

illuminating Lives For A Sustainable Future

Sustainability Report
2024

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About the Report

It is with great pride and purpose that we present Marafiq's inaugural Sustainability Report, a testament to our unwavering commitment to driving a sustainable future for Oman and beyond. Sustainability is more than a guiding principle—it is the heartbeat of our operations, the essence of our innovation, and the cornerstone of our progress.

As our first report, it highlights our journey to integrate environmental, social, and economic considerations into every aspect of our operations. It demonstrates our alignment with Oman's Vision 2040 and Net Zero 2050 ambitions, showcasing the steps we are taking to reduce our environmental footprint, optimize resources, and foster a positive impact on the communities we serve.

Our success is built on the spirit of collaboration. By uniting with our stakeholders—communities, partners, and regulators—we are transforming challenges into opportunities and creating impactful solutions that resonate across generations. Through transparency, accountability, and a relentless pursuit of excellence, we continue to lead with integrity and inspire confidence in all that we do.

We invite you to explore the milestones, achievements, and aspirations shared in this report. Together, let us embrace the possibilities of tomorrow, as Marafiq forges ahead in shaping a sustainable legacy that reflects innovation, resilience, and hope.

1.1 Objectives of the Report

The 2024 Sustainability Report highlights our unwavering commitment to creating a sustainable and prosperous future. Recognizing the impact of our operations on the environment, local communities, and Oman as a whole, we are determined to minimize our ecological footprint while driving positive change in all areas of our business and beyond.

This year's report outlines key advancements in reducing carbon emissions, accelerating the adoption of clean and renewable energy technologies, and integrating circular economy principles into our operations. We continue to champion diversity, equity, and inclusion across our workforce and supply chain while strengthening our relationships with stakeholders through open communication and collaboration.

In addition to these efforts, we have made strides in enhancing employee well-being, fostering innovation, and supporting community development programs that align with Oman's Vision 2040. The report also reflects our transparency and accountability in critical areas, including health and safety, financial performance, corporate governance, and ethical practices.

As we navigate the challenges of the rapidly evolving sustainability landscape, we remain steadfast in our role as responsible corporate citizens. Our ongoing mission is to lead by example, delivering innovative solutions, empowering communities, and building a greener, more inclusive, and resilient future for generations to come.

1.2 Reporting Timeline

Marafiq's annual Sustainability Report provides a comprehensive overview of the company's Environmental, Social, and Governance (ESG) performance for the period from January 1 to December 31, 2024, alongside our annual financial report.

1.3 Boundaries, Scope, and Basis Preparation

The boundaries of this report include all operations over which Marafiq has direct management control or significant influence. This includes operational sites, offices, and community programs directly linked to Marafiq's business activities. Joint ventures and partnerships are addressed to the extent that data and information are available, with clear distinctions where Marafiq does not exercise full operational control.

The scope of the report covers Marafiq's performance in core ESG areas, including energy efficiency, carbon footprint reduction, water management, workforce diversity, health and safety, community engagement, and governance practices. Data and metrics disclosed in the report adhere to international sustainability standards, including the Global Reporting Initiative (GRI), and align with relevant local regulations and best practices.

The basis of preparation follows a commitment to transparency, accuracy, and accountability. Information and data in this report are drawn from verified internal systems, third-party assessments, and stakeholder inputs where applicable. All financial figures align with Marafiq's audited annual financial statements. Any assumptions, estimations, or limitations in data are clearly noted to provide readers with a clear understanding of the scope and reliability of the information presented. Through this report, Marafiq reaffirms its dedication to fostering sustainability across all aspects of its operations and contributing meaningfully to Oman's sustainable development goals.



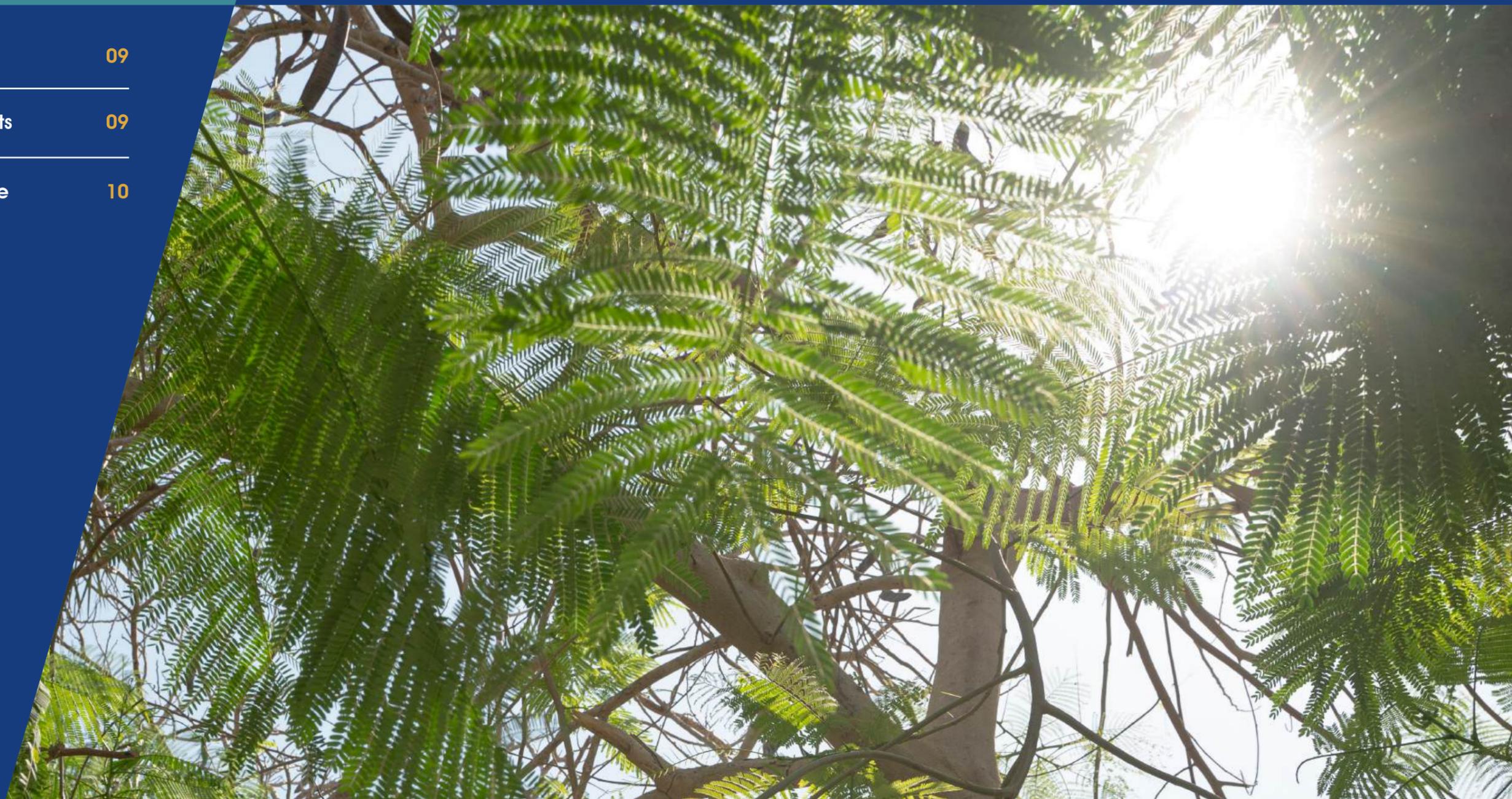
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Messages from Our Leadership

At Marafiq, we recognize the profound responsibility we bear as an integrated utilities provider.



We are working to redefine how a modern utility provider can be adaptive, purpose-driven, and future-ready.



2.1 Chairman's Address

With a deep understanding of the environmental, social, and economic challenges facing our region, we are dedicated to driving impactful change that benefits our communities, stakeholders, and the nation as a whole.

The past year has been pivotal, marked by strategic advancements across our operations. From expanding the Duqm Integrated Power and Water Plant to initiating projects that integrate renewable energy sources, we are taking tangible steps to reduce our environmental footprint while enhancing operational efficiency. Through our partnerships with key stakeholders, including the Special Economic Zone Authority at Duqm (SEZAD), OQ, and other industrial entities, we continue to provide reliable and innovative utility solutions that support Oman's journey toward economic diversification and industrial excellence.

As a company, we are guided by Oman's Vision 2040 and its aspirations for sustainable development. Our efforts are focused on fostering local talent, enhancing resource efficiency, and investing in state-of-the-art technologies that promote energy efficiency and environmental stewardship. We take immense pride in our community engagement initiatives, which aim to uplift the regions we serve, creating shared value and a legacy of progress.

Gulf Energy Development (GED) is a Thai energy company, while OQ is an integrated energy company from Oman. Together, they are shareholders in Marafiq, with GED bringing international expertise in energy projects and OQ contributing local knowledge and resources to advance utilities and infrastructure in Duqm.

2.2 Managing Director's Insights

At Marafiq, our strong commitment to delivering reliable and sustainable utility services remains at the forefront of our operations. Over 2024, we have achieved significant milestones, including the expansion of our potable water production capacity to 9,000 m³/day and the enhancement of our storage infrastructure to approximately 22,000 m³. These advancements have enabled us to serve a growing customer base, which has increased by 25% to about 3,444 customers in the Duqm region.

Our strategic initiatives, such as Marafiq's strategic initiatives include supplying OQ8 Duqm refinery using dedicated N+1 power supply with installed capacity of 326 MW and about 36,000 m³/day of industrial water. Our 132kV Ras Markaz Transmission (RMT) project, have been instrumental in supporting OTTCO's crude oil terminal operations, ensuring a reliable power supply for critical infrastructure. These projects highlight our dedication to operational excellence and our focus on supporting Oman's industrial growth in a sustainable manner.

Looking ahead, we remain committed to our sustainability agenda while enhancing service resilience across all utility domains. Our ongoing investments in sustainability demonstrates our forward-thinking approach to resource management. By optimizing our operations and embracing innovative technologies, we are not only improving our service efficiency but also reducing our environmental footprint in alignment with Oman Vision 2040. As we continue to expand our infrastructure and capabilities, we take pride in our role as a key enabler of economic development in the Duqm Special Economic Zone and beyond.

Sustainability is a cornerstone of our strategy. We are actively exploring opportunities to integrate renewable energy solutions into our operations, aligning with sustainability trends and contributing to reduced carbon emissions.



GM Sustainability and Value Creation's message

As part of our ESG commitment, we have set key targets, including:

- Emissions Reduction: Managed to reduce the total GHG emissions (tCO₂e) on aggregate from our facilities at Duqm by 7%.
- Water Conservation: Our 2024 initiatives led to a 9.1% reduction in non-revenue water losses, aligning with our goal to optimize water resource management.
- Local Content & SMEs: We allocated 9.92% of total expenditure (OMR 3.2 million) to SMEs, fostering economic growth and in-country value.
- Health & Safety: With zero fatalities and zero lost-time incidents, we have maintained over 2.6 million safe man-hours since the last LTI.

