

# Empowering a Sustainable Future



## Musandam Power Company ESG Report | 2025





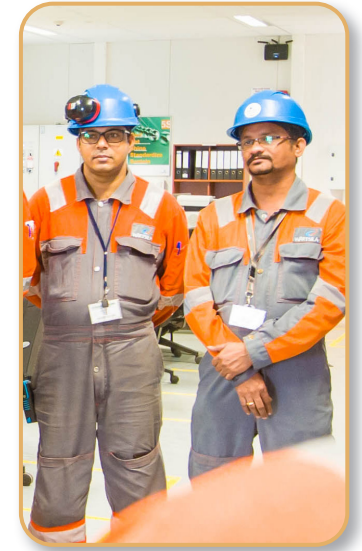
**His Majesty Sultan Haitham bin Tarik**

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## Empowering a Sustainable Future

Musandam Power Company | ESG Report | 2025



## Message from Chief Executive Officer

We are proud to share our 2025 ESG Report, which captures a year of transformative action amid evolving global challenges. Our dedication to Environmental, Social, and Governance (ESG) principles remains a key part of how we run our business. At Musandam Power Company (MPC), we believe that long-term success relies not just on financial results, but also on the positive impact we have on the environment, our employees, and the communities we support. This report shows our ongoing commitment to openness, responsibility, and ethical business practices.

Building on the achievements of previous years, 2025 marked further progress in integrating sustainability into our operations. We strengthened our ESG approach by developing decarbonization strategy and refining our sustainability assessment and incorporating key insights into our planning and decision-making. We actively engaged with our stakeholders throughout the year, making sure their views and expectations shaped our priorities. This collaboration has allowed us to focus on the most important sustainability issues, improving the relevance and effectiveness of our initiatives.

We understand the growing urgency to tackle climate change and protect natural resources. In 2025, We pushed forward our decarbonization efforts and continued to implement our ESG strategy, reinforcing our commitment to sustainable and resilient growth. We also made strides in applying our Sustainability Policy and Framework, ensuring we follow international best practices and support long-term value for all parties involved.

This Sustainability Report aligns with the Muscat Stock Exchange (MSX) ESG disclosure guidelines 30 metrics and the Global Reporting Initiative (GRI) Standards. It provides a clear overview of our environmental, social, and governance performance. Our initiatives match Oman Vision 2040 and the United Nations Sustainable Development Goals (SDGs), helping the Sultanate achieve its broader social, economic, and environmental aims.

At MPC, transparency and strong governance are essential to our operations. This report shows our ongoing dedication to these principles as we provide reliable, efficient, and sustainable energy solutions. Looking forward, we will stay focused on innovation, responsible growth, and making a lasting positive impact to support Oman's sustainable future.



### **Murshid Al-Yarubi**

Chief Executive Officer

Musandam Power Company



## About this report

This Sustainability Report presents the Environmental, Social and Governance (ESG) performance of Musandam Power Company for the financial year 2025. Going forward, Musandam Power Company may be referred to as “MPC”. The report highlights our ongoing commitment to integrating sustainability into our operations, decision-making processes, and overall business strategy. In line with the Muscat Stock Exchange ESG Disclosure Guidelines, this report includes relevant data and metrics to ensure transparency and comparability. It provides a transparent account of the Company’s initiatives, achievements, and progress in driving responsible growth and long-term value creation.

## Reporting period

The reporting period for this Sustainability Report covers 1 January 2025 to 31 December 2025. All data, information, and figures included relate to MPC’s environmental, social, and governance performance during this period, reflecting the Company’s sustainability initiatives and outcomes.

## Reporting boundary

The report contains all the activities performed by MPC at both the Head Office (HQ) and the Musandam Independent Power Plant (MIPP) locations. In this report, Scope 3 emissions, CEO pay ratio and Human Rights concerning suppliers and vendors have been excluded, as they are currently optional disclosures under the MSX ESG Disclosure Guidelines. External assurance is currently undertaken for financial data to ensure accuracy and reliability. For non-financial data, the company has established robust internal assurance and review processes, which are considered appropriate at this stage of our ESG journey; therefore, additional external assurance has not yet been pursued for this reporting year.

## Standards and reporting framework

This report has been prepared in accordance with the Muscat Stock Exchange (MSX) ESG Disclosure Guidelines, which is mandatory for all SAOG companies. The framework provides a structured approach to sustainability reporting and is aligned with globally recognized standards as well. We have referred to the Global Reporting Initiative (GRI) standards and aligned our sustainability initiatives with the United Nations Sustainable Development Goals (SDGs). This ensures that our actions not only meet regulatory requirements but also contribute to broader international sustainability objectives while supporting Oman Vision 2040. By combining regulatory compliance with global best practices, this integrated reporting approach demonstrates our commitment to transparency, accountability and responsible business practices.



## About Musandam Power Company

### Who are we

MPC is the owner of the first independent power plant in the Musandam region of the Sultanate of Oman. With a contracted power capacity of 120 MW, the company caters to the current and near-term power demand of the region and is a proud contributor to its development aspirations. With the region's first Smart Power Generation Plant, Musandam Power is playing a significant role in delivering flexible and sustainable energy to the region's current and upcoming industries and future investments.

### ESG vision & mission



#### Our ESG Vision

*To be a Regional leading provider of sustainable and efficient power, driving investment & development, empowering the nation and its people, and promoting a more prosperous future.*



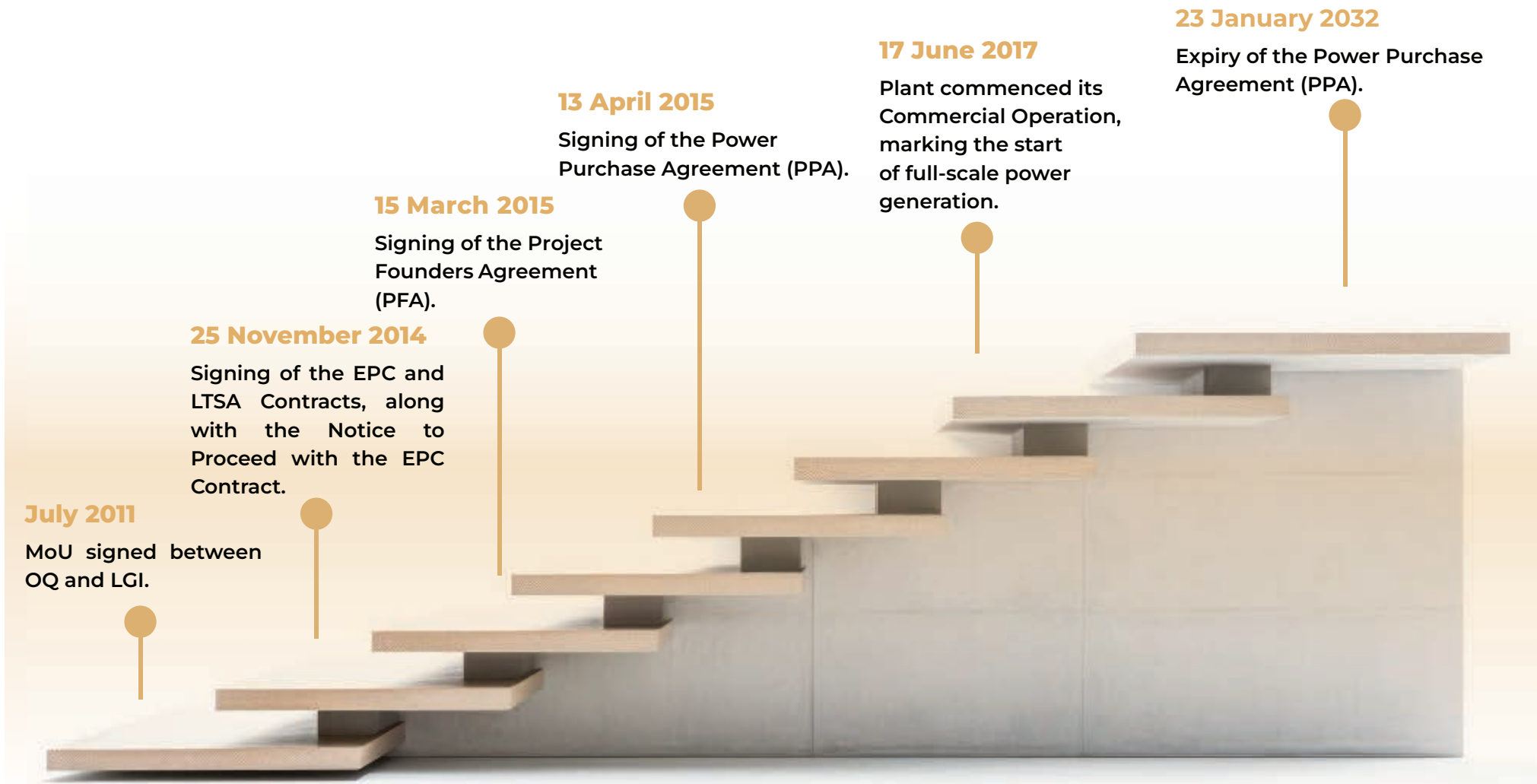
#### Our ESG Mission

*To provide reliable and sustainable power to Musandam Governorate through efficient operation of the Musandam Independent Power Plant, meeting energy demands while ensuring top safety & environmental standards and generating value & profitability for shareholders through growth and operational excellence*

## Our power journey

Power demand in Musandam was historically met through small diesel-powered plants operated by RAECO (Rural Areas Electricity Company). In 2011, OPWP appointed advisors to conduct a feasibility study to develop a new gas-fired power plant. OQ in JV with LGI as Project Founders incorporated the Company on 15 March 2015 for the purpose of building and operating the Plant.

The Plant has been established under a BOO scheme, which enables it to be operated beyond the PPA term of 15 years by extending the PPA (if agreed to by OPWP).



## Awards and recognitions

Throughout the last three financial years, MPC achieved notable recognition for its strong performance and strategic contributions.

MPC was recognized for its significant contribution to the success of the **OQ 2024 Nationalization agenda** and was awarded the **Corporate Excellence Awards 2023**.

These achievements demonstrate the MPC's effective execution of objectives, commitment to national priorities, and continued focus on operational and organizational excellence.



Corporate Excellence Awards 2023



OQ 2024 Nationalization Agenda

## ESG strategy and sustainability governance framework

Our Sustainability strategy provides the foundation for integrating ESG principles into our operations and decision-making processes. Oversight of sustainability initiatives is a key part of ensuring that these efforts are implemented effectively and remain aligned with the company's long-term goals.

### Our ESG strategy

In 2025, we remain committed to reducing our environmental impact, promoting responsible resource management, supporting social development, and upholding ethical practices. We focus on reducing our Scope 1 and Scope 2 emissions through energy efficiency improvements, plant retrofitting, and optimized use of natural gas. While large-scale renewable projects are constrained by geography and finances, we prioritize immediate environmental gains through targeted technological and operational enhancements.

Our sustainability efforts are guided by Oman Vision 2040 and global sustainability standards. Key priorities include emission reduction, improved waste management, and initiatives that enhance employee welfare, health and safety, and community engagement through Corporate Social Responsibility (CSR) programs. In addition, we uphold strong governance practices by promoting ethical conduct, transparency, and accountability, supported through compliance with Muscat Stock Exchange (MSX) governance requirements and applicable regulatory frameworks.

