Social Impact Assessment Report

Liwa Plastic Industries Complex

9 November 2015
## Issue and Revision

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Section 1. Introduction

Oman Oil Refineries and Petroleum Industries Company (Orpic) is one of Oman’s largest companies and a rapidly growing business in the Middle East’s oil industry. Orpic currently operates oil refineries (MAF and Sohar Refinery), an aromatics plant and a polypropylene plant at its complex located within the port of Sohar Oman. The Liwa Plastics Industries Complex (LPIC) is a new project by Orpic and the focus of this report. It is to be noted that the project is being developed within existing industrial areas, designated by the Government of Oman. The project is mostly in barren, sparsely populated areas. This report aims to capture the socio-economic baseline of the project to identify potential impacts and develop corresponding management and monitoring programs. The map of Oman showing all the regions and main towns is illustrated below\(^1\).

Figure 1: Map of Oman

\(^1\) Map source: http://www.mapsofworld.com/oman/
The 2014 official population numbers per region is illustrated below\(^2\).

**Figure 2: 2014 Population Statistics**

**Limitations**

The local operating environment and governmental process in Oman presents the following limitations:

- Access to publically available information in Oman is a challenge. In particular, socio-economic information is difficult to source and obtain and there is no integrated system for data collection at the government level. Records exist in various ministries and governmental authorities however data is either lacking or underreported.

- Stakeholder consultations with local communities are typically done at a governmental level (vs. corporate level) and the types of surveys and discussions need to be tailored to the local sensitivities (for e.g. health indicators, social activities, etc. are not freely discussed and could be perceived as interrogatory and invasive). Furthermore, communication protocol locally is conducted through the village leaders (known as Wali’s of Sheikh’s) vs. the community members. Therefore actual perceptions may not be represented.

- The last national census was conducted in 2010 at the local community/village level. The latest statistical data published in 2015 only include high-level macro population and socio-

\(^2\) National Center for Statistics and Information, Oman, 2014 published data
economic figures (i.e. no village/community level details). Only government organizations (particularly, National Center for Statistics and Information) are authorized to perform the census and report population figures.

In light of these challenges and appreciating the need to meet international standards, Orpic developed its own tools to inform the socio-economic baseline and develop this report. These tools included:

- **Rapid Rural Assessment**: Orpic conducted a windshield survey to capture visual observations on the social dynamics, community resources and infrastructure.

- **Stakeholder Consultations**: Orpic conducted stakeholder consultations with village representatives along each project component to discuss the project and gather their concerns and feedback on the project.

- **Focus Group Discussion**: Orpic conducted a focus group discussion with Orpic employees who live within the villages next to the petrochemical complex. A social survey was shared and they each contributed.

- **Key Informant Interviews**: Orpic conducted interviews/informal discussions with key informants to help inform the baseline. These included health professionals around the project area and professors at local Universities.

- **Local Statistics**: Where available, Orpic references relevant studies and statistics to supplement and validate the findings from consultations and further inform the socio-economic baseline.

The stakeholder consultation process is ongoing throughout the duration of the project and will serve to inform, verify and update the socio-economic baseline information presented in this report. Traditionally, communication and consultation sessions are through village leaders/representatives (known as Wali or Sheikh) however Orpic is making every effort to consult directly with a range of representatives and the directly affected local communities. The SIA will be updated once relevant studies and statistics become available in Oman at a local community level and further consultations are conducted with project affected parties.

**Project overview**

The Liwa Plastics Industries Complex (LPIC) is a steam cracker project which will process light ends produced in Orpic’s Sohar Refinery and its Aromatics plant as well as optimize Natural Gas Liquids (NGL) extracted from currently available natural gas supplies. The NGL will be extracted from a plant at Fahud and transported via a pipeline to a petrochemical complex at Sohar. The overall project location from the extraction plant at Fahud to the complex at Sohar is illustrated in Figure 3.
The overall project timeline is present in Figure 4.
Purpose of the Social Impact Assessment (SIA)

This document serves to complement the Environmental Impact Assessment (EIA) and outline how LPIC is assessing and managing social risks of the project in accordance with the Equator Principles (EP), IFC Performance Standards (PS) and the associated Environmental, Health and Safety (EHS) Guidelines. This report has been prepared by HMR Environmental Engineering Consultants (HMR) on behalf of Orpic to fulfill the IFC PS1 requirement (assessment and management of environmental and social risks and impacts).

The key aims and objectives of the SIA include:

- To provide an accurate representation of the social, cultural and economic conditions of the population surrounding the project components;
- To identify the potential socio-economic positive and negative impacts of the construction, operations and decommissioning and closure phases of the proposed project;
- To develop attainable mitigation measures to enhance positive impacts and to eliminate, reduce or avoid negative impacts; and
- To develop management and monitoring measures to be implemented throughout the life of the project.

The approach and methodology that was employed during the socio-economic assessment included desktop review of relevant country reports and documentation pertaining to the project area of influence, government publications and legislation, and previous social project reports, and qualitative and quantitative fieldwork data collection. Socio-economic fieldwork comprised of the following:

- **Rapid rural assessment**: Orpic HSE and external communications team conducted an assessment of the project area by driving through the project route, noting key developments, and conducting one-on-one meetings with affected people/villages within the project influence area.
- **Social survey**: Surveys were undertaken by representatives from 7 villages around the petrochemical complex. The key focus of the survey was to understand household composition, education levels, general health status, livelihood strategies, employment, and income and expenditure.
- **Focus group meeting**: Discussions were conducted to brief the project affected people on the project components, summarize the environmental and social impacts (during construction,

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3 Three EIA’s have been prepared for each project component (NGLE, Pipeline and Petrochemical Complex) in accordance with the Oman Ministry of Environment and Climate Affairs (MECA) Guidelines on Environmental Impact Assessed. MECA is the environmental regulatory authority for issuing permits in Oman. LPIC has obtained preliminary environmental permits for the project as of June 2015.
operation and decommissioning) and understand their lifestyle, dependencies, opportunities, administrative and hierarchical systems within the community, land ownership, and social concerns in relation to the proposed project.

**Project Description**

The LPIC project is Orpic’s latest expansion, and will consist of the following core components:

- An NGL extraction plant in Fahud (NGLE Plant);
- 300 km NGL pipeline between Fahud and SIPA;
- The Petrochemical Complex (PC) consisting of the following
  - An 863,000 t/y Steam Cracker Unit (SCU);
  - HDPE Plant;
  - LLDPE Plant;
  - MTBE Plant;
  - Polypropylene Plant; and
  - Pygas Hydrotreater Unit (PGHYD)

The NGLE Plant at the Fahud Site is the most upstream component of LPIC Project. The NGLE Plant will recover Ethane and heavier components from rich natural gas by a cryogenic process. Rich natural gas which is the feed gas will be sourced from both Government Gas Plant (GGP) in Yibal and Central Processing Plant (CPP) in Saih Rawl.

NGL (C2+) extracted from proposed the NGLE Plant is to be located near the existing Fahud Compressor Station (FCS) shall be transported to the PC Complex via a proposed 300 km pipeline in liquid phase. The proposed pipeline is to be collated within the existing Oman Gas Company’s (OGC) 32” natural gas pipeline (right of way (ROW)) from Fahud to Sohar.

The PC proposed in the SIPA will include a nominal 863 kilo tons per annum ethylene cracking plant, high density polyethylene (HDPE) plant, linear low density polyethylene plant (LLDPE), new polypropylene plant, methyl tertiary butyl ether (MTBE) plant, Butene-1 plant and associated utility and offsite facilities. The PC will be integrated with the existing Sohar Refinery, Aromatics Plant and Polypropylene Plant. NGLs (C2+) extracted at the NGLE Plant forms one of the feedstock for the PC. Other feed-stocks are mixed LPG produced in the Sohar Refinery and aromatics complex, dry gas produced in the RFCC unit and new delayed coking unit that is included in the SRIP, and condensate (light naphtha) imported from OLNG by marine tanker. Some of the materials produced in the PC, including hydrogen, MTBE, pyrolysis fuel oil and hydro-treated pyrolysis gasoline will be returned to the Sohar Refinery, Aromatics Plant and existing Polypropylene Plant.
Project location

The project components are located on land designated by the Government of Oman for industrial development. Each segment of the project is being developed in areas with existing industrial activity. The NGLE is within an Oil & Gas concession, the pipeline is within Oman Gas Company (OGC) existing government gas pipeline route, and the Petrochemical Complex is within the Sohar Industrial Port Area.

