



Responsible Procurement Policy



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1.0 Purpose

This Responsible Procurement Policy establishes the fundamental principles and procedures that guide OQ'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 OQ's commitment to environmental stewardship, social responsibility and economic integrity.

Responsible procurement at OQ 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.

2.0 Scope

This Policy applies to all procurement and contracting activities conducted by or on behalf of OQ across all its operations and business units. It encompasses all OQ employees involved in procurement processes as well as all external entities, including suppliers, contractors, and consultants engaged in supplying goods and services to OQ. 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 OQ are additionally governed by the OQ Procurement Policy.

3.0 Confidentiality and Distribution

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

4.0 Mandated Statement

OQ'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, OQ adheres to high ethical standards and compliance with applicable laws, including local Omani regulations and international norms¹.

Environmental responsibility

OQ is committed to integrating environmental responsibility into its procurement practices by focusing on reducing emissions, minimizing waste, and improving energy management.

Social and economic wellbeing

OQ 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

OQ 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

OQ 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.

Health, Safety, Security, and Environment (HSSE)

OQ places high importance on HSSE in all procurement activities, encouraging our suppliers to comply with our HSSE principles and adopt practices that ensure safety, environmental protection, and the well-being of all stakeholders.

5.0 Responsible Procurement Framework

As of 2024, the responsible procurement framework at OQ has been designed to progressively guide procurement activities towards higher standards of integrity, responsibility, and alignment with our sustainability commitments. 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.

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 OQ 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 OQ'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 facilitate OQ's energy transition journey. Our procurement practices 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 OQ's decarbonization strategy, applicable across all operational OQ assets. We also aim to engage with our supply chain to seek opportunities to measure and reduce our scope 3 emissions. Additionally, OQ is committed to complying with increasing emissions reporting requirements, including those for 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, OQ 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 OQ'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 OQ 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 OQ'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 GCEO 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 Policy to ensure alignment with OQ's strategic objectives and regulatory requirements.

The Policy 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, OQ 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 OQ's strategic sustainability goals. Additionally, OQ 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

OQ 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 OQ'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, OQ's Annual Sustainability Report), and include details on OQ's sustainability management and performance, as well as procurement practices.

9.0 Continuous Improvement

OQ 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 OQ'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

OQ: Any company in which OQ S.A.O.C. has a direct or indirect controlling interest

GCEO: Group Chief Executive Officer

KPI: Key performance indicator

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

SME: Small and medium enterprise



11.0 Related Documents

- [OQ Third Party Code of Conduct](#)
- [OQ Sustainability Policy](#)
- [OQ Responsible Procurement Guidelines for Third-parties](#)