Emissions Reduction



Health & Safety



Water Conservation



Local Content & SMEs



Board of Directors

Leadership Team



Abdulwahhab Al Hinai
Chairman



Mr. Ravi Kurmarohita
Deputy Chairman



Abdulrahman Al Kharusi
Acting Managing Director



Abdullah Al Farsi
GM Sustainability & Value Creation



Talal Al Lawati
VP Commercial / Investments



Eng. Ali Shamas
Board Member



Ms. N. Pongrattanadej
Board Member



Abdullah Al Harthi
Board Member



Said Al Sarhani
VP Water & Wastewater



Yusra Al Busaidi
Chief Financial Officer



Nasser Al Habsi
VP People, Culture & Technology

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Highlights of Our 2024 ESG Achievements

Oman’s Vision 2040 and Net Zero 2050 ambitions, showcasing the steps we are taking to reduce our environmental footprint, optimize resources, and foster a positive impact on the communities we serve.

3.1 Environmental Progress

In 2023, Marafiq completed its first comprehensive greenhouse gas assessment following international standards:

- Established a baseline of 530,978.21 tCO₂e for Scope 1 and 2 emissions (from 11,034.77 tCO₂e in 2021)
- Identified that 99.06% of 2023 emissions come from natural gas consumption
- Documented Scope 3 emissions of 2,580.69 tCO₂e (31.44% of corporate emissions in 2021)

Our water operations achieved industry-leading carbon efficiency:

- Water Business: 0.0024 tCO₂e/m³ for potable water (2023)
- DPC Desalination: 0.0028 tCO₂e/m³ for process water (2023)
- Both outperforming the global average of 0.0030tCO₂e/m³ for RO technology
- Successfully treated 2,011,205 cubic meters of water in 2023

We developed a comprehensive decarbonization roadmap targeting up to 83.13% emissions reduction through:

- Energy efficiency initiatives offering 10% consumption savings with <1 year payback
- 50% renewable integration (projected reduction: 3,063.99 tCO₂e annually)
- 30% hydrogen blending in natural gas operations (potential reduction: 1,389.87 tCO₂e)

Aligning with Oman’s 2050 Net Zero target, we established an internal carbon pricing framework and developed a marginal abatement cost curve identifying the most cost-effective measures, continuing our commitment to environmental leadership.

3.2 Social Contributions

People:

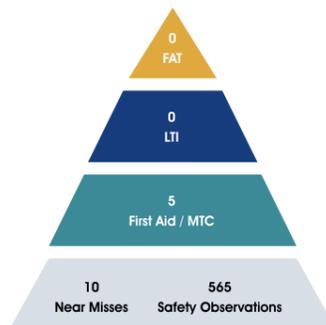
- **Omanisation Rate:** 75%
- **Workforce Gender Breakdown:**
Male Employees: 98 (89%)
Female Employees: 12 (11%)
- **Workforce:**
Under 30: 38%
Above 30 :67%
- **Training Hours in 2024:**
Technical and Leadership Training: 40 hours per employee
Soft Skills Training: 24 hours per employee

HSE Performance:

- Zero fatalities
- Zero lost time incidents (LTI)
- More than 2.6 million safe manhours since last LTI
- Nine emergency drills have been successfully conducted in DIPW Plant and Water Business as part of the 2024 Emergency Response Plan.
- Marafiq recognized and celebrated United Nations World Day for Safety and Health at Work on in April 2024.

Local content:

- +20 million OMR spent locally (62%)
- +3 million OMR Spent on SMEs (10%)



Centralized Utilities Company LLC Established

2013

2014

Signed the Centralized Utilities Service Agreement with the Public Authority of Special Economic Zones and Free Zones (OPAZ)

2015

Launched the 'Marafiq' Brand

2018

Kick-Off of Marafiq Major Projects; which are:
• Duqm Integrated Power and Water (DIPWP)
• Supply O&G with Power and Water
• 400 kV Power Transmission System to Supply OIPWP with Power
• Duqm Integrated Potable Water Plant and Tanker Filling Station – Supply Duqm with Potable

2019

Signed Potable License with the Authority for Public Services Regulation (APSR)

2021

Commenced Early Power Supply Project (Early Operations) to Duqm Refinery and Kick-off of Power Supply Project to Duqm Industrial Zone.

2022

Commenced Power Supply to Duqm Industrial Zone

3.3 Governance Enhancements

Developed a comprehensive Corporate Scorecard integrating key ESG KPIs.



Established and actively tracking performance against targets for all functions, including ESG priorities.



Achieved zero reported incidents of discrimination and corruption, reinforcing ethical standards and compliance.



Enhanced overall board diversity by including members with varied backgrounds and expertise. Currently, there is one female representative on the Board of Directors.



Conducted annual legal compliance audits to assess compliance with regulatory requirements. 2024 legal compliance audit completed with few observations.



Successfully developed and implemented a Business Continuity Plan (BCP) with multi-scenario to ensure uninterrupted operations during unforeseen disruptions. Business continuity plan has been activated during the SAP downtime as part of the e-symphony project.



Conducted a comprehensive enterprise risk assessment to identify emerging risks, including ESG-related.



Develop and Roll out an ICV Policy along with an approved SME Program



Measuring, collating and submission of Annual Sustainability Report for Marafiq




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Discovering Marafiq



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Discovering Marafiq

Marafiq, headquartered in Muscat, serves as a cornerstone in Duqm Economic Zone's utilities sector, providing essential power, water, and wastewater management services to key industrial zones.

As an integrated utility provider, Marafiq is dedicated to supporting Oman's industrial development and economic diversification goals, primarily serving the Duqm Special Economic Zone and other strategic areas.

Marafiq's operations are designed to align with Oman's Vision 2040, focusing on minimizing environmental impacts while supporting industrial growth. With a skilled and dedicated workforce, the company emphasizes operational excellence, local talent development, and sustainability in all its services.

Through its comprehensive and innovative approach, Marafiq plays a vital role in driving Oman's utilities sector forward, ensuring it meets the growing demands of industrial and commercial stakeholders.



With advanced infrastructure and innovative technologies, Marafiq ensures the delivery of reliable, efficient, and sustainable utilities. The company is a joint venture between OQ and Gulf Energy Development Company (GED), leveraging both local expertise and global best practices to meet the dynamic needs of its customers.



Vision

To be a leading provider of sustainable and innovative utility solutions, setting new standards of excellence in power, water, and wastewater management across Oman and the region.



Mission

To deliver reliable, efficient, and sustainable utility services that meet the evolving needs of our industrial and commercial partners while fostering economic growth, environmental stewardship, and the development of local talent.



Operational Highlights

Marafiq operates an integrated power and water plant in Duqm, delivering critical services to support the region's growing industrial and community needs.

Power Operations:

- Duqm Refinery (OQ8): Providing power and industrial cooling water to support refinery operations.
- Oman Tank Terminal Company (OTTCO): Delivering power to OTTCO's crude oil storage facility in Ras Markaz, ensuring efficient energy management.

Water Operations:

- Residential Customers: Supplying potable water to Duqm Frontier Town, Duqm Village, and Hayy Al Saada.
- Non- Residential Customers: Providing potablewater to key facilities, including the Renaissance Complex, Industrial Areas (Light, Medium, and Heavy), Hotels, Duqm Airport, Karwa Motors, OQ8 Building, Haima, Fishery Industrial Area, and various governmental buildings.

DIPWP project provides power and water to Duqm Refinery (OQ8) on a captive basis. Utilizing state of the art technology, the project facilities includes: 325 MW Combined Cycle Gas Turbine (CCGT) Power Plant, 36,000 m³/day (equivalent to 800 large water tankers), Sea Water Reverse Osmosis (SWRO) Desalination Plant, 1,500,000 m³/day (equivalent to 33,000 large water tankers), Seawater Intake Facilities and 1,000,000 m³/day (equivalent to 22,000 large water tankers) Outfall Facilities. The Seawater Intake and Outfall Facilities have sufficient capacity to serve future investors in the Duqm Industrial Zone with their water requirements.

Key Partnerships

- **Kobe Steer and Mitsui Co.:** Marafiq has established a strong partnership with Kobe Mitsui through the signing of a Memorandum of Understanding and an Early Works Agreement. We are currently in advanced discussions regarding the WSA Heads of Terms to further solidify this collaboration.
- **Vulcan Green Steel (Jindal):** Marafiq has formalized its cooperation with Vulcan Green Steel through the execution of both a Memorandum of Understanding and an Early Works Agreement. The Terms Sheet is currently under active discussions to finalize the details of our strategic partnership.
- **OPP:** Marafiq has initiated a promising relationship with OPP through the signing of a Memorandum of Understanding. This agreement establishes the foundation for future collaborations in utility services.

- **Air Liquide:** Marafiq has progressed significantly in its alliance with AirLiquide, having signed both a Memorandum of Understanding and a Joint Venture Term Sheet. The Joint Venture Agreement is currently under negotiation to finalize the terms of this important partnership.
- **VALE:** Marafiq has commenced a strategic dialogue with VALE through the signing of a Memorandum of Understanding. This initial step paves the way for exploring mutually beneficial opportunities.
- **Shell:** Marafiq has established a confidential information exchange framework with Shell through the execution of a Non-Disclosure Agreement. This enables both companies to share proprietary data necessary for evaluating potential collaboration.

4.1 Future at Marafiq

Marafiq is positioned at the forefront of Oman's industrial and utility sector, with a forward-looking strategy that prioritizes sustainable growth, innovation, and expanding capabilities to meet the evolving needs of its stakeholders.

Our future is shaped by a steadfast commitment to delivering excellence in utility services while supporting Oman's industrial and economic development. Key business goals include:

- **Providing reliable and efficient utilities** to address the region's growing demands.
- **Prioritizing sustainable and environmentally friendly operations** to align with global and national sustainability objectives.
- **Broadening service offerings** to cater to the diverse needs of expanding industries.
- **Leveraging advanced technologies** to enhance operational efficiency, optimize resource utilization, and drive innovation.

To realize these goals, Marafiq has outlined a robust expansion plan to meet the increasing demand for utilities in Duqm and beyond. The plan details significant capacity enhancements for industrial water, power, and other essential services through 2030.

4.2 Celebrating 2024 Milestones

In 2024, Marafiq's dedication to sustainability, innovation, and operational excellence was recognized through prestigious industry accolades. These achievements not only reflect our commitment to advancing Oman's Vision 2040 but also highlight the impactful initiatives and milestones we have reached throughout the year.

- **Energy Efficiency Award 2024** – Marafiq won the Energy Efficiency Excellence Award at the Sustainability Innovation Awards, where Abdullah Al Hashimi, Managing Director of Marafiq, was named 'Sustainability Leader of the Year 2024,' at the ceremony organized by BNC Publishing in Dubai, UAE.



- **Utility Company of the Year** – Marafiq has been awarded Utilities Company of the Year at the prestigious Times Business Leadership Awards. This recognition highlights our dedication in providing reliable utility services while advancing Oman's utility infrastructure and promoting sustainable development of critical industries with national importance.



These prestigious awards serve as a testament to the hard work of our teams and reinforce Marafiq's role as a leader in driving sustainable progress in Oman.

4.3 Corporate Structure

Marafiq's strategic direction is guided by its Board of Directors, appointed by OQ, the company's majority shareholder (51%), and Gulf Energy Development (GED), which holds a 49% stake.

The Board reflects a diverse leadership structure, with 80% male and 20% female representation, aligning with governance best practices and bringing a balanced range of expertise to support the company's strategic goals. All members serve a three-year term, as defined during the general meeting in which their election was conducted, reinforcing Marafiq's commitment to sustainable growth.

