

**Responsible
Procurement
Framework**

TABLE OF CONTENT

1.0	Purpose	2
2.0	Scope	2
3.0	Confidentiality and Distribution	2
4.0	Mandated Statement	2
	• Ethical and legal compliance	3
	• Environmental responsibility	3
	• Social and economic wellbeing	3
	• Governance and Transparency	3
	• Supplier engagement	3
	• Health, Safety, Security, and Environment (HSSE)	3
5.0	Responsible Procurement Framework	3
5.1	Responsible Procurement Principles and Objectives	4
5.2	Key Enablers	4
6.0	Roles and Responsibilities	5
7.0	Communication and Awareness Building	6
8.0	Monitoring and Reporting	6
8.1	Monitoring Mechanisms	6
8.2	Reporting Criteria	6
9.0	Continuous Improvement	6
10.0	Definitions	6
11.0	Related Documents	7
	Document History	8

1.0 Purpose

This Responsible Procurement Framework establishes the fundamental principles and procedures that guide OQEP's approach to sustainable procurement. The purpose of this document is to ensure that all procurement actions are conducted in a manner that is ethical, sustainable and aligned with OQEP's commitment to environmental stewardship, social responsibility and economic integrity.

Responsible procurement at OQEP means engaging in procurement practices that minimize negative impacts and maximize positive outcomes for the environment, society, and the economy, thereby supporting our overarching sustainability objectives.

Different OQ entities may implement the directions outlined in this policy at varying paces, based on the maturity of their vendor groups and the specific characteristics of the economic segments they operate in.

2.0 Scope

This Policy applies to all procurement and contracting activities conducted by or on behalf of OQEP across all its operations and business units. It encompasses all OQEP employees involved in procurement processes as well as all external entities, including suppliers, contractors, and consultants engaged in supplying goods and services to OQEP. The Policy directives outlined herein are expected to be followed in conjunction with the broader governance frameworks established by Third Party Code of Conduct and Sustainability Policy, and other relevant policies and procedures. All procurement processes at OQEP are additionally governed by the OQEP Procurement Policy.

3.0 Confidentiality and Distribution

This document is made available to all stakeholders, including OQEP procurement personnel and suppliers, to ensure transparency and collective adherence to our procurement standards.

4.0 Mandated Statement

OQEP's procurement practices are designed to reflect our values and strategic priorities, integrating sustainability into every aspect of our procurement processes and are governed by the following principles, in alignment with Oman Vision 2040's objectives of fostering a competitive economy, ensuring environmental sustainability, and enhancing social well-being:

Ethical and legal compliance

As outlined in our Code of Conduct and Third-Party Code of Conduct, OQEP adheres to high ethical standards and compliance with applicable laws, including local Omani regulations and international norms¹.

Environmental responsibility

OQEP is committed to integrating environmental responsibility into its procurement practices by focusing on reducing greenhouses gas emissions, minimizing waste, and enhancing energy efficiency, and supporting the protection of biodiversity throughout its supply chain in line with ISO 14001 EMS Standard Requirement.

Social and economic wellbeing

OQEP aims for its procurement decisions to foster social equity, support human rights, and contribute to community development. We emphasize support for local SMEs and enhancing In-Country Value (ICV) to promote economic development in Oman.

Governance and transparency

OQEP maintains clear and open communication regarding procurement policy, decisions, and practices. We implement robust management, monitoring, and reporting mechanisms to ensure fair and transparent conduct, and we encourage all suppliers to align with our standards.

Supplier engagement

OQEP engages with its suppliers to foster continuous improvement and innovation in sustainability practices across the supply chain, ensuring their alignment with our sustainability goals and ethical standards.

Quality, Health, Safety, Security, and Environment (HSSE)

The OQEP Q-HSSE Policy seamlessly integrates Health, Safety, Security, and Environment (HSSE) principles into its procurement framework. This integration aligns with several international standards, including ISO 20400 for responsible sourcing, ISO 45001 for Occupational Health and Safety (OHS), ISO 14001 for Environmental Management Systems (EMS), and ISO 9001 for Quality Management Systems (QMS) Integrated Management System (IMS). Suppliers are required to demonstrate compliance with all applicable HSSE laws, regulations, best international practices, codes, and standards, including OQEP's internal HSSE Procedures and requirements, as well as the Q-HSSE policy. Compliance is regularly monitored through pre and post contract award HSSE evaluations, audits, inspections, and performance measurements to ensure continual improvement, risk reduction, and shared accountability for sustainability outcomes.

5.0 Responsible Procurement Framework

This document was developed and compiled by the Holding Company and published in early 2025 to reflect the Group's commitment to responsible procurement. It supports the broader ESG strategy by embedding sustainability, ethics, and accountability into every supplier decision. Building on this foundation, OQEP has adopted the responsible procurement framework to progressively guide its procurement activities toward higher standards of integrity, responsibility, and alignment with our sustainability commitments.

¹ These international norms include the Universal Declaration of Human Rights, ILO Conventions, UN Guiding Principles on Business and Human Rights, UN Global Compact, and OECD Guidelines for Multinational Enterprises.

5.1 Responsible Procurement Principles and Objectives

The principles of Responsible Procurement at OQEP are foundational to our approach, ensuring that our procurement practices committed to high standards of ethics and sustainability, support our wider strategic objectives, and align with the pillars of Oman Vision 2040. These principles are articulated here and include commitments to ethical and legal compliance, environmental responsibility, social and economic wellbeing, governance and transparency and proactive supplier engagement.