NGLE Plant

The proposed NGLE is located on approximately 100 ha of land within the Petroleum Development Oman (PDO) concession area near Block Valve Station 2 (BVS2) of the Government’s main gas pipeline. Proximity to the natural gas line is the main consideration for the selection of this site. The site is located about 56 km east of GGP n Yibal and about 100 km north of CPP) in Saih Rawl.

Pipeline

The NGL pipeline begins at the battery limits of Fahud Site and ends at the boundary limits of Sohar Site covering a total distance of about 300 km. The proposed NGL pipeline will be constructed in parallel to the existing 32” OGC gas pipeline. An image of the site is shown in Error! Reference source not found..

Petrochemical Complex (PC) in SIPA

The proposed project site for PC will be spread on two plots and located adjacent to the Sphar Refinery Improvement Project (SRIP) in the Sohar Industrial Port Area (SIPA) which is a dedicated industrial area. The PC will be integrated with the Sohar Refinery, Aromatics complex and Polypropylene Plant. SIPA is spread on an area of 132 km² and located on Al Batinah coast about 20 km north of Sohar and 220 km from Muscat. The site location is shown in Figure 3.

A part of the LPIC is located on the southern boundary of the SIPA while the other is located on the south eastern end and covers an area of about 100 ha. Plot 1 of the PC will have an interface with the Aromatics Complex on the eastern side, and the Polypropylene Facility on the northern side and proposed PET/PTA complex on the western side. Plot 2 is located on the eastern side of the SRIP. Below is a layout of SIPA.
Project Affected Population Centres

The project components are located within government designated industrial areas with previous developments already in place. The NGLE and the Pipeline route are located within very sparsely populated areas and barren landscapes. This section presents an overview of the population centers with more detailed information included in Section 2 of this report.

NGLE Plant

The proposed NGLE is located on about 100 ha of land area within PDO’s concession area near Block Valve Station 2 (BVS2) of the Government’s main gas pipeline. The nearby human settlement is the plant township at Fahud. The population at Fahud comprises industrial workers and total 3,729.

Pipeline Route

The NGL pipeline begins at the battery limits of Fahud Site and ends at the boundary limits of Sohar Site covering a total distance of about 300 km. The pipeline corridor passes through 3 governorates, the Ad Dhahirah Governorate, Al Buraimi and the North Al Batinah Governorate. The Muscat Governorate is the centre of government and major urban centre in Oman. The Al Batinah Region occupies a vital geographical location on the coast of the Gulf of Oman. It is confined to a coastal strip of 25 km between the Gulf of Oman and the foot of the Al Harj Al Gharbi mountains. The coastal Al Batinah Plain is the key region for agriculture, industry and settlement.
There are 5 small villages within a 50-100m or more buffer away from the pipeline route. The population figures as per the 2010 census and validated/estimated by the consultations and windshield surveys are as follows:

**Table 1: Population along Pipeline**

<table>
<thead>
<tr>
<th>Village</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saqah</td>
<td>60</td>
</tr>
<tr>
<td>Kashishat Al Melh</td>
<td>58</td>
</tr>
<tr>
<td>Al Jaylat</td>
<td>15</td>
</tr>
<tr>
<td>Al Jall</td>
<td>10 (estimated from windshield survey)</td>
</tr>
<tr>
<td>Wili</td>
<td>10 (estimated from windshield survey)</td>
</tr>
</tbody>
</table>

**Petrochemical Complex in SIPA**

The project site is located within SIPA, an area designated for industrial development. However, the current socio-economic condition near the project influence area (5km radius from both the polymer area and the steam cracker unit) has been established based on published documents and previous studies conducted in the area. The project site falls under the North Al Batinah Governorate, which lies between Khatmat Malahah in the North and Al Musanaah in the South and confined between the Al Hajar Mountains to the West and the Gulf of Oman to the East. It is located within SIPA, which comes under the Wilayat Liwa and characterized under industrial land use. There are 10 villages lying within a 5km radius of the project site. Out of these 10 villages, 7 come under the Wilayat of Liwa and 3 are part of Wilayat of Sohar. Analysis of all aspects of the socio-economic profile was carried out at the micro level entailing these individual villages as well as the PIA as a whole. The village population as per the 2010 census is summarized in the table below.

**Table 2: Population along Pipeline**

<table>
<thead>
<tr>
<th>Village</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ghadfan</td>
<td>7324</td>
</tr>
<tr>
<td>Al Ghuzayyil</td>
<td>2473</td>
</tr>
<tr>
<td>Harmul</td>
<td>2120</td>
</tr>
<tr>
<td>Al Mukhaylif</td>
<td>1822</td>
</tr>
<tr>
<td>Wadi Al Qasab</td>
<td>1680</td>
</tr>
<tr>
<td>Wqdat Al Mawani</td>
<td>1526</td>
</tr>
<tr>
<td>Al Hadd</td>
<td>913</td>
</tr>
<tr>
<td>AL Khuwairiya</td>
<td>2</td>
</tr>
</tbody>
</table>
Section 2. Socio-Economic baseline

This section presents the overall socio-economic baseline context of the project component. Each project component include social, political, health, economic and industrial baseline information. The baseline data presented in this section will be further elaborated/verified by the on-going stakeholder consultations at Orpic.

Petrochemical Complex

Social Baseline

According to the 2015 Statistical Yearbook listing 2014 population figures at the regional level, North Al Batinah has the second largest population, after Muscat, at 655,873 people of which 68% were Omani and rest were expatriates of different nationalities. The total population in Sohar is 197,517 (54% Omani) and Liwa has a population of 40,896 (72% Omani).

Out of the twelve Wilayats in North Al Batinah, Sohar acts as a Regional center and is the most populated Wilayat with 30% of Region’s total population (based on the above 2014 population figures). However, Liwa, the adjacent Wilayat of Sohar which conceives the major industrial development of the country (including the project site) is considered amongst the sparsely populated Wilayats of the Region. It constitutes less than 6% of the Region’s population.

There are 10 villages lying within 5 km radius of the Project Influence Area (PIA), population distribution and health facilities in Liwa/Sohar wilayat as presented in Tables below and depicted in the figure. Out of these 10 villages, 8 come under the Wilayat of Liwa and 2 are part of Wilayat of Sohar. Village details are given in Table 1 and population distribution in Table 2.

Table 3: Villages within 5 km of Sohar/Liwa Plant (2010 data)

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Village</th>
<th>Wilayat</th>
<th>Approximate Distance from Plant (KM)</th>
<th>Direction From Plant</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Harmul</td>
<td>Liwa</td>
<td>4</td>
<td>N</td>
</tr>
<tr>
<td>2</td>
<td>A1 Mukhylif</td>
<td></td>
<td>3.5</td>
<td>NW</td>
</tr>
<tr>
<td>3</td>
<td>Uqdat A1 Mawani</td>
<td>Liwa</td>
<td>3</td>
<td>NW</td>
</tr>
<tr>
<td>4</td>
<td>Wadi A1 Qasab</td>
<td>Liwa</td>
<td>2.0</td>
<td>NW</td>
</tr>
<tr>
<td>5</td>
<td>A1 Hadd</td>
<td></td>
<td>1.1</td>
<td>SW</td>
</tr>
<tr>
<td>6</td>
<td>A1 Ghuzayyil</td>
<td></td>
<td>1</td>
<td>SW</td>
</tr>
<tr>
<td>7</td>
<td>Ghadfan</td>
<td></td>
<td>2.5</td>
<td>S</td>
</tr>
<tr>
<td>8</td>
<td>A1 Khuwayriah</td>
<td></td>
<td>2.0</td>
<td>E</td>
</tr>
<tr>
<td>9</td>
<td>Majees</td>
<td>Sohar</td>
<td></td>
<td>SE</td>
</tr>
<tr>
<td>10</td>
<td>Amq</td>
<td></td>
<td></td>
<td>SE</td>
</tr>
</tbody>
</table>
Table 4: Population Distribution of Liwa and Sohar (2010 data)

