshrined within our General Business Principles. We ensure medical coverage for PDO staff and contractor facilities serving more than 60,000 workers in more than 150 camps.

The Medical team works closely with the Infrastructure Directorate to progress the centralisation of medical facilities and provide equal care for all remote workers, ensuring cost-effective, evidence-based treatment.

Some key 2022 Medical department statistics:

Healthcare Services

2022



Occupational Health

2022



SOCIAL INVESTMENT (SI)

We are on a continuous quest to maximise the social benefits from our various operations.

As a responsible corporate citizen, PDO is committed to delivering meaningful SI programmes that create sustainable benefits for Omani society in line with the United Nations' Sustainable Development Goals (SDGs).

Our focus throughout the year was on the following themes: health, safety and environment (HSE), education and science, youth and female empowerment and community welfare.

We committed to 82 new SI projects, totalling some US\$12.4 million, including donations and sponsorship projects. We also funded three joint projects with other operators through the Ministry of Energy and Minerals' Corporate Social Responsibility initiative.

These projects will have tangible impacts on the quality of life of thousands of people living in our concession area and beyond, including infrastructure development, training, and the provision of technology and equipment.

Our SI team also approved 65 requests for sponsorship, grants and donations and we launched an SI Automation System, which will enable us to more efficiently identify and meet pressing community needs and improve the quality and speed of project implementation.

The overall excellence of their work was recognised regionally when they won the Arabia Corporate Social Responsibility Award (Energy Sector) in Dubai in October.

A total of 66 SI projects were completed, including vocational training centres at Al Mudhaibi, Salalah, Rustaq and Nizwa,

which were handed over to the Ministry of Social Development as part of the SI programme.

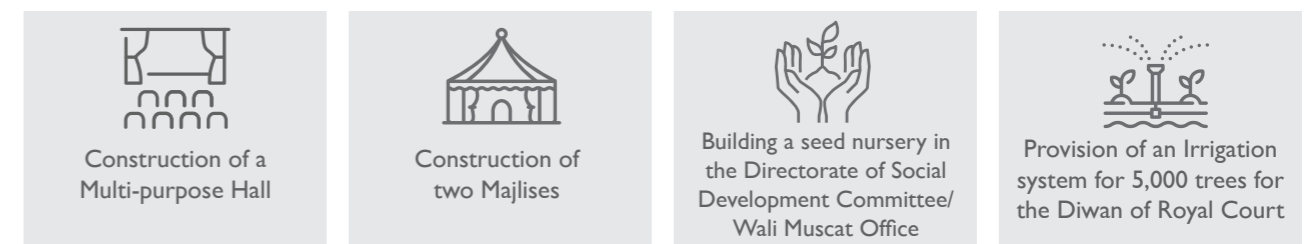
Other concluded schemes include the rehabilitation of roads and internal avenues and a new children's park at Al Qashaa village and an Al Wafa Centre at Adam for disabled children and their families.

Furthermore, fish markets at Rustaq, Shuwaymeia, Bahla, Yanqul, Al Mudhaibi and Adam are all being built, and the first phase of the Muscat Rehabilitation Centre for the Ministry of Health is almost complete, with the second at the contract award stage.

Work has also started on the Al Khoudh development project and a walkway and cycling path are nearing completion. In addition, a further 85 low-income women trained in carpentry, tailoring, brass and leathercrafts, as part of the Banat Oman social enterprise programme.



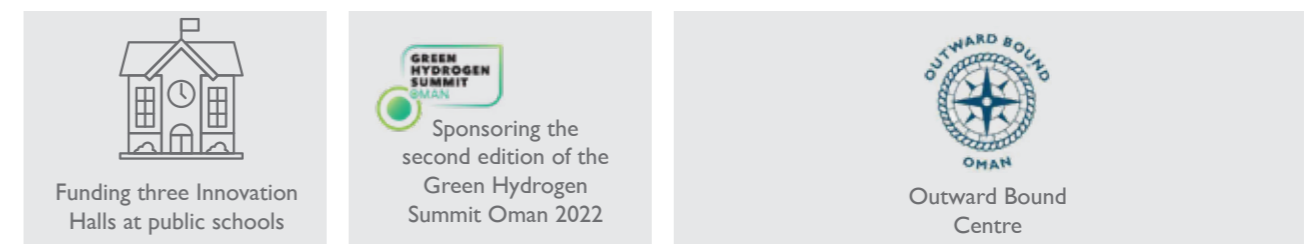
Some of the main completed SI projects are listed below:



Community Welfare



Health, Safety & Environment



Education Science

Youth & Female Empowerment

COMMUNITY SERVICES

Community Scholarship Programme

We signed a Memorandum of Co-operation (MOC) to enrol a further 150 students on our Community Scholarship Programme (CSP) to enable them to reach higher education.

The CSP gives students from PDO's concession area the freedom to choose any undergraduate programme that suits their interests and provides a monthly support allowance for five years up to Bachelor degree level.

As part of our commitment to sustainable development, we annually sponsor the tuition and boarding of five grade six elementary students at the Sultan School in the Governorate of Muscat until secondary graduation with an International Baccalaureate diploma. There are currently 35 students being supported various grades at the school.

Tawteen

To stabilise educational provision in more remote communities, we agreed to enrol a further 20 students in the Tawteen programme to train as local teachers.

Marifah and Tazeez

We sponsored a month of academic and non-academic workshops, trips and activities for 70 students from concession area schools with GUtech. The top 25 students from the Marifah programme were selected to go to the UK for one month in 2023 on the Tazeez scheme to develop their educational potential.

Khebrat Al Amal

We hosted 14 concession area students for five days as part of our Khebrat Al Amal programme at Nimr and Fahud to give them an insight into the oil and gas industry and the jobs it offers.



CONTRACTOR WELFARE

Our focus on worker welfare has been a catalyst for change in the oil and gas industry demonstrating how investment in their wellbeing improves safety, productivity, and quality.

We have made worker welfare a priority to:

- Attract and retain the best people
- Ensure that worker accommodation is properly planned, designed, constructed and operated
- Help workers perform to their best in terms of safety, productivity, and quality.

More than half of our contractor population stay in temporary accommodation camps (TACs) which provide varying living

conditions, which often fall below our standards. To effectively manage worker welfare, we have adopted a two-pronged approach:

- Short-term: Expand permanent accommodation camps (PACs) temporarily in seven areas. This expansion will help transition approximately 6,000 people from TACs. In addition, PDO camps for staff are being upgraded to ensure that these are in good condition.
- Long-term: Project Manazil. See page 88

Last year, we inspected 115 camps, and 107 were given a rating of above 70%.

ACCOMMODATION FACILITIES

PDO has continued to improve the standards of its Permanent Accommodation Camps (PACs) and Temporary Accommodation Camps (TACs) in the Interior through internal specifications and inspections. The frequency of improved inspections has been increased from annually to quarterly by trained occupational health specialists who visit the camps and verify that our stringent stipulations are effectively implemented. All deviations are immediately reported and corrective actions are closely monitored. This has impacted positively on the wellbeing of employees and contractors in the Interior, with improvements noted in food quality, laundry, accommodation, ablution and recreational facilities.

In addition to the improved inspection programs, a major improvement was offering Wi-fi connectivity across all accommodation camps. Going forward, from 2024 onwards, to comply with the directives of the Ministry of Energy and Minerals, all Contractors camps will comply with OPAL accommodation standards to meet the minimum industry requirement for Welfare. This provision will be embedded in all Contracts to ensure compliance.

PROJECT MANAZIL

Manazil project is the future accommodation solution, with the aim of transitioning from the current fragmented accommodation approach in the Interior to a fully integrated and standardised model. The main goal is to standardise accommodation and facilities across the concession area to create an optimum, healthy, pleasant, friendly and sustainable environment for all Interior PDO and contractor staff, providing nutritious food, improving sleep, offering recreation and promoting safety. The implementation of the project will ensure unified worker welfare standards across all accommodation facilities in the interior. The accommodation village will include special female-only facilities, and integrated clinics, offices and upgraded communal infrastructure.

The key principles of Manazil are to provide quality of sleep, nutritious food, connections to home, recreation and amenities, full facilities for women and a safe environment. Additionally, the project differentiators include providing retail and leisure facilities such as cafes and food outlets and promoting sustainability. The project is currently under maturation and will move forward to implementation after securing necessary approvals from shareholders in 2023.



CHILD LABOUR, FORCED WORKING AND INDIGENOUS RIGHTS

As a responsible employer, PDO does not employ staff below the age of 18 and, to the best of our knowledge, neither do our contractors.