The Board serves as the bridge between shareholders and Marafiq, providing oversight and guiding the company's management, strategic direction, and overall performance. It plays a pivotal role in ensuring the company operates effectively while delivering maximum value to its shareholders.

In steering Marafiq's vision, the Board takes a holistic approach, addressing the environmental, social, and economic considerations that impact the utilities sector. By prioritizing strong governance and aligning its actions with the objectives of its shareholders, the Board ensures that Marafiq operates responsibly and contributes meaningfully to the communities it serves. This approach reflects a commitment to sustainable growth and excellence in all aspects of the company's operations.

Committees associated with board

- **Audit and Assurance Committee:** Oversees compliance and operational integrity, ensuring all systems and processes meet regulatory and performance standards.
- **Strategic Committee:** Ensures alignment of asset management practices with the company's business goals and long-term strategy.



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Sustainability at Marafiq



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Sustainability at Marafiq

At Marafiq, we conducted a comprehensive Materiality Assessment to guide the development of our Sustainability Report, aligned with the GRI Standards.

This meticulous process involved identifying and evaluating potential and actual economic, environmental, and social impacts to ensure our efforts focus on what matters most to our stakeholders and operations. The assessment highlighted 20 critical topics, including renewable energy adoption, emissions reduction and decarbonization, compliance with regulation, and engagement with stewardship.

This process underscores Marafiq’s commitment to addressing the most significant sustainability challenges facing the company and its stakeholders. To build a sustainable future, Marafiq has also developed an ESG/Sustainability Strategy that reflects our core principles, aligns with national and global goals, and serves as a roadmap for integrating sustainability into every aspect of our business.

Marafiq’s ESG/Sustainability Strategy is built on a strong foundation of recognized national and global frameworks, ensuring alignment with strategic goals and best practices. These frameworks include:

- Oman Vision 2040:** Guiding our efforts to support economic diversification, environmental sustainability, and social development in alignment with the nation’s long-term aspirations.
- Oman Net Zero 2050:** Reflecting our commitment to contributing to Oman’s journey toward carbon neutrality through innovative and sustainable practices.
- OIA ESG Guidelines:** Ensuring compliance with the Oman Investment Authority’s Environmental, Social, and Governance principles to drive responsible and ethical business conduct.
- Global Reporting Initiative (GRI) Framework:** Providing a comprehensive structure for transparent reporting of economic, environmental, and social performance.

These frameworks form the backbone of Marafiq’s sustainability approach, empowering the company to create value while addressing key local and global challenges.

5.1 Engaging with Stakeholders

We are committed to engaging stakeholders transparently and collaboratively, fostering a culture of mutual respect and cooperation. To achieve this, we will begin by identifying and prioritizing key stakeholders, ensuring that all relevant parties are recognized. A comprehensive stakeholder engagement plan has been developed to outline strategies for meaningful interaction. Regular meetings and effective feedback mechanisms has been established to maintain open lines of communication.

5.2 Materiality Assessment

Through initial stakeholder engagement, key topics and issues were identified that were material to Marafiq’s stakeholders. These topics encompassed environmental concerns, social impact, transparency in reporting, and community engagement.

5.3 Strategic Sustainability Planning

Sustainable Planning is at the heart of Marafiq’s approach to achieving long-term success while ensuring positive contributions to both the environment and society. We recognize that effective planning is crucial for integrating sustainability into every facet of our operations.

By adopting sustainable planning practices, we aim to make responsible decisions that reduce environmental impacts, optimize resource use, and support the well-being of the communities we serve. Our commitment to sustainability ensures that our growth is aligned with responsible stewardship, driving both operational efficiency and long-term value for all stakeholders.

To translate this vision into action, we have implemented a comprehensive sustainability framework we will be systematically evaluating the social and environmental implications of our projects, and identify opportunities for innovation and continuous improvement. This forward-thinking approach enables us to balance immediate utility needs with the preservation of natural resources for future generations

Sustainability Roadmap

Marafiq ESG Strategic Priorities & Targets

Factor	Strategic Initiative & Commitment	Targets
Environment	Emissions Reduction & Energy Transition Phasing off and decommissioning the Diesel power plant in Duqm Explore alternative energy sources (eg. green hydrogen)	<ul style="list-style-type: none"> Reduce emissions by 50% within 2 years post-decommissioning of the Diesel power plant. Maintain a 98% compliance rate for wastewater disposal.
Social	Community Support & Empowerment Collaborate with local consumers in Duqm for sustainability initiatives.	<ul style="list-style-type: none"> Conduct 6 diverse engagement events annually Host 6 community events and initiatives annually.
	Early Childhood Development & Education	<ul style="list-style-type: none"> Support local education and development initiatives to ensure developing local workforce
	Gender Equality & Volunteering Engage employees in beach cleaning activities.	<ul style="list-style-type: none"> Achieve and maintain a 60:40 gender ratio in the workforce. Achieve and maintain gender ratios in line with local regulatory requirements Atleast 2 mentorship programs annually.
	Employee Risk Management & Reporting Engage employees in beach cleaning activities.	<ul style="list-style-type: none"> Hold 6 beach cleaning events annually. Respond to stakeholder inquiries in quick and reasonable timelines
Governance	Environmental Risk Management and Reporting Continue environmental risk assessment and reporting The compliance areas linked to ESG, primarily focusing on Manpower Regulations (related to labor rights, workplace safety, and employee well-being) and Oman Environmental Regulations (covering environmental protection, emissions control, waste management, and sustainability initiatives).	<ul style="list-style-type: none"> 100% compliance environmental risk assessment and reporting Submit report within regulated timelines
	Business Risk Mitigation Maintain a business risk register and mitigation plans	<ul style="list-style-type: none"> Maintain and update the business risk register quarterly Ensure 80% of risks have mitigation plans in place
	Regulatory Compliance and Certification	<ul style="list-style-type: none"> 100% compliance rate for all relevant ISO standards 80% of suppliers meeting/exceeding performance criteria



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Strengthening Our Business Foundations

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Strengthening Our Business Foundations

At Marafiq, strong business practices are the foundation of our success and sustainability. By continuously refining our processes, enhancing governance frameworks, and fostering a culture of integrity and accountability, we ensure our operations remain efficient, resilient, and aligned with the highest industry standards.

This section highlights the initiatives and strategies we have implemented to strengthen our business practices, drive innovation, and create lasting value for our stakeholders while contributing to Oman's sustainable development goals.

6.1 Upholding Ethical Standards

As part of the OQ Group, Marafiq adheres to the same rigorous ethical standards outlined in OQ's framework, ensuring integrity and transparency in all business operations.

Reinforcing Business Practices

- **Ethics Oversight:** Marafiq operates under the supervision of OQ's Ethics Committee, which oversees the implementation of ethical practices. This includes monitoring misconduct cases, investigations, and actions taken, as well as initiatives to foster a strong ethical culture across the group.
- **Ethics Ambassadors:** Marafiq has appointed Ethics Ambassadors within its organization to provide guidance on OQ's Code of Conduct and policies related to anti-bribery and corruption. These ambassadors are trained regularly to support employees effectively.

Awareness and Training

- Employees at Marafiq receive comprehensive training on OQ's Code of Conduct, with a focus on anti-bribery, corruption prevention, and ethical decision-making.
- Regular awareness campaigns and events, such as Ethics Awareness Week, are conducted in alignment with OQ's group-wide initiatives to reinforce the importance of ethical practices.
- Marafiq is in the process of preparing and rolling out a comprehensive Diversity, Equity and Inclusion policy aligned with OQ's policies on the same.

Policies and Accessibility

- Marafiq ensures the accessibility of OQ's Code of Conduct and associated policies via its corporate website and internal portal. These documents cover critical areas such as whistleblowing, anti-bribery measures, and managing conflicts of interest.

Complaint and Grievance Mechanisms

- Following OQ's established guidelines, Marafiq provides a robust grievance mechanism for employees to report concerns confidentially. Reporting channels include web, email, phone, and face-to-face meetings.
- The whistleblowing mechanism is managed by an independent third party to guarantee confidentiality and protection from retaliation.

Commitment to Continuous Improvement

- Marafiq follows OQ's process of regularly reviewing and updating ethics policies to comply with evolving legal, regulatory, and governance standards.
- Ethics newsletters and updates are issued quarterly across the group to maintain a culture of ethical conduct.

By directly adopting OQ's ethical practices, Marafiq demonstrates its unwavering commitment to integrity, transparency, and alignment with global best practices.

Complaint Mechanism and Human Rights

As a member of the OQ Group, Marafiq is deeply committed to maintaining accountability and transparency across all its operations, including its interactions with employees. The grievance mechanism and complaint management process at Marafiq provide employees with clear and accessible pathways to voice their concerns and seek resolutions.

Grievance Mechanism

At Marafiq, any employee who experiences unfair treatment or unacceptable behaviour is encouraged to raise their concerns. Such concerns are handled seriously, impartially, and with confidentiality. The process ensures that employees' grievances are addressed in a timely and equitable manner in accordance with Marafiq's HR Policies and Procedures Manual.

Key steps in the grievance process include:

- Employees are advised to first discuss the issue informally with their line manager.
- If unresolved, the matter is escalated to the next management level or the Employee Relations team for further review and action.
- Complex grievances may involve a Grievance Committee to ensure impartial resolution within defined timelines.

Marafiq emphasizes the importance of maintaining respectful and constructive communication throughout the grievance process, with a focus on fostering productive workplace relationships.

Commitment to Human Rights

Marafiq strictly upholds human rights as a core principle in its operations. The company has established workplace policies that ensure fair labour practices, safe working conditions, and strict opposition to all forms of modern slavery, including forced or child labour.

Marafiq's suppliers and vendors are also required to adhere to internationally recognized standards, such as:

- The United Nations Declaration of Human Rights.
- The Fundamental Conventions of the International Labour Organization.
- Oman's Basic Law of the State and Oman Labour Law.

Additionally Marafiq is developing and rolling out a Human Rights policy and will ensure its partners align with its commitment to human rights, environmental protection, and the creation of safe working environments for all personnel involved in its supply chain.

By fostering a culture of ethical practices and inclusivity, Marafiq demonstrates its dedication to upholding human rights and addressing employee concerns with fairness and transparency.

6.2 Driving Innovation and Digital Evolution

In today's rapidly evolving world, agility, innovation, and digital transformation are key drivers of sustainability. By integrating advanced technologies and innovative practices into our operations, Marafiq is not only improving efficiency and resilience but also minimizing environmental impact and enhancing stakeholder engagement. In 2024, Marafiq made notable strides in enhancing agility, fostering innovation, and embracing digital transformation.

Key achievements include:

- **Simulation Room:** A dedicated training facility was established within the Central Control Building (CCB) in DPC to support operational troubleshooting in the OT environment. It features a robust backup management system for enhanced data security.
- **Customer-Focused Online Services:** New digital services were launched to handle water service requests, quality and pressure complaints, high water bill inquiries, CSR applications, vendor registration, and training requests. These services improved efficiency and accessibility for stakeholders.
- **Warehouse Management System (WM):** The implementation of a WM system streamlined inventory management, optimized storage, and improved the picking process for better operational efficiency.
- **SCADA System:** The real-time monitoring and control capabilities of the SCADA system ensured efficient water distribution, optimal water quality, and seamless operation of water treatment plants and pumping stations.
- **Digital Factory:** Marafiq explores the possibility of digitalizing its processes and procedures. SAP is extensively used in procurement and finance processes. Artificial Intelligence is being incorporated in our standard operation procedures to make their access and value even greater.

