

**Responsible Procurement
Guidelines for Third-party Suppliers &
Vendors**

TABLE OF CONTENT

1.0	Introduction	2
1.1	Purpose.....	2
1.2	Scope	2
1.3	OQ's Vision for Sustainable Supply Chain	2
1.4	How Vendors Benefit	3
2.0	OQ's Expectations from Vendors	3
3.0	Supplier Screening	3
3.1	Process Description	3
3.2	Screening Criteria	4
4.0	Self-Assessment Tool.....	7
4.1	Self-assessment checklist	7
5.0	Support and Contact Information.....	7
6.0	Definitions	7
7.0	Related Documents	7
8.0	Appendix A: Self-assessment Checklist.....	9
9.0	Appendix B: Applicable international and national regulations, conventions, standards, guidelines, and ambitions.....	11

1.0 Introduction

1.1 Purpose

This document outlines the Responsible Procurement Guidelines intended to assist vendors and suppliers in aligning their offerings and practices with the sustainability and ethical standards required by OQEP. The primary objectives for these guidelines are:

- **To detail the practices and standards** that OQEP expects all vendors to adopt and maintain.
- **To support vendors in enhancing the sustainability of their operations**, emphasizing environmental and social responsibility.
- **To guide vendors in adopting continuous improvement practices** that enhance their alignment with OQEP's sustainability goals.
- **To foster a collaborative relationship** with vendors that is based on mutual understanding of sustainability goals, thereby strengthening the overall supply chain and allowing room for opportunity, innovation and collective growth.

1.2 Scope

These guidelines apply to all vendors engaged with OQEP and its subsidiaries, encompassing all direct and indirect procurement activities across multiple tiers of the supply chain.

1.3 OQEP's Vision for Sustainable Supply Chain

Responsible procurement at OQEP means engaging in procurement practices that minimize negative impacts and maximize positive outcomes for the environment, society, and the economy, thereby supporting our overarching sustainability objectives (see OQEP Sustainability Policy). Our procurement practices are guided by six key principles: **Ethical and Legal Compliance, Environmental Responsibility, Social and Economic Wellbeing, Governance and Transparency, Supplier Engagement, and Health, Safety, Security, and Environment (HSSE)**. For more detailed information on each principle, vendors are encouraged to refer to the [Responsible Procurement Framework](#).

OQEP aims to extend these responsible practices throughout the entire supply chain, aligning with Oman Vision 2040's¹ goals to foster a competitive economy, enhance social well-being, and ensure environmental sustainability. We encourage our vendors to adopt these practices to help build a more sustainable and ethically responsible supply chain.

¹ [Oman Vision 2040](#) is a national framework aimed at driving sustainable economic growth, social well-being, and environmental stewardship, fostering a diversified economy, empowered society, and resilient infrastructure for a prosperous future.

1.4 How Vendors Benefit

By aligning with OQEP's sustainability standards, vendors enhance their operational efficiency and compliance, positioning themselves advantageously amid growing regulatory pressures and market expectations for sustainable practices. This alignment opens opportunities for deeper collaboration with OQEP, access to broader markets, and potential for long-term business growth driven by shared values in sustainability.

2.0 OQEP's Expectations from Vendors

OQEP expects all vendors to commit to the principles detailed in the [OQEP Third Party Code of Conduct](#), which emphasizes compliance with legal standards, ethical business practices, and responsibility towards people and the environment. For comprehensive guidelines on anti-corruption, fair competition, data security, and supply chain integrity, vendors should consult the Code directly. This ensures alignment with our sustainability and ethical goals across all vendor activities.

3.0 Supplier Screening

OQEP utilizes a detailed supplier screening process within the [Tawreed Portal](#), aimed at confirming compliance with our Environmental, Social, and Governance (ESG) standards, essential for upholding the integrity of our supply chain.

3.1 Process Description

During the registration stage in the [Tawreed Portal](#), vendors are required to respond to a series of general ESG questions. Based on their responses, vendors are categorized as 'Basic', 'Intermediate', or 'Advanced'.