We also do not force or make compulsory any employment relationships within our organisation. In all cases, PDO applies, and enforces on its contractors, the complete application of the Omani Labour Law. There has not been any registered case against PDO or any of its contractors related to child labour or the exposure of young workers to hazardous work, neither through the Labour Inspection department of the Ministry of Labour, nor from our Corporate Occupational Health department, which conducts frequent visits to the sites of the Company's projects.

There have been no incidents of violations involving the rights of indigenous peoples.

ENVIRONMENTAL SUSTAINABILITY AND NEW TECHNOLOGY



2022 HIGHLIGHTS

- More than 800,000 MWH of solar energy generated so far at Amin
- Cut over 12,000 tonnes CO₂e by optimising well power consumption
- Wind farm preparation work underway
- Undertook a record number of technology trials and deployments
- Headquarters building received LEED gold award

While oil and gas will continue to be fundamental to our energy mix, we are developing innovative renewable and “green” solutions to create new growth opportunities for the Company as well as for the nation.

This transition to a full-fledged energy company also means leveraging new technology, greater collaboration and improving our overall energy efficiency and water management.





Here are some examples of our efforts to help foster a greener planet in 2022:

RENEWABLE ENERGY

Wind Energy (Riyah-1 and Riyah-2)

Wind energy is the process by which wind turbines convert the kinetic energy of the wind into mechanical power which a generator then transforms into electricity.

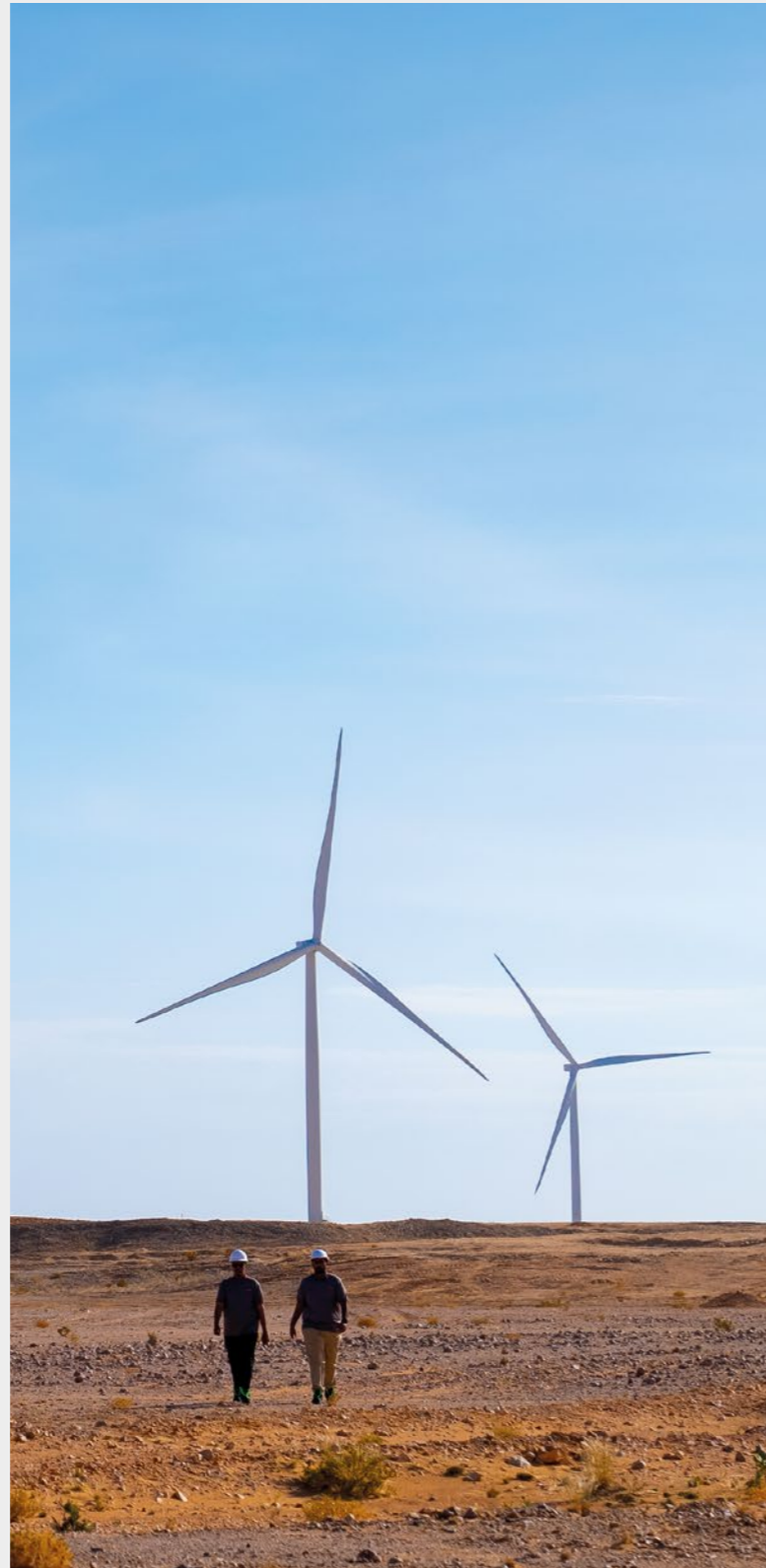
This would support meeting our aspiration of reaching 30% of our power energy capacity mix from renewable resources by 2026.

A feasibility study including a site measurement campaign was conducted to identify the best wind farm lay-out and position and most suitable wind turbine, and ultimately calculate the expected energy production and 12 months of data was collected.

The study determined our concession area had excellent wind potential with an average wind speed of 8m/s. As a result, we are now in the development phase of two wind farm projects "Riyah-1" and "Riyah-2", each with a 100-MW capacity.

The request for proposal (RfP) documents for Riyah-1 has been finalised and the RfP for Riyah-2 is underway. The contracting strategy for both projects is also being completed, with the RfP for both projects to be floated this year.

The Riyah-1 wind farm is expected to be completed by Q2, 2026, with Riyah-2 due to take to be completed six months later by Q4, 2026.