At MPC, we view Environmental, Social, and Governance (ESG) principles not as a reporting exercise, but as fundamental drivers of our long-term resilience, operational excellence, and license to operate. Our strategy is built on a foundation of tangible action and measurable impact.



#### **Environmental stewardship & decarbonization**

*Driving operational efficiency and investing in innovative technologies to minimize our environmental footprint.*



#### **Empowering people & communities**

*Fostering a safe, skilled, and engaged workforce while contributing to the prosperity of our host.*

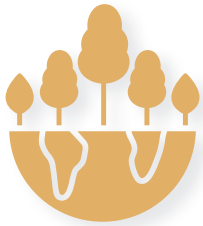


#### **Integrity-driven governance**

*Upholding the highest standards of ethics and transparency to ensure robust oversight and accountability.*

## Decarbonization

At MPC, the decarbonization strategy is centered on a combination of energy efficiency initiatives, operational optimization, and a gradual transition to cleaner energy sources. During the year, we implemented measures such as replacing conventional lighting with energy-efficient alternatives and conducting tree plantation drives. Looking ahead, we plan to undertake detailed energy audits to identify further opportunities for emissions reduction. Our broader decarbonization roadmap also includes initiatives such as cooling system upgrades, enhanced leak detection and repair (LDAR) programs, installation of battery storage for spinning reserve, waste heat recovery solutions (including VAM and ORC), and investments in renewable energy projects. These initiatives will be evaluated and implemented in a phased manner, based on technical viability and commercial feasibility.



## Environment

At MPC, we are strongly committed to the responsible management of waste, with a focus on minimizing environmental impacts and promoting efficient resource utilization. During the year, we implemented waste segregation practices at the source to improve recycling rates and ensure responsible disposal of waste. As part of our ongoing commitment to sustainable practices, we are also assessing the feasibility of establishing a biogas plant to process organic waste in an environmentally sound manner.

## Social

At MPC, we remain committed to fostering a safe, skilled, and engaged workforce while contributing positively to the communities in which we operate. During the year, we undertook initiatives such as enhanced employee upskilling and training programs, the observance of Safety Day at MPC, and support for improved educational facilities. Our people and community development strategy encompasses a wide range of initiatives, including employee engagement programs, advanced upskilling and training, strengthened safety measures such as VR-based training, youth skill development in Oman, contributions to the health sector, and collaborations with the Oman Charitable Organization (OCO). Collectively, these initiatives reinforce our commitment to workforce development, safety, and positive social impact.



## Governance

At MPC, we recognize the importance of strong corporate governance in supporting long-term value creation. We conduct regular ethics training and periodic audits to reinforce a culture of integrity and accountability across the organization. We are also strengthening our sustainability governance framework, including the upcoming appointment of a sustainability nodal officer, to ensure that ESG initiatives are effectively guided and well coordinated. Through continuous monitoring and routine reporting, we promote transparency and accountability, enabling us to remain aligned with our long-term environmental, social, and governance objectives.



## Our sustainability policy

This year, we have developed a Sustainability Policy that has been approved by the Board of Directors. Our Sustainability Policy represents our commitment to ESG (Environmental, Social, and Governance) principles providing a roadmap for embedding ESG considerations into our core governance structures, operating practices and business decision making.

In the environmental domain, our commitment includes further reducing our carbon footprint through minimizing emissions, enhancing resource efficiency, and fully complying with Oman's environmental legislation and aligning with international best practices while promoting environmental awareness among all stakeholders.



On the social side, we create a work environment that is inclusive, safe, and empowering for our people through equal opportunities and zero tolerance to any kind of discrimination; also, health, safety, and professional development programs are part of the core ethos. Our community initiatives in the Musandam Governorate are a bonus in socio-economic development.

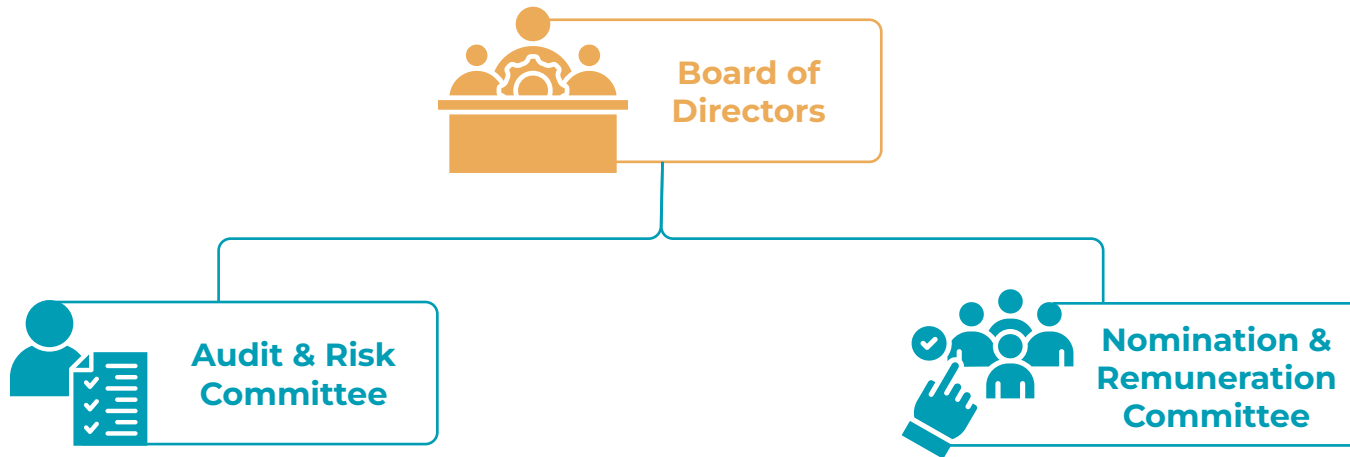
For good governance, we ensure a high level of transparency, ethical conduct, and strong internal controls. In addition, sustainability is integrated into our policies, risk management procedures, and supply chain practices. As a result, ESG is embedded across our operations, creating long-term value for stakeholders and supporting sustainable and responsible growth.

### Sustainability governance

We have a sustainability strategy in place to guide our efforts in integrating environmental, social, and governance (ESG) principles into our operations. To further strengthen the implementation and coordination of this strategy, the appointment of a dedicated Sustainability Nodal Officer is planned for future. This role will serve as a focal point for driving sustainability initiatives and supporting the ongoing commitment to responsible and sustainable business practices.

### Board committee

We have formed board committees to support our governance framework. There are two such committees: the Audit & Risk Committee and the Nomination & Remuneration Committee. These committees help ensure effective oversight of management and decision-making, while maintaining transparency and accountability across the organization.



### Audit and Risk Committee

The Audit and Risk Committee play a critical role in supporting the Board in fulfilling its responsibilities to shareholders, potential investors, the investment community, and other stakeholders.

Audit & Risk Committee		
S. No.	Name of Director	Position
1	Mr. Mohammed Al Qalhati	Director (ARC Chairperson)
2	Mr. Mahmoud Al Hashmi	Director
3	Mr. Mohammed Al Hashmi	Director

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for supporting shareholders and the Board in maintaining a strong, capable, and well-balanced leadership structure. Its primary role is to assist shareholders in the nomination and election of qualified directors at general meetings and to support the Board in identifying and appointing suitable executives for the Company's management.

Nomination & Remuneration Committee		
S. No.	Name of Director	Position
1	Mr. Abdulwahhab Al Hinai	Director (NRC Chairperson)
2	Mr. Yull Kim	Deputy Chairperson
3	Mr. Mahmoud Al Hashmi	Director

## Stakeholder mapping

Stakeholder mapping is a structured process used by us to identify and understand individuals and groups, who may have an interest in or are affected by our operations and influence our sustainability strategy. The process helps establish a clear view of stakeholder relationships and supports effective communication and engagement planning.

Through stakeholder mapping, we can evaluate our stakeholder expectations and potential influence that our activities may have on different stakeholder groups. This allows us to effectively understand and prioritize the essential environmental, social and operational factors to address.

The stakeholders are prioritized based on their influence, interest, and relevance to our operations. This will help us to better prioritize its stakeholder engagement activities and enhance our stakeholder relationships by integrating the stakeholder considerations systematically into our plans and sustainability strategies and ensure that our decisions are well aligned with the stakeholder expectations and the regulatory requirements.

Stakeholder	Role of Stakeholder
Board of Directors	Provide oversight of ESG matters, set sustainability priorities, and ensure alignment with national frameworks such as Oman Vision 2040 and MSX Guidelines.
Executive Management	Drive the implementation of ESG strategies, oversee operational execution of ESG initiatives, ensure accurate data collection, and report ESG performance to the Board and stakeholders.
Employees	Implement ESG initiatives at the operational level, maintain workplace health and safety, promote diversity and inclusion, and adhere to ethical standards and Company policies.
Customers	Influence sustainability performance through demand for reliable and sustainable energy services and provide feedback on service quality and environmental performance.
Suppliers & Contractors	Support responsible supply chain practices by complying with environmental, social, and ethical standards set by the Company.
Vendors	Contribute to operational sustainability through responsible service delivery and compliance with Company ESG requirements.
Local Communities	Are impacted by Company operations and provide input on environmental and social initiatives, community development programs, and social licenses to operate.
Regulators & Government Agencies	Establish ESG-related legal and regulatory requirements, monitor compliance, and guide mandatory reporting and disclosure obligations.
Investors & Shareholders	Review ESG disclosures, assess sustainability-related risks and opportunities, and influence strategic decision-making through investment and governance engagement.

## Stakeholder communication

We engage with stakeholders through a range of appropriate communication channels to support meaningful dialogue and informed decision-making. These interactions enable us to consider stakeholder perspectives, respond to their expectations, and continuously improve our practices. Effective engagement supports strong relationships, promotes transparency, and helps ensure that our activities are conducted responsibly and contribute positively to society and the environment.



Key stakeholders of Musandam Power Company



**Employees**

We engage employees through safety briefings, training, and feedback to foster a safe, skilled, and motivated workforce.



**Board of Directors**

We communicate with our Board members through reporting annual meetings to ensure strategic and proper decision-making.



**Executive Management**

We engage executive management through regular strategy reviews and performance updates to ensure effective implementation of ESG initiatives.



**Communities**

We consult with local communities to understand their needs and contribute positively to social and environmental outcomes.



**Customers**

We listen to customers through feedback channels to enhance services and maintain transparency.



**Vendors**

We collaborate with vendors to align ethical, sustainable, and quality standards.



**Suppliers**

We require suppliers to support responsible procurement and continuous improvement in our supply chain.



**Regulators**

We maintain compliance with all applicable laws and actively engage with authorities to support safe and sustainable operations.



**Investors/Shareholders**

We maintain open communication with investors and shareholders through periodic reports and meetings to provide transparent disclosures.

## Materiality analysis

In 2025, we reviewed and updated our materiality assessment to identify and prioritize sustainability topics that are most relevant to our business and stakeholders. Compared to the previous year, two material topics were updated, reflecting evolving stakeholder expectations and emerging ESG considerations.

Our materiality analysis was conducted through a structured, multi-step process designed to identify ESG topics that are significant to our operations. This process included aligning our disclosures with globally recognized sustainability frameworks and rating methodologies, ensuring that the identified topics address stakeholder interests while supporting our business objectives.

Material topics are evaluated across three levels of significance: Critical, Important, and Good-to-have. The assessment identified the following:

**Critical material topics:** GHG emissions; water usage and wastewater management; energy usage and efficiency; diversity and inclusion; and occupational health and safety. These topics are considered the most significant due to their direct impact on our operations and stakeholder expectations.