<table>
<thead>
<tr>
<th>Region/wilayat/Town</th>
<th>Land Area</th>
<th>No. of Households</th>
<th>Population</th>
<th>Decennial Population Growth (2003-2010)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Batinah Region</td>
<td>12.500KM²</td>
<td>106,465</td>
<td>434,032</td>
<td>338,558</td>
</tr>
<tr>
<td>Wilayat of Liwa</td>
<td>728KM²</td>
<td>4,190</td>
<td>19,999</td>
<td>14,002</td>
</tr>
<tr>
<td>Wilayat of Sohar</td>
<td>1728KM²</td>
<td>20,886</td>
<td>85,346</td>
<td>54,006</td>
</tr>
</tbody>
</table>

As per the RD 80/2002, approximately 2000 hectares of area was declared as Sohar Industrial Port Area and therefore there are no traditional rights over the project site. However, the communities maintain traditional rights for grazing land and fishing over 5km outside of the site area of influence and will likely not be affected by the project.

Most of the settlements are positioned in such a way that they have an easy access to the highway for connectivity, and simultaneously they are also in the vicinity of marine sources. Majees is situated along the coast and exhibits fishing village characteristics.

Sohar has good number of schools and medical facilities when compared to pipeline route and NGLE plant locations. Sohar has four high educational institutes:

- Sohar University - a private university in association with the University of Queensland.
- Sohar College of Applied Sciences - a government owned college.
- Oman Medical College - a private university in association with West Virginia University School of Medicine.
- International Maritime College Oman

Sohar also has a number of international schools such as:

- Al Batinah International School (owned by Sohar Aluminium)
- Sohar International School (S.I.S)
- Indian School Sohar
- Pakistan School Sohar

Social consultations were conducted, in petrochemical complex area, by Orpic, during October 2015. The representatives from villages, located near to the port area, Harmoul, Al Ghuzayel, Al Haad, Wadi Ghasab, Ghadafan and Al Zahiyah, attended the consultations. The meeting was conducted by
the External Relation Services, a community communication department of Orpic. The LPIC HSE Project Manager was also present during the consultation.

The main aspects raised during the consultation were as follows:

- Concerns over dust and noise levels, inadequacy of medical centers and other facilities with respect to influx of people, traffic congestion, and odor issues particularly around the port area.
- Increase in labor workers has crowded the (limited) social services such as shopping malls and public spaces.
- Appreciation that the living standards of the local people had been improved since 2013, with implementation of new projects.
- Anticipation that LPIC Project will further improve the job opportunities and consequently purchasing power of the locals within the area.
- Auxiliary establishments will create more business opportunities for locals.

**Political Baseline**

Politics of Oman takes place in a framework of an absolute monarchy whereby the Sultan of Oman is not only head of state, but also the head of government.

**Judicial system**

The court system in Oman is regulated by Royal Decree 90/99. There are three court levels in Oman, the Elementary Court is the lowest court, followed by the Court of Appeal, and then the Supreme Court as the highest court in the country. In addition to this there is an Administrative Court that looks into cases made against the government.

**Administrative divisions**

Administratively, the populated regions are divided into 59 districts (wilayats), presided over by governors (walis) responsible for settling local disputes, collecting taxes, and maintaining peace.

**The Consultative Council**

In November 1991, Sultan Qaboos established the Consultative Assembly (Majlis al-Shura), which replaced the 10-year-old State Consultative Council, in an effort to systematize and broaden public participation in government. Elections to the council occur every four years, with representatives from each of the wilayat per governorate. The Assembly has 85 elected members (recently elected in October 2015) with only consultative tasks. Representatives were chosen in the following manner: Local caucuses in each of the 59 districts sent forward the names of three nominees, whose credentials were reviewed by a cabinet committee. These names were then forwarded to the Sultan, who made
the final selection. The Consultative Assembly serves as a conduit of information between the people and the government ministries. It is empowered to review drafts of economic and social legislation prepared by service ministries, such as communications and housing, and to provide recommendations. This body also seeks out the views of the people represented. Service ministers also may be summoned before the Majlis to respond to representatives’ questions. It has no authority in the areas of foreign affairs, defense, security, and finances. Article 58 of the Omani Basic Law stipulates that a candidate of Majlis Al Shura should be an Omani national by birth, be of at least 30 years of age, never sentenced to a felony or crime involving moral turpitude or trust. It also stipulates that the candidate should be on the electoral role, not affiliated to a security or military authority, not interdicted by a judicial judgment, and not suffering from mental illness.

**Political parties and elections**

Oman does not allow political parties and only holds elections with limited suffrage for a consultative assembly. Though Oman is developing into a constitutional monarchy, political parties are not yet allowed in Oman. The previously influential opposition movement, the Popular Front for the Liberation of Oman, is dormant today. Elections are open to all Omani nationals and are conducted every four years to select new councils (Majlis al-Shura). The Higher Committee for Majlis Ash’shura is in charge of supervising the elections, election appeals, monitoring the work of election committees, the circulars and decisions issued by the Main Election Committee and approving the final results for the voting. A snapshot of the 2015 elections across Oman is illustrated in the figure below.

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4 Figure taken from the Oman Observer Article, Sultanate Votes Today, October 25th 2015: [http://omanobserver.om/sultanate-votes-today/](http://omanobserver.om/sultanate-votes-today/)
Figure 6: 2015 Elections to Oman Consultative Assembly

Sohar has elected 2 Shura members and Liwa has elected one member. During consultations it was noted that the elections were decoupled from the upcoming projects (including LPIC) and no information or leverage from LPIC project was referenced during the elections.

The political system is common for all components falling in LPIC (Petrochemical complex, Pipeline route & NGLE Plant). Therefore the same is not discussed in each component of where LPIC is establishing their projects. However efforts were made to give the villages falling in the respective project component.

Ten villages namely, Harmul, Al Mukhylif, Uqdat Al Mawani, Wadi Al Qasab, Al Hadd, Al Ghuzayyil, Ghadfan, Al Khuwayriah, Majees, falls near to the petrochemical complex. The villages are shown in the map in the figure below.
Figure 7: Petrochemical Complex and Surrounding Villages

Health Baseline

Major health facilities in Liwa and Sohar were given in below table.

Table 5: Health Facilities in Liwa/Sohar Wilayat

<table>
<thead>
<tr>
<th>#</th>
<th>Hospital</th>
<th>Population</th>
<th>Year of Establishment</th>
<th>Total No Of Beds</th>
<th>Facilities available</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Liwa Health Center</td>
<td>29,606</td>
<td>1984</td>
<td>Nil</td>
<td>L, R</td>
</tr>
<tr>
<td>2</td>
<td>Nabr Health Center</td>
<td></td>
<td>2007</td>
<td></td>
<td>R, L</td>
</tr>
<tr>
<td>3</td>
<td>Sohar Hospital Regional Hospital</td>
<td></td>
<td>1973</td>
<td>363</td>
<td>D, R, L</td>
</tr>
<tr>
<td>4</td>
<td>Wadi Hibi local Hospital</td>
<td>1993</td>
<td>18</td>
<td></td>
<td>D, R, L</td>
</tr>
<tr>
<td>5</td>
<td>Wadi Ahin Health Center</td>
<td>1993</td>
<td>0</td>
<td></td>
<td>L</td>
</tr>
<tr>
<td>6</td>
<td>Sohar Extended Health Center</td>
<td>1997</td>
<td>0</td>
<td></td>
<td>R, L</td>
</tr>
<tr>
<td>7</td>
<td>Al Multaqa Health Center</td>
<td>2004</td>
<td>0</td>
<td></td>
<td>R, L</td>
</tr>
<tr>
<td>8</td>
<td>Al Uwaynat Health Center</td>
<td>2007</td>
<td>0</td>
<td></td>
<td>R, L</td>
</tr>
</tbody>
</table>

L-Laboratory, R-Radiological Procedure: Source: Annual Health Report
A recent study assesses the potential health implications in the young population of the Sohar port area due to increase in industrial activity

Respiratory and allergic health effects in a young population in proximity of a major industrial park in Oman


Background Sohar industrial zone (SIZ), Oman, which started operating in 2006, contains many industries that potentially affect the health of the local population. This study's aim was to evaluate the health effects in a young population living near SIZ.