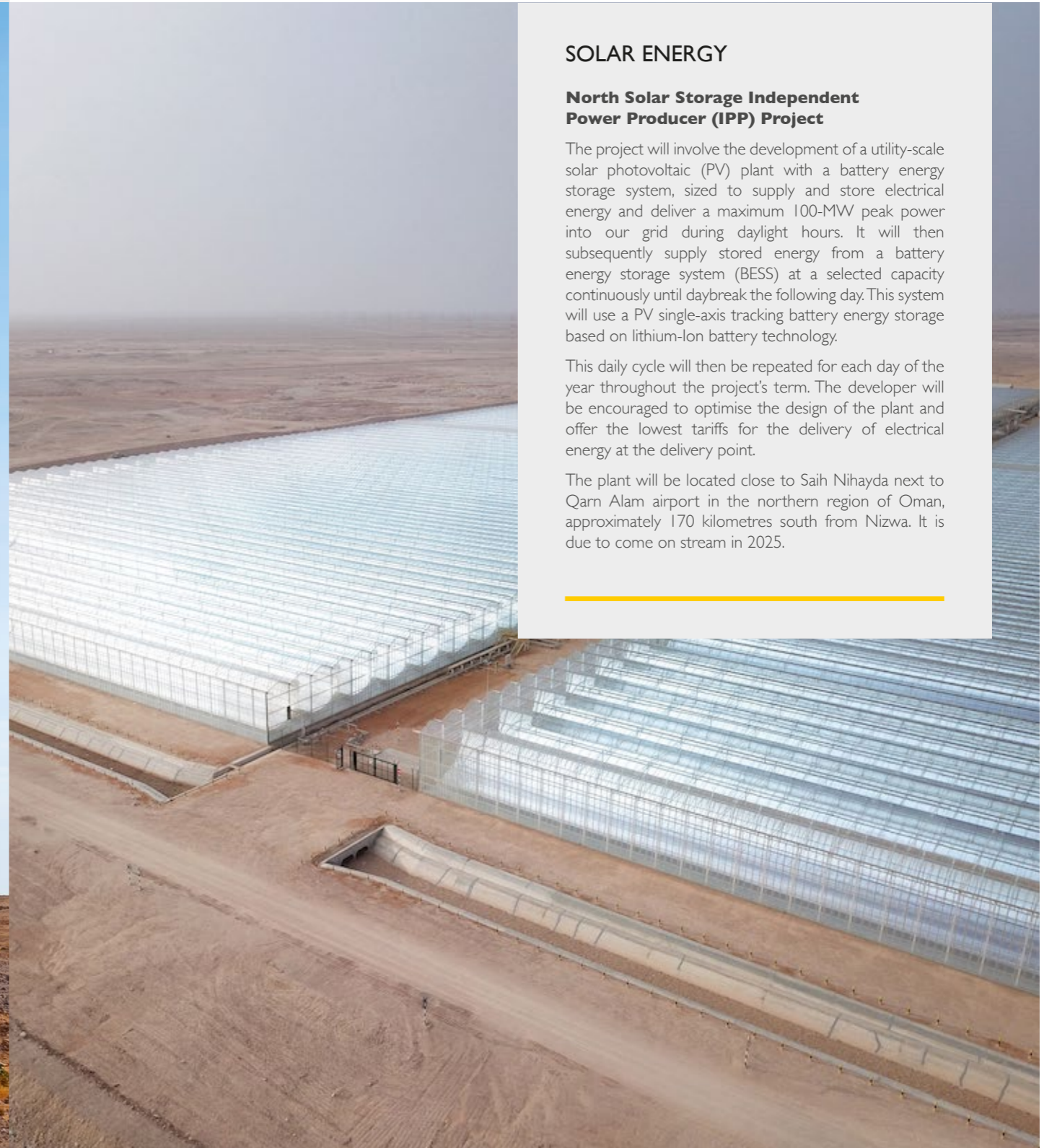
SOLAR ENERGY

North Solar Storage Independent Power Producer (IPP) Project

The project will involve the development of a utility-scale solar photovoltaic (PV) plant with a battery energy storage system, sized to supply and store electrical energy and deliver a maximum 100-MW peak power into our grid during daylight hours. It will then subsequently supply stored energy from a battery energy storage system (BESS) at a selected capacity continuously until daybreak the following day. This system will use a PV single-axis tracking battery energy storage based on lithium-ion battery technology.

This daily cycle will then be repeated for each day of the year throughout the project's term. The developer will be encouraged to optimise the design of the plant and offer the lowest tariffs for the delivery of electrical energy at the delivery point.

The plant will be located close to Saih Nihayda next to Qarn Alam airport in the northern region of Oman, approximately 170 kilometres south from Nizwa. It is due to come on stream in 2025.



Amin 100-MW Solar PV IPP Project

Our landmark 100-MW Amin Photovoltaic Power Plant started commercial operations in May 2020, having successfully commissioned 3 months ahead of schedule and passing the acceptance test procedures.

The IPP near Nimr provides power to our Interior operations and is the world's first utility-scale solar project to have an oil and gas company as the sole buyer of electricity.

Going into its third year of operation, the plant has generated more than 800,000 MWh of renewable energy, feeding into our grid to reduce dependency on fossil fuels and greenhouse gas (GHG) emissions.

Mina Al Fahal (MAF) Car Park Phase 3

The third phase of the MAF solar car park is being commissioned this year to inject more energy into our HQ power grid. The project will feature a 974-kWdc solar system installed on top of a well-designed car park structure. It is expected to offset more than 1,800 tonnes of CO₂e every year by generating energy from renewable resources.

MAF Solar Rooftops

We are commissioning solar rooftop systems on six MAF buildings this year (Central Archives, Clinic, Ras Al Hamra (RAH) School, Bait Saih Al Maleh, Bait Mina Al Fahal and the Learning & Development Centre) with a total installed capacity exceeding half a megawatt. The project will help to bring the cost of our electricity bill down and reduce our carbon footprint.



Project Noor

In 2022, we launched Project Noor, the largest residential solar scheme in Oman and a landmark in our Energy Transition journey.

The work is being undertaken by a local contractor, with almost 400 staff applications so far; 268 signed agreements for the work to commence and 40 solar installations completed at PDO employee homes.

The manufacture of the solar DC, AC and grounding cables and metering boxes is all being done locally.

The Company is providing green funding and contributing to the solar panel installations costs of installing through a designated contractor in return for carbon credit ownership for 25 yrs.

Airport Solar Ground Mounted Project

We are expected to commission a project for solar ground mounted systems at three airports – Marmul, Qarn Alam and Fahud – this year. The project is a first of its kind and will produce and channel green electricity to cover the airports' electrical load during the daytime. It will boast a total installed capacity of 609 kW.

Solar on RAH Villas

We will begin installing solar PV panels in 2023 over a three-year period at 588 new residential low-rise buildings at RAH. This follows a successful pilot project to install 10-kW solar PV in 10 villas.

STEAM GENERATION USING RENEWABLE ENERGY

Steam generation for enhanced oil recovery (EOR) is considered one of our critical production processes. However, it requires a massive amount of natural gas to generate one tonne of steam. In response, we launched our pioneering Miraah solar project in Amal.

The falling cost of renewable energy has increased the potential to adopt it more widely for steam generation, not only solar applications but also hydrogen boilers, and electrical and molten salt heaters.



GREEN HYDROGEN: A SUSTAINABLE FUEL FOR THE FUTURE

Green hydrogen (H₂), produced by electrolysis with renewable electricity, is projected to grow rapidly in the coming years. An "H₂ Economy" is a compelling vision although its realisation demands major technological advances in hydrogen production, distribution and storage.

Attention must be directed towards deployment and learning-by-doing to reduce electrolyser costs and supply chain logistics. PDO is actively pursuing the green hydrogen opportunity. The immediate goal is to pilot green hydrogen technologies by demonstrating multiple MW solar hydrogen production systems via water electrolysis to fulfil our decarbonisation targets for the hard-to-abate sectors and create new demands in hydrogen. This aim is fully aligned with the national direction towards achieving net-zero emission status by 2050.

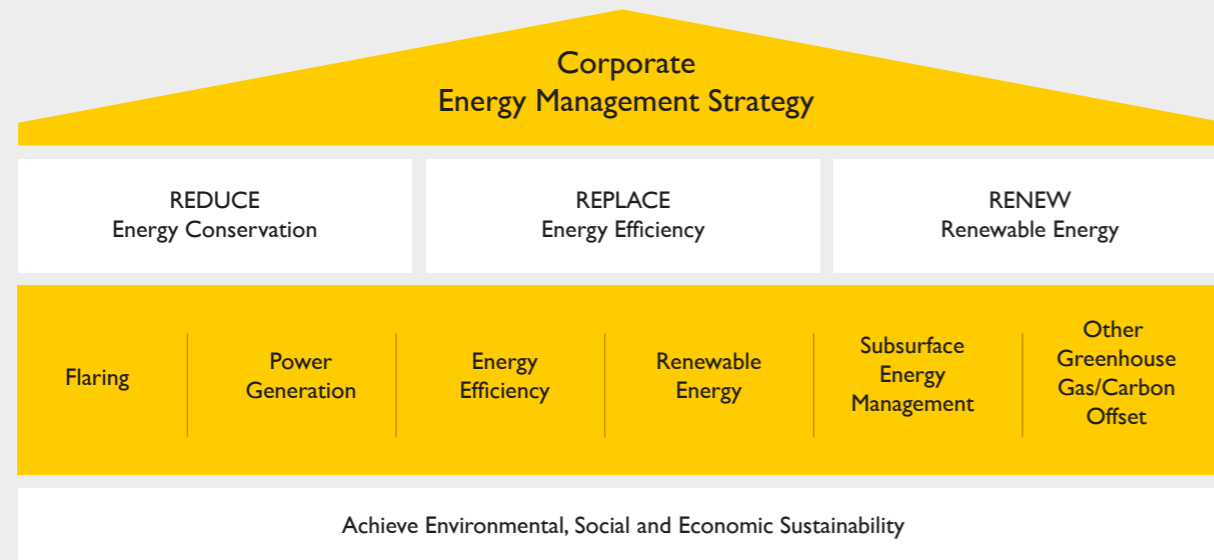
We are currently focused on injecting H₂e into the gas grid to "time-shift" energy production from solar power plants for gas-blending applications in gas turbines; and secondly, on replacing conventional heavy-duty vehicles with hydrogen fuel cell vehicles.

ENERGY MANAGEMENT

PDO's Energy Management Strategy is based on the "3 Rs":

- Reduce: flare, power consumption, process fuel gas and fuel gas for power generation.
- Replace: inefficient equipment.
- Renew: increase proportion of renewable energy alternatives.