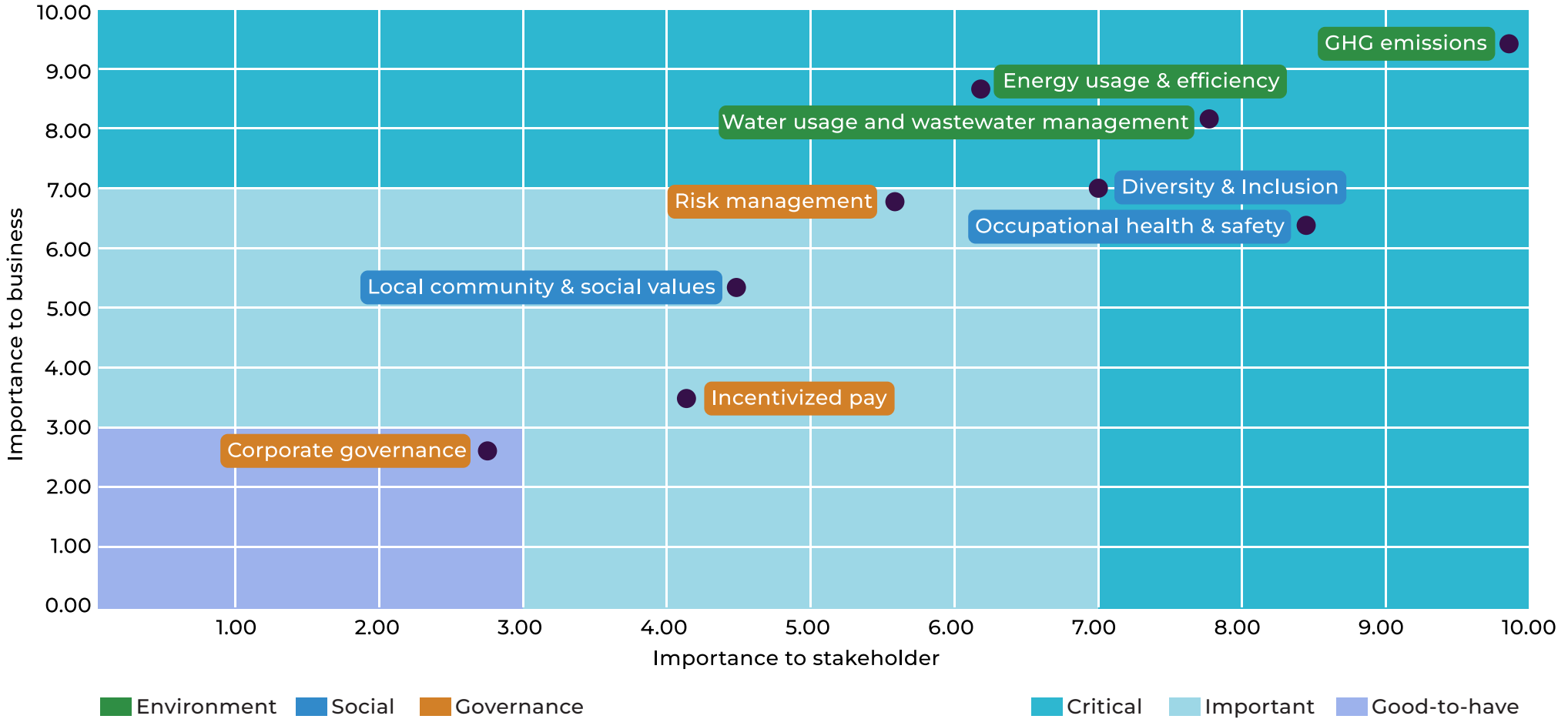
**Important material topics:** In addition to the critical topics, the company also prioritizes the following important areas, which influence long-term value creation and stakeholder trust: risk management, local community engagement and social value, incentivized pay

**Good-to-have material topics:** Corporate Governance is considered a good-to-have material topic due to its fundamental role in ensuring ethical conduct, transparency, regulatory compliance, and effective oversight. While governance remains highly important, we have a well-established governance framework, supported by robust policies and internal control mechanisms, which reflects a mature approach to corporate governance. As a result, governance practices are well embedded within our operations, allowing greater strategic focus on other material topics that require more immediate enhancement.

This materiality assessment informs our sustainability strategy and ESG reporting, enabling us to focus on priority areas that drive long-term value creation and respond effectively to stakeholder expectations.










Materiality assessment of Musandam Power Company



### Alignments with Oman 2040 Vision and Sustainable Development Goals

Our materiality topics are aligned with Oman Vision 2040 and the United Nations Sustainable Development Goals (SDGs). These material topics highlight the areas where we have an impact and where we can contribute most effectively to sustainable development. By focusing on these priority areas, we ensure that our strategies, policies, and initiatives support both national development priorities and global sustainability commitments.

Pillars	Material Topics	Criticality	MSX/GRI	Oman Vision 2040	Alignment with UN SDGs
Environment	GHG Emission	Critical	E1, GRI 305	Environment and natural resources	
	Energy Usage	Critical	E3, GRI 302		
	Water Usage and wastewater management	Critical	E6, GRI 303		
Social	Diversity, Inclusion and equal opportunity	Critical	S4, GRI2, 405	Labour market and employment	
	Occupational Health and Safety	Critical	S8, GRI3, 403	Health	
	Local Community and Social Value	Important	S11, GRI 3	Labour market and employment	
Governance	Corporate Governance	Good-to-have	GRI 2	Legislative, judicial and oversight system	
	Risk Management	Important	GRI 2		
	Incentivized Pay	Important	G3, GRI 2		

■ Critical   
 ■ Important   
 ■ Good-to-have



**Environment**

## Environmental highlights, 2025 - Musandam Power Company

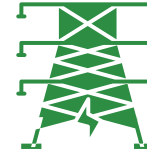
### Scope 1 & Scope 2 Emissions

**208,820.89 tCO<sub>2</sub>e**

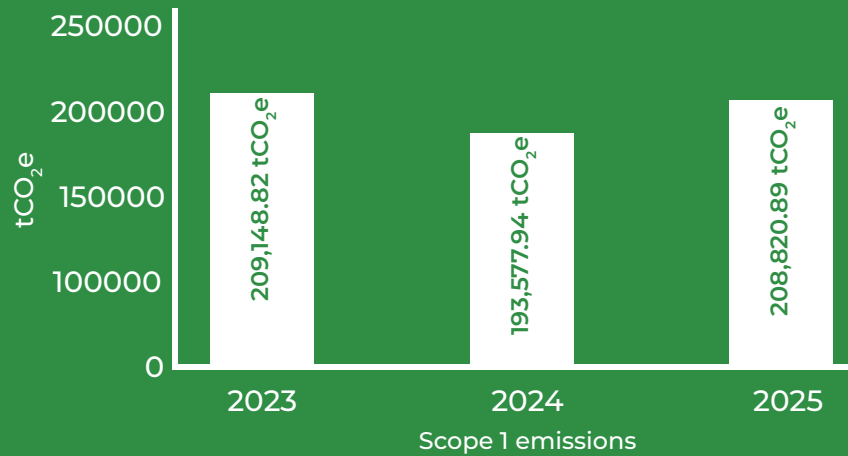
Total Emissions



**208,783.16 tCO<sub>2</sub>e**  
Scope 1 Emission



**37.73 tCO<sub>2</sub>e**  
Scope 2 Emission



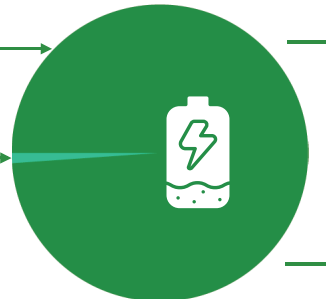
### Energy Consumption

**1,081,915.637 MWh**

Total Direct Energy Consumption

**72.9946 MWh**

Total Indirect Energy Consumption



**1,081,988.6316 MWh**  
Total Energy Consumption

**0.05**  
Energy Intensity  
((MWh/total revenue))

## GHG emission & decarbonization

Energy sector is one of the primary contributors to global greenhouse gas (GHG) emissions and therefore plays a central role in addressing climate change. As emissions from combusting fuels and producing electricity have a direct impact on the earth's temperature increasing, the energy producer has the responsibility to manage emissions effectively.

The actions taken by the energy sector to combat climate change only be countered with a coordinated strategy of managing emissions through enhanced energy efficiency, optimization, and a transition or gradual shift towards less emissions-intensive forms of technology. The actions taken in support of climate goals, climate regulations, and transitioning to a more sustainable energy system must also enable the delivery of safe and reliable energy.

At MPC, the sources of greenhouse gas (GHG) emissions are natural gas and diesel combustion to generate electricity. To address these impacts, we have developed a structured approach focused on minimizing our carbon footprint through decarbonization strategies.

Our strategy is focused on reducing Scope 1 and 2 emissions with the help of operational upgrades, retrofitting equipment, and enhanced energy efficiency. These initiatives are fully aligned with Oman's Vision 2040 and global commitments such as Paris Agreement, and this ensures we are responsible energy producer in the region.

In 2025, we proudly implemented our comprehensive decarbonization strategy, translating our commitment into concrete action in the fight against climate change through effective greenhouse gas (GHG) management. This year marks the active launch and application of our dedicated plan to significantly reduce our carbon footprint, contributing meaningfully to global efforts to mitigate the devastating impacts of climate change. Our on-the-ground approach to GHG emissions reduction now actively underscores our commitment to environmental protection and sustainable energy generation.

A cornerstone of our implemented strategy is the ongoing tree plantation initiative within our plant and in the Governorate of Musandam. Building on past successes, we have expanded our efforts in 2025, planting more trees across our site. These new plantings not only improve air quality but also serve as enhanced natural buffers against emissions. The trees play a critical role in sequestering carbon dioxide (CO<sub>2</sub>) as they grow, providing a tangible, nature-based solution that actively helps to reduce our overall carbon footprint starting this year.



In 2025, our Scope 1 emissions were 208,783.16 tCO<sub>2</sub>e, Scope 2 emissions were 37.73 tCO<sub>2</sub>e. Compared to FY 2023, the Company's Scope 1 emissions recorded a marginal decrease of 0.17%, reflecting continued efforts toward improving operational efficiency. However, emissions were higher compared to the previous reporting year, primarily due to increased operational activity and production demand during the year.

### GHG emissions - 2023 vs 2024 vs 2025

Particulars	2025	2024	2023
<b>Scope 1</b> (in tCO <sub>2</sub> e)	<b>208,783.16</b>	193,577.94	209,148.82
<b>Scope 2</b> (in tCO <sub>2</sub> e)	<b>37.73</b>	29.04	24.56
<b>Scope 1 + 2</b> (in tCO <sub>2</sub> e)	<b>208,820.89</b>	193,577.96	209,148.84
<b>GHG Intensity</b> (tCO <sub>2</sub> e/Revenue)	<b>0.010</b>	0.010	0.011

*Note: Scope 1 emissions were calculated using emission factors published by the Intergovernmental Panel on Climate Change (IPCC) and Scope 2 emissions were calculated using Carbon Footprint's 2024 grid emission factors.*

Reducing Scope 1 and 2 emissions will continue to be a core element of our strategy, as well as ensuring compliance with regulatory requirements and setting a benchmark for sustainable energy production in Oman. These achievements show our commitment to environmental stewardship and our ongoing journey toward a low-carbon future.