Methods Patient visits to state health clinics for acute respiratory diseases (ARD), asthma, conjunctivitis and dermatitis were obtained for the period of 2006 to 2010, for children ages <20 years old, for two large provinces around SIZ. Three exposure zones were defined on the basis of the distance from SIZ determined as: ≤5, >5 to 10, ≥20 km to represent high, intermediate and control exposure zones, respectively. Age-specific and gender-specific monthly counts of visits were modelled using generalised additive models controlling for time trends. The high and intermediate exposure zones were later combined together due to the similarity of associations. Exposure effect modification by age, gender and socioeconomic status (SES) was also tested.

Results Living within 10 km from SIZ showed a greater association with ARD (risk ratio (RR)=2.5; 95% CI=2.3 to 2.7), asthma (RR=3.7; 95% CI=3.1 to 4.5), conjunctivitis (RR=3.1; 95% CI=2.9 to 3.5) and dermatitis (RR=2.7; 95% CI=2.5 to 3.0) when compared with the control zone. No differences in associations were found for gender and SES groups; greater effects were noticed in the ≤14-year-old group for asthma.

Conclusions This is the first study conducted in Oman to examine the health effects of a young population living near an industrial park. The showed greater association with respiratory diseases the closer to the industrial zone.

Economic Baseline

Agriculture is one of the major sources of employment for people in this area especially cultivation of date palm, vegetables and citrus fruits. These agricultural areas are not within the area of influence of the project. Dug wells are still the main source of irrigation even though most of these wells and groundwater supplies have been contaminated by salt-water intrusion due to the industrial activity at Sohar. However, a study conducted in 2014 on the entire Al Batinah Coast summarized challenges
and improvements in groundwater quality. The study area and characteristics of water networks in the Al Batinah Coast is illustrated in the figure below.

Figure 8: Al Batinah Coastal Study Area

The main aspects of the study included the following key conclusions on the groundwater quality and improvement efforts:

- Annual recharge from rainfall is greatly affecting the GW quality at Al Batinah coast.
- Groundwater quality improvements at some parts and/or deterioration of others along Al Batinah coast on 2010 survey is controlled by both hydrological and socio-economical conditions prevailing during the last five years. These conditions could be summarized as on the following:
  - Groundwater deterioration/increasing sea water intrusion is directly related to areas of high agriculture intensity such as Barka and Al Khabourah.
  - Recharge from natural resource (exceptional recharge from two cyclones Guno 2007 and Phet 2010 at Wadis Al Khoud, Rusayl and Manumah). These cyclones hit Seeb area as part of Al Batinah coast.

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Ministry of Regional Municipality and Water Resources, Oman, Gulf Water Conference and Exhibition Presentation, October 2014.
- Recharge from retained dams (Al Khoud, Al Jizzi, Al Hawasinah).
- Rapid economic development and increase of urbanization rate.
- Changing land use.
- Changing source of water supply system from conventional source (groundwater) to non-conventional source (desalination).

- Preventing the saline water intrusion along the Batinah coast depend on the following factors; continuous recharge events from rainfall and wadi flows which maintaining high water levels and, controlling the over pumping from wells along the Batinah coast.

Over the development of the industrial area, a considerable number of date palm plantations adjacent to the SIPA have been abandoned due to increased salinisation. Treated or desalinated water is also used to irrigate some of the agricultural lands in the vicinity of SIPA. Some of the local population rears animals like goats mostly for domestic consumption. Although there are areas within the villages that supports grazing (natural vegetation in the form of shrubs and small trees), animal fodder is usually purchased from the local market and livestock are fed in temporary sheds (either in homes or farms).

Fishing is a significant part of the economy as fish is an essential part of the daily diet of the community. There are number of fishing areas rich in important marine species in the vicinity of the project area. Some of the chief species found here include Kingfish, mackerels and sardine. Majees and Harmul are considered as fishing settlements. The Ministry of Agriculture and Fisheries is the governing body for managing fishing areas within the Sultanate. Permits are required for commercial fishing in Oman, and a commercial fishing ship license is issued to companies which have already been granted a commercial fishing quota through the ministry. Oman regulates fishing tightly with rules such as minimum distance between boats, time a boat can fish in one area, separation of commercial and private fishing areas and protection of species. The main commercial fishing areas in Oman are further south of Sohar in areas such as Sur and the coast of Al Wusta Region. The traditional fishing areas are illustrated in the map below.

6 2014 Data from Oman National Center for Statistics and Information.
Figure 9: Fish Landed by Traditional Fisherman

The fishing market at Sohar Harbour is over 20KM away from the industrial area. The map below illustrates the distance between the two areas. In an effort to integrate the community, the Sohar Port shares the jetty with Fisherman requiring maintenance services.

Figure 10: Industrial Port of Sohar to the Fishing Market at Sohar Harbour
Industrial Baseline

As illustrated in Figure 4, the industries in Sohar area are, 863 kTPA ethylene cracking plant, HDPE Plant, LLDPE Plant, PP Plant, MTBE Plant, butene-1 Plant and associated utilities and offsite facilities.

The Petrochemical Plant is scheduled for completion in 2018, which will enable Orpic to produce polypropylene (in addition to the existing polypropylene plant) and, for the first time, polyethylene, the plastic most in demand globally, which will boost Oman’s export earnings. At the same time and with the production of one million tonnes of plastics, the country’s downstream plastics industry will have the opportunity to grow, with the promise of more downstream industries, increased employment, and overall additional in-country value.

Overall, the LPIC project is expected to further enhance the socio-economic impact of Orpic from the perspective of revenue growth, employment generation, and capability development (refer to chart below)\(^7\).

Orpic’s integrated refining and petrochemical operations is critical to Oman’s downstream development. Furthermore, there are positive social contributions such as skills development through training, employment generation, local business opportunities and other social investments. Contracts are required to have 30% Omani workforce. The skill development programs are highlighted below.

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\(^7\) Findings and charts from the report to Orpic from consultant: Strategy& (Draft Report May 2015)
Orpic and the LPIC are undertaking other initiatives to address critical sustainability elements such as Omanization, local supply base development, and environmental impact management. These initiatives are summarized in the chart below.

The overarching socio-economic impact assessment for Orpic and the LPIC (below referred as LPIC (Liwa Plastics Industries Complex) is summarized in the chart below.
Orpic (with LPIC) Socio-Economic Contribution

Over 5 years, Orpic has contributed on average close to USD 4.2 Bn per year to Oman’s GDP (~5% of total GDP). LPIC will add another USD 2.3 Bn per year to Oman’s economy.

Orpic has also improved Oman’s trade surplus by USD ~0.6 Bn yearly. LPIC will further enhance the country’s trade surplus by adding USD ~1.1 Bn at steady state.

Orpic has generated 27k jobs (1.4% of current employment). LPIC will add 13k jobs. Orpic and LPIC ensure skilled jobs for a relatively high number of Omanis.

Note: These priorities are also aligned with those of the MoF and other industrial development-focused entities in Oman (e.g., OOC, Takamul).
Pipeline Route

Social Baseline

The pipeline route covers different topographies. It starts at Fahud, central plains runs through northern plains and northern mountains and finally lands in Batinah Coastal Plain. The existing pipeline along the same route is operated by Oman Gas Company (OGC). Orpic continue to work closely with OGC to understand community needs and develop programs to address their concerns. The social baseline has been informed by Orpic consultations with 4 of the 5 major villages along the pipeline. Although the project would not affect the nomadic activity in Oman, as they were observed over 10km away from the pipeline area, Orpic are studying their settlement patterns to ensure they are not affected and managed through effective implementation of the environmental and social management plan, including providing mechanisms to communicate with Orpic on any grievances. The map of the pipeline route and surrounding villages is illustrated below.