- **Basic:** Vendors that meet fundamental legal, ethical, and operational standards, ensuring compliance with essential requirements.
- **Intermediate:** Vendors that demonstrate structured processes, some relevant certifications, and partial alignment with industry standards.
- **Advanced:** Vendors that exhibit comprehensive and well-documented practices, formal certifications, and a strong commitment to continuous improvement and sustainability.

This initial categorization helps tailor subsequent questionnaires that further assess their specific ESG practices and alignment with OQEP's standards.

Vendors are then directed to complete an additional set of questions based on their initial categorization. The performance in these assessments determines their labelling as either 'Preferred' or 'Provisional':

- **Preferred:** Vendors that meet or exceed all ESG criteria, eligible for partnership without additional ESG conditions. *These vendors are highly valued and prioritized in procurement decisions, receiving advantages such as preferred status in bidding processes, longer-term contracts, and opportunities for collaboration on new projects.*

- **Provisional:** Vendors that partially meet ESG standards, given a timeframe to comply with additional requirements.

Vendors that do not meet critical ESG criteria are currently not disqualified from consideration. However, a disqualification category may be activated in future phases of OQEP's Sustainable Procurement efforts, leading to exclusion of such vendors from partnership opportunities.

Sustainability evaluation results are integrated into the vendor selection process along with technical and commercial evaluations, enhancing the overall selection process and contributing to the In-Country Value (ICV) initiatives in line with the goals of Oman Vision 2040.

3.2 Screening Criteria

3.3 Theme 1: Ethics and Legal Compliance

OQEP encourages its vendors to uphold the highest standards of ethics and legal compliance. Vendors are urged to implement formal codes of conduct and comprehensive anti-corruption measures, including robust monitoring, regular audits, and ongoing staff training. This commitment extends to the establishment of certified Environmental Management Systems (EMS) that promote sustainable practices such as waste reduction and energy conservation, as well as rigorous monitoring and reporting of carbon emissions across all scopes.

Examples of good practice:

- Establish a publicly accessible code of conduct detailing ethical standards and behaviours expected from employees and management. Ensure regular training and updates to keep it relevant.
- Implement a comprehensive anti-corruption program including risk assessments, detailed policies, regular training for all levels of staff, and a confidential whistleblowing mechanism. Conduct external audits annually.
- Active management of environmental aspects, such as waste reduction and energy conservation, with clear targets and regular progress reports.
- Maintenance of an Environmental Management System (EMS), certified to ISO 14001 or equivalent standards, that ensures systematic follow-up on environmental performance.
- Robust systems for the continuous monitoring and reporting on Scope 1 and Scope 2 emissions, with efforts aimed at significant reduction based on set targets.

- Structured tracking and reporting of Scope 3 emissions with strategies in place to engage suppliers and other third parties in emissions reduction.
- Set ambitious, science-based carbon reduction targets that are aligned with international agreements such as the Paris Agreement. Regularly report progress and adjust targets as needed.
- Set ambitious, quantifiable targets for increasing the use of renewable energy, e.g., 75% reliance on renewable energy by 2030, or specific annual increases, supported by investment in renewable technologies and/or offering alternative fuel and energy services that have renewable energy in their mix.

Refer to Appendix A for a detailed list of questions related to this theme.

Refer to Appendix B for a list of national and international regulations, conventions, standards, guidelines, and ambitions related to this theme.

3.3.1 Theme 2: Social and Economic Wellbeing

OQEP promotes a responsible approach to social and economic wellbeing among its vendors. This includes comprehensive health and safety measures, with a strong preference for vendors possessing certified Occupational Health and Safety Management Systems, such as ISO 45001. Vendors are also encouraged to adhere to both local and international labour laws, ensuring the absence of child or forced labour in their operations. Additionally, OQEP values vendors who actively engage in employee development and community investment, setting clear targets to enhance their contributions to society.