Currently, we are not calculating Scope 3 emissions as it is optional as per MSX ESG Disclosure Guidelines. However, it is acknowledged that emissions from the value chain are important for us and the intention is to engage gradually with supply chain partners to develop an inventory of Scope 3 emissions in future reporting periods.

### Energy efficiency

Energy efficiency represents an important area of concern for the energy sector, and optimal energy utilization has been an essential part of minimizing environmental effects and facilitating a transition towards environmentally friendly energy systems. As climate change and energy usage have a significant link with energy production and subsequent consumption processes, energy efficiency has become essential for decreasing energy intensity and ensuring a steady supply of energy.

Generally, in the energy sector, energy efficiency measures commonly include the optimization of operations, the application of energy-efficient technology, as well as the monitoring of energy performance. Strategies on energy efficiency help in complying with the regulation requirements, minimizing emissions arising from energy consumption, as well as contributing toward sustainable energy performance.

We reinforce our dedication to energy efficiency as part of our commitment to responsible operations and environmental stewardship. Energy efficiency is incorporated into operational planning with the aim of reducing energy intensity while ensuring consistent and effective power generation.

This year, we have implemented some initiatives to enhance energy efficiency throughout our operations. These initiatives include replacing traditional lighting with LED lighting systems, which help reduce electricity consumption.

Regular energy audits are planned to identify inefficiencies and enable targeted enhancements, while ongoing upgrades to cooling systems focus on optimizing performance and reducing energy intensity, especially during peak operating periods.

As Wartsila manages the operation and maintenance of the plant, the facility is operated in alignment with Wartsila's ISO 14001 certified environmental management system. This ensures the application of structured energy management practices, including systematic monitoring and control, supports continuous improvement in energy performance, enhances operational efficiency, and reduces environmental impact. As a result of these efforts and ongoing operational necessities, our diesel consumption in 2025 has been reduced by 62.57% compared to 2024.

#### Energy consumption - 2023 vs 2024 vs 2025

Particulars	2025	2024	2023
<b>Electricity consumption (MPC HQ)</b> (in KWh)	<b>45,747.60</b>	43,430.00	37,970.00
<b>Electricity consumption (MPC MIPP)</b> (in KWh)	<b>27,247</b>	12,760	9,540
<b>Electricity generation (MPC MIPP)</b> (in KWh)	<b>405,792,820</b>	377,486,000	425,425,000
<b>Petrol fuel consumption</b> (in liters)	<b>10,046.00</b>	7,513.22	6356.63
<b>Diesel Consumption</b> (in liters)	<b>4,046,828</b>	10,810,340.00	6,586,625.00
<b>Natural Gas</b> (In Cubic meter)	<b>104,164,990</b>	85,513,992	99,539,862

This data shows our attempts to manage energy consumption effectively and allow for year-on-year comparisons to monitor performance improvements. We remain committed to enhancing energy efficiency through continuous operational improvements, technology upgrades, and effective monitoring, supporting Oman's Vision 2040 and reinforcing our long-term sustainability objectives.

## Water usage and wastewater management

The management of water is a significant consideration in the energy sector in terms of the scale of operations involved in the generation of power. The use, management, and discharge of water may have certain implications in relation to environmental performance as well as operations.

In the energy industry, water resource management plays an important part in supporting sustainable business through managing water consumption as well as wastewater management to meet both business needs and responsibilities to the environment. For instance, proper water resource management helps an organization achieve water governance, control, and management policies.

Water is an essential aspect of our operations, and we recognize our responsibility to use it efficiently while safeguarding water resources. We use two beach wells to meet our operational water requirements, with a strong focus on conservation and sustainable water management.

To improve water-use efficiency across the facility, we have implemented several initiatives to reduce water consumption. We provide guidance and encourage employees to use water efficiently in their operations. In addition, to support water conservation at MPC, a 1,000-liter condensate water harvesting tank has been installed to capture water from air conditioning systems. The water is treated and reused in our operation.

### Water consumption - 2023 vs 2024 vs 2025

Particulars	2025	2024	2023
<b>Water Consumption (MPC HQ)</b> (in Liters)	<b>45,000</b>	46,000	39,000
<b>Water Consumption (MPC MIPP)</b> (in Liters)	<b>3,962,440</b>	3,514,410	3,697,760
<b>Sewage Water Discharge</b> (in Liters)	<b>416,350</b>	473,176	340,687

We have a systematic approach to wastewater management. All wastewater generated from Company operations is managed in a responsible manner and we partnered with a third-party service provider to treat the Company's wastewater effluents in accordance with all applicable environmental laws. This process ensures that wastewater generated from our operations is treated safely, minimizing adverse effects on the surrounding environment.

We have established ourselves as advocates of responsible water use by implementing efficient water management practices, promoting water reuse, and responsible wastewater treatment.

## Environmental operations

We consider environmental preservation a key factor in how we conduct our operations. Based on our Sustainability Policy that integrates ESG values throughout our business activities, we make sure that our environmental focus is core with our business operations strategy. Together with Wartsila, who runs and manages the operation of our Power Plant, we continuously look at ways to reduce the environmental footprints of our energy production operations. By adhering to internationally recognized standards, including ISO 14001 certified, further emphasizes our commitment to a well-organized environmental management system and continuous improvement.

Our approach to ensuring sustainability is to go beyond compliance by incorporating practical measures into our daily Operations. One example of this integration would be the way we manage operational waste oils instead of simply discarding them, thereby creating an avenue for reused waste through a recycling program and being sold off. In addition to preventing environmental contamination by waste oil, this initiative creates value for waste by helping create a circular economy, reflecting the principles outlined in our Sustainability Policy.

Energy efficiency and emission reductions are key to what we do as a company. We monitor our plant performance to see where there might be efficiencies gained to fuel consumption and to lower emissions. We also do preventive maintenance to ensure our equipment operates at maximum efficiency to avoid any other impact on the environment and reinforce commitment to sustainability as outlined in our sustainability policy.

Water and resource conservation also plays a role in our operational strategies by using water recycling systems and tracking how much of the various resources are consumed. We also segregate, reduce, and properly dispose of all waste across all facilities, which reflects our commitment to protecting the environment at every level.

We have allocated a budget for Corporate Social Responsibility that covers climate-related efforts, the goal of which is to be environmentally sustainable. In doing so, this targeted allocation reflects the commitment that we have towards managing climate-related risk and playing its role in transforming the future towards lower-carbon and more sustainable energy.

By incorporating sustainability into our daily operations, we turn environmental responsibility into measurable and tangible outcomes. Through initiatives such as optimizing power plant performance, and recycling waste oils in our operations, every aspect of our efforts demonstrates our commitment to minimizing environmental impact. In doing so, we not only improve operational efficiency and resource management but also set a strong example as a responsible energy provider.

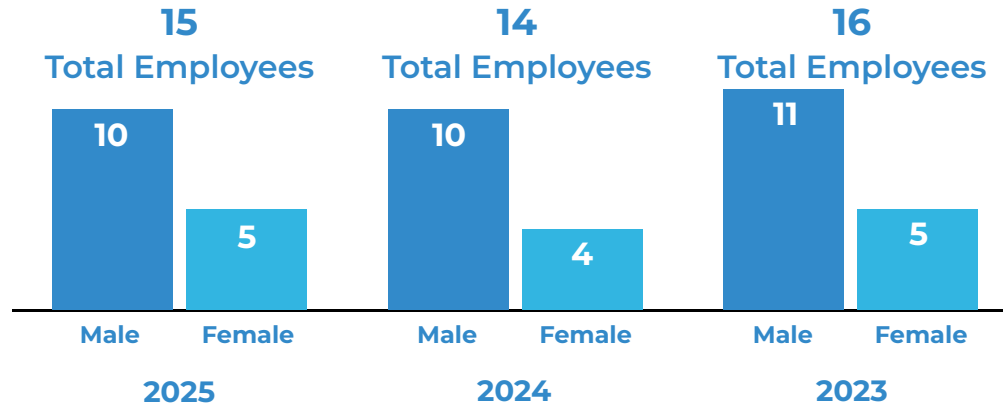




**Social**

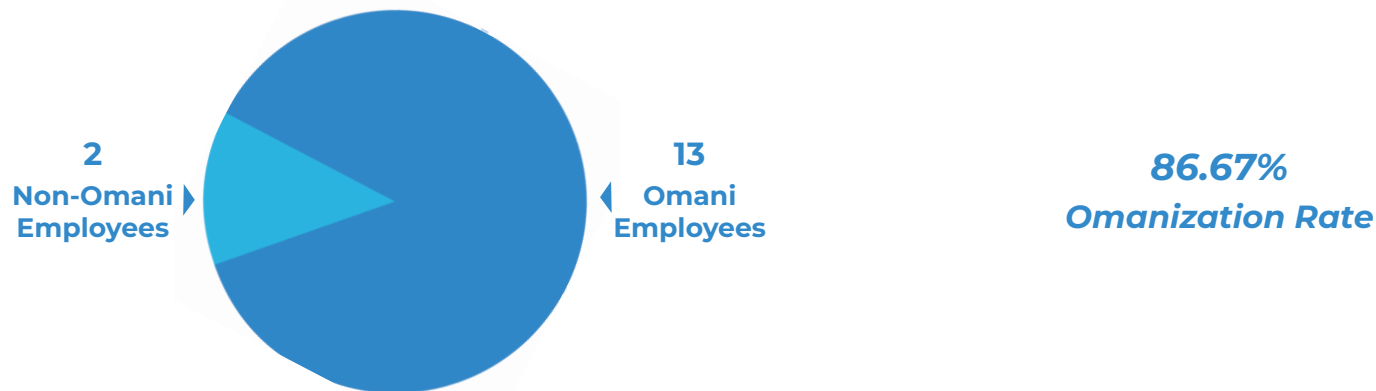
## Social highlights, 2025 - Musandam Power Company

### Workforce Diversity



**Zero**  
Injury Rate in 2025

### Omanization



## Human capital management

To be successful in the long term and reliable, there must be effective management of the organization's human capital (employees). By creating and promoting a professional, responsible and inclusive environment in which workers are ambivalent towards their work, organization can help to keep their employees aligned with the operational objectives of the organization and the values that govern their respective organizations.

We recognize that at the core of our reliable and efficient power plant are our people. With a focused workforce of 15 employees as of 2025, expertise and commitment go hand in hand to support continuous power generation and operational stability. Our human capital management approach emphasizes accountability, operational discipline, and the long-term sustainability of our workforce.



**Employee workforce profile**

The employee strength at MPC in the year 2025 was at 15 people, with a fair representation of 10 males and 5 females. The employee composition at the company is mainly full-time employees and a few contract employees. This indicates the company’s commitment to having a diverse and stable labor force while providing equal opportunities for employees.

**Our workforce - 2023 vs 2024 vs 2025**

Particulars	2025	2024	2023
<b>Total Number of Employee</b>	<b>15</b>	14	16
<b>Number of employees: Full time</b>	<b>13</b>	13	14
<b>Number of employees: Contractual</b>	<b>2</b>	1	2

We are committed to creating a respectable workplace environment and providing fair employment practices. We promote equal opportunities in hiring, with all employment decisions based on merit and talent, without discrimination. In addition, we maintain open and trusted channels of communication to foster a transparent and positive relationship with our employees.