![Map of pipeline route and surrounding villages](image)

Figure 11: Pipeline Route and Surrounding Villages

Nomadic Activity in Oman

The tribal structure of Oman has undergone deep changes over the centuries. Many nomadic tribes have arrived and settled. Other tribes, adapting to the changing rhythm of history have established
settled branches in widely dispersed regions of the country, specialising in farming, fishing or pastoralism. Families within one tribe have been known to change their economic focus from time to time, given the general ecological conditions in any particular era.

The Harasiis are one of six major nomadic pastoral tribes in Oman. Along with the Duru, the Wahiba, the Jeneba, the Beit Kathir, and the Mahra, the Harasiis live in the central deserts of the Sultanate. They raise camel and goats in a largely subsistence economy and number about 5,000 people; a few of their numbers are also found in parts of the United Arab Emirates bordering Saudi Arabia. Of all the nomadic tribes in Oman, the Harasiis are the most remote; their traditional territory, is set halfway between the north and the south of the country.

According to Harasiis oral tradition, the original section of the tribe was Beit Afarri, living in Wadi Kadrit, between Salalah and Hadramaut. Over the past few hundred years the Harasiis have gradually pushed - and been pushed - north east into the Jiddat. As they moved into the various wadis that mark the natural geographic borders of the Jiddat, they have come up against other pastoral tribes such as the Jeneba to the east and the Wahiba to the north. Along the way, they have also incorporated groups ‘expelled’ from their own tribes making the Harasiis something of a ‘refuge’ tribe in this remote and inhospitable landscape.

![Figure 12: Typical Nomadic Tribe in Central/South Oman](http://www.nomadsinoman.com/#sthash.PRnoP223.dpuf)

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8 See more at: http://www.nomadsinoman.com/#sthash.PRnoP223.dpuf
Over the last 50 years have transformed the Jiddat and profoundly affected its people. In the 1950s, oil exploration in the region resulted in two water wells - at Haima and at al-Ajaiz - dug in the process of oil exploration being left open for the use of the local human and animal populations. These two wells - the first in an area of more than 40,000 square kilometres - became magnets for local herds and rapidly changed patterns of migration and animal husbandry. In the late 1970s the government of Oman built a ‘Tribal Centre’ at Haima to deliver services to the local people. The tribal center is illustrated below. At about the same time, the Sultan approved the setting up of an Arabian Oryx reintroduction project in the NW quadrangle of the Jiddat. These activities rapidly transformed both the economic horizons of the Harasiis people while circumscribing their extensive subsistence activity.

![Figure 13: Tribal Center at Haima](image)

The Harasiis tribe organizes itself into seven lineages or subgroups calledbeit: Beit, Aksit, Mutaira, Barho, Sha’ala, Aloop, Afarri and Katherayn. These seven lineages are divided into two factions; one headed by the Beit Aksit and the other by the Beit Mutaira. The leadership of the tribes as a whole lies with the Beit Aksit whose ancestral forbearer is acknowledged to have united the disparate units into one tribe about 180 years. This leadership is however being challenged by the Beit Mutaira, whose leader is more popular with the government-appointed governor and oil company officials. Each lineage generally recognizes or appoints two spokesmen who act on its behalf. These men, called
rashiid / rushada, represent the lineage in meetings with the local governor or wider intra-tribal discussions regarding the welfare of tribal members.

Their traditional economy is based on the raising of camels and goats by natural graze for the production of milk rather than meat. Women own the herds of goat, a combination of white short-haired, Somali goat and, the more recently introduced, long-hair dark goat from north Oman. Men own the herds of camels, and men exclusively milk the camel herds. At the core of their way of life is migration - at least of their herds - to best utilize available pasture and water. Survival in this environment makes movement from deficit to surplus areas vital. With the introduction motor vehicles in the late 1970s and early 1980s, the mobility of men and herds has increased, although the main family households have become less mobile. Most households have one or two men employed in wage labour in Haima, or further afield in the Army or Police Force. A few Harasiis men have managed to become business entrepreneurs carving out an area of activity in transport, or the service industry. The Harasiis tend to live in wadis (valleys) and haylats (depressions) where there are trees under which to shelter and where graze for their animals is more plentiful. In recent years a number of families have taken up residence in the government housing compounds at Haima, Wadi Bu Mudhabi and Zawliya. Often these are seasonal homes made up largely of women with children attending school, or the elderly and disabled. Many families have multiple households and temporary herding camps manned by hired foreign labourers from Baluchistan and Sindh.

Central Plains: Human settlement within the central plains is limited to very few localities (under 50). In proximity to the southern end of the Fahud to Sohar pipeline any settlement is likely to be only temporary. Nomadic Bedouin community people associated with livestock (camel) grazing camps were observed over 5 km away from the pipeline route.

Northern Plains: Settlements across the northern plains are scattered. Along the alignment of the Fahud to Sohar pipeline route, human settlements are almost non-existent with only one seasonal settlement present and elsewhere occasional temporary grazing camps.

Northern Mountains: Human settlements along the alignment of the pipeline route in this section of the Hajar Mountains are scattered and very few (less than 50). More significant centres exist adjacent to Wadi Jizi, along which the Buraimi-to-Sohar highway has been constructed.

North Al Batinah Region: The Batinah Coastal Plain is a low-lying alluvial plain extending approximately 270 km from Muscat to border with U.A.E, North of Shinas, and extending approximately 30km inland from the coast. As summarized in the Petrochemical Complex social baseline, According to the 2015 Statistical Yearbook listing 2014 population figures at the regional level, North Al Batinah has the second largest population, after Muscat, at 655,873 people of which 68% were Omani and rest were expatriates of different nationalities. The total population in Sohar is 197,517 (54% Omani) and Liwa has a population of 40,896 (72% Omani).
A windshield survey and social consultations were conducted, by Orpic, in Al Jell and Dhawaher Al Tawi Villages neighboring to the Gas Pipeline on 11 October, 2015. Illustration from the consultations the community members is illustrated below.

**Figure 14: Engagement at Al Jell and Dhawaher Al Tawi**

**Windshield survey results**

The social infrastructure in Al Batinah is very developed, with designated areas for schools, mosques, and other community centers. Basic utilities (electricity, water, sewage, telecommunications, etc.) are readily available and the government and service providers maintain the quality of services provided.

**Informal consultation results**

It was observed local villagers are receiving information about existing and on-going pipelines, but no one from the Project proponents was available to interact with community members. This limited the opportunity for communities to express their concerns. Generally, local people expects to receive financial support towards social developments. Expectations also included funding for the maintenance of the “Al Jell falaj”. The Al Jell Falaj is a traditional water channel which provides
irrigation in the Al Jal village. Other expectations included the construction of a community hall for local gatherings.

Further consultations were conducted with As Saqah and Khashishat Al Milh villages on 21 October 2015. Photographs from the consultations are illustrated below.

Figure 15: Vist to As Saqah and Khashishal Al Milh Villages

The main outcomes of the consultations included:

- The feeling of only receiving information and lack of dialogue between Orpic and the community.
- Lack of Support and Social Investment from the Owner Company of the Old Gas Pipeline.
- Request for funds and help maintaining Khishishat AL-Melh Village Cemetery Wall.
- Construction dust and noise along existing pipeline and fear of increased dust and noise levels during the construction of the new LPIC route.
- Maintaining Relation/ link/ connections with the community in the Villages.
Nomadic communities (beduins) visited during the windshield survey have become more urban than conventional nomads, with the provision of some of the basic infrastructure facilities such as electricity, communal telephone, and some basic road network. They live in temporary to semi-permanent houses and have temporary yards for their livestock.