6.3 Securing Our Digital Landscape

Strengthening Cybersecurity

In 2024, Marafiq made significant strides in strengthening its cybersecurity framework to protect critical operations and enhance resilience against cyber threats. The key initiatives undertaken include:

Cybersecurity Awareness Campaigns:

- **IACS Cybersecurity Awareness:** Focused on educating OT employees to safeguard industrial systems and maintain operational integrity.
- **Cybersecurity Awareness:** Empowered employees with knowledge and best practices to identify and mitigate cyber risks.
- **Executive Cybersecurity Awareness:** Provided leaders with strategic insights to manage cyber risks and ensure compliance.

Assessments and Surveys:

- **Security Awareness Proficiency Assessment (SAPA):** Evaluated employees' cybersecurity skills to identify gaps and areas for improvement.
- **Security Culture Survey (SCS):** Assessed the organization's security mindset to enhance overall resilience.
- **OT Cybersecurity Assessment:** Conducted a comprehensive analysis of 14 areas in the OT environment, addressing key findings like patch management, risk assessment, and asset inventory updates.

Workshops and Training:

- OT Cybersecurity Workshop: Delivered practical training, including tabletop exercises and incident response planning, to strengthen the OT team's preparedness.

Through these initiatives, Marafiq has reinforced its commitment to a secure and resilient operational environment, safeguarding critical systems and fostering a culture of cybersecurity across the organization.

Enhancing Information Security

As part of the OQ Group, Marafiq utilizes the TASNIF platform, an innovative Information Classification tool designed to enhance data security and confidentiality. This platform supports Marafiq's commitment to safeguarding sensitive information by enabling employees to classify emails, documents, and other files according to established security protocols.

Through the integration of the TASNIF platform, Marafiq demonstrates its dedication to maintaining the highest standards of information security, contributing to a more secure and resilient organizational framework.



6.4 Building a Sustainable Supply Chain

At Marafiq, responsible procurement is a cornerstone of our sustainability commitment. We recognize that our supply chain plays a pivotal role in driving environmental, social, and economic progress. By implementing ethical sourcing strategies, fostering transparency, and partnering with suppliers who share our values, we ensure that our operations align with Oman's Vision 2040 and global sustainability standards.

Our approach emphasizes sustainability, fairness, and accountability at every stage of procurement. We prioritize suppliers who adhere to health, safety, and environmental (HSE) standards, promote human rights, and operate with integrity. Through rigorous evaluation processes, we assess supplier compliance with ethical business practices and encourage the adoption of sustainable solutions.

As part of our continuous improvement efforts, Marafiq plans to conduct targeted audits on selected SMEs in 2025. These audits aim to ensure adherence to our standards, identify areas for enhancement, and further strengthen the integration of sustainable practices across our supply chain.

Commitment to Local Content

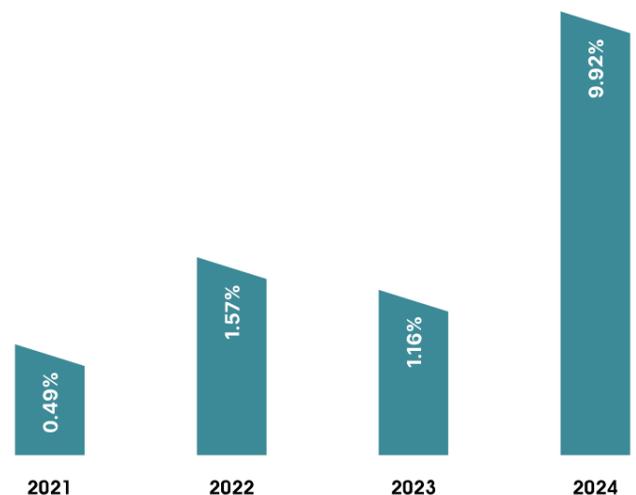
Marafiq is dedicated to fostering sustainable economic growth by promoting local content. This commitment aligns with Oman's Vision 2040 and the National Local Content Policy (2024–2030), ensuring maximum value retention within the country while strengthening local industries and communities.

Aligned with the Oman Investment Authority (OIA) guidelines, Marafiq's Local Content Policy focuses on:

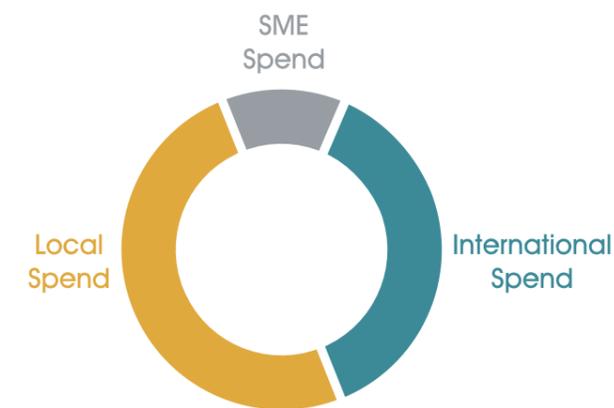
- Business Development:** Creating opportunities for SMEs in Duqm and other regions to participate in Marafiq's projects.
- Human Capital Growth:** Supporting skill development and job creation for Omani nationals.
- Economic Value Retention:** Establishing local content plans for each project to ensure maximum value is retained within Oman.

Empowering SMEs

In 2024, Marafiq allocated 9.92% of its total expenditure, equivalent to OMR 3,205,469, to SMEs. This marks a significant increase compared to previous years and highlights our continuous efforts to integrate SMEs into our supply chain.



Year	Total Spend (OMR)	Local Spend (OMR)	Local Spend (%)	SME Spend (OMR)	SME Spend (%)
2021	35,057,097	1,752,774	5.00%	172,098	0.49%
2022	34,068,943	13,523,282	39.69%	534,362	1.57%
2023	87,264,135	66,993,082	76.77%	1,008,726	1.16%
2024	32,306,678	20,122,196	62.28%	3,205,469	9.92%



Key initiatives to support SMEs include:

- Tender Participation:** Encouraging SMEs to actively participate in Marafiq's tendering processes and providing guidance to meet procurement requirements.
- Collaboration with Contractors:** Extending local content requirements to contractors and subcontractors, ensuring SMEs are part of larger projects.
- Capacity Building:** Offering training programs and workshops to enhance SME capabilities and competitiveness.

Marafiq's efforts in supporting SMEs and driving local content demonstrate our commitment to fostering a dynamic, inclusive, and sustainable economy. By prioritizing local partnerships, we are creating a resilient ecosystem that contributes to Oman's long-term prosperity.

6.5 Governance for Sustainable Finance

Sustainable finance is a cornerstone of our commitment to long-term growth and responsible development. As an integral part of Oman's industrial landscape, we understand the importance of addressing environmental and social challenges while delivering lasting value to our stakeholders. By aligning our financial strategies with environmental, social, and governance (ESG) principles, we aim to integrate sustainability into every financial decision we make.

Adopting sustainable finance practices enhances our ability to manage risks effectively, mitigate potential financial exposures, and strengthen our reputation as a responsible and forward-thinking organization. These practices also open avenues to innovative funding solutions, such as green bonds, sustainability-linked loans, and other mechanisms designed to support projects with positive environmental and social impacts.

Our commitment to sustainable finance involves focusing on initiatives that drive meaningful change. This includes promoting green financing to support projects that reduce environmental impacts and collaborating with financial institutions, insurers, and project developers to cultivate a robust ecosystem for financing sustainable energy and infrastructure projects. Transparency is at the heart of our sustainable finance approach. We are dedicated to providing clear and comprehensive information about our sustainability efforts and financial performance through regular reporting. This ensures stakeholders remain informed about the alignment of our financial strategies with ESG goals.

We also recognize the growing emphasis investors place on ESG metrics when making investment decisions. As such, we continue to embed ESG considerations into our financial planning and operations, ensuring our efforts deliver long-term value while advancing sustainable development for Oman and beyond.

07

Leading Environmental Stewardship

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Leading Environmental Stewardship

As the urgency for environmental preservation grows, the journey toward a net-zero future becomes more critical than ever.

Marafiq is committed to leading this journey by embedding sustainable practices into its operations and championing initiatives that drive meaningful change for the planet.

Focusing on net-zero ambitions and biodiversity preservation, Marafiq demonstrates what it means to be a responsible corporate citizen. By implementing innovative solutions to reduce carbon emissions and exploring effective offsetting strategies, we are making a tangible impact while inspiring others to join the movement for sustainability.

This section highlights our commitment to transformation, showcasing how each milestone achieved contributes to a greener future. At Marafiq, every step matters, and together, we are shaping a path toward a thriving and sustainable tomorrow.

7.1 Advancing Net Zero Goals

Marafiq is dedicated to contributing to Oman's Net Zero 2050 ambitions. In 2024, we implemented several initiatives aimed at reducing our carbon footprint. Our comprehensive approach combines renewable energy integration, energy efficiency, industrial optimization, and innovative technologies to deliver meaningful environmental impacts.

Central to our decarbonization strategy has been the gradual transition toward cleaner energy sources across our operations. We have begun initiatives in emission reductions at our key facilities, enhanced our utility systems for greater efficiency, and deployed smart monitoring platforms that provide comprehensive energy performance data.

These measures have collectively resulted in a 6.8% reduction in our operational emissions from 2023 to 2024, demonstrating tangible progress toward our sustainability targets while maintaining the reliability and quality of services our customers expect.

Key Decarbonization Initiatives in 2024

Renewable Energy Integration

- The installation of solar panels at our administrative buildings demonstrates our commitment to harnessing clean energy sources, reducing reliance on traditional energy.

Energy Efficiency

- Adopted energy-efficient building codes and introduced energy-efficient appliances at key facilities.
- Promoted sustainable transportation by using tricycles for field operations and initiating plans to procure electric club cars with solar-powered charging stations.

Industrial Optimization

- Enhanced the operational efficiency of our combined cycle power plant through continuous improvement programs, reducing emissions and improving resource utilization.