Through a disciplined and people-oriented approach to human capital management, we ensure that everyone in our workforce is equipped with the skills to succeed as well as motivated and aligned with the operational and sustainability goals.



## Diversity, equity and inclusion

Diversity, equity, and inclusion (DEI) are keys to success in supporting high-performing, ethical, and resilient organizations. A diverse workforce brings different ways of thinking and multiple experiences, while inclusive practices ensure that all employees are being treated with fairness, respect, and have equal opportunities to contribute and grow. Strong principles of DEI support a positive workplace culture, enhance employee engagement, and reinforce long-term sustainability of organizations.

We have made it a priority to embed DEI into our human resource function. In fact, our HR Policy has a clear commitment to non-discrimination, which affirms that all employees must be treated with respect and dignity and work in a professional environment that promotes equal employment opportunities. The policy strictly prohibits unlawful discrimination and harassment whether verbal, written, or physical that could create a hostile work environment, interfere with job performance, or adversely affect employment opportunities. This policy applies consistently across all levels of the organization.

The composition of our workforce reflects the company's commitment to DEI, National Workforce Development and Balanced Representation. We have a stable workforce size and strive to maintain a strong representation of Omani nationals, thereby providing support for local employment and skills development. Furthermore, both genders are present in support and operation roles throughout the organization.



### Employee by age

Our workforce comprises a balanced mix of experienced professionals and emerging talent across a broad range of roles. The average age of our employees reflects this balance, supporting effective knowledge transfer, operational continuity, and long-term workforce sustainability. This distribution is further illustrated in the age profile presented below.

#### Employee by age - 2023 vs 2024 vs 2025

Category	2025	2024	2023
Number of Employees by Age Category: Less than 25	0	0	0
Number of Employees by Age Category: 25 - 35 years	7	6	8
Number of Employees by Age Category: 36 - 45 years	5	5	5
Number of Employees by Age Category: 46 - 50 years	1	1	1
Number of Employees by Age Category: Above 50 years	1	1	1

### Gender diversity

Our workforce includes representation across both entry-to-mid and senior levels, with participation from both male and female employees at each level. As a power generation company operating in a traditionally male-dominated sector, we view the presence of female employees across operational and senior roles as a positive indicator of our inclusive workforce practices. This balanced distribution supports diversity of experience, strengthens decision-making, and reflects our commitment to providing equal opportunities across roles and levels within the organization.



Diversity in our Workforce - 2023 vs 2024 vs 2025

Category	2025	2024	2023
<b>Total Number of Employees</b>	<b>15</b>	<b>14</b>	<b>16</b>
Number of Employees: Male	10	10	11
Number of Employees: Female	5	4	5
<b>Total number of employees in the Entry-Mid Level</b>	<b>10</b>	<b>9</b>	<b>11</b>
Number of Male in the Entry-Mid Level	7	7	8
Number of Female in the Entry-Mid Level	3	2	3
<b>Total number of employees at the Senior-Level</b>	<b>5</b>	<b>5</b>	<b>5</b>
Number of Male in the Senior-Level	3	3	3
Number of Female in the Senior-Level	2	2	2



**Employee by nationality**

Omani nationals are well represented at all organizational levels of the workforce and demonstrate a commitment to national workforce development. The Omanization rate stands at 86.67%, with most of our employees being Omanis.

**Employee by nationality - 2023 vs 2024 vs 2025**

Category	2025	2024	2023
<b>Total Number of Employees</b>	<b>15</b>	<b>14</b>	<b>16</b>
Number of Omani employees	13	12	13
Number of non-Omani employees	2	2	3
<b>Total number of employees in the Entry-Mid Level</b>	<b>10</b>	<b>9</b>	<b>11</b>
Number of Omani employees in the Entry-Mid Level	9	8	9
Number of non-Omani employees in the Entry-Mid Level	1	1	2
<b>Total number of employees at the Senior-Level</b>	<b>5</b>	<b>5</b>	<b>5</b>
Number of Omani in the Senior-Level	4	4	4
Number of Non-Omani in the Senior-Level	1	1	1



**Gender-based pay equity**

We are committed to promoting fairness, equality, and transparency in our employment practices. As part of this commitment, we regularly review our remuneration framework to ensure equitable and consistent pay practices across the organization.

Currently, the ratio of the average basic salary and total remuneration of women to men at MPC is 32%. This ratio reflects the existing workforce composition, including the distribution of roles, seniority levels, and responsibilities within the organization. We remain committed to ensuring that compensation practices are non-discriminatory and based on role, responsibility, and experience rather than gender.

We continue to strengthen our diversity and inclusion efforts and periodically review our compensation structures to support fair, transparent, and equitable remuneration practices.

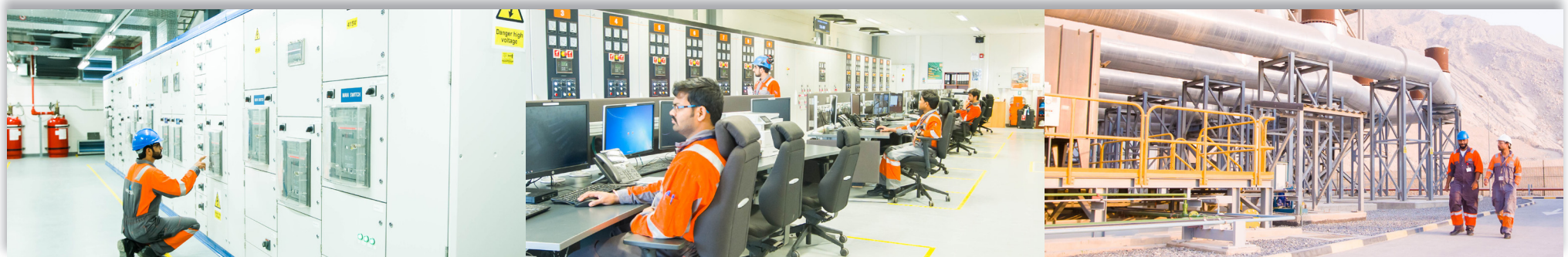
**Gender pay - 2023 vs 2024 vs 2025**

Particulars	2025	2024	2023
Pay Equity – Women Compared to Men (%)	32%	25%	27%

**Fair Treatment and Grievance Resolution**

We have a structured grievance management process to address concerns related to discrimination or harassment. Employees are encouraged to initially raise concerns with their line managers and submit a written complaint where required. If a concern is not resolved or if a line manager is implicated, the matter is escalated to the Corporate Services Manager (CSM) and, where necessary, further escalated to the CEO. All grievances are handled in an objective, confidential, and timely manner.

Our policies, employee principles, and open grievance procedures foster a culture of respect and inclusion in the workplace. These practices support employee well-being and help ensure that our operations are conducted in an ethical, transparent, and responsible manner.



## Training and development

Training and development play a critical role in creating a competent, flexible, and future-ready workforce. Through learning, employees can develop their skills and competencies and be better equipped to meet changing needs. An effective approach to training and development supports employees as well as overall business continuity.

At MPC, employee upskilling is an integral part of our people management practices. We have partnered with Wartsila to support plant operations and maintenance through customized training programs aligned with operational requirements and technological advancements in the power generation sector. This approach ensures that training remains practical, relevant, and closely linked to day-to-day plant operation

Each employee has an Individual Development Plan (IDP) tailored to their role and departmental needs. The IDP serves as a structured roadmap to identify skill gaps, define development objectives, and track progress over time. This personalized approach enables employees to strengthen role-specific capabilities while contributing to overall organizational effectiveness.

Through investment in proper training and development programs, we can ensure that its human capital is well prepared to meet industry demands and adapt to whatever challenges there may be in its operations so that sustainable power generation is ensured.

### Staff during the year 2025 engaged in specialized training, such as:

- ▶ Growth Mindset Leadership
- ▶ Risk-Based Audit
- ▶ Advanced Presentation Skills
- ▶ SBS Endorsed - Leadership and Communication
- ▶ First Aid
- ▶ MENA CFO Conference
- ▶ Mini MBA: Artificial Intelligence AI and Digital Transformation
- ▶ Gitex
- ▶ MASAR Leadership Program – Level 5
- ▶ Engine W50/34DF
- ▶ Corporate Social Responsibility



## Employee support and benefits

Employee support and benefits can actually play an important role in creating a good and productive work environment. Effective provision of benefits can work to enhance well-being, security, and work-life balance for employees. By providing benefits to employees, one can enhance their satisfaction and loyalty to an organization.

Our employee support and benefits programs are designed to promote employee health, support family responsibilities, encourage personal development, and enhance overall well-being. These programs contribute to a supportive and inclusive work environment at MPC, helping employees maintain a healthy work-life balance, remain engaged, and perform effectively in their roles.

### Employee Benefits and Support Programs at MPC

 Medical Coverage	 Group Life Insurance	 Annual Leave	 Sick Leave	 Maternity Leave
 Paternity Leave	 Marriage Leave	 Examination Leave	 Patient Escorting & Overnight stay leave	 Al-Haj Leave
 Death of Relatives Leave	 Nursing Mother's Leave	 Special Leave Without Pay	 Wellness Membership Allowance	 Child Education Allowance**

\*\* for employees from Grade 17 onwards

## Health and safety: Our safety culture

Health and safety are basic in ensuring that the workplace remains productive and responsible. A structured health and safety program ensures the welfare of employees and prepares them in case of emergencies. Through the implementation of health and safety practices in the workplace, businesses can establish a culture of shared responsibilities in safeguarding the welfare of employees.

All occupational Health and Safety requirements are documented in our Health, Safety, and Environment (HSE) Procedure at Head Office. This HSE Procedure provides a clear framework for implementing occupational health and safety practices and ensures that employees understand their responsibilities, know how to report hazards, and are prepared to respond effectively to emergencies.

This year, we implemented a range of H&S training programs and initiatives designed to enhance workplace safety for all employees. These Training Programs and Initiatives include:

### HSE Orientation

All new employees receive HSE Orientation in which they will learn about the layout of the office, how to find and use various emergency exits, and how to identify and respond to various types of fires. Every two years, employees will receive a refresher on the HSE Training Program.

### Fire Safety Training

Employees will be trained in the use of fire extinguishers. A minimum of 3 employees will be trained in the use of fire extinguishers and at least two employees will be designated Fire Wardens to manage fire emergencies.

### First Aid Training

A minimum of 3 employees (including one female) will receive First Aid Training to ensure they can respond to medical emergencies.



We conduct health and safety risk assessments regularly. Every employee has a role in reporting hazards and unsafe work conditions and health, safety and environmental incidents that occur at the workplace. Employees are required to report unsafe or hazardous conditions and any HSE incidents to the HR and Administration department or their Line Manager. Risks should be identified and addressed through appropriate controls, which include, but are not limited to, regular checks on equipment, electrical cords and potential fire hazard areas, storing items and cleaning up to prevent slips, trips and falls; as well as providing ergonomic guidance regarding the use of computers in order to minimize the risk of strain or injury.

Another significant focus area is fire and emergency preparedness. During the year, we conduct semi-annual tests of fire detection and protection equipment, maintain a state of readiness through trained fire wardens and first aiders, and employees trained in using fire extinguishers. Safe working practices and awareness of emergency response procedures are reinforced through a Health, Safety and Environment Orientation session when employment begins two years thereafter.

As a result of the preventative measures taken by us and continuous monitoring. We have reported that there were no injuries sustained during the reporting period. This demonstrates the successful implementation of our Health, Safety and Environment Management Practices and their commitment to providing all employees with a safe place to work.