The 3 Rs strategy covers the entire spectrum of Energy Management which is categorised in six pillars shown below:



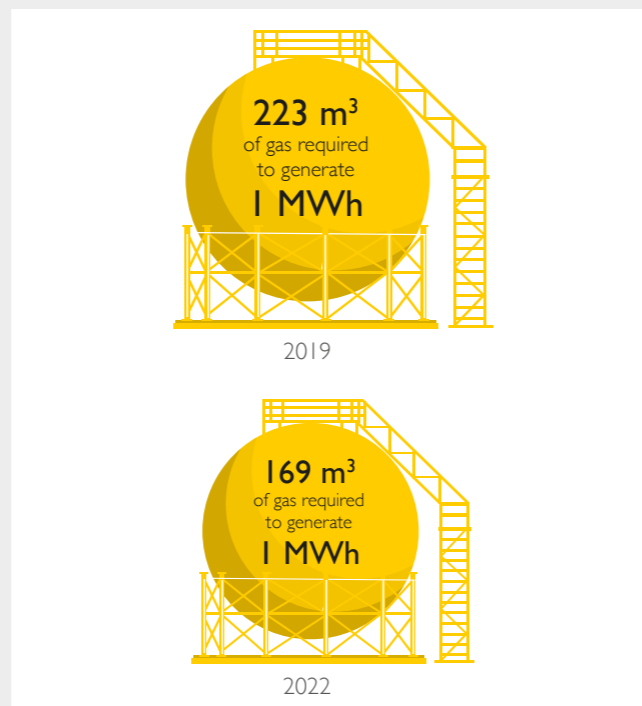
ENERGY EFFICIENCY

Improving energy efficiency is a key focus of PDO's gas conservation strategy. Efforts are being made to enhance energy efficiency by converting open cycle gas turbine power plants into closed cycle ones. In 2022, new plants were commissioned at Saih Rawl and Haima West. The efficiency of our power and steam generation improved from 223 m³ of gas required to generate 1 MWh in 2019 to 169 m³ in 2022.

Our Energy Efficiency Surveillance Tool (EEST) is now in operation across all our assets. This indicates any operational equipment inefficiencies by issuing an alarm so operators can take the appropriate action to fix any issue.

In parallel, PDO conducts energy assessments and equipment-based studies to identify energy optimisation efficiency for all energy consumers in production stations. The identified opportunities are further studied in terms of energy savings, economics and GHG emissions reduced.

In 2022, energy efficiency opportunities resulted in a 130,000 tonnes of CO₂e saving.



WELL AND RESERVOIR ENERGY MANAGEMENT

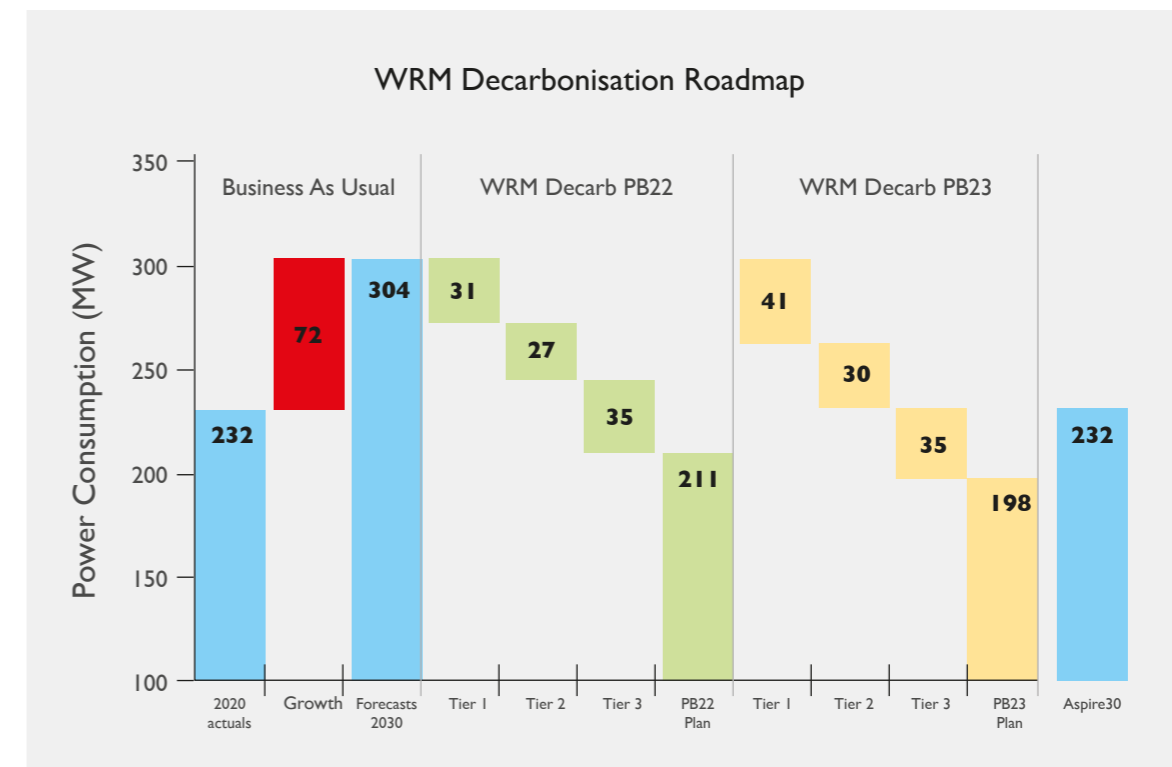
Out of the 647 MW power consumed in PDO in 2022, 29% of it can be directly attributed to well lifting systems and 25% to water management. We have designed a Subsurface Energy Management pillar to transform our current power consumption model to improve our WRM operation GHG intensity to help us decarbonise our operations and deliver on short, mid- and long-term GHG reduction ambitions (see below).

Our priority in 2022 was to establish a reliable reference for well power consumption to quantify the value of different business opportunities. A joint project was launched by the Power, Continuous-Improvement (CCI), Real-time Operation (RTO), and Well, Reservoir and Facilities Management (WRFM) excellence teams to

estimate the power consumption per well based on the available data from artificial-lift drives, which are then monitored in a smart dashboard integrated with Nibras NX.

By end of 2022, more than 300 wells were included in the pilot phase of the project, titled Remal, which focused on Yibal, Nimr and Rima. As a result, 5,500 tonnes of CO₂e reduction were realised from optimising well pump parameters.

There was a cut of more than 12,000 tonnes CO₂e by the deployment of multiple technologies to optimise well power consumption, including Rotaflex and artificial lift conversions. In total, the subsurface Energy Management pillar delivered a reduction of about 0.017 million tonnes of CO₂e. Our ultimate target is to achieve a cut of 0.44 million tonnes CO₂e by 2030 (relative to a 2019 reference baseline).



CHANGE MANAGEMENT

To help operationalise and sustain the Corporate Energy Management Strategy, a comprehensive Change Management programme was developed and rolled out. It consists partly in establishing a governance organisation with identified roles and responsibilities to drive the energy management agenda across PDO. Sustainability and engagement are facilitated through monthly huddle meetings to take stock of achievements, co-ordinate efforts and eliminate roadblocks.

Our WRM Energy Management roadmap is based around five main pillars:

1. **Digital solutions:** harnessing the power of data analytics and digital solutions to feed more informed and automatically optimised decision making.
2. **New technologies:** selectively qualifying and deploying energy efficiency technologies enabling the delivery of our production promise at a lower

cost and reduced carbon footprint.

3. **WRM optimisation:** transforming proven production and cost optimisation best practices by introducing a third energy efficiency objective. Additionally, developing dedicated workflows and tools to empower our professionals to make faster and more effective improvement decisions.
4. **Process and performance tracking:** developing the dashboards, standards and benchmarks to monitor progress, streamline workflows and foster transparent performance management.
5. **Culture and capabilities:** promoting a favourable decarbonisation mindset within our petroleum engineering community while developing energy-management-savvy staff who can thrive in the Energy Transition.



WATER MANAGEMENT

Rima Water Treatment Plant

Operations began at the plant in July after it was completed with 1.38 million Lost Time Injury-free manhours.

The facility is an eco-friendly alternative to deep water disposal (DWD) and will reduce GHG emissions by 48,000 tonnes a year.

Like its forerunner at Nimr, it uses vegetation to break down oily production wastewater, creating a desert oasis for wildlife. Until the plant launched, 60% of the water produced at Rima was used for water flooding to maximise recovery, with the remaining 40% pumped into deep aquifers, an expensive, energy-intensive process.



To deal with the DWD challenge, a series of basins have been built, seeded with different species of algae, through

which the water circulates. This is then purified by the natural process of biodegradation of microalgae and bacteria.

Once cleaned, the low-salinity water is disposed into 300 hectares of ponds to be naturally evaporated by the sun's heat.

Work on the wetland system was carried out by French company Suez under a US\$146 million, 20-year design, build, own, operate and maintain (DBOOM) contract, with Super Local Community Contractor Al-Shawamikh Oil Services holding a 24.5% stake.