Carbon Capture

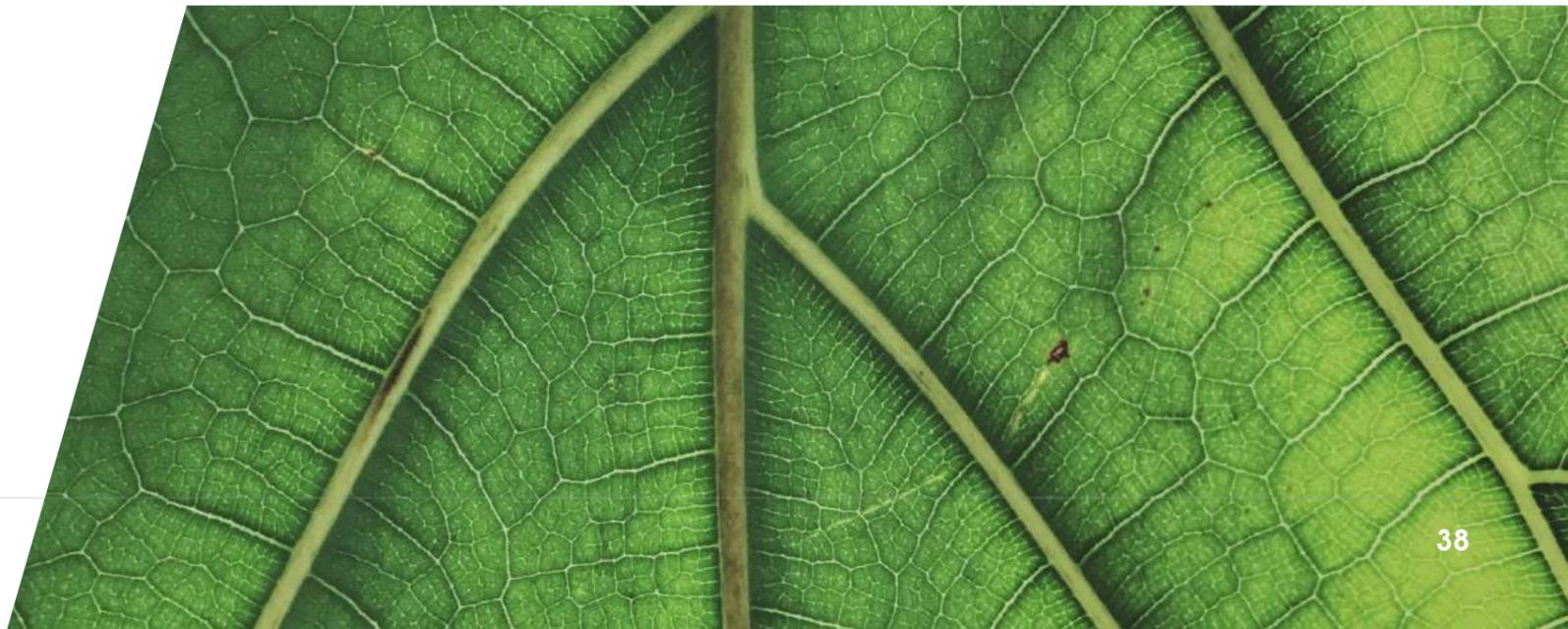
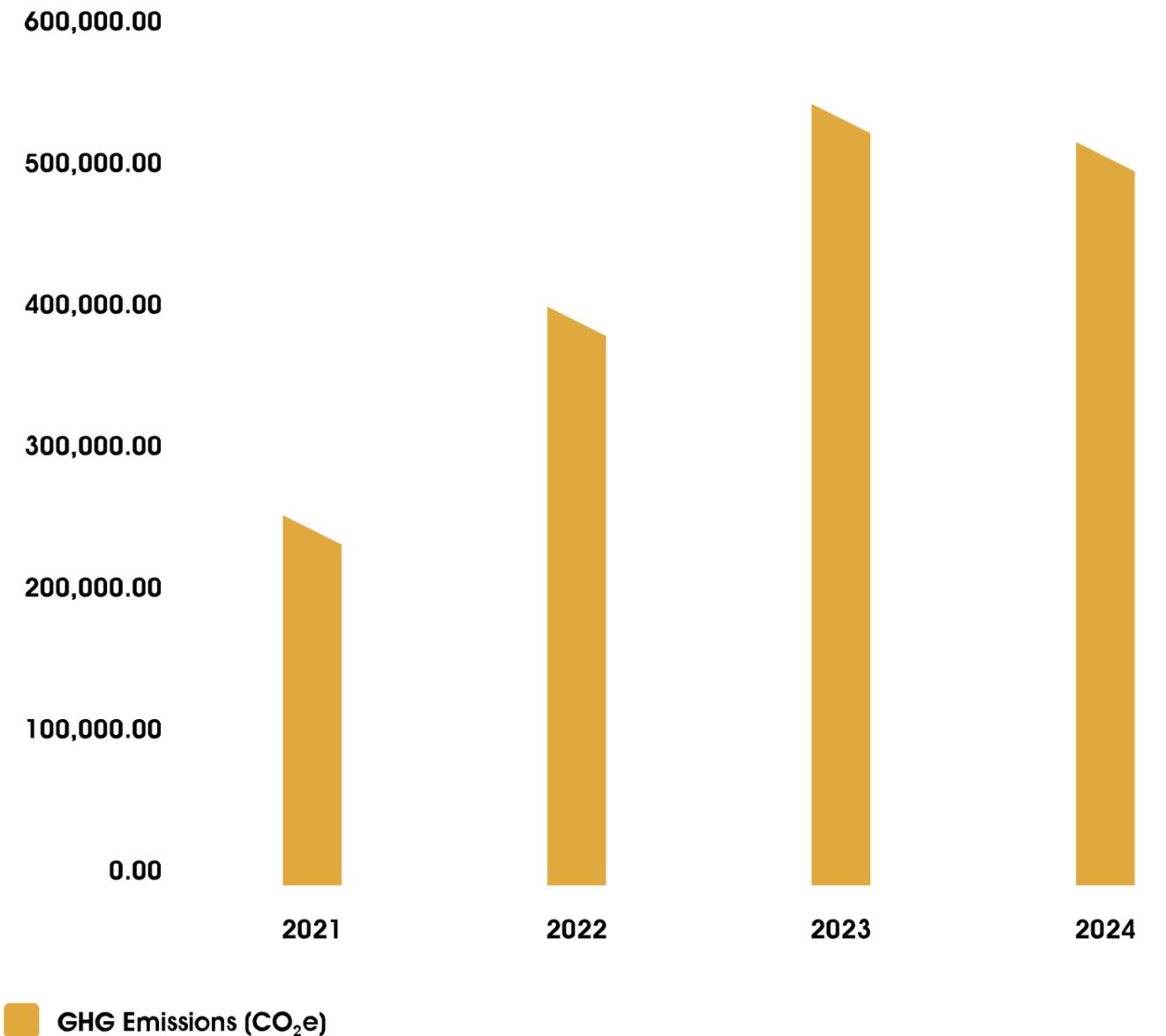
- Utilized natural carbon capture methods, including extensive tree planting and landscaping initiatives.
- Installed advanced SIEMENS burners on gas turbines to minimize emissions and enhance operational performance.

Technological Innovation

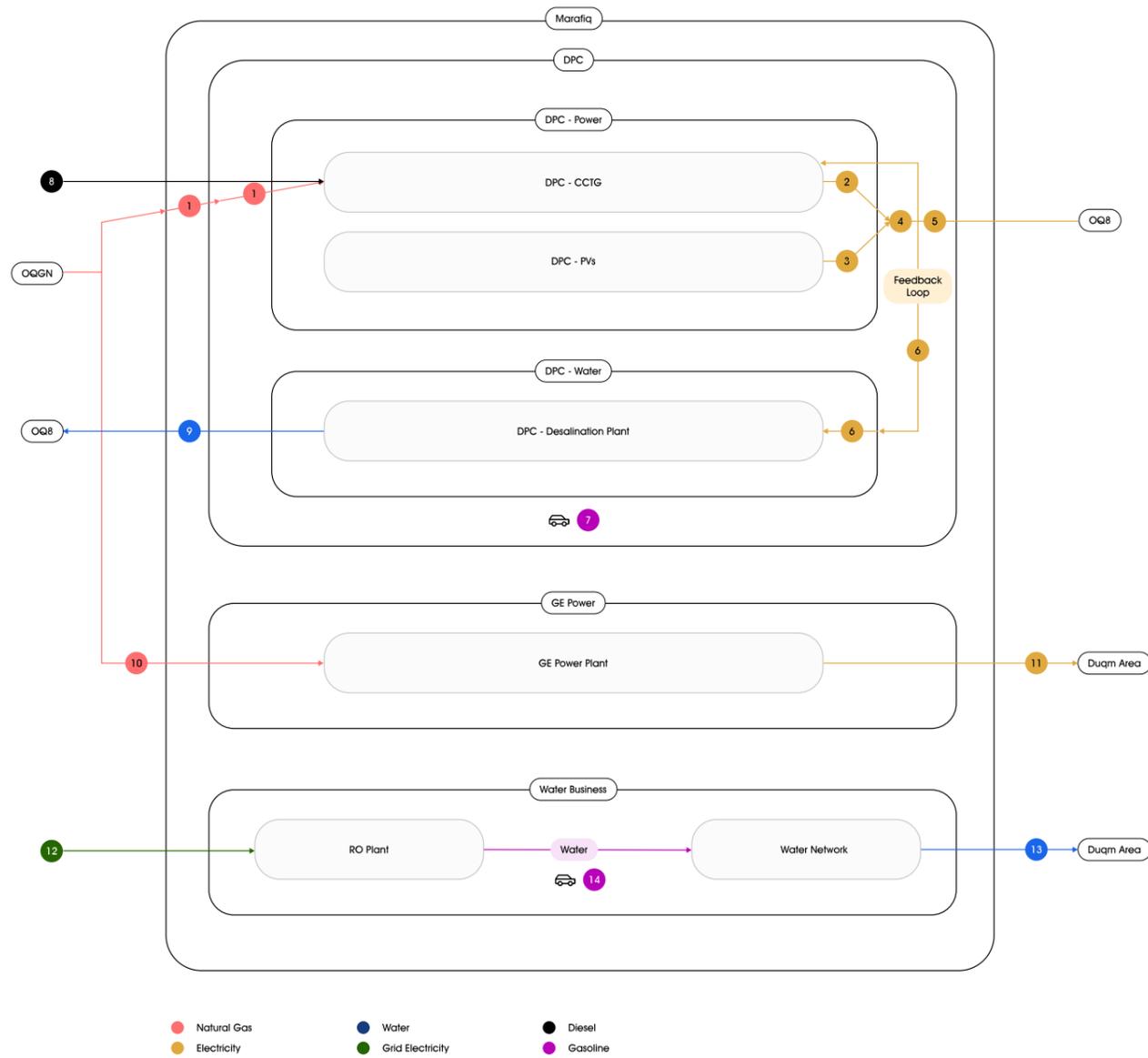
- Explored advanced technologies such as efficient battery systems, hydrogen fuel cells, and carbon capture solutions to drive innovation and accelerate decarbonization.

Through these initiatives, Marafiq continues to play a vital role in reducing greenhouse gas emissions while promoting sustainable energy solutions. These efforts align with our commitment to environmental stewardship and our vision to contribute meaningfully to Oman's Net Zero objectives.

Marafiq GHG Emissions Data (tCO₂e) - Jan 2025



Marafiq Production Summary



(Continued) Marafiq Production Summary

In-Streams	
1	Total Natural Gas Amount 191,266,285.00 Kg
10	Total Natural Gas Amount 2,216.00 Kg
12	Total Grid Electricity 11,023.492 MWh
8	Diesel for CCGT 2,391.20 Kg
14	Gasoline for Mobile for Water Business 8,104.24 L
7	Gasoline for Mobile for DPC 72,414.317 L

Interim Streams	
2	Electricity Produced from CCGT 924,750 MWh
3	Electricity Produced from PVs 31.00 MWh
4	Total Electricity Generation 924,781.00 MWh
6	Electricity sent to DPC - Water 42,687.26 MWh

Out-Streams	
5	Electricity sent to OQ8 845,422.09 MWh
11	Total Electricity Generation 42.0 MWh
9	Gross Amount of Water Produced 7,953,827.0 M3
13	Potable Water Production 2,355,651.0 M3





7.2 Fostering Environmental Responsibility

Water Management

As one of Oman's premier utility providers, Marafiq specializes in delivering comprehensive water services, including production and distribution. With advanced technologies and state-of-the-art facilities, we ensure a reliable supply of high-quality water to industrial, commercial, and residential customers. Our focus remains on expanding infrastructure, including transmission pipelines, distribution pipelines, and water tanks, to meet the growing demands of the Duqm Special Economic Zone and beyond, driving economic growth and sustainability in the region.