**Injury rate - 2024 vs 2025**

Particulars	2025	2024
Injury Rate	0	0



## Upholding Human Rights: Combating child and forced labour

Strengthening human rights is a critical building block of social responsibility of any organization and an essential component of sustainable business practices. All organizations must take responsibility for ensuring that the processes of their operations and their value chains do not include conditions that undermine human dignity including child labour or forced labour. To this end, an organization's policies and procedures must be clearly defined, legally compliant, and focused on responsible relationships with business partners to avoid potential risk.

We are committed to establishing and maintaining socially responsible practices throughout our operation and value chain. To this end, we continuously improve our policies and procedures to enhance operational sustainability and promote ethical behavior and respect for human rights. This commitment applies equally to every area of the company's business, including supplier and contractor relationships.

We have a particular policy on the employment of child labor as outlined in our HR Manual on the employment of juvenile workers. This policy ensures full compliance with the Oman Labor Law, including requirements related to the minimum age of employment, permitted working hours, guardian consent where applicable, and the medical fitness of juvenile workers.

In addition, all contractors and suppliers are required to comply with the Oman Labour Law No. 53 (2023). Compliance by third parties engaged by us supports national regulations related to child labour, forced labour, working hours, rest periods, and employee health and well-being. Adherence to all legal requirements concerning child & forced labour within the supply chain is a minimum expectation of how we conduct business.

We show our commitment to preventing the use of child labour or forced labour in our business operations and supply chain. In addition, we support Responsible Business Practices and the protection of fundamental human rights by aligning our social practices with both national laws and principles of International Human Rights.



### Commitment to Human Rights and Ethical Practices

- ▶ Human rights protections are embedded across operations and the value chain.
- ▶ Policies promote ethical conduct and responsible supplier relationships.
- ▶ Child labour controls comply with Oman Labour Law and HR guidelines.
- ▶ Suppliers must comply with laws prohibiting child and forced labour.

## Community engagement & social impact

Engagement with community and social value are key components of sustainable business practices. Engaging with community means that organizations can establish trust with community and address common problems together to create social value. By helping with Socio-Economic development, organizations can build resilience for community while making sure that their practices have a positive impact on society.

At MPC, we view creating social values and supporting the community as central to what we do. We recognize that power generation is inextricably linked to the welfare of the communities where we operate and therefore, we work towards building positive, mutually beneficial, trust-based relationships with those communities.

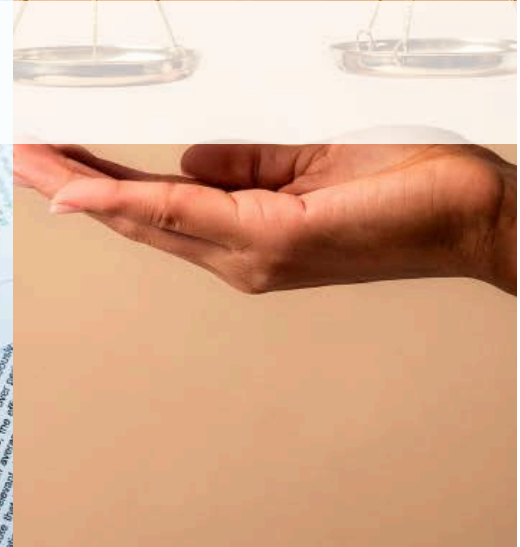
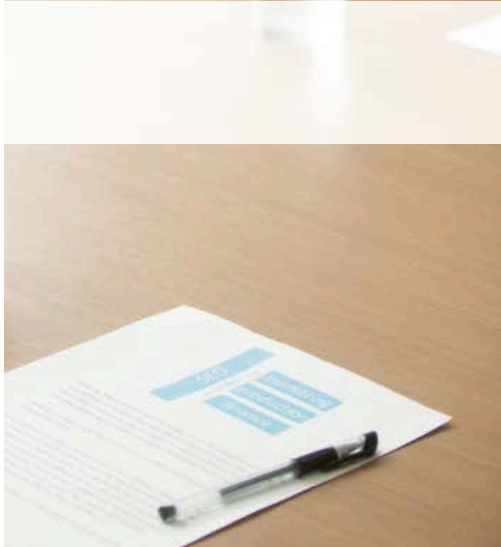
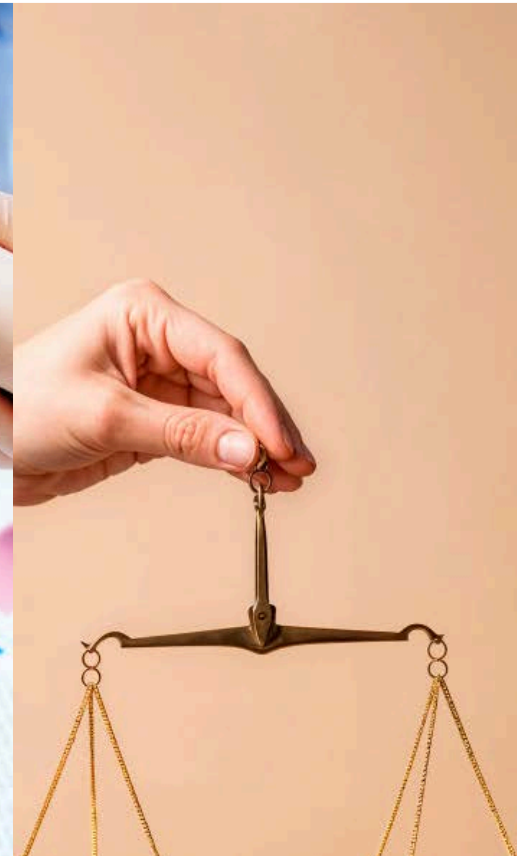
Our community engagement strategy is built upon a foundation of active participation, open and honest communication, and a sincere commitment to assisting communities with social and economic development. We strive to understand the needs of the communities in which we operate and work collaboratively with stakeholders to ensure that our business practices are aligned with local requirements and beyond our core activities, benefit those we serve in the long term.

We collaborate with local government agencies and charitable organizations to support sustainable development initiatives in the communities we serve and meet community needs. By partnering with these organizations, we seek to minimize the potential negative impact of our business operations while promoting equality of opportunity and quality of life for all people living within the region where we operate.

### Strengthening Communities Through Responsible Engagement

- ▶ **Community engagement is central to sustainable and responsible business practices,**
- ▶ **MPC builds trust through open communication and active community participation.**
- ▶ **Engagement focuses on socio-economic development and long-term community resilience.**
- ▶ **Partnerships with government and charities support sustainable local development.**





# Governance

### Governance highlights, 2025 - Musandam Power Company



**2 out of 5**  
directors are independent



**100%**  
of our employees are certified with their compliance with the MPC's anti-corruption practices.

### MPC's framework of ethics policies

**Board and Executive Diversity**

**Code of Conduct**

**Whistleblowing Mechanism**

**Supplier Code of Conduct**

## Corporate governance

Corporate governance is responsible for creating a basis for good management, integrity, and sustainability in organizations. Good corporate governance structures ensure good decision-making, accountability, and transparency, as well as compliance with laws and regulations. To ensure adherence to the highest standards of governance, we closely follow the Corporate Governance Code published by the Financial Services Authority (FSA). This devotion helps the management and board of directors run the firm successfully and efficiently. We have adopted all the FSA's criteria and fully embraced the concepts of sound corporate governance. By clearly defining roles, responsibilities, and oversight mechanisms, corporate governance helps safeguard stakeholder interests and promote sustainable value creation.

At MPC, governance is embedded across all levels of our organization and shapes the way we operate. Our governance procedures are structured to promote integrity, regulatory compliance, and effective risk management, while supporting overall operational reliability.

We emphasize ethical business conduct, transparency, and accountability in our interactions with employees, suppliers, and other stakeholders. Clear internal controls, defined authorities, and established reporting lines are in place to support sound decision-making and prevent misuse of authority in line with our strategic objectives.

*In this year, our executive compensation is not directly linked to specific ESG incentives; however, ESG performance is measured as part of the Company Scorecard. While there are no formal KPIs for ESG, the Scorecard includes two related metrics: (1) CSR Initiatives, measured by the number of initiatives undertaken, and (2) ESG Initiatives, including the number of initiatives focused on decarbonization. These Scorecard metrics are cascaded to departmental and individual levels, and the Company's overall performance on these metrics influences individual final appraisals.*

We foster a strong corporate governance culture through an effective corporate governance structure that enhances good corporate practices of responsible leadership and accountable operations, thus building confidence among our stakeholders.



## Board composition and diversity

A well-structured and diverse Board of Directors has a crucial role in proper corporate governance. This helps in giving direction to the company, making effective decisions, as well as ensuring accountability. This board composition comprises a combination of qualifications, experience and independence.

The Board of Directors is made up of a total of five directors, who are the Chairman, Deputy Chairperson, and the other directors. Currently, 60% of the Board members are independent directors. This is an appropriate composition of the board in consideration of executive management as well as the need for independence. Independent directors are crucial in bringing an element of objectivity into the governance of the company.

### Board of Directors

S.No	Name of Director	Position	Independence Status
1	Mr. Abdulwahhab Al Hinai	Chairman	Non-Independent
2	Mr. Yull Kim	Deputy Chairperson	Non-Independent
3	Mr. Mahmoud Al Hashmi	Director	Non-Independent
4	Mr. Mohammed Al Hashmi	Director	Independent
5	Mr. Mohammed Al Qalhati	Director	Independent

The Board members with diverse professional backgrounds and expertise ensure informed strategic direction and effective risk management. The diversity of professional backgrounds contributes to informed discussions and informed decision-making that is grounded in the long-term goals of the business. A distinct set of roles and responsibilities is outlined for each Board role, guaranteeing the responsibility and efficiency of governance at all organizational levels.

The Board of Director demonstrates our goals of implementing good governance and creating a culture of transparency and balanced overview by incorporating independent directors and establishing a formal leadership structure to promote effective oversight of the company and to act in the best interests of the company and its stakeholders, respectively; this creates an avenue of sustainable and responsible growth.

## Ethical practices and anti-corruption

We are dedicated to upholding the highest level of moral integrity, integrity, and professionalism in every aspect of our business. Our “Code of Conduct” is designed to guide employees on how they should demonstrate integrity, exercise responsibility, and always work in the best interests of the Company on matters including ethical business conduct, confidentiality, conflict of interest, health and safety, and treating fellow employees with respect. It is important that employees are encouraged to report instances of misconduct.

Prevention of corruption and bribery is the key element of strong corporate governance and ethical business practices. An effective anti-corruption framework will protect the integrity of the organization, provide transparency, and improve trust from stakeholders at all levels in the value chain.

We are committed to embedding robust governance practices throughout our operations and supply chains. This commitment includes preventing bribery and corruption, promoting respect for human rights, and ensuring adherence to social, health, and security policies across all business activities. Policies and procedures are continually reviewed and strengthened to protect operations and align with regulatory requirements and best practices.

All employees must acknowledge and confirm their adherence to our anti-corruption practices. In this reporting period, 100% of employees have certified their compliance with our anti-corruption practices.

We foster a culture of integrity and accountability and maintain a strict “zero tolerance” approach to bribery and corruption, while supporting long-term sustainable business practices across our operation and value chain.