To ensure that our procurement activities align with OQEP's strategic objectives and contribute effectively to our performance in this area, we have established the following objectives:

- **Enhance energy transition initiatives and support decarbonization**

Strengthen the procurement of technologies and services that support OQEP's energy transition objectives. Our procurement practices in conjunction with C&P policies aim to reduce scope 1 and scope 2 carbon emissions, targeting a 25% reduction by 2030 and achieving Net Zero emissions target by 2050, in alignment with OQEP's decarbonization strategy ISO 50001 energy management principles across all operational assets. We are also committed to collaborating with our supply chain to identify, measure and reduce scope 3 emissions. Furthermore, OQEP remains dedicated to meeting evolving emissions reporting requirements, including those applicable to products exported to the EU.

- **Promote economic diversification and ICV**

Focus on generating more In-Country Value (ICV) by sourcing from local SMEs and innovative startups, thus fostering economic growth, reducing dependence on imports and supporting the development of a diverse industrial base in line with Oman's Vision 2040.

- **Strengthen supply chain resilience**

Develop a resilient supply chain capable of adapting to global market fluctuations and disruptions by establishing strategic alliances and enhancing supplier risk management practices, ensuring continuity and reliability in our supply chain operations.

- **Drive innovation in procurement**

Leverage advanced technologies and data analytics to improve procurement processes, promoting efficiency, cost savings and waste reduction, while driving innovation in sourcing strategies and supplier engagement.

- **Support community engagement and development**

Focus on enhancing the socio-economic conditions of the communities we operate in by prioritizing suppliers who demonstrate a commitment to ethical labor practices and contribute positively to the socio-economic development of local communities.

5.2 Key Enablers

To effectively implement the principles of responsible procurement, OQEP relies on the following key enablers:

- **Leadership commitment**

Strong leadership sets the tone for ethical and sustainable procurement practices, ensuring top management's commitment to integrating sustainability into procurement processes and organizational culture.

- **Governance mechanisms**

A robust structure that includes clear policies, procedures and accountability measures, aligning with OQEP's strategic objectives and ensuring compliance with international standards. This includes effective contract management, mechanisms such as whistleblowing and anti-bribery and a focus on sustainable governance to oversee procurement activities.

- **Stakeholder engagement**

Continuous engagement with suppliers, partners and OQEP employees to foster collaboration, address challenges and explore opportunities for improvement. This engagement includes recognizing and addressing stakeholder concerns, promoting fair practices, respecting vulnerable groups, ensuring worker welfare and fair pay.

- **Communication and awareness building**

Continuous efforts to keep procurement professionals and suppliers informed about OQEP's standards and practices are crucial. This includes regular updates, informative sessions, and access to resources that build competency and foster a culture of social responsibility.

- **Due diligence and risk assessment**

Introduction of due diligence criteria of human rights risks across contracted third parties, ensuring respect for all individuals and groups involved.

- **Data analytics and digital tools**

Utilization of technologies to enhance transparency, efficiency, and informed decision-making in procurement activities, including the integration of sustainability criteria into supplier selection and specifications.

6.0 Roles and Responsibilities

The CEO is responsible for approving this document.

The Procurement Management team is responsible for ensuring that the document is regularly updated and effectively implemented.

The Sustainability and Procurement Management teams will oversee and review this Responsible Procurement Framework to ensure alignment with OQEP's strategic objectives and regulatory requirements.

The Framework will be reviewed annually or with greater frequency if needed, with the Procurement and Sustainability teams leading the review process in consultation with key stakeholders and experts, as required.

7.0 Communication and Awareness Building

To ensure all employees and relevant stakeholders understand and adhere to our procurement principles, OQEP provides communications that include regular updates, informative sessions, and access to resources. These communications will offer clear guidelines on responsible procurement practices, environmental and social assessment criteria, and emphasize the importance of aligning with OQEP's strategic sustainability goals. Additionally, OQEP will actively engage suppliers and partners through targeted communications to encourage a shared commitment to sustainable and ethical practices. By utilizing digital platforms and established engagement channels, we aim to promote a culture of transparency and continuous improvement in procurement practices throughout the organization and its supply chain.

8.0 Monitoring and Reporting

8.1 Monitoring Mechanisms

OQEP employs a range of monitoring mechanisms to assess the performance and compliance of its suppliers, as well as the effectiveness of its procurement processes. These mechanisms include periodic auditing processes, performance reviews, and the use of KPIs to measure adherence to contractual agreements and OQEP's ethical standards.

8.2 Reporting Criteria

The reporting criteria are designed to provide relevant stakeholders with timely and accurate information about procurement activities and their outcomes. Reports to external stakeholders are typically prepared annually (such as, OQEP's Annual Sustainability Report), and include details on OQEP's sustainability performance, as well as procurement practices.

9.0 Continuous Improvement

OQEP is dedicated to continuous improvement in responsible procurement. We will benchmark our procurement policies against industry leaders and integrate innovative practices to enhance processes. New sourcing strategies will incorporate lessons from previous ones, ensuring a continual review of priorities and objectives for more sustainable outcomes. Periodic summaries of contract reviews may guide the development of a sustainable procurement strategy. This approach ensures that OQEP's practices and this policy evolve in line with our commitment to sustainability, ethics, and compliance, fostering ongoing enhancement across our supply chain.

10.0 Definitions

OQEP: OQ Exploration and Production.

CEO: Chief Executive Officer.

KPI: Key performance indicator

Personnel: Any employee, officer and executive staff employed with or appointed to OQEP, as well as any agent or person working under contract that occupies a permanent or temporary position within OQEP, such as seconded staff or staff sourced from manpower contractors

SME: Small and medium enterprise

11.0 Related Documents

- QQEP Third Party Code of Conduct
- QQEP Sustainability Policy