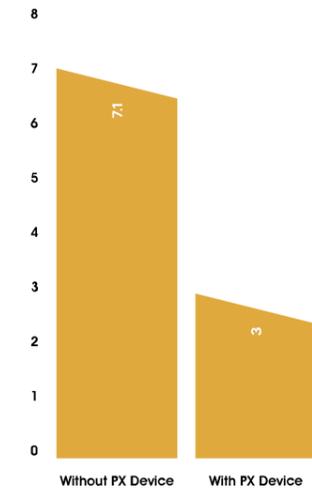
By maintaining rigorous quality control measures and investing in innovative solutions, Marafiq ensures the reliability and sustainability of its water services, supporting the well-being of the communities we serve.

These milestones highlight Marafiq's proactive approach to water management, reinforcing our position as a leader in sustainable utility practices. Through innovation and efficiency, we remain committed to safeguarding water resources for future generations.

Effective water management is a cornerstone of Marafiq's commitment to sustainability and operational excellence. By integrating innovative technologies, optimizing resource efficiency, and adhering to best practices, Marafiq ensures a reliable and sustainable water supply for industrial and community needs. Our efforts contribute to preserving Oman's precious water resources, aligning with national sustainability goals and global environmental standards.

2024 Achievements in Water Management

- **Energy Recovery in Reverse Osmosis (RO) Plant:** Marafiq's RO plant demonstrated remarkable energy efficiency by consuming only 126 KW/hr for the high-pressure and booster pumps of the current 1,000 m³/day RO unit. This is a significant improvement over the 300 KW/hr typically required without the PX (Pressure Exchanger) device, achieving a notable reduction in energy consumption to 3 KW.hr per m³ from the usual 7.1 KW.hr per m³. This innovation earned Marafiq the Energy Efficiency Award 2024 at the Sustainability Innovation Awards, underscoring our dedication to sustainable water management.



- **Non-Revenue Water Reduction:** Marafiq successfully reduced water losses, achieving a 9.1% reduction in 2023, a significant milestone in our efforts to optimize water distribution and minimize water loss. This accomplishment earned Marafiq the prestigious Integrated Utilities Company of the Year 2023 award, recognizing our leadership in sustainable utility practices and operational excellence.





These reductions were made possible through the following key initiatives:

- Upgraded the SCADA system for real-time monitoring and accurate readings.
- Enhanced hydraulic modeling by transitioning from Epanet to Bentley WaterCAD.
- Conducted detailed flow meter analyses and optimized District Metered Areas (DMAs).
- Implemented continuous monitoring of water production and consumption.
- Installed electromagnetic flow meters in newly expanded areas.
- Adopted international standard pipelines for efficiency.
- Conducted Non-Revenue Water analyses and five-year meter testing cycles.
- Developed a phased strategy to integrate smart meters.

Building on this success, the company continues to implement innovative strategies and technologies to further reduce the 9.1% figure, reinforcing our commitment to continuous improvement in water management.

Water Management Plan for 2025

Marafiq's water team has outlined a comprehensive plan for 2025 to enhance water management practices and further reduce non-revenue water losses. Key initiatives include leveraging the SCADA system and electromagnetic flowmeters to monitor District Metered Areas (DMAs) and identify loss locations effectively. The implementation of advanced systems such as Customer Relationship Management (CRM) and Geographical Information System (GIS) will improve operational efficiency and stakeholder engagement.

Additionally, the Leak Detection System (LDS) will be activated in the Fishery Industrial Area to identify and address water leaks promptly. The plan also includes installing additional flowmeters at critical points, such as after the RO plant meters, between Reservoir 1 and Reservoir 2, and at inlet and outlet points in new distribution networks like Hayy Al Saada, Wali Office, DILC, and Fishery Port areas.

Continuous inspection of water storage tanks will also be prioritized to maintain quality and minimize losses. These initiatives reflect Marafiq's commitment to sustainable water management and operational excellence, supporting Oman's long-term water conservation goals.

Waste Management

Effective waste management is integral to our commitment to environmental stewardship and sustainability. We have established a comprehensive waste management procedure to ensure that all waste generated across our facilities is handled responsibly, aligning with national regulations and global best practices.

Our approach begins with waste prevention, encouraging the adoption of the "Reduce, Reuse, Recycle" model. By minimizing the use of single-use products, promoting energy efficiency, and recycling materials like paper, plastics, and metals, we aim to reduce waste generation at its source.

We classify waste into general waste and hazardous waste to ensure proper handling and disposal. General waste includes materials such as paper, food products, and plastics, which are segregated for recycling wherever possible. Hazardous waste, such as chemicals, batteries, and waste oil, is managed in strict compliance with government regulations, including MD 18/95, to prevent environmental harm.

All waste is stored securely in designated containment areas with appropriate labeling and leak-proof measures. Regular inspections ensure these areas meet safety and environmental standards. For waste collection and disposal, we partner with certified contractors approved by the Oman government. These contractors are responsible for providing hazardous waste consignment notes to ensure accountability and transparency in the disposal process.

Our waste management efforts are supported by awareness campaigns to promote positive environmental behaviors, such as proper waste segregation and participation in cleanup events. Marafiq's systematic and proactive approach to waste management underscores our dedication to protecting the environment and contributing to a sustainable future.



08

Enabling Our Workforce

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Advancing Employee Learning & Growth 48

Ensuring Health & Safety Standards 48

Embracing Diversity, Equity, and Inclusion 49



Enabling Our Workforce

Marafiq is dedicated to nurturing a supportive and engaging work environment where employees can thrive. We understand that employee well-being is integral to productivity and organizational success.

8.1 Promoting Workplace Well-being

In 2024, Marafiq conducted specialized well-being training courses for employees at our Muscat and Duqm locations. These programs aim to enhance physical and mental health, encouraging employees as well to utilize the company's sports facilities to maintain an active and healthy lifestyle.

- Several training sessions were held for employees of Marafiq based on their competency needs and training need analysis done based on their performance.

Employee Engagement

To foster a positive workplace culture, Marafiq conducts annual and pulse engagement surveys. These surveys provide valuable insights into employee satisfaction and areas for improvement, helping us take informed actions to enhance the overall work environment.

- An Employee Satisfaction Survey was conducted with 88% participation rate and 68% satisfaction score.

Team-Building Activities

- **Departmental and Company-wide Events:** We organize two team-building events annually—one within departments and another for the entire organization. These activities strengthen camaraderie and collaboration among employees.
- **Town Hall Meetings:** Held twice a year, these sessions allow each department to showcase achievements, discuss challenges, and present initiatives for the coming year, fostering transparency and open communication

Employees have actively participated in various team-building activities and events, conducted both in Muscat and Duqm, including beach-cleaning and tree-planting initiatives.

By prioritizing wellness, engagement, and collaboration, Marafiq creates a workplace where employees feel valued and motivated.

8.2 Advancing Employee Learning & Growth

At Marafiq, leadership and professional growth are at the forefront of our human resources strategy.



Leadership Development

The Massar OQ Leadership Program is a key initiative designed to prepare employees for advanced roles within the organization. This program equips participants with the skills and knowledge required to excel in leadership positions.



Feedback Integration

Our training programs are continuously refined based on feedback from attendees and insights provided by training centres. This ensures that the content remains relevant and impactful, addressing the evolving needs of our workforce.



Certifications and Recognition

Most training programs culminate in certifications provided by the respective training centres, offering formal recognition for employees' achievements and completed learning journeys.

All employees of Marafiq have undertaken mandatory HSSE trainings and each employee has completed their mandatory soft skills training programs.

By investing in robust training and development initiatives, Marafiq ensures that its workforce is prepared to lead and innovate in a competitive industry landscape.

Annual Training Plan

Our annual training plan is collaboratively developed with line managers to address competency gaps. This ensures that employees have access to resources and training that enable them to thrive in their roles and contribute effectively to organizational goals.

Training Types and Hours

Employees receive approximately 40 hours annually per person focused on technical and leadership training to strengthen their professional skills.

Additionally, 24 hours annually per person are dedicated to developing soft skills, such as communication, teamwork, and adaptability, to enhance workplace interactions and efficiency.

Partnerships for Learning

Marafiq partners with renowned training providers, including Leoron, Global Horizon, and The Energy Centre, to deliver high-quality learning experiences. To further expand learning opportunities, employees have free access to LinkedIn's e-learning platform, providing a diverse range of online courses tailored to individual needs.

Through these initiatives, and with on-the-job training, Marafiq ensures a robust framework for skill enhancement and career development, fostering a workforce equipped to meet the dynamic challenges of the industry.

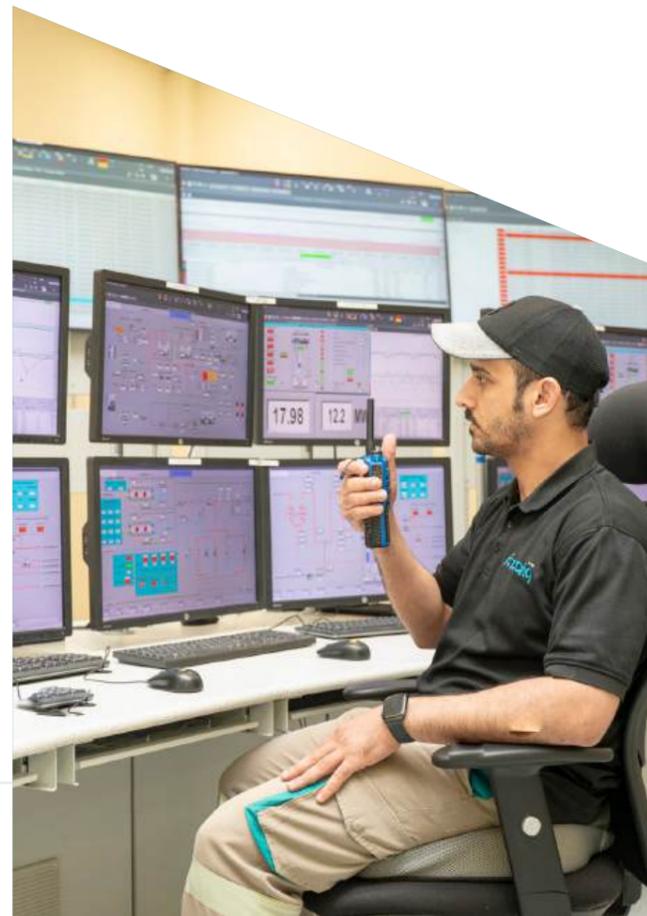
Training and Development continues to be a key priority for Marafiq as we grow our operational footprint. We intend to partner with key service providers to enhance our learning journeys.

8.3 Ensuring Health & Safety Standards

Marafiq is committed to the health and safety of its employees, customers, and surrounding communities. The company provides health insurance for all employees and their immediate family members residing in Oman, covering essential medical treatments.

At the DPC plant, we maintain a 24/7 on-call ambulance service to attend to any incidents or medical emergencies promptly. By investing in these initiatives, Marafiq nurtures a culture where safety is a shared responsibility, empowering everyone to contribute to a secure and healthy working environment.