### Upholding Ethics and Integrity Across Our Operations

- ▶ Code of Conduct guides ethical conduct, integrity, and responsible workplace behavior.
- ▶ Strong anti-corruption framework promotes transparency and stakeholder trust.
- ▶ Governance policies address bribery, human rights, and regulatory compliance.
- ▶ 100% employees confirmed adherence to anti-corruption practices.

## Supplier code of conduct

Responsible supply chain management is a core element of our governance framework and sustainability approach. We strive to collaborate with business partners that show dedication to the conduct of ethical business, adherence to laws and responsible business operations.

We have an internal Code of Ethics and Business Conduct for Suppliers and Contractors, which describes our expectations for ethical conduct, legal compliance, and responsible business practices along our supply chain. The Code applies to all the contractors, subcontractors, suppliers and consultants engaged by us.

We emphasize the importance of honesty, integrity, and fairness in all business activities and expect compliance with applicable laws. Our Code strictly prohibits bribery, facilitation payments, improper gifts, and other illegal or unethical payments and requires the reporting of violations known or suspected to occur without fear of retribution or retaliation.

We expect our Suppliers and Contractors to establish and maintain a safe, healthy and productive work environment within their business, including strict prohibitions on drug and alcohol abuse at our premises and facilities. The misuse of our property, confidential information, or business opportunities for personal or third-party benefit is not permitted.

All suppliers are required to formally commit to our Code of Conduct for Suppliers and Contractors as part of the onboarding and contractual process. As a result, 100% of our suppliers have formally certified their compliance with the Code, reflecting our rigorous governance framework, strong ethical culture, and ongoing engagement with our business partners to ensure transparency and responsible business practices throughout the supply chain.



## Responsible and Ethical Supply Chain Practices

- ▶ Responsible supply chain management is embedded in the governance framework.
- ▶ Supplier Code of Conduct sets standards for ethics, compliance, and responsible practices.
- ▶ The Code prohibits bribery, improper payments, and unethical conduct.
- ▶ 100% suppliers formally certified compliance with the Supplier Code.



## Whistleblowing mechanism

We are committed to conducting our business with integrity, ethical practices, and a high level of transparency across all aspects of our operations. To support these values, we have a Whistleblowing Policy that enables employees to confidentially report any concerns related to financial reporting or any suspected unethical conduct by the company, its officers, directors or employees.

Our Audit and Risk Committee oversee the whistleblower process and all related investigations to ensure independence and accountability for those who report concerns. We encourage our workforce to report any instances of unethical conduct without fear of retaliation, harassment, discrimination, or any form of adverse action, thereby fostering a culture of openness and accountability. The Audit and Risk Committee review the effectiveness of the whistleblower process annually and ensures that reported matters, where reasonable and appropriate, are thoroughly investigated and followed by corrective actions. These controls reinforce our commitment to ethical business practices, strong governance, and a fair, open, and responsible work environment.

## Data privacy & Cybersecurity

We are committed to protecting the privacy and security of data to ensure the trust of our stakeholders as well as compliance with the applicable legal and regulatory requirements. Our data protection and information security policies are aligned with relevant Omani laws and regulations. We adopt strict controls in protecting data, information, equipment, and software used in the processing, storage, and transmission of sensitive and confidential information.

Our data privacy strategy is based on our Information Security Policy, which focuses on protecting data from unauthorized access, breaches, and misuse. This strategy aims to promote confidentiality, integrity, and availability of information across our business processes and is aligned with applicable Omani laws and regulatory requirements related to data protection and information security. Our initiatives to monitor compliance with data privacy and corporate governance standards reflect our commitment to responsible data management and strong governance practices.

Under this policy framework, we have established a comprehensive set of information security policies, including Email Security, Antimalware and Endpoint Security, Patch Management, Supplier and Third-Party Management, Cryptography and Encryption, Removable Media Handling, Physical and Environmental Security, People Security, Password Management, Database Security, Logging, Monitoring and Audit, and Remote Access Security. These initiatives support our ongoing compliance with data privacy requirements and corporate governance standards, reinforcing our commitment to responsible data management, regulatory compliance, and robust governance practices.



## Risk management

Our risk management strategy is a systematic process of identifying, assessing, managing, and monitoring risks across the organization, helping to strengthen our culture and improve decision making. To achieve this goal, we are integrating risk management into all aspects of our business from long-term planning through day-to-day operations. We are also committed to fostering a participatory culture, where every employee plays an active role in managing risks, supporting one another, and enhancing vigilance through engagement and effective risk mitigation.

The goal of our risk management approach is to support the achievement of our strategic objectives. The first step in our risk management process is to systematically identify and assess potential risks and evaluate them against our organizational goals to understand their significance. Once identified, risks are addressed through targeted mitigation strategies, which are continuously monitored and evaluated over time to ensure effectiveness. Additionally, we establish governance systems to proactively protect against potential threats and provide controls for managing possible risks before they may happen. The governance systems provide an additional layer of oversight and allow effective management of risks.

All employees are directly involved in managing risks; they all have responsibilities to recognize the risks they encounter and to play their part in resolving them. Encouragement of an atmosphere of vigilance and a proactive approach to managing risks will help ensure risks will be effectively managed and that strategic goals can be met.

### Risk management activities at MPC

#### Policy Approval

The risk management policy and plan are approved by senior management to ensure alignment with organizational goals and risk appetite.

#### Audit Plan

For the year 2026, the internal audit team will include a dedicated Risk Management audit as part of the annual audit plan to assess and enhance our risk management practices.

#### Orientation Training

We provide orientation training on risk management plans for the board and executive management to ensure they are well-informed and equipped to oversee risk management activities.

#### Internal Audit

We have implemented an Enterprise Risk Management (ERM) framework at the corporate level, with individual departments maintaining their own risk registers. The Internal Audit team uses a consolidated risk register, integrating both corporate and departmental risks, to drive a structured and risk-based audit process.





# Appendix

## Appendix I – MSX disclosure

The Company presents its second ESG Report which has been prepared aligned to MSX ESG Disclosure Guidelines for the year ended 31 December 2025. The reference tables below outline the ESG indicators disclosed in this report.

Category	Metric	Disclosure	Page number	Reference Section
Environment	E1. GHG Emission	E1.1) Total amount, in CO2 equivalents, for Scope 1	19	GHG Emission & Decarbonization
		E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable)	19	GHG Emission & Decarbonization
		E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)	-	Currently not calculated as it is optional. Developing a reporting inventory
	E2. Emissions intensity	E2.1) Total GHG emissions per output scaling factor	19	GHG Emission & Decarbonization
		E2.2) Total non-GHG emissions per output scaling factor	20	Energy Efficiency
	E3. Energy Usage	E3.1) Total amount of energy directly consumed	20	Energy Efficiency
		E3.2) Total amount of energy indirectly consumed	20	Energy Efficiency
	E4. Energy Intensity	Total direct energy usage per output scaling factor	20	Energy Efficiency
	E5. Energy Mix	Percentage: Energy usage by generation type	20	Energy Efficiency

Category	Metric	Disclosure	Page number	Reference Section
Environment	E6. Water Usage	E6.1) Total amount of water consumed	22	Water Usage and Wastewater Management
		E6.2) Total amount of water reclaimed	-	-
	E7. Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes/No	23	Environmental Operations
		E7.2) Does your company follow specific waste, water, energy, and/or recycling policies? Yes/No	23	Environmental Operations
		E7.3) Does your company use a recognized energy management system? Yes/No	23	Environmental Operations
	E8. Environmental Oversight	Does your Management Team oversee and/or manages sustainability issues? Yes/No	8	Our Sustainability Policy
	E9. Environmental Oversight	Does your Board oversee and/or manage other sustainability issues? Yes/No	8	Our Sustainability Policy

Category	Metric	Disclosure	Page number	Reference Section
Environment	E10. Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development	23	Environmental Operations
Social	S1. CEO Pay Ratio	S1.1) Ratio: CEO total compensation to median FTE total compensation	-	Not disclosed as it is optional as per MSX ESG Guidelines.
		S1.2) Does your company report this metric in regulatory filings? Yes/No	-	
	S2. Gender Pay Ratio	Ratio: Median male compensation to median female compensation	28	Diversity, Equity and Inclusion
	S3. Employee turnover	S3.1) Percentage: Year-over-year change for full-time employees	26	Human Capital Management
		S3.2) Percentage: Year-over-year change for part-time employees	-	-
		S3.3) Percentage: Year-over-year change for contractors and/or consultants	26	Human Capital Management

Category	Metric	Disclosure	Page number	Reference Section
Social	S4. Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women	28	Diversity, Equity and Inclusion
		S4.2) Percentage: Entry- and mid-level positions held by men and women	28	Diversity, Equity and Inclusion
		S4.3) Percentage: Senior- and executive-level positions held by men and women	28	Diversity, Equity and Inclusion
	S5 Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees	-	
		S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	26	Human Capital Management
	S6. Non-Discrimination	Does your company follow non-discrimination policy? Yes/No	28	Diversity, Equity and Inclusion
	S7. Injury Rate	Percentage: Frequency of injury events relative to total workforce time	35	Health and Safety: Our Safety Culture
S8. Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	35	Health and Safety: Our Safety Culture	

Category	Metric	Disclosure	Page number	Reference Section
Social	S9. Child & Forced Labor	S9.1) Does your company follow a child and/or forced labor policy? Yes/No	37	Upholding Human Rights: Combating Child and Forced Labour
		S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	37	Upholding Human Rights: Combating Child and Forced Labour
	S10. Human Rights	S10.1) Does your company follow a human rights policy? Yes/No	37	Upholding Human Rights: Combating Child and Forced Labour
		S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	-	Not disclosed as it is optional as per MSX ESG Guidelines.
	S11. Community Investment	Amount invested in the community, including philanthropic donations, as a percentage of the comp	38	Community Engagement & Social Impact
Governance	G1. Board Diversity	G1.1) Percentage: Total board seats occupied by men and women	42	Board Composition and Diversity
		G1.2) Percentage: Committee chairs occupied by men and women	42	Board Composition and Diversity

Category	Metric	Disclosure	Page number	Reference Section
Governance	G2. Board Independence	G2.1) Does the company prohibit the CEO from serving as board chair? Yes/No	42	Board Composition and Diversity
		G2.2) Percentage: Total board seats occupied by independents	42	Board Composition and Diversity
	G3. Incentivized Pay	Are executives formally incentivized to perform on sustainability? Yes/No	41	Corporate Governance
	G4. Supplier Code of Conduct	G4.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No	-	Ethical Supply Chain and Business Conduct
		G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	-	Ethical Supply Chain and Business Conduct
	G5. Ethics & Anti-Corruption	G5.1) Does your company follow an Ethics and/or anti-corruption policy? Yes/ No	43	Ethical Practices and Anti-corruption
		G5.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	43	Ethical Practices and Anti-corruption

Category	Metric	Disclosure	Page number	Reference Section	
Governance	G6. Data Privacy	G6.1) Does your company follow a Data Privacy policy? Yes/No	45	Data Privacy	
		G6.2) Has your company taken steps to comply with GDPR rules? Yes/No	45	Data Privacy	
		G6.3) Has your company taken steps to comply with Oman Personal Data Protection Law rules? Yes/ No	45	Data Privacy	
	G7. Sustainability Reporting	G7.1) Does your company publish a sustainability report? Yes/No	Yes, we publish our report		
		G7.2) Is sustainability data included in your regulatory filings? Yes/ No	Yes, we have included our sustainability data		
	G8. Disclosure Practices	G8.1) Does your company provide reporting frameworks? Yes/No	2		About This Report
		G8.2) Does your company focus on specific UN SDGs? Yes/No	16		Alignments With Oman 2040 Vision and Sustainable Development Goals
		G8.3) Does your company set targets and report progress on the UN SDGs? Yes/No	-		No, currently we do not set SDG targets.