The complex is capable of processing up to 60,000m³ of wastewater a day, higher than the design capacity of 40,000 m³/d, reducing high-energy consumption by 10 megawatts.

Water Deep Disposal	Green Water Handling Solution
	
<ul style="list-style-type: none"> • Replacement of 6 high energy pumps (5 MW capacity) • Relocation of 2 pumps • Elimination of 53,000 tonnes CO₂/Yr. 	<ul style="list-style-type: none"> • Zero power consumed • De-oils to zero ppm OIW • Recovery of 1,300 bbls/month of oil • Creation of natural habitat with ~15 types birds



MANAGING ENERGY ON PDO'S ESTATE

Our MAF headquarters was awarded a Leadership in Energy and Environmental Design (LEED) gold. LEED - developed by the U.S. Green Building Council - is the most widely used green building rating system in the world and an international symbol of excellence.

It provides a framework for healthy, efficient and cost-saving green buildings, through design, construction and operations practices that improve environmental and human health.

We achieved LEED certification for implementing practical and measurable strategies and solutions in areas including sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality.

The award also acknowledges PDO's commitment to making the world a better place and being a role model to others.

10 MILLION WILD TREE INITIATIVE

In 2020, PDO launched a 10-year initiative to plant 10 million wild trees with the Environment Authority.

The three main objectives were to:

- Increase and improve vegetation cover
- Raise community awareness about the importance of environmental conservation
- Maximise the Omani ecosystem (carbon emissions reduction, carbon sink) and ICV.

Construction and expansion of tree nurseries, seed distribution campaigns, workshops and the plantation of different species of trees around our concession area have given real momentum to the drive.

In 2022, PDO managed to plant 88,000 trees and two million Mangrove seeds using drone technology and traditional methods in collaboration with the EA, and supported two public schools in Muscat to increase the vegetation cover by planting trees within their premises. The Company has also distributed more than 37,000 seedlings since the start of the initiative.

Lekhwait Plantation



Ras Al Shajer Plantation



Seeds Collection Campaign



Al Shuwaimiya Wetland Plantation

NEW TECHNOLOGY

New technology continues to play a crucial role in addressing our emerging challenges, while delivering sustainable and equitable economic growth. Artificial intelligence, robotic process automation and data analytics are enabling us to optimise and automate our decision-making and workflow processes in real time, ensuring safer, faster and efficient operations.

In 2022, we undertook a record number of technology trials and deployments. A total of 21 game-changing technologies were initiated to address our pressing corporate technical challenges and 17 technologies were concluded by

proof-of-concept or proof-of-value trials.

Five joint academia-industry research and development (R&D) projects were awarded to different universities and three others were concluded.

In line with our decarbonisation drive and our ambitious plans for a sustainable future, we initiated five technology trials and concluded three as part of the 2022 Energy Management programme. These technologies address the key focus areas of GHG emissions, flaring, energy efficiency, renewables, power generation and energy intensity.

New Technology Maturation Funnel



In-Market Screening
129+



Technologies in Front End
26



Technologies under Trial
22

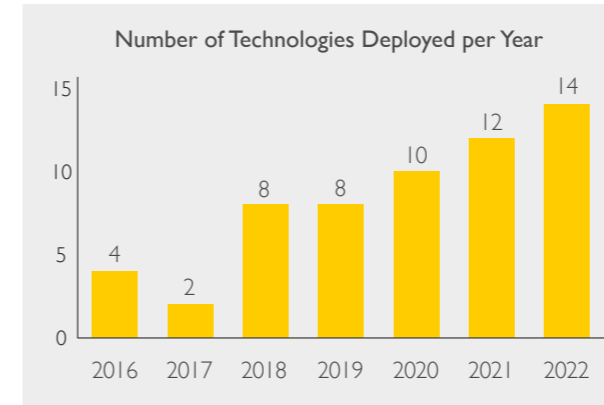


Deployed Technologies
24



Deployed Technologies

In 2022, a record number of 14 technologies were deployed after successful trials, tackling various corporate challenges such as HSE, energy management, artificial lifting and well construction.



Polyline Technology (PT) was initiated to minimise premature artificial lift failures due to tubing erosion and corrosion, which lead to multiple well interventions and increased annual Opex and Capex. It was trialled in the Bahja and Marmul clusters and concluded as a success with an added value realised during the trial stage of US\$2.8million and an expected value of US\$52 million in the coming five years. Furthermore, PT reduced power consumption by 10% for each well, supporting our GHG management efforts.

Another success was **Flufuse**, which was successfully trialed at Nimr. This technology tackles the challenge of water and polymer injection conformance along the injector profile in long horizontal well. The trial succeeded to an almost 90% conformance level, more than 70% of the planned target and it is expected to realise a good sweep in the reservoir, resulting in improved oil production in the nearby supported producer wells.

During the trial stage, there was a 2%-3% water cut reduction, which has so far led to an oil gain up to 10 m3/d. The estimated value from its deployment will exceed US\$100 million over the next five years.

The **Polymer Borate System (PBS)** is another deployed technology which tackles downhole formation losses resulting in significant non-productive time and lost circulation material costs. The technology uses a modified

and enhanced slurry with a cross-linked gel structure to initiate a reaction at the wellbore. A trial was carried out successfully in three wells and its estimated potential value for the next five years will exceed US\$5 million.

Sand Aid technology was piloted in two wells in the Nafoora field and reduced sand production without any hoist or flashback unit intervention, enhancing the life of artificial lift pumps by 20% and reducing deferment. We are planning to deploy it in more than 100 wells with an annual value generation of US\$17,000 a well.

Concluded Trials

A number of technologies underwent proof-of-concept or proof-of-value trials to tackle various corporate challenges across Block 6.

A trial of **Foam-Assisted Lift** Technology was concluded as a secondary de-liquification solution to prolong gas well production. The results were positive with increased production performance of up to 50,000 m³/day from eight tested wells. The technology has been approved for further deployment in 28 gas wells in the next five years.

A field trial for **Double-Block-and-Bleed (DBB)** Saver technology was successfully conducted on the South Oman Gas Line (SOGL). Such technology tackles passing valve challenges in pipelines and maximises plant availability by avoiding the depressurisation requirements of up- and downstream installation parts. A wider deployment in PDO could potentially produce a cost saving of over US\$5 million in the next five years.

Another successful trial came with the **online Gas Chromatographer (GC)** in Greater Birba. The technology enables quicker data input for process response and an improved cycle time for analysing gas samples from an inlet stream. It avoids HSE exposure with the need to relocate toxic gas samples to the lab each time a test is required. It is estimated that more than US\$2 million can be gained in the next five years during wider deployment across our fields.

A cost-effective technique for plug and abandonment activities in single and double casing wells was successfully tested at Yibal, Natih, Fahud, Kauther and Yibal Khuff. The **Perforate Wash and Cement (PWC)** technology proved to be an efficient and viable option, both in terms of time and cost, for annuli integrity repairs and a more alternative for section milling abandonment.

Initiated Trials

A total of 21 new trials were initiated in 2022 after a rigorous market analysis and a rapid contracting and procurement process. These tests address pressing technical challenges such as produced water management, energy management, artificial lifting, EOR, well construction and production measurement.

A pilot project for **Digital Flare Mitigation** technology was initiated to convert flared gas at Anzuz to power a data centre. The trial, if proven successful, will help PDO reduce its non-routine flaring by around 30,000 m³/d.

We have initiated a trial to tackle our hard-rock, high-temperature drilling challenge. This replaces turbine drilling by using an elastomer-free (metal-to-metal) motor that will sustain drilling at up to 200°C with a longer running lifetime.

It is expected to enhance the rate of penetration by over 300%, thus reducing the overall drilling time and associated costs. The trial will be conducted on three high-temperature deep gas wells using different types of drilling fluids. It is expected that the technology can contribute to a cost saving of around US\$8 million for the next four years.

As HSE and personal safety continue to be the bedrock of everything we do, we have started a trial at Greater Birba for advanced **Personal Gas Detection Devices** with live cloud-based data analytics, location tracking and two-way voice over communication. The new improved technology in this equipment will help optimise operations and maximise HSE performance, especially in critical sour operations areas and remote facilities.

Last year, we also trialled a **Helix Multi-Stimulation** tool to invigorate low-producing wells. The tool manipulates fluids, gases or mixtures to produce a dynamic turbulent flow while conducting clean-out operations to remove scale, paraffin, sands and other well debris. The technology could potentially lead to cost saving of more than US\$1 million over a five-year span.