At the core of our approach is a robust Health, Safety, and Environment (HSE) system, which includes detailed policies, procedures, and targeted training programs aimed at fostering a strong safety culture throughout the organization. We actively monitor health and safety performance metrics to identify and mitigate risks, enhancing workforce welfare and ensuring compliance with industry standards.



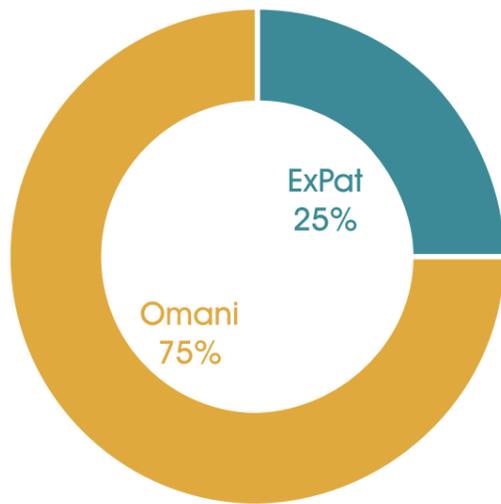
In 2024, Marafiq employees participated in a variety of HSE training programs, including first aid, fire warden training, confined space safety, and hazard identification and risk management. Internal programs like safety inductions, permit-to-work training, and Intellex system training further integrated safety practices into daily operations.

8.4 Embracing Diversity, Equity, and Inclusion

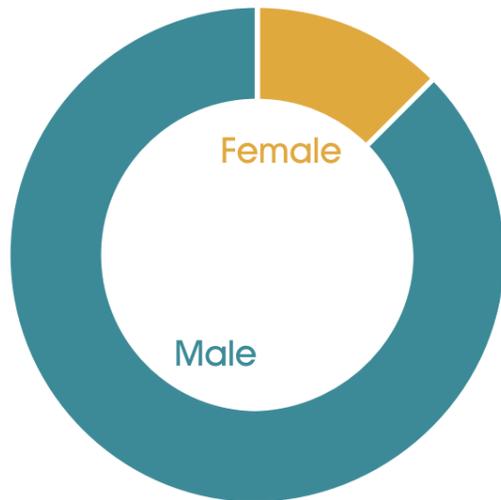
Marafiq is committed to fostering an inclusive workplace that values diversity and equal opportunities.

Workforce Overview (2024)

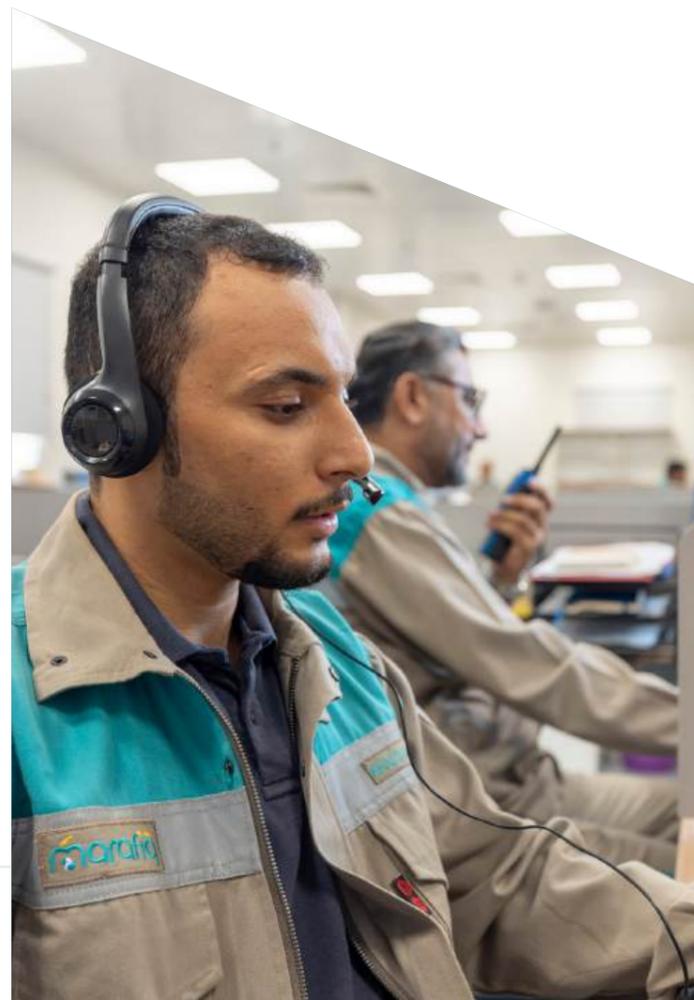
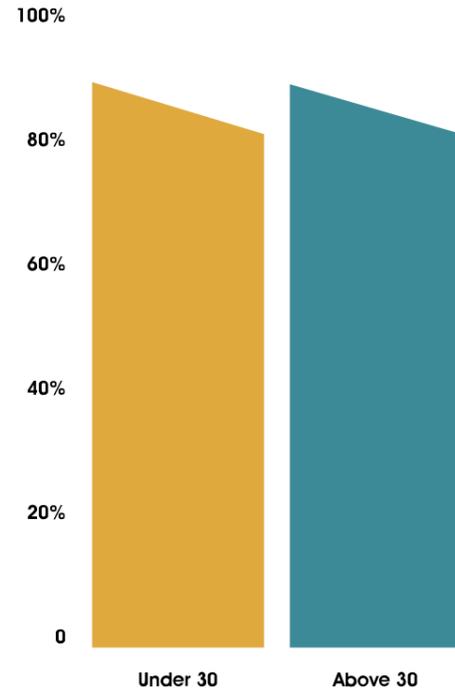
From Total Employees: 110



Gender Breakdown:



Age Distribution:



Inclusivity Initiatives

Marafiq encourages employees to actively participate in functional tasks and engagement surveys, providing them with a platform to voice their opinions and contribute to the company's growth.



Representation Enhancement

Our recruitment policies ensure equal opportunities by not specifying gender preferences, allowing a fair chance for all candidates. Marafiq has also successfully integrated individuals with disabilities into the workforce, reinforcing our commitment to inclusivity.

By embedding diversity, equity, and inclusion into our practices, Marafiq creates a culture that respects and values all individuals, driving innovation and collaboration.



People Committee at Marafiq Talent Development and Welfare

Marafiq is committed to ensure our sustainability by having talent development and encouraging staff loyalty through various measures including staff welfare. A dedicated People Committee will look at talents and welfare across our business.

The establishment of a People Committee aim to ensure that Marafiq is adequately supplied with highly capable, developed, and motivated talent, both current and future, to meet its objectives. Additionally, the committee will focus on maintaining staff welfare within the available budget, including the planning and implementation of a strong organizational culture, an effective management system, and clear processes for handling grievances and disciplinary matters.

09

Investing in Communities

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Investing in Communities

At Marafiq, we prioritize fostering a strong connection with the local community in Duqm. Our initiatives are designed to align with ESG principles and Oman Vision 2040, ensuring that our efforts contribute to the social and economic development of the region.

9.1 Volunteer Activities at Marafiq

Marafiq's team actively participate in volunteering initiatives to support the Duqm community. Key activities include:

- Organizing Beach Cleanups in Duqm: Our employees participate in beach cleanup campaigns to preserve the natural beauty of Duqm's coastline and promote environmental awareness.
- Conducting Environmental awareness program at Duqm Local Schools: We engage with students to educate them on environmental conservation, sustainability practices, and the importance of protecting their local ecosystem.

These efforts highlight our dedication to creating a positive impact through employee engagement.

9.2 Marafiq CSI Framework

Our Corporate Social Investment (CSI) Framework in Duqm focuses on addressing the unique needs of the community while aligning with national sustainability goals. This framework emphasizes:

- Empowering Local Youth through Education and Skills Development:** We support educational programs and vocational training to equip young individuals with the skills necessary for future employment opportunities.
- Supporting Environmental Initiatives that Enhance the Natural Landscape of Duqm:** Our projects aim to preserve and improve the local environment, ensuring sustainable development in the region.
- Promoting Health and Well-being through Targeted Social Programs:** We invest in health initiatives that improve the quality of life for community members, focusing on accessibility and awareness.
- Fostering Local Economic Growth by Supporting SMEs:** Empowering Small and Medium Enterprises (SMEs) through active engagement, capacity-building programs, and facilitating opportunities for participation in Marafiq's supply chain, contributing to the region's economic resilience.

9.3 Major Community Projects

Marafiq has several impactful projects in Duqm going on, such as:

- Seismic monitoring station in Duqm
- Nursery – phase 1 Marafiq 'social complex in Duqm

These projects reflect our commitment to addressing local challenges and fostering sustainable growth in Duqm.

9.4 Initiatives and Sponsorships

Marafiq has supported various community-driven initiatives and sponsorships including:

1. Building a Nursery in Al Duqm City as the First Phase of Marafiq's Social Complex

Implementation:

- Partnering with local contractors and leveraging expertise from GUTech University for sustainable construction methods like 3D printing.
- Incorporating environmentally friendly practices such as wastewater recycling for green spaces and CO₂ capture.

Impact:

- Provides essential services to young families in Al Duqm.
- Promotes early childhood development and social inclusion.
- Contributes to the overall social infrastructure of the region.

2. Sponsoring the Construction of a Strong Motion Center

Implementation:

- Collaboration with specialized institutions for the design and construction of the center.
- Integrating state-of-the-art seismic monitoring technologies.

Impact:

- Improved disaster preparedness and response in Al Duqm and surrounding areas.
- Contributes to safer infrastructure development, reducing risks to both lives and investments.

3. Sponsoring Students to Study English in the UK

Implementation:

- Selection of top-performing students for sponsorship.
- Partnerships with reputable language schools in the UK for immersive English courses.

Impact:

- Improves the language proficiency and confidence of participants.
- Equips students with skills that boost their future employability and educational opportunities.

4. Providing Free Water Network Installation for Welfare Families

Implementation:

- Identifying eligible families through local community organizations.
- Coordinating with Marafiq's engineering team for efficient and timely installations.
- Impact:
 - Improves living conditions and health outcomes for low-income families.
 - Enhances social equity by ensuring all residents have access to clean water.

5. Recognizing and Honoring Top Grade 12 Students in Al Duqm

Implementation:

- Hosting an annual awards ceremony to honor top-performing students.
- Offering certificates, trophies, and scholarships as incentives.

Impact:

- Boosts student morale and encourages a culture of academic achievement.
- Strengthens the connection between Marafiq and the educational community.

6. Providing Active Panel Screens to All Schools in Al Duqm

Implementation:

- Distributing active panel screens to all schools in coordination with local educational authorities.
- Providing training sessions for teachers on how to maximize the use of digital tools in the classroom.

Impact:

- Improves the quality of education by introducing interactive and engaging learning methods.
- Equips students with digital literacy skills crucial for future academic and professional success.