Examples of good practice:

- Implementation of essential health and safety measures such as emergency response procedures, safety training, and provision of personal protective equipment, ensuring a safe working environment for all employees.
- Maintenance of an Occupational Health and Safety Management System (OHSMS), certified to ISO 45001 or equivalent standards, which demonstrates a high standard of occupational health and safety practices through rigorous external audits and certifications.
- Strict adherence to international labour standards, such as those set by the International Labour Organization (ILO), including provisions to prevent child and forced labour, and routine participation in external audits to ensure compliance.
- Full compliance with local labour laws, including all regulations regarding working conditions, minimum wage, and child/forced labour, verified through regular internal and third-party audits.

- Active engagement with international labour standards, regular updates to align with best practices, and transparent reporting of audit results to stakeholders.
- Implementation of comprehensive employee development programs that support career growth, including training, mentoring, and continuous learning opportunities aligned with the company's strategic goals, as well as health and wellbeing support programmes.
- Establishment of clear, measurable targets for community investment, such as allocating a specified percentage of annual profits to local development projects, and a commitment to increasing these contributions over time.

Refer to Appendix A for a detailed list of questions related to this theme.

Refer to Appendix B for a list of national and international regulations, conventions, standards, guidelines, and ambitions related to this theme.

3.3.2 Theme 3: Governance and Quality Management

OQEP supports a transparent approach to governance, urging vendors to adopt and maintain practices such as comprehensive risk assessments, standardized reporting procedures, and detailed record-keeping that ensures integrity and accountability. We also encourage vendors to establish and maintain quality control systems certified to recognized standards such as ISO 9001 for Quality Management Systems (QMS), enhancing the consistency and reliability of their products and services.

Good practice:

- Conducting comprehensive risk assessments to proactively manage potential ethical, legal, and operational risks, ensuring ongoing compliance and safeguarding operational integrity.
- Maintenance of a Quality Management System (QMS) certified to ISO 9001 or equivalent standards, ensuring consistent quality and continuous improvement in products and services.
- Ensuring transparency and accountability through standardized reporting on sustainability, financial, and operational performance.

Refer to Appendix A for a detailed list of questions related to this theme.

Refer to Appendix B for a list of national and international regulations, conventions, standards, guidelines, and ambitions related to this theme.

3.3.3 Theme 4: Responsible Procurement

OQEP encourages vendors to align with sustainable procurement frameworks such as ISO 20400 or BES 6001. OQEP also values vendors who engage proactively with their

supply chains to drive innovation in products, services, and solutions, enhancing both sustainability and business value.

Good practice:

- Adoption of sustainable procurement practices that are in line with recognized frameworks such as ISO 20400 or BES 6001, integrating environmental, social, and economic factors into both purchasing decisions and service offerings.
- Active engagement programs with the supply chain to foster innovation in products, services, and solutions, including collaborative development projects, shared innovation labs, and partnership-driven sustainability initiatives.

Refer to Appendix A for a detailed list of questions related to this theme.

Refer to Appendix B for a list of national and international regulations, conventions, standards, guidelines, and ambitions related to this theme.

4.0 Self-Assessment Tool

4.1.1 Self-assessment checklist

To facilitate vendors' self-evaluation and ensure they meet OQEP's sustainability criteria, a comprehensive self-assessment checklist is provided in Appendix A. This checklist helps vendors review their own practices against the standards expected by OQEP, identifying areas of compliance and highlighting opportunities for improvement.

5.0 Support and Contact Information

For inquiries related to these guidelines or compliance requirements, please contact the OQEP Vendor Management Team via email at oq.vendor.management@oq.com. We encourage vendors to provide feedback to continually enhance these guidelines and better support your efforts towards sustainable, ethical and responsible procurement practices. Feedback can be directed to the Vendor Management Team Email address.

6.0 Definitions

OQEP: OQ Exploration & Production.

Vendor: Any third party such as supplier, contractor, consultant, or service provider, who provides goods or services to OQEP.