As part of our decarbonisation journey, a project was launched to test **Element-16 Thermal Energy Storage**, which uses the low-cost solution of sulphur to store and deliver high-quality thermal energy as a first of its kind for Oman. The technology can be used for both power generation and heat recovery for concentrated solar power and marks another exciting step on our journey to reduce GHG emissions from our oil and gas production operations.



Research and Development

Fostering a flourishing national R&D culture and our willingness to trial and deploy new technologies are both vital if we are to build a more cost-competitive, carbon-resilient and energy-efficient company and a thriving and diversified economy. Our New Technology Implementation team are continuing their support for local academia by nurturing the Ejaad Research and Development platform to assist the sector.

To date, we have awarded 21 joint academia-industry projects to different Omani universities to tackle some of our technical challenges. These have been prioritised based on their relevance to issues such as energy efficiency, water management, enhanced oil recovery, bioenergy, material and corrosion and renewables.

As part of our successful R&D journey, a bus fuelled by biodiesel embarked on its first journey around Muscat as part of a project to produce biodiesel from date seeds. The Company funded the project through the Ejaad platform with a team from Sultan Qaboos University as part of its pathway towards achieving net-zero emissions.

As the world is currently undergoing a wave of rapid technological advancements, which are blurring the lines between the physical and digital spheres, we will continue to progress our harmonisation efforts between new technology and digitalisation to capitalise on technological breakthroughs and retain our cutting edge in a fast-changing industry and world.

We will continue to invest in technology as an essential enabler of our long-term viability and to reinforce our national and global position by driving efficiency and resilience. We will also continue to strengthen partnerships with key technology players to support our transition priorities and significantly contribute towards the national agenda of a greener Oman.



ENVIRONMENTAL PERFORMANCE

2022 HIGHLIGHTS

- A significant cut in oil spills
- A 9% reduction in greenhouse gas intensity
- An 8% fall in flaring

PDO is constantly striving to protect Oman's environment, reduce our carbon footprint and prevent pollution. In 2022, we improved our environmental performance across many aspects, including oil spills, GHG emissions, flaring and waste management. The achievements are summarised in this chapter.



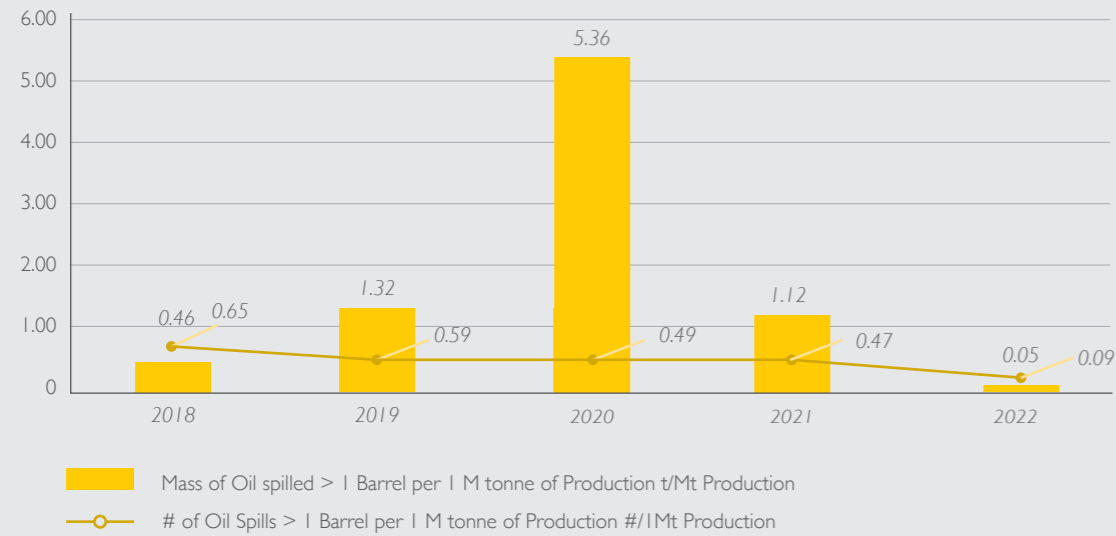


OIL SPILLS

Due to extensive efforts on the Asset Integrity-Process Safety Management (AI-PSM) front, the number of oil spills over one barrel per million tonnes of oil production fell to 0.09 compared to 0.47 in 2021 – an 81% decrease.

The quantity spilled also dropped to 0.05 tonnes per million tonnes of oil production compared to 1.12 t/Mt production in 2021 – a near 96% fall.

Oil spills



GREENHOUSE GAS (GHG) EMISSIONS

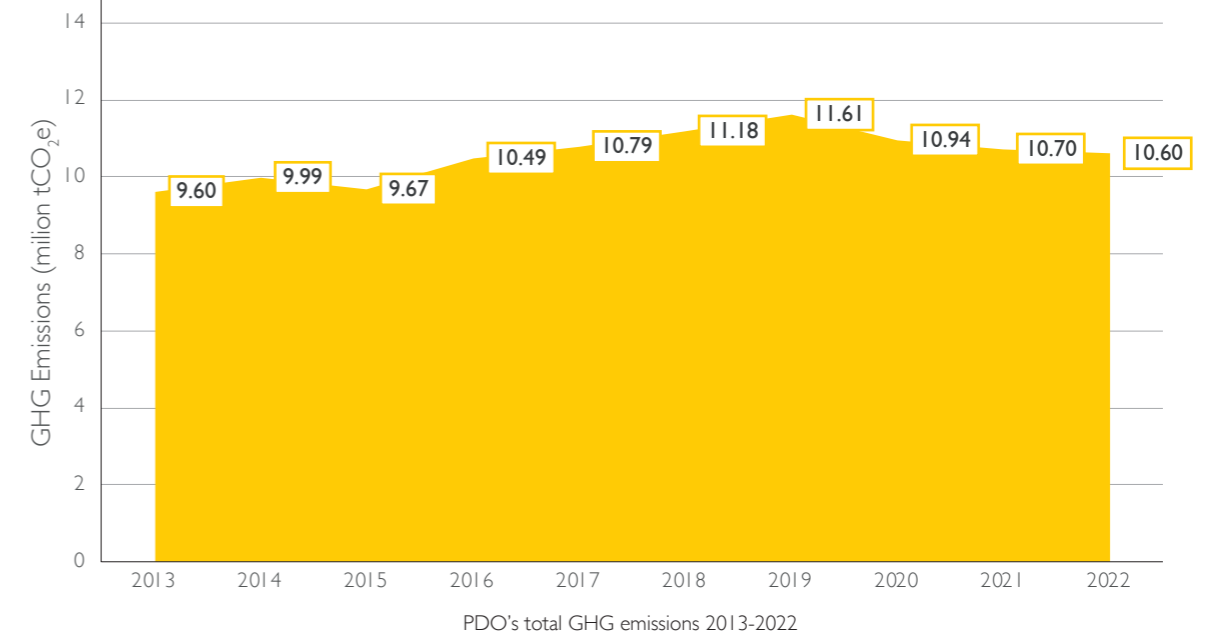
In line with our aspiration to achieve net-zero emissions by 2050, we have undertaken major to drive continuous GHG reduction.

This has been done by setting annual GHG targets, establishing energy management and GHG governance with regular engagements and reviews, and the development of dedicated roadmaps for major GHG sources.

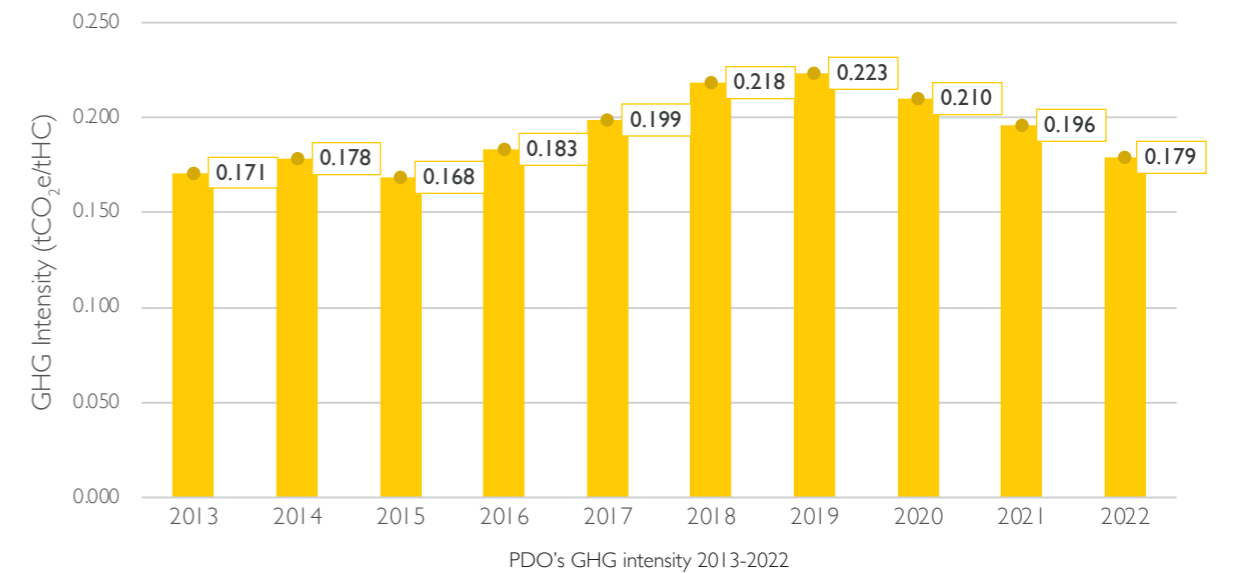
In 2022, we managed to cut 0.1 million tCO₂e from our total emissions in 2021, due to the implementation of flare reduction projects, renewable energy, production water management and energy efficiency projects.