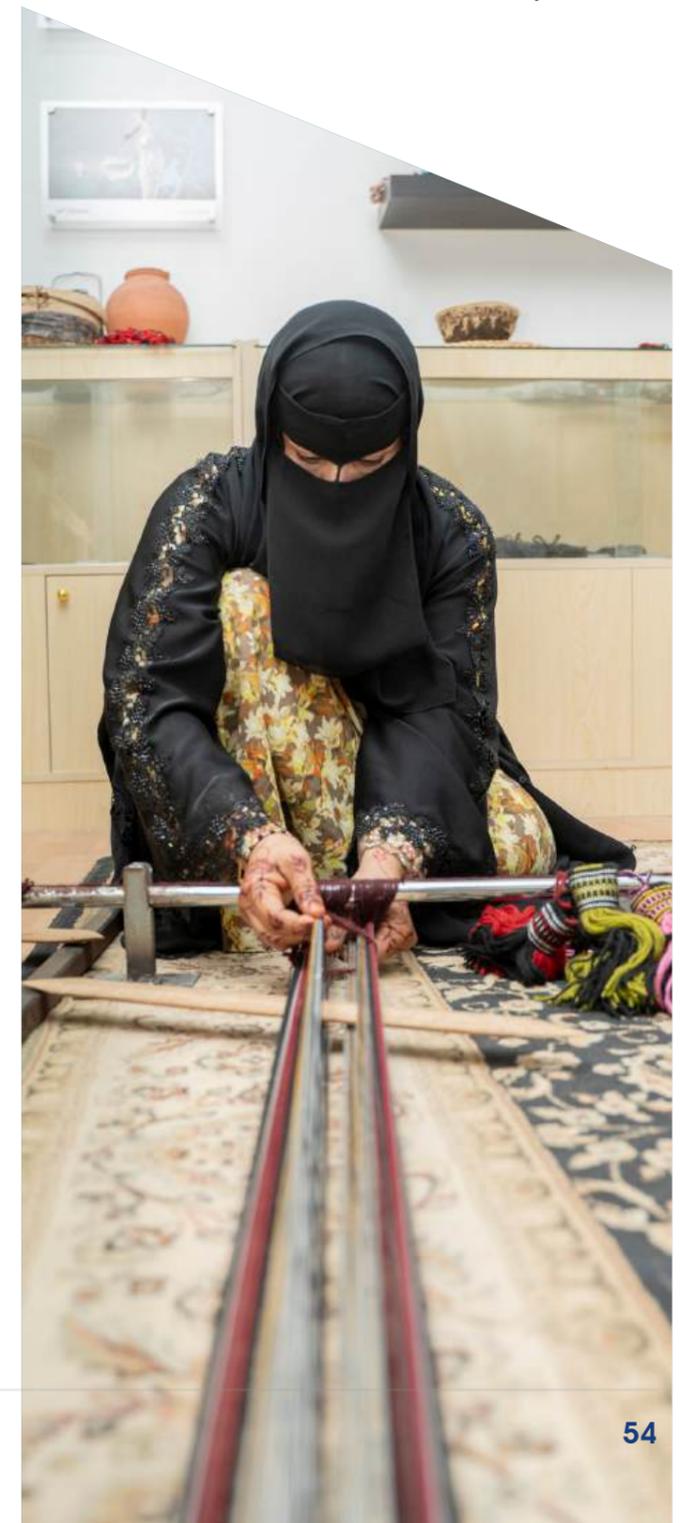
7. Sponsoring Scholarship Fees for 5 Students to Complete Higher Education up to bachelor's degree

Implementation:

- Selecting students based on academic performance and financial need.
- Providing ongoing academic and career guidance to help students succeed in their chosen fields.

Impact:

- Expands access to higher education for underprivileged students.
- Contributes to building a skilled workforce, benefitting both the students and the broader community.



10

Financial Disclosures



Financial Performance

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Financial Disclosures

10.1 Financial Performance

For the fiscal years 2023 and 2024, Marafiq Group demonstrated consistent financial performance, contributing positively to economic growth and sustainability.

DPC began operations in March 2024, marking a pivotal expansion in Marafiq’s power generation capacity. The project’s successful execution underlines Marafiq’s capability to deliver large-scale infrastructure that supports Duqm’s industrial and economic activities.

Marafiq is committed to delivering sustainable utility solutions while contributing to the economic progress of Duqm. The group aims to expand its utility offerings, integrate renewable energy solutions, and continue investing in sustainable technologies that support industrial growth.

The revenue growth of 22% from 2023 to 2024 reflects Marafiq’s expanding operations, particularly marked by the commencement of Duqm Power Company (DPC) in March 2024. Despite a decline in EBITDA, primarily due to increased operational costs, Marafiq successfully maintained its net profit, indicating strong cost control measures and effective resource management.

The group’s financial results are summarized below:

Financial Results (USD Mn)	2023	2024
Direct economic value generated through revenue	113	138
EBITDA	36	30
Net Profit	21	21

Marafiq has witnessed a growth in its financial metrics over the years. In 2024, in comparison to 2023, Marafiq’s financial highlights include:

<p>REVENUE GROWTH</p>  <p>23% Increase</p>	<p>CASH POSITION</p>  <p>217% Increase</p>	<p>IMPROVEMENT OF RO</p>  <p>16.35 million in Free Cash Flow</p>
<p>CASH RATIO</p>  <p>100% Improvement</p>	<p>ASSET TURNOVER</p>  <p>15.0% Improvement</p>	<p>FIXED ASSET TURNOVER</p>  <p>17.4% Improvement</p>



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Appendix

GRI	61
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Appendix

11.1 GRI

GRI Index			
Statement of Use:			
Marafiq has reported in accordance with the GRI Standards 2021 for the period of January 1, 2024 - December 31, 2024. The report has been prepared in accordance with the GRI Standards: Core option.			
GRI 1 Used:			
GRI 1: Foundation 2021			
GRI Standard/Other Source	GRI Disclosure	Reference Section	Omission & Reasons for Omission
General Disclosures			
The Organization and its Reporting Practice			
GRI 2: General Disclosures 2021	2-1 Organizational details	Section 4	
GRI 2: General Disclosures 2021	2-2 Entities included in the organization's sustainability reporting	Section 1.3	
GRI 2: General Disclosures 2021	2-3 Reporting period, frequency and contact point	Section 1.2	
GRI 2: General Disclosures 2021	2-4 Restatements of information		Marafiq will enhance disclosure practices for future reporting cycles
GRI 2: General Disclosures 2021	2-5 External assurance		Marafiq is not mandated to conduct external assurance at this point in time. We will consider it when appropriate
Activities and Workers			
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	Section 4	
GRI 2: General Disclosures 2021	2-7 Employees	Section 3.2, Section 8.4	
GRI 2: General Disclosures 2021	2-8 Workers who are not employees		Marafiq will expand workforce disclosures to include contractors and temporary workers in future reports
Governance			
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	Section 4.3	
GRI 2: General Disclosures 2021	2-10 Nomination and selection of the highest governance body	Section 4.3	
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	Section 2	
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	Section 4.3	
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	Section 4.3	
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	Section 5	
GRI 2: General Disclosures 2021	2-15 Conflicts of interest	Section 6.1	
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	Section 6.1	
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	Section 4.3	
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body		Marafiq will develop governance evaluation frameworks for future reporting
GRI 2: General Disclosures 2021	2-19 Remuneration policies		Marafiq will enhance remuneration policy disclosures in future reports
GRI 2: General Disclosures 2021	2-20 Process to determine remuneration		Marafiq has a transparent remuneration determination processes and will detail them in future reports
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio		This information is classified information
Strategy, Policies, and Practices			
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Section 1.1	
GRI 2: General Disclosures 2021	2-23 Policy commitments	Section 6.1	
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	Section 6.1	
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	Section 6.1	
GRI 2: General Disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns	Section 6.1	
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	Section 3.3	
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	Section 5.1	

GRI 2: General Disclosures 2021	2-30 Collective bargaining agreements		Oman does not permit collective bargaining agreements
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Section 5.2	
GRI 3: Material Topics 2021	3-2 List of material topics	Section 5.2	
Economic Standards			
Economic Performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 10	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Section 10	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Section 7.1	
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans		Marafiq will expand employee benefit disclosures in future reports
GRI 201: Economic Performance 2016	201-4 Financial assistance received from government		Marafiq will disclose government financial assistance if applicable in future reports
Indirect Economic Impacts			
GRI 3: Material Topics 2021	3-3 Management of material topics		Marafiq will develop indirect economic impact assessment methodologies
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported		Marafiq will quantify infrastructure investments in future reports
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts		Marafiq will assess and report on broader economic impacts in future reports
Procurement Practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 6.4	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Section 6.4	
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 6.1	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption		Marafiq will expand corruption risk assessment reporting
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Section 6.1	
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Section 3.3	
Environmental Standards			
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 7	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Section 7.1	
GRI 302: Energy 2016	302-2 Energy consumption outside of the organization		Marafiq will expand energy consumption reporting to include indirect consumption
GRI 302: Energy 2016	302-3 Energy intensity	Section 7.1	
GRI 302: Energy 2016	302-4 Reduction of energy consumption	Section 7.1	
GRI 302: Energy 2016	302-5 Reductions in energy requirements of products and services	Section 7.1	
Water and Effluents			
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 7.2	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Section 7.2	
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	Section 7.2	
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	Section 7.2	
GRI 303: Water and Effluents 2018	303-4 Water discharge	Section 7.2	
GRI 303: Water and Effluents 2018	303-5 Water consumption	Section 7.2	
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 7.1	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Section 7.1	
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Section 7.1	
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions		Marafiq will develop Scope 3 emissions assessment methodologies

GRI 305: Emissions 2016	305-4 GHG emissions intensity		Marafiq will calculate and report GHG emissions intensity metrics in future reports
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	Section 3.1, Section 7.1	
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)		Marafiq will assess ODS emissions if applicable to operations
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		Marafiq will expand air emissions monitoring and reporting in future reports
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 7.2	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Section 7.2	
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Section 7.2	
GRI 306: Waste 2020	306-3 Waste generated	Section 7.2	
GRI 306: Waste 2020	306-4 Waste diverted from disposal	Section 7.2	
GRI 306: Waste 2020	306-5 Waste directed to disposal	Section 7.2	
Supplier Environmental Assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics		Marafiq will develop supplier environmental assessment frameworks for future reports
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria		Marafiq will implement environmental screening for new suppliers
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken		Marafiq will assess and address environmental impacts in supply chain
Social Standards			
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 8	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Section 8.4	
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Section 8.3	
Occupational Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 8.3	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Section 8.3	
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	Section 3.2	
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	Section 3.2	
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	Section 3.2	
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	Section 3.2	
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	Section 3.2	
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Section 3.2	
GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	Section 3.2	
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	Section 3.2	
GRI 403: Occupational Health and Safety 2018	403-10 Work-related ill health	Section 3.2	
Training and Education			
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 8.2	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Section 3.2, Section 8.2	
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Section 8.2	
Diversity and Equal Opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 8.4	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Section 8.4	
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men		This information is classified information

Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics		Marafiq will develop non-discrimination policy frameworks
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		Marafiq maintains zero-tolerance discrimination policies
Local Communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	Section 9	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Section 9	

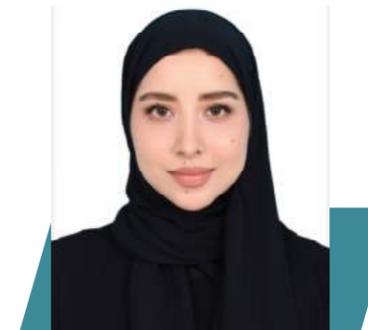
11.2 Acknowledgments & Contributions



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Sustainability Report
2024