7.0 Related Documents

- [OQEP Responsible Procurement Framework](#).
- [OQEP Third Party Code of Conduct](#)
- [OQEP Sustainability Policy](#)

8.0 Appendix A: Self-assessment Checklist

The following questions² are tailored to vendors based on their assigned maturity level (refer to section 3.1 Process Description for details on each level). Vendors may also use this as a self-assessment checklist.

No.	Criteria	Questions	Yes/No	Supporting documents
Theme 1: Ethics and Legal Compliance				
1	Code of Conduct	Do you have a formal code of conduct?		
3	Anti-corruption	Do you have comprehensive measures to prevent corruption and bribery (e.g., robust monitoring, regular audits, staff training, etc.)?		
3	Environmental management	Do you have any environmental management practices in place (e.g., waste reduction or energy conservation)?		
4	Environmental Management System (EMS)	Do you have an Environmental Management System (EMS) in place, certified to ISO 14001 or equivalent?		
5	Scope 1 & 2 emissions	Do you have a comprehensive mechanism for monitoring and reporting Scope 1 and Scope 2 emissions?		
6	Scope 3 emissions	Do you have a comprehensive mechanism for monitoring and reporting Scope 3 emissions?		
7	Carbon emissions reduction targets	Do you set specific targets for reducing carbon emissions? For example, committing to achieve net-zero emissions by 2050 or reducing carbon emissions by 50% within the next 5 years.		
8	Renewable energy usage targets	Do you set specific targets to increase the use of renewable energy? For example, aiming to source 100% of your energy from renewable sources by 2030, or having a target to increase renewable energy usage by 25% over the next five years.		
Theme 2: Social and Economic Wellbeing				
9	Health & safety measures	Do you have basic health and safety measures in place for your employees?		
10	Health & safety measures	Do you have an Occupational Health and Safety Management System (OHSMS) in place?		
11	Health & safety measures	Do you have a certified Occupational Health and Safety Management System (OHSMS), such as ISO 45001, in place?		
12	International labour laws	Do you comply with relevant international labour laws and ensure no child or forced labour in your operations?		

² Questions are subject to continuous improvement.

13	Local labour laws	Do you comply with local labour laws and ensure no child or forced labour in your operations?		
14	International labour standards	Do you comply with international labour standards (e.g., ILO Conventions) and actively engage in third-party audits?		
15	Employee development programmes	Do you have employee development and support programmes?		
16	Community investment	Do you set specific targets for community investment/engagement? For example, aiming to allocate 2% of the annual profits to community development projects, or setting a goal to increase community investment by 20% within the next 3 years.		
Theme 3: Governance and Quality Management				
17	Product/service quality control	Do you have a basic quality control system in place?		
18	Quality Management System (QMS)	Do you have a Quality Management System (QMS) in place, certified to ISO 9001 or equivalent?		
19	Risk management	Do you implement a risk management methodology to identify, assess, and mitigate risks related to your operations?		
20	Transparency and reporting	Do you publish stakeholder reports such as sustainability reports, financial reports, social or environmental impact reports, etc.?		
Theme 4: Responsible Procurement				
21	Sustainable procurement practices	Do you follow sustainable procurement practices in line with industry standards (e.g., partial adherence to sustainability frameworks like ISO20400 or BES 6001)?		
22	Supply chain engagement	Does your organization have programs in place to engage with your supply chain on driving innovation in products, services, and solutions?		