These were bolstered by the deployment of satellite, drone and leak detection and repair (LDAR) surveys. Similarly, PDO's total GHG intensity has decreased by 9% from 0.196 to 0.179.

GHG Emissions



GHG Intensity



*Note that GHG intensity includes PDO oil and gas assets and it is calculated based on sale hydrocarbons.

Assurance and Verification of GHG Data

PDO has successfully completed the independent verification of its Greenhouse Gas data for the reported GHG emissions in 2019, 2020 and 2021, in accordance with the ISO 14064 standard. The verification has been carried out in two stages for most of our assets.

In the first stage, the verification body performed an assessment of GHG data and information management systems and controls. The second stage included sampling, verification of GHG data and information, the preparation of a final report with a list of findings and areas for improvement, and preparation of an assurance statement. The findings were closed in a timely manner and PDO obtained the independent GHG verification statements for 2019, 2020 and 2021.

Methane Management

Methane is a potent GHG and is second to only carbon dioxide as contributor to human-induced global warming. It is 28 times stronger than CO₂ per unit of mass over 100 years and 84-86 times more powerful over 20 years.

PDO has been actively engaged on methane reduction efforts, illustrated by our enrolment with the World Bank's "Zero Routine Flaring by 2030" initiative and implementation of flare reduction

projects, facilities maintenance programmes, equipment electrification, and extensive flowline and pipeline monitoring.

In addition, there has been a focused and tiered methane management campaign entailing the use of satellite surveys, drones and smart Leak Detection and Repair (LDAR) surveys, starting at the Government Gas Plant at Yibal and Kauther Gas Plant.

In 2022, LDAR surveys were conducted across PDO for all on-plot facilities with drone surveys for some off-plot facilities, and an agreement was established with a leading emission monitoring provider (GHGSAT) through a subscription service to detect methane emissions.

We worked to build a robust baseline for methane emissions through extensive surveys and campaigns and to broaden our understanding of methane emissions monitoring, reporting and quantification across all business segments by continuing the collaboration with all stakeholders and enhancing our internal methane management activities in line with national and international commitments. Building on this, a series of engagements were conducted with partners and technology vendors on Level 4/5 reporting instruments to advance our programme, and achieve the Gold Standard rating from the Oil and Gas Methane Partnership (OGMP) 2.0, which we joined in 2021.



GAS FLARING

In 2022, we sustained our focus on flare reduction by setting short-, medium- and long-term targets including projects for the "World Bank Zero Routine Flaring by 2030" initiative.

The flare limit target continued to be part of the Corporate Scorecard for 2022 to drive the entire organisation towards our flare reduction objective.

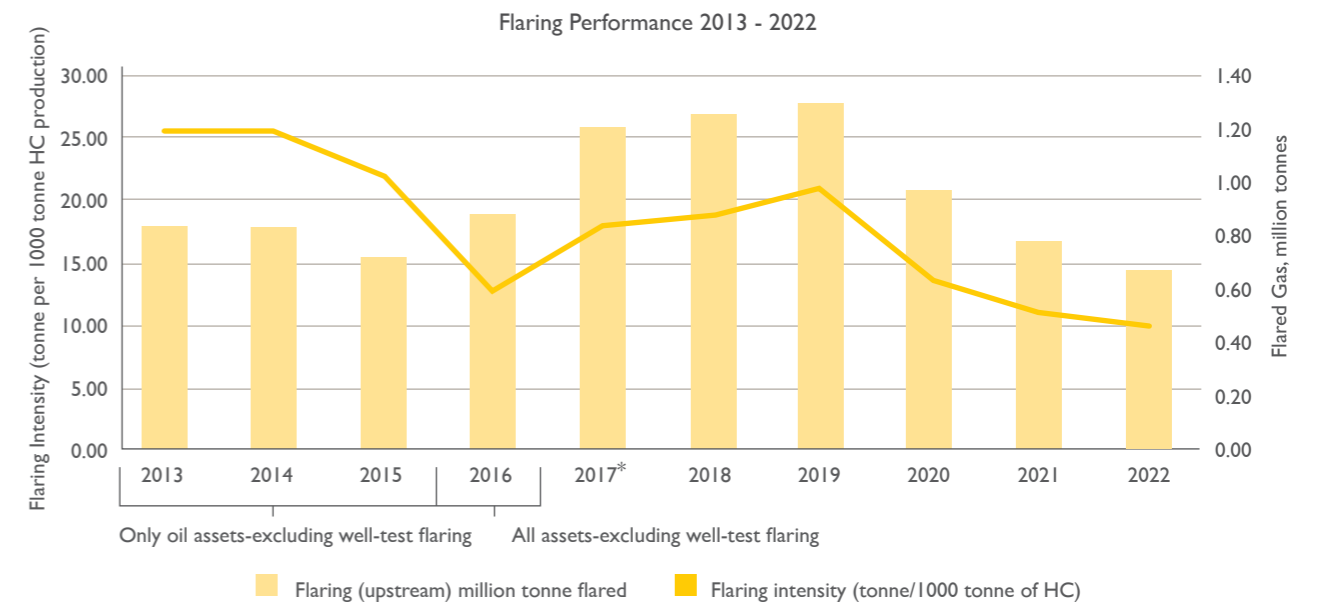
PDO flared 8% less than the previous year, achieving a reduction of around 131,000 tonnes CO₂e. Our flaring intensity also dropped 9% to 9.93 tonnes per 1,000 tonnes of hydrocarbons.

This was achieved through a number of improvements across the assets and function, such as:

- Improved reliability and availability of the gas system
- Operational enhancements

- Upgrading of the PDO Flare Waiver tool enhancement to ensure timely escalation and adherence to flare waiver compliance
- Process optimisation
- Monthly reviews to ensure health checks of the flare meters were within the operating envelop.
- Replacement and fixing of passing valves to flare
- Monthly flare huddles on the overall gap to potential performance
- Identification and maturing of flare reduction new technologies
- Formation of a strategic alliance with pioneers in the space to implement best practice.

Furthermore, we conducted reliability improvement workshops for machines at Birba and Saih Rawl and conducted a flare efficiency measurement campaign as part of our OGMP 2.0 membership.



*Note that from 2017 onwards, flaring results include all assets and well test flaring.

WASTE MANAGEMENT

Total waste generated rose by nearly 34% from 324,793 tonnes in 2021 to 434,530 tonnes, with hazardous waste increasing by almost 36% from 232,975 tonnes to 315,942 tonnes and non-hazardous waste by 29% from 91,818 tonnes to 118,588 tonnes.

This performance was due to the increase in operations across the concession area including the new projects.

In terms of non-hazardous waste, around 354.5 tonnes were recycled by three Omani SMEs in 2022, which included wood, plastic, metal and cartons. Scrap (high-density polyethylene pipes weighing 100 tonnes) were auctioned in Nimr as part of the effort.

In terms of the reuse of hazardous waste, over 12,400 tonnes of contaminated soil was used for the road re-sheeting project, which is part of PDO's waste reuse strategy.

All recyclable hazardous waste material was collected by Omani SMEs who process it as per the country's regulations.

A total of 27,000 m³ of water-based mud (WBM) was recycled instead of being dumped into waste pits.

Additionally, recycling of oil-based mud cuttings continued with 2,750 tonnes delivered for reuse as an additive in local cement manufacturing.