These tribes do not seem to have any concerns with the upcoming industrialization in the area. This lack of concern by these people to the proposed industrial activity could be attributed to the distance involved between these communities and the proposed developments. Instead, the community members expect the upcoming industrial and development activities to bring basic network infrastructure such as potable water supply, sanitation, and waste management. The residents in these communities also look forward to receiving social infrastructure facilities such as schools, clinics, libraries and other socio-cultural facilities. Communication with these groups will be through quarterly visits and they can communicate with Orpic through the visitor center and community office at Liwa, or through the Wali/Sheikh of the Region.

**Political Baseline**

There are four villages are along the pipeline route as illustrated in the figure below. There is no significant political activity within the direct route of the pipeline, however, it crosses three governorates wherein elections occur to the consultative council every four years (as described in the Political Baseline of the Petrochemical Complex).

In the recent (October 2015) Shura elections, 4 members were elected in Al Dhahiriya Region and 4 in Buraimi. Through consultations with the villages, it was noted that the LPIC project was not used as leverage or to win votes during the elections.

**Health Baseline**

During consultations, done by Orpic, no specific issues about health were raised. The pipeline corridor passes through 3 governorates, the Ad Dhahirah Governorate, Al Buraimi and the North Al Batinah Governorate. Medical facilities such as healthcare centre at all these wilayats will serve to the people of the four villages along the pipeline. Further, Petroleum Development Oman (PDO) has medical facilities at Fahud (start of the pipeline route).

**Economic Baseline**

The economic baseline is classified in line with the social baseline classification (central plains, northern plain, northern mountains, coastal plain).

There are no areas of cultivation within the region of the central plains across which the pipelines will cross. The temporary and permanent camps of PDO and their contractors are the only significant
centres of settlement, which for the purposes of this study due to their wholly commercial interests, are not considered further.

Across the northern plains, there are only very occasionally areas of cultivation, and these are associated with more permanent settlements distant from the pipeline corridor and in closer proximity to the main Buraimi to Nizwa highway. Through consultations with the affected community, other employment types include taxi drivers.

Settlements at northern mountains which are adjacent to the pipeline tend to consist of single or small clusters of dwellings that cultivate mainly of date plantations. Orpic has a grievance mechanism for the villages to communicate if there are any issues in cultivation. Furthermore, the Ministry of Agriculture and Fisheries designate areas for agriculture.

**Industrial Baseline**

There is limited to no industrial activity along the existing pipeline route and within the area of influence. Images from the windshield survey illustrating residential dwellings along the pipeline route are presented below.

![Figure 16: Images from Consultations along Pipeline Route](image)

**NGLE Plant**

**Social Baseline**

The nearest human settlement from the proposed NGLE Plant is the PDO camp and contractor industrial area. The latest EIA for Fahud (2003) indicated that there were over 2000 workers within the Fahud camp and windshield survey’s estimated around the same number of workers. Besides these camps other notable settlements that are located within 50 km are small villages such as Awai fi, Natih, Wadi Umayri and Wadi Aswad. The local people belong to a single tribe, the Duru. Oman is a tribal country wherein the local population belongs to a particular tribe and has ties to particular regions or wilayat. There are no differentiated impacts on the indigenous people (the Duru tribe) in
the local area. The Duru do not conduct specific rituals nor have specific communication methods which suggest that the impact assessment, and the stakeholder engagement plan, should be differentiated specifically for these groups. However, Duru cultural events and sensitivities have been considered in the planning of events, communication tools and protocols, which have been captured within the SEP.

In addition to the permanent settlements, several camel farms and Bedouin populations are known to exist in the area. Fahud falls in central plains where nomadic Bedouin community crosses however, this is over 50 KM away from the project site. As along the pipeline route, Bedouins have become more urban than conventional nomads, with the provision of some of the basic infrastructure facilities such as electricity, communal telephone, and some basic road network. They live in temporary to semi-permanent houses and have temporary yards for their livestock.

Based on informal interviews, these tribes do not seem to have any concerns with the upcoming industrialization in the area. This lack of concern by these people to the proposed industrial activity could be attributed to the distance involved between these communities and the proposed developments. Instead, the community members expect the upcoming industrial and development activities to bring basic network infrastructure such as potable water supply, sanitation, and waste management. The residents in these communities also look forward to receiving social infrastructure facilities such as schools, clinics, libraries and other socio-cultural facilities.
Political Baseline

The proposed NGLE site falls in Fahud which is located within the administrative boundary of Adh Dhahirah Region. It is evident from map shown in below figure that there are no villages within 5 km range from NGLE Fahud plant.

![Map of Study Area - NGLE Fahud](image)

**Figure 17: NGLE Plant and Surroundings**

Health Baseline

There are 16 healthcare facilities including 1 hospital at Ibri, 1 polyclinic, and 14 health centers in the Al Dhahiriya Region. Further, PDO has a medical facility provided for the camp at Fahud. The facility at Fahud has two doctors and several experienced nurses. Patients in need of specialist medical treatment can be evacuate by air to larger facilities. Health care services in PDO are provided by the Medical Department. The Medical Department is a service organization responsible for seven clinics in the interior and one clinic at Mina Al Fahal on the Coast. The services include outpatient consultation, general practitioners, antenatal clinics, vaccination, diabetes, mother baby and child health clinics, and (basic) physiotherapy services. Supporting services include laboratory facilities, a pharmacy, an X-ray unit and a medical administration section. Emergency assistance is available 24 hours per day.
**Economic Baseline**

Most of the people residing in the Fahud area are either directly or indirectly employed by PDO. While majority of the land in the area is barren and unutilized, there are a few farms in this area. Cultivation of dates and subsistence farming are seen in the smaller settlements located near the Wadis. The wadis and their immediate plains are used as rangelands for domestic livestock like camels and goats. Date farming and trading are the major occupation for the people residing in the villages of Wadi Umayri and Wadi Aswad.

As per studies by Orpic in the area it is observed that majority of the workforce in the villages near the study area is employed in the private sector, especially in the oil and gas companies in Fahud. A part of the population is engaged with small businesses and other occupations like farming, driving etc. Women are not involved in any direct economic activities. They are mainly responsible for household works and taking care of the livestock.

**Industrial Baseline**

Government Gas Plant (GGP) in Yibal, Central Processing Plant (CPP), Kauther Plant, BP Plant and Khuff Plant in Saih Rawl are nearby industries to Fahud site. Each of these sites are over 50 KM away from Fahud and contained within the PDO camps and industrial complex.
Stakeholder Identification & Analysis

The detailed stakeholder engagement plan for the project is provided in Appendix A. Stakeholders were mapped and identified based on:

- Whether they are directly and/or indirectly affected by the project (or company operations);
- Have interests in the project of parent company; and/or,
- Have the potential to influence project outcomes or company operations.

The table below presents the project stakeholders per group, including the affected population (under the Communities stakeholder group).

**Table 6: LPIC Project Stakeholders**

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communities</td>
<td>Local Affected Villages at (as per the figures in the baseline section of this report):</td>
</tr>
<tr>
<td></td>
<td>- Sohar/Liwa (10 villages)</td>
</tr>
<tr>
<td></td>
<td>- Along the pipeline (5 villages)</td>
</tr>
<tr>
<td></td>
<td>- Fahud (1 industrial complex)</td>
</tr>
<tr>
<td>Shareholders</td>
<td>Investors, Orpic Board, Oman Oil Company</td>
</tr>
<tr>
<td>Media</td>
<td>Newspapers, Press, TV and Radio</td>
</tr>
<tr>
<td>Academics</td>
<td>Shinas College of Technology, Sohar University</td>
</tr>
<tr>
<td>Government</td>
<td>This group includes: Ministry of Oil and Gas, Ministry of Environment and Climate Affairs, Ministry of Finance,</td>
</tr>
<tr>
<td></td>
<td>Ministry of Culture and Heritage, Ministry of Agriculture and Fisheries, Ministry of Regional Municipality and</td>
</tr>
<tr>
<td></td>
<td>Water Resources, Sohar Chamber of Commerce, etc.</td>
</tr>
<tr>
<td>Labor Representatives</td>
<td>HSE Representative, Labor Accommodation Management and Worker Group Managers</td>
</tr>
<tr>
<td>Cultural Groups</td>
<td>Bedouins, Tribal communities</td>
</tr>
<tr>
<td>NGOs</td>
<td>Oman Women’s Association, Environment Society Oman</td>
</tr>
</tbody>
</table>
Section 3. Impact Assessment