Category	Metric	Disclosure	Page number	Reference Section
Governance	G9. External Assurance	Are your sustainability disclosures assured or validated by a third party? Yes/No	-	No, disclosures are internally assured but not externally.

## Appendix II – GRI index

The table below shows the GRI Content Index showing the relevant areas covered within this report according to the GRI Standards.

GRI Topic	GRI Code	Contents	Page number	Reference section
<b>GRI 2 General Disclosures</b>	2-1	Organizational details	3	About MPC
	2-2	Entities included in the organization's sustainability reporting	3	About MPC
	2-3	Reporting Period	2	Reporting Period
	2-5	External Assurance	-	
	2-6	Activities, value chain and other business relationships	3	About MPC
	2-7	Employees	26	Human Capital Management
	2-9	Governance structure and composition	42	Board Composition and Diversity

GRI Topic	GRI Code	Contents	Page number	Reference section
<b>GRI 2 General Disclosures</b>	2-12	Role of the highest governance body in overseeing the management of impacts	6	Sustainability Governance
	2-23	Policy commitments	8	Our Sustainability Policy
	2-29	Approach to stakeholder engagement	12	Stakeholder Communication
	2-26	Mechanisms for seeking advice and raising concerns	45	Whistleblowing Mechanism
	2-22	Statement on sustainable development strategy	1	Message from Chief Executive Officer
<b>GRI 3 Management Approach</b>	3-1	Process to determine material topics	14	Materiality Analysis
	3-2	List of material topics	14	Materiality Analysis
<b>GRI 205 Anti-Corruption</b>	205-2	Communication and training about anti-corruption policies and procedures	43	Ethical Practices and Anti-corruption
<b>GRI 302 Energy Management</b>	302-1	Energy consumption within the organization	20	Energy Efficiency
	302-3	Energy intensity	20	Energy Efficiency

GRI Topic	GRI Code	Contents	Page number	Reference section
<b>GRI 303 Water &amp; Effluents</b>	303-2	Management of water discharge-related impacts	22	Water Usage and Wastewater Management
	303-4	Water discharge	22	Water Usage and Wastewater Management
	303-5	Water Consumption	22	Water Usage and Wastewater Management
<b>GRI 305 Emissions</b>	305-1	Direct (Scope 1) GHG emissions	19	GHG Emission & Decarbonization
	305-2	Energy indirect (Scope 2) GHG emissions	19	GHG Emission & Decarbonization
	305-4	GHG emissions intensity	19	GHG Emission & Decarbonization
<b>GRI 401 Employment</b>	401-1	New employee hires and employee turnover	26	Human Capital Management
<b>GRI 403 Occupational Health &amp; Safety</b>	403-1	Occupational health and safety management system	35	Health and Safety: Our Safety Culture
	403-2	Hazard identification, risk assessment, and incident investigation	35	Health and Safety: Our Safety Culture
	403-5	Worker training on occupational health and safety	35	Health and Safety: Our Safety Culture

GRI Topic	GRI Code	Contents	Page number	Reference section
<b>GRI 403</b> Occupational Health & Safety	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	35	Health and Safety: Our Safety Culture
	403-8	Workers covered by an occupational health and safety management system	35	Health and Safety: Our Safety Culture
	403-9	Work-related injuries	35	Health and Safety: Our Safety Culture
<b>GRI 405</b> Diversity & Equal Opportunity	405-1	Diversity of governance bodies and employees	42	Board Composition and Diversity
	405-2	Ratio of basic salary and remuneration of women to men	26	Human Capital Management
<b>GRI 406</b> Non-Discrimination	406-1	Incidents of discrimination and corrective actions taken	45	Whistleblowing Mechanism
<b>GRI 408</b> Child Labour	408-1	Operations and suppliers at significant risk for incidents of child labour	37	Upholding Human Rights: Combating Child and Forced Labour
<b>GRI 413</b> Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	38	Community Engagement & Social Impact

### Appendix III – Emission factors used for calculating GHG emission

Scope 1 and Scope 2 GHG emissions were calculated using recognized and widely accepted emission factors. These emission factors are used to convert the activity data like fuel consumption and electricity usage into carbon dioxide equivalent (CO<sub>2</sub>e) emissions.

S.No.	Emission Source	Factor	Sources
1	Natural Gas (kg CO <sub>2</sub> per m <sup>3</sup> )	1.88496	IPCC Emission Factors
2	Natural Gas (kg CH <sub>4</sub> per m <sup>3</sup> )	0.000168	IPCC Emission Factors
3	Natural Gas (kg N <sub>2</sub> O per m <sup>3</sup> )	0.00000336	IPCC Emission Factors
4	Petrol (kg CO <sub>2</sub> per Liters)	2.29	IPCC Emission Factors
5	Petrol (kg CH <sub>4</sub> per Liters)	0.00033	IPCC Emission Factors
6	Petrol (kg N <sub>2</sub> O per Liters)	0.00002	IPCC Emission Factors
7	Diesel (kg CO <sub>2</sub> per Liters)	2.9099857	IPCC Emission Factors
8	Diesel (kg CH <sub>4</sub> per Liters)	0.0003927	IPCC Emission Factors
9	Diesel (kg N <sub>2</sub> O per Liters)	0.0000235	IPCC Emission Factors
10	Grid electricity emission factor (Oman) (kg CO <sub>2</sub> e/kWh)	0.51697	www.carbonfootprint.com

## Abbreviation

<b>APSR</b>	Authority for Public Services Regulation
<b>ARC</b>	Audit and Risk Committee
<b>CEO</b>	Chief Executive Officer
<b>CH4</b>	Methane
<b>CO2</b>	Carbon dioxide
<b>CSM</b>	Corporate Services Manager
<b>CSR</b>	Corporate Social Responsibility
<b>DEI</b>	Diversity, Equity and Inclusion
<b>ESG</b>	Environment, Social and Governance
<b>FSA</b>	Financial Services Authority
<b>g</b>	Gram
<b>GDPR</b>	General Data Protection Regulation
<b>GHG</b>	Greenhouse Gas

<b>GRI</b>	Global Reporting Initiative
<b>H&amp;S</b>	Health & Safety
<b>HQ</b>	Headquarters
<b>HR</b>	Human Resource
<b>HSE</b>	Health, Safety and Environment
<b>IDP</b>	Individual Development Plan
<b>IGC</b>	Integrated Gas Company
<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>ISO</b>	International Organization for Standardization
<b>kg</b>	Kilogram
<b>KWh</b>	Kilowatt hour
<b>LDAR</b>	Leak detection and repair
<b>m<sup>3</sup></b>	Cubic Meter
<b>MIPP</b>	Musandam Independent Power Plant

<b>MPC</b>	Musandam Power Company
<b>MSX</b>	Muscat Stock Exchange
<b>MW</b>	Megawatt
<b>MWh</b>	Megawatt hour
<b>N2O</b>	Nitrous Oxide
<b>NRC</b>	Nomination & Remuneration Committee
<b>O&amp;M</b>	Operations & Maintenance
<b>OEM</b>	Original Equipment Manufacturers
<b>OPWP</b>	Oman Power and Water Procurement Company
<b>ORC</b>	Organic Rankine Cycle
<b>PFA</b>	Project Founders Agreement
<b>PPA</b>	Power Purchase Agreement
<b>RAECO</b>	Rural Areas Electricity Company
<b>tCO<sub>2</sub>e</b>	Ton Carbon dioxide Equivalent

<b>UAE</b>	United Arab Emirates
<b>UN SDG</b>	United Nations Sustainable Development Goals
<b>VAM</b>	Variable Air Management

## Glossary

<b>ESG</b>	Environmental, Social, and Governance refers to the three central factors in measuring the sustainability and societal impact of a company.
<b>CSR</b>	CSR stands for Corporate Social Responsibility, a business model that emphasizes a company's accountability for its impact on society and the environment.
<b>Decarbonization</b>	Decarbonization is a method of climate change mitigation that reduces greenhouse gas emissions and eliminates them from the atmosphere.
<b>DEI</b>	DEI stands for Diversity, Equity, and Inclusion, a framework used by organizations to create fair, accessible, and inclusive environments for their workforce.
<b>Emission Reduction</b>	Emission reduction refers to minimization of greenhouse gas (GHG) emissions generated by the company.
<b>Energy Audits</b>	An energy audit is an inspection survey and an analysis of energy flows for energy conservation in a company.
<b>GDPR</b>	GDPR (General Data Protection Regulation) is a comprehensive law that sets strict rules for how organizations collect, process, and store the personal data of individuals.
<b>GHG emissions</b>	GHG emissions (Greenhouse Gas emissions) refer to the release of gases like carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ), and nitrous oxide (N <sub>2</sub> O) into the atmosphere, which trap heat and contribute to global warming and climate change.
<b>GRI</b>	GRI is an international organization that provides the world's most widely used standards for sustainability reporting, helping companies transparently disclose their ESG impacts to build trust and guide decisions.

<b>HSE</b>	HSE stands for Health, Safety and Environment, a crucial framework for companies to protect workers and the planet by managing hazards, preventing accidents, and ensuring compliance with regulations
<b>IPCC</b>	An international body established by the United Nations to assess scientific information related to climate change, its impacts, and potential mitigation and adaptation strategies.
<b>ISO 14001</b>	ISO 14001 is an international standard for environmental management systems (EMS) that helps organizations improve their environmental performance through efficient resource use and waste reduction.
<b>Materiality Assessments</b>	A Materiality Assessment is used to identify central ESG topics for ESG reporting.
<b>MSX</b>	MSX (Muscat stock Exchange) is the primary stock exchange in Oman.
<b>Oman Vision 2040</b>	Oman Vision 2040 is a strategic plan aimed at transforming Oman into a sustainable, diversified economy by 2040, focusing on economic, human development, environmental sustainability and improving governance and infrastructure.
<b>PPA</b>	PPA (Power Purchase Agreement) is a contract between a power producer and a buyer (typically a utility or large corporation) to purchase electricity at a predetermined price over a specified period, ensuring long-term stability for both parties.
<b>Scope 1</b>	Scope 1 emissions are emissions from sources that an organization owns or controls directly (such as GHG emissions from company vehicles).
<b>Scope 2</b>	Scope 2 emissions are indirect emissions from energy that was purchased directly by the company (such as energy purchased from utility providers).
<b>Scope 3 emissions</b>	Scope 3 emissions are indirect emissions produced by third-party companies throughout the reporting organisation's value chain. For example, this may include transportation, purchased goods or services or Business travel.
<b>SDG</b>	SDGs stands for Sustainable Development Goals, a set of 17 global goals adopted by the United Nations in 2015 as part of the 2030 Agenda for Sustainable Development, serving as a universal call to action to end poverty, protect the planet and ensure prosperity and peace for all by 2030.

<b>Stakeholder Engagement</b>	Stakeholder engagement is the systematic process of working with individuals or groups (stakeholders) who have an interest in or are affected by an organization's decisions or activities, involving communication, feedback, and collaboration to build relationships.
<b>Stakeholder</b>	A stakeholder is any individual, group, or organization that has an interest or concern in business and can affect or be affected by its outcomes, such as employees, customers, investors, suppliers or the community



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Musandam Power Company

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