9.0 Appendix B: Applicable international and national regulations, conventions, standards, guidelines, and ambitions³

Criteria	Applicable international regulations, conventions, standards, and guidelines	Applicable Omani regulations, standards, and ambitions
Theme 1: Ethics and Legal Compliance		
Anti-corruption	<ul style="list-style-type: none"> United Nations Convention against Corruption (UNCAC) OECD Anti-Bribery Convention Business Principles for Countering Bribery produced by Transparency International Ethical Trading Initiative ISO 37001: Anti-bribery Management Systems 	<ul style="list-style-type: none"> Royal Decree 64/2013 (mandates adherence to the UN Convention Against Corruption)
Environmental management	<ul style="list-style-type: none"> ISO 14001: Environmental Management Systems Convention on Biological Diversity (CBD) 	<ul style="list-style-type: none"> The Law on the Conservation of the Environment and Prevention of Pollution (Royal Decree No. 114/2001)
Scope 1 & 2 emissions	<ul style="list-style-type: none"> Greenhouse Gas Protocol Corporate Standard (Scope 1 and Scope 2) Paris Agreement (indirectly via national determined contributions) 	<ul style="list-style-type: none"> Oman's commitments under the Paris Agreement (NDC)⁴ The Sultanate of Oman's National Strategy for an Orderly Transition to Net Zero
Scope 3 emissions	<ul style="list-style-type: none"> Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard 	
Carbon emissions reduction targets	<ul style="list-style-type: none"> The Paris Agreement⁵ Science Based Targets initiative (SBTi) 	
Renewable energy usage targets		<ul style="list-style-type: none"> Oman Vision 2040⁶
Theme 2: Social and Economic Wellbeing		
Health & safety measures	<ul style="list-style-type: none"> International Labour Organisation (ILO) Convention on Occupational Safety and Health ISO 45001: Occupational Health and Safety Management Systems 	<ul style="list-style-type: none"> Oman Labour Law Oman Society for Petroleum Services (OPAL) Camp Standards

³ The list is non-exhaustive, is subject to continuous improvement, and does not include industry-specific standards and regulations.

⁴ Oman's commitments under the Paris Agreement, as outlined in its second Nationally Determined Contribution (NDC), include a pledge to reduce greenhouse gas (GHG) emissions by 7% relative to a business-as-usual scenario by 2030.

⁵ The Paris Agreement is a global treaty adopted in 2015 under the United Nations Framework Convention on Climate Change (UNFCCC), aimed at limiting global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels by fostering greenhouse gas emissions reduction, adaptation, and finance arrangements.

⁶ Oman Vision 2040 is a national framework aimed at driving sustainable economic growth, social well-being, and environmental stewardship, fostering a diversified economy, empowered society, and resilient infrastructure for a prosperous future.

<p>National and international labour laws</p>	<ul style="list-style-type: none"> ▪ International Labour Organisation Core Conventions on Rights at Work: <ul style="list-style-type: none"> ▪ ILO Convention on Freedom of Association and Collective Bargaining ▪ ILO Convention on Hours of Work ▪ ILO Convention on Minimum Age ▪ ILO Convention on the Worst Forms of Child Labour ▪ ILO Convention on Forced Labour ▪ ILO Convention on Abolition of Forced Labour ▪ ILO Convention on Equal Remuneration ▪ ILO Convention on Discrimination (Employment and Occupation) ▪ United Nations Guiding Principles on Business and Human Rights (UNGPs) 	
<p>Employee development programmes</p>	<ul style="list-style-type: none"> ▪ United Nations Global Compact Principles on Human Rights and Labor ▪ OECD Guidelines for Multinational Enterprises (on employee development) 	
<p>Community investment</p>	<ul style="list-style-type: none"> ▪ ISO 26000: Guidance on Social Responsibility 	
Theme 3: Governance and Quality Management		
<p>Product/service quality control</p>	<ul style="list-style-type: none"> ▪ ISO 9001: Quality Management Systems 	
<p>Risk management</p>	<ul style="list-style-type: none"> ▪ ISO 31000: Risk Management Guidelines ▪ ISO 19600: Compliance Management Systems 	
<p>Transparency and reporting</p>	<ul style="list-style-type: none"> ▪ GRI Standards and other (such as but not limited to SASB, CDP etc.) 	
Theme 4: Responsible Procurement		
<p>Sustainable procurement practices and supply chain engagement</p>	<ul style="list-style-type: none"> ▪ ISO 20400: Sustainable Procurement (Guidelines) ▪ BES 6001: Framework Standard for Responsible Sourcing 	