An assessment of the actual and perceived impacts (as surmised during the stakeholder consultation sessions) provided input to this section. An overarching matrix for impacts during construction and operation was developed for all three project components. This is summarized in the tables in this section. The impacts were identified based on likelihood, duration, extent and severity. The definition of High (H), Medium (M), Low (L) and Positive impacts are as follows:

<table>
<thead>
<tr>
<th>Impact Rating</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>High (H)</td>
<td>An impact of high significance where it would influence the decision regardless of any possible mitigation. An impact which could influence the decision about whether or not to proceed with the project.</td>
</tr>
<tr>
<td>Medium (M)</td>
<td>An impact of medium significance where it could have an influence on the decision unless it is mitigated. An impact or benefit which is sufficiently important to require management. Of moderate significance - could influence the decisions about the project if left unmanaged.</td>
</tr>
<tr>
<td>Low (L)</td>
<td>An impact of low significance where it will not have an influence on the decision. Impacts with little real effect and which should not have an influence on or require modification of the project design or alternative mitigation.</td>
</tr>
<tr>
<td>Positive</td>
<td>An impact that is likely to result in positive consequences / effects.</td>
</tr>
</tbody>
</table>

The extent of each potential impact was considered as follows:

- Local (i.e. at the site and community level)
- Regional (at the regional level (reference to Omani regions: Al Dhahiriya, North Al Batinah, South Batinah, Buraimi, etc.))
- National (across Oman)
- International (trans boundary)
The below matrix was used to link likelihood and severity impact thereby determining the overall risk of the impact:

<table>
<thead>
<tr>
<th>Severity of Impact</th>
<th>Likelihood of Occurrence</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Very Unlikely</td>
</tr>
<tr>
<td>Negligible</td>
<td>LOW RISK</td>
</tr>
<tr>
<td>Minor</td>
<td>MEDIUM RISK</td>
</tr>
<tr>
<td>Moderate</td>
<td>HIGH RISK</td>
</tr>
<tr>
<td>Major</td>
<td></td>
</tr>
</tbody>
</table>

There are certain beneficial impacts from the project in terms of generation of employment opportunities, development of the project area and the nearby communities, contribution to the national strategy of economic diversification and GDP increases, etc. The objective of impact assessment in this section is to assess the adverse and the positive impacts and rate them as high, medium or low so as to identify priority actions and develop appropriate elimination and/or mitigation measures.

Below is a summary for each project component based on consultations with the Affected Population.

**Petrochemical Complex**

After commissioning of LPIC, the following positive social effects will be achieved at regional level are:

- Competitive working conditions and improvement of skills and qualification of the operating personnel.
- Improvement of the employment situation and development of occupational education and training.
- Improvement of the living standards of the local people.
- Job creation and local business development
- Purchasing power of the people is expected to improve due to the expected job creation
- Auxiliary establishments will create more local business opportunities

The following are potential impacts which require management and/or mitigation during construction and operation:

- Increased risk of emergency situations with social consequence;
- Intensification of traffic in the Fahud, Liwa and Sohar
- Increased risk for the employee’s health and
- Increased risks to public health in the nearest residential areas
- Influx of construction workers crowding public spaces
- Influx of negative social problems common with large imported workforces
- Increase levels of noise pollution
- Concerns over increase in odour issues around the port area
- Increase in dust levels. Affected populations have requested that during LPIC construction activities, adequate dust control measures must be considered to avoid creating dusty environment similar to the current unpleasant situation.
- People foresee that Medical centers are not adequate to fulfill the requirements of influx of workers in this area.
- High influx of labors may create congestion in traffic and space available for shopping and other services areas.
- Concern over increase risk of respiratory diseases

**Pipeline Route**

During consultation wilayats said that, with previous experience of the construction process for OGC pipeline they have some idea of what to expect from the LPIC project. In general, the overall attitude to the project was positive but cautious, that they thought the construction and operation of the pipeline would be beneficial. Employment was by far the most important perceived benefit. Loss of access to camel grazing land for Bedouin community was expressed as a concern.

Additionally, the following aspects were expressed:

- Job creation and local business development along the pipeline route
- Concerns over current dust levels given the existing industrial activities and potential further increase in dust and emissions from the LPIC project

Perceived fears/risks included employee accidents and accidents in local villages during construction and operation phases. However, there is no risk of accidents occurring in the local villages because the construction/operational traffic do not pass through the villages. Furthermore, Orpic has a robust HSE policy (which contracts are required to comply) with the following goals:

- Zero accidents

---

9 Abuse of drugs and alcohol, and the prohibition of prostitution are all controlled within Omani law, however, there is global practical experience that demonstrates that these issues can regularly arise when there is a presence of a large imported workforce. Mitigation measures have therefore been adopted within the CEMP and LMP as a precautionary measure.
- No harm to people
- Minimize impacts of activities on environment and society

**NGLE Plant**

The NGLE plant is located in PDO area, which is developed as an industrial area. The primary social impacts addressed were the improvement in local people living standards through support/auxiliary facilities to industries in Fahud.
Table 7: Construction impact assessment

<table>
<thead>
<tr>
<th>Impact</th>
<th>Mitigation measure</th>
<th>Impact level</th>
<th>Impact and Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air quality impacts from increased dusts and emissions</td>
<td>Coordinated action plan among various project managers and contractors is required to monitor and manage the ambient air quality in the area. To be detailed in the Construction Environment Management Plans</td>
<td>Certain</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Impact level: Moderate. Duration: Throughout construction, Severity: Moderate, Extent: Local</td>
<td></td>
<td>M</td>
</tr>
<tr>
<td>Increase in ambient noise levels related to construction activities</td>
<td>Coordinated action plan among various project managers and contractors is required to monitor and manage the ambient noise in the area. To be detailed in the Construction Environmental Management Plans.</td>
<td>Certain</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Impact level: Moderate. Duration: Throughout construction, Severity: Moderate, Extent: Local</td>
<td></td>
<td>M</td>
</tr>
<tr>
<td>Influx of expatriate workers during construction</td>
<td>Development of a construction camp management plan (see Appendix B)</td>
<td>Certain</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Impact level: Major. Duration: Periodic with peaks, Severity: Major, Extent: Local</td>
<td></td>
<td>H</td>
</tr>
<tr>
<td>Increased use of public infrastructure due to increase in construction workers</td>
<td>Delineate house and curfew for construction laborers and include time slots for recreation during peak times of constructions to manage the impacts on public infrastructure (see Appendix B- construction camp management plan)</td>
<td>Likely</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Impact level: Major. Duration: Throughout construction, Severity: Major, Extent: Local</td>
<td></td>
<td>M</td>
</tr>
<tr>
<td>Public health and safety impacts due to increase traffic and potential</td>
<td>Mandatory health checks are required for every worker entering Oman.</td>
<td>Likely</td>
<td></td>
</tr>
</tbody>
</table>
### Impact and Risk

<table>
<thead>
<tr>
<th>Impact</th>
<th>Mitigation measure</th>
<th>Impact level</th>
<th>Impact and Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Likelihood</td>
<td>Duration</td>
</tr>
<tr>
<td><strong>diseases</strong></td>
<td>• Alcohol is prohibited under the Omani Law.</td>
<td>Unlikely</td>
<td>Throughout construction</td>
</tr>
<tr>
<td></td>
<td>• Visitor control and no mixing between sexes.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Coordinate periodic health checks for all workers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Enforce curfew limits for the workers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• EPC develop traffic management.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• EPC HSSE plan to be prepared in accordance with Orpic HSSE management system.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Training on risks of communicable diseases for all workers at site.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Possible loss of grazing lands</strong></td>
<td>• Designate clear Right of Way areas for project affected people</td>
<td>Unlikely</td>
<td>Throughout construction</td>
</tr>
<tr>
<td></td>
<td>• Continue engagement with locals to understand grazing patterns</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Develop and manage strict traffic routes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