Environmental Data-PDO

Greenhouse gas emissions (GHGs)	2017**	2018**	2019**	2020**	2021**	2022**
Total GHGs (million tonnes CO ₂ equivalent)	10.79	11.18	11.60	10.87	10.70	10.60
Greenhouse gas intensity ratio (tonne CO ₂ equivalent/tonne of HC)	0.199	0.218	0.223	0.210	0.196	0.179
Flaring						
Flaring (upstream) (million tonnes flared)	1.19	1.21	1.29	0.96	0.75	0.69
Flaring intensity (Tonne/1,000 tonnes of HC)	17.90	19.07	20.52	14.37	10.95	9.93
Energy intensity						
Upstream (gigajoules per tonne production)	2.31	2.58	2.62	2.67	2.73	2.47
Acid gases and VOCs emissions per unit of HC production						
Sulphur oxides (SO _x) (tonnes per thousand tonnes)	2.50	2.63	2.32	1.90	1.43	1.13
Nitrogen oxides (NO _x) (tonnes per thousand tonnes)	0.45	0.47	0.49	0.44	0.45	0.50
Volatile organic compounds (VOCs) (tonnes per thousand tonnes)	0.29	0.29	0.28	0.23	0.20	0.16
Spills and discharge						
# of oil spills > 1 barrel (0.16m ³) per million tonnes of production (NoMt production)	1.57	0.65	0.66	0.49	0.47	0.09
Quantity of oil spilled > 1 barrel (0.16m ³) per million tonnes of production (t/Mt production)	3.46	0.46	2.05	5.36	1.12	0.05
Oil in effluents to surface environment (OIW to sea) thousand tonnes	0.008	0.022	0.007	0.007	0.004	0.006
Water						
Water consumed from desalination units (OIW to sea) thousand tonnes	7.03	7.06	7.73	6.50	8.28	9.73
Produced water handled 1,000 m ³ /day	855.52	908.95	927.54	856.86	917.531	939.04
Produced water used for injection activities 1,000 m ³ /day	449.50	484.21	495.9	504.87	684.653	581.98
Produced water used for disposal activities 1,000 m ³ /day	336.96	329.22	300.18	206.85	154.020	193.24
Waste generation						
Hazardous (thousand tonnes)	222.00	383.69	268.95	282.45	232.975	315.942
Non-hazardous (thousand tonnes)	62.15	76.47	135.63	102.97	91.818	118.588
Total waste (thousand tonnes)	284.15	460.15	404.58	385.42	354.793	434.530

*From 2016, data includes gas asset performance, while earlier years only present the data from oil assets except for total GHG and GHG intensity ratio which are estimated based on an ISO14064 audit.

** From 2017 onwards, emissions figures have been back-calculated based on an ISO14064 audit.

*** Note that the GHG emissions and GHG intensity figures include the GHG reduction from the carbon credit projects which have been traded with other parties.

GRI CONTENT INDEX

Statement of use	Petroleum Development Oman (PDO) has reported the information cited in this GRI content index for the period 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	5, 12
	2-2 Entities included in the organization's sustainability reporting	5, 12
	2-3 Reporting period, frequency and contact point	5
	2-4 Restatements of information	5, 12
	2-5 External assurance	5, 12
	2-6 Activities, value chain and other business relationships	18, 27
	2-7 Employees	14
	2-8 Workers who are not employees	14
	2-9 Governance structure and composition	14
	2-10 Nomination and selection of the highest governance body	14
	2-11 Chair of the highest governance body	14
	2-12 Role of the highest governance body in overseeing the management of impacts	14
	2-13 Delegation of responsibility for managing impacts	14
	2-14 Role of the highest governance body in sustainability reporting	14
	2-15 Conflicts of interest	16
	2-16 Communication of critical concerns	34-35
	2-17 Collective knowledge of the highest governance body	14
	2-18 Evaluation of the performance of the highest governance body	14
	2-19 Remuneration policies	77
	2-20 Process to determine remuneration	77
	2-21 Annual total compensation ratio	77
	2-22 Statement on sustainable development strategy	6, 20
	2-23 Policy commitments	14-16
	2-24 Embedding policy commitments	14-16
	2-25 Processes to remediate negative impacts	20-29
	2-26 Mechanisms for seeking advice and raising concerns	14-16
	2-27 Compliance with laws and regulations	12-18
	2-28 Membership associations	18
	2-29 Approach to stakeholder engagement	30, 34-35
	2-30 Collective bargaining agreements	77
GRI 3: Material Topics 2021	3-1 Process to determine material topics	30, 34-35
	3-2 List of material topics	34-35
	3-3 Management of material topics	30, 34
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	62
	201-2 Financial implications and other risks and opportunities due to climate change	90-95, 106-112
	201-3 Defined benefit plan obligations and other retirement plans	70-77
	201-4 Financial assistance received from government	17
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	73
	202-2 Proportion of senior management hired from the local community	14, 72
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	25, 30-33, 64, 85
	203-2 Significant indirect economic impacts	85-89

GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	62-69
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	16
	205-2 Communication and training about anti-corruption policies and procedures	16
	205-3 Confirmed incidents of corruption and actions taken	16
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior; anti-trust, and monopoly practices	Not applicable. PDO is not engaged in anti-competitive behaviour; anti-trust or monopoly practices
GRI 301: Materials 2016	301-1 Materials used by weight or volume	108-113
	301-2 Recycled input materials used	112
	301-3 Reclaimed products and their packaging materials	Not applicable.
GRI 302: Energy 2016	302-1 Energy consumption within the organization	97
	302-2 Energy consumption outside of the organization	Not available.
	302-3 Energy intensity	97
	302-4 Reduction of energy consumption	97, 99
	302-5 Reductions in energy requirements of products and services	97, 99
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	99, 113
	303-2 Management of water discharge-related impacts	99, 113
	303-3 Water withdrawal	99, 113
	303-4 Water discharge	99, 113
	303-5 Water consumption	99, 113
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	100
	304-2 Significant impacts of activities, products and services on biodiversity	100
	304-3 Habitats protected or restored	100
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable.
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	108-111, 113
	305-2 Energy indirect (Scope 2) GHG emissions	108-111, 113
	305-3 Other indirect (Scope 3) GHG emissions	108-111, 113
	305-4 GHG emissions intensity	108-111, 113
	305-5 Reduction of GHG emissions	108-111, 113
	305-6 Emissions of ozone-depleting substances (ODS)	113
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	113
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	112-113
	306-2 Management of significant waste-related impacts	112-113
	306-3 Waste generated	112-113
	306-4 Waste diverted from disposal	112-113
	306-5 Waste directed to disposal	112-113
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	18, 27
	308-2 Negative environmental impacts in the supply chain and actions taken	Not applicable. There were no such incidents.

GRI 401: Employment 2016	401-1 New employee hires and employee turnover	72
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	74, 77
	401-3 Parental leave	77
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	70-77
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	56-57
	403-2 Hazard identification, risk assessment, and incident investigation	52-57
	403-3 Occupational health services	56-57, 83-84
	403-4 Worker participation, consultation, and communication on occupational health and safety	56-57, 83-84
	403-5 Worker training on occupational health and safety	56-57
	403-6 Promotion of worker health	56-57, 83-84
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	52-57, 83-84
	403-8 Workers covered by an occupational health and safety management system	82-84
	403-9 Work-related injuries	22, 82
	403-10 Work-related ill health	82
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	75
	404-2 Programs for upgrading employee skills and transition assistance programs	75
	404-3 Percentage of employees receiving regular performance and career development reviews	75
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	73
	405-2 Ratio of basic salary and remuneration of women to men	77
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	73
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	72
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	89
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	89
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Not available. Will endeavour to include in future reporting cycles as the next phase of Project Prism (p.87) progress.
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Not applicable. There were no such incidents.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	67, 86
	413-2 Operations with significant actual and potential negative impacts on local communities	Not applicable. There were no such incidents.
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Not available. Will endeavour to include in future reporting cycles as the next phase of Project Prism (p.87) progress.
	414-2 Negative social impacts in the supply chain and actions taken	Not applicable. There were no such incidents.
GRI 415: Public Policy 2016	415-1 Political contributions	Not applicable. PDO do not make political donations.
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	22, 83-84
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	83-84
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Not available. Will endeavour to have this information in by next reporting cycle.
	417-2 Incidents of non-compliance concerning product and service information and labeling	Not applicable. There were no such incidents of non-compliance with regulations and voluntary codes concerning marketing communications.
	417-3 Incidents of non-compliance concerning marketing communications	Not applicable. There were no such incidents of non-compliance with regulations and voluntary codes concerning marketing communications.
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not applicable. There were no substantiated complaints regarding breaches of customer privacy and losses of customer data.