10 Noted that grazing lands are over 3KM away from Project Proponents therefore Right Of Way is unlikely to be impacted.
<table>
<thead>
<tr>
<th>Impact</th>
<th>Mitigation measure</th>
<th>Impact level</th>
<th>Impact and Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creation of employment opportunities</td>
<td>This is a positive impact for the locals. Orpic to train locals to ensure they have the necessary skillset to work within their core business. Further, Orpic stipulate a 30% local hiring (Omanization) requirement in all contracts.</td>
<td>Certain</td>
<td>Start of construction</td>
</tr>
<tr>
<td>Increase in business opportunities for local services</td>
<td>Orpic requires (in all contracts) local procurement of at least 25%.</td>
<td>Certain</td>
<td>Start of construction</td>
</tr>
</tbody>
</table>

Table 8: Operation impact assessment

<table>
<thead>
<tr>
<th>Impact</th>
<th>Mitigation measure</th>
<th>Impact level</th>
<th>Impact and Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air quality impacts from increased dusts and emissions</td>
<td>Follow the environmental management and monitoring plan for managing air emissions and dust developed for each component of the LPIC project.</td>
<td>Certain</td>
<td>Throughout operation</td>
</tr>
<tr>
<td>Increase in respiratory issues related to air emissions from the project</td>
<td>Manage air emissions as per operational environmental management and monitoring plan.</td>
<td>Unlikely</td>
<td>Throughout operation</td>
</tr>
<tr>
<td>Impact</td>
<td>Mitigation measure</td>
<td>Impact level</td>
<td>Likelihood</td>
</tr>
<tr>
<td>--------</td>
<td>------------------</td>
<td>--------------</td>
<td>------------</td>
</tr>
<tr>
<td>Increase in ambient noise levels related to operations</td>
<td>Follow the environmental management and monitoring plan for managing noise developed for each component of the LPIC project.</td>
<td>Likely</td>
<td>Throughout operation</td>
</tr>
</tbody>
</table>
| In-migration of local workers | • Establishment of a “local labour desk” at the Orpic or contractor offices to identify a local labour pool.  
• Implementation of skills development programmes to ensure support local population in obtaining employment opportunities. | Very likely | Throughout operation with peak during the beginning | Major | Regional | H |
| Loss of employment after completion of construction | • Provide of list of services needed by local contracts for operation and maintenance.  
• Recommend alternate employment opportunities for locals | Certain | Beginning of operation | Major | National | H |
| Creation of employment opportunities | This is a positive impact for the locals. Orpic to train locals to ensure they have the | Certain | Throughout operation | Major | | Positive |
## Impact and Mitigation Measure

<table>
<thead>
<tr>
<th>Impact</th>
<th>Mitigation measure</th>
<th>Impact level</th>
<th>Impact and Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Likelihood</td>
<td>Duration</td>
</tr>
<tr>
<td>Increase in business opportunities for local services</td>
<td>necessary skillset to work within their core business. Further, Orpic stipulate a 30% local hiring (Omanization) requirement in all contracts. Details included in the Labor Management Plan and Orpic/Contractor In Country Value plans.</td>
<td>Certain</td>
<td>Throughout operation with peak during the beginning</td>
</tr>
</tbody>
</table>

### Decommissioning Impacts

The decommissioning and closure phase is expected to have similar environmental impacts as during construction. The surface infrastructure will be dismantled and removed and the area rehabilitated. The main objective is to rehabilitate the area back to its pre-LPIC project land use and restore its suitability for agriculture.

It is recommended that a detailed rehabilitation plan is developed prior to construction and a detailed closure plan developed prior to regulatory approval 3 to 5 years prior to decommissioning.

Potential impacts associated with the Decommissioning Phase may include the following:
• A temporary increase in employment opportunities followed by a decrease: Project closure would result in the loss of direct jobs, as well as associated indirect employment and business enterprises dependent on project operations and the increased population. The reduction in economic activities will be particularly significant as current income-generation is largely dependent on the industrial activity that will no longer be a possibility following decommissioning and closure.

• Noise and dust impacts associated with decommissioning activities;

• Impacts to the quality and quantity of natural resources surrounding the project area:

• Change in economic benefits from industrial activity to others.

It is assumed that impacts will be fully assessed and options explored to mitigate these impacts during the LPIC Project Closure Plan.
Section 4. Management plans

Social Management Plan
Based on impacts assessed, social management plans have been developed and will continue to be updated for the project. These plans include:

- **Stakeholder Engagement Plan**- Stakeholder consultations are an on-going process that will help inform the SIA and manage social concerns. The Stakeholder Engagement Plan for LPIC is in Appendix A

- **Construction Camp Management Plan**- The location for the construction camps has yet to be selected however it is expected that they will be within the designated free zone at Sohar (for the petrochemical complex), and the PDO camps at Fahud (for the NGLE). The construction of the pipeline will follow an assembly line method, with one segment being constructed at a time. The EPC will develop a detailed construction camp management plan. Orpic developed the overarching initial camp management plan which the EPC will be contractually obliged to follow. This Camp Management Plan in Appendix B.

- **Influx Management Plan**- This plan will be developed to manage the economic in-migration locally and the influx of expatriate workers during construction and operation.

It should be noted that Oman has not ratified 4 of the 8 ILO Core Conventions and therefore not all ILO conventions are protected under national legislation. However, Orpic has addressed these gaps through the HR policy and Labor Management Plan to meet international standards for workers (as per IFC PS2). The ILO Core Conventions which have NOT been ratified by Oman are:

C087 – Freedom of Association;

C098 – Right to Organise and Collective Bargaining;

C100 – Equal Remuneration; and

C111 – Non Discrimination

The table below provides a summary of the social management plans for all project components. The timeframe is based on the following project phases: Construction, Commissioning, Operation and Decommissioning.
### Table 9: Social Management Plan for LPIC

<table>
<thead>
<tr>
<th>No.</th>
<th>Impacts Assessed</th>
<th>Proposed Management Plan</th>
<th>Responsibility</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Competitive working conditions and improvement of skills and qualification of the operating personnel.</td>
<td>This is a positive impact and Orpic can further develop good procedures to identify gaps in skills and qualifications and support the operating personnel in achieving them.</td>
<td>LPIC</td>
<td>Prior to construction</td>
</tr>
<tr>
<td>2.</td>
<td>Creating jobs locally and development of occupational education and training.</td>
<td>Identify the requirement and conduct training for employees as per requirement.</td>
<td>LPIC</td>
<td>Prior to commissioning</td>
</tr>
<tr>
<td>3.</td>
<td>Increased likelihood of emergency situations with social consequence.</td>
<td>Prepare On-site &amp; Off-site emergency plans for entire LPIC (Petrochemical Complex, Pipeline &amp; NGLE Plant), which may be in line with Orpic emergency plan. Communication plans and protocols developed with appropriate authorities if emergency situation to have social consequence</td>
<td>LPIC/Orpic</td>
<td>Prior to construction.</td>
</tr>
<tr>
<td>4.</td>
<td>Intensification of traffic in the Fahud, Liwa and Sohar</td>
<td>• Develop proper traffic management plan with support of local administration to solve this traffic congestion with respect to LPIC.</td>
<td>LPIC/Local Traffic Management Department.</td>
<td>Prior to construction</td>
</tr>
<tr>
<td>5.</td>
<td>Increased likelihood for the employee’s health and the public health in the nearest residential areas.</td>
<td>Regular free health check-ups to employees and Periodic checks ups for public in health camps. This plan should be developed with the local health authorities and form part of the health baseline monitoring</td>
<td>LPIC-EHS department</td>
<td>During construction and operation</td>
</tr>
<tr>
<td>No.</td>
<td>Impacts Assessed</td>
<td>Proposed Management Plan</td>
<td>Responsibility</td>
<td>Timeframe</td>
</tr>
<tr>
<td>-----</td>
<td>---------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------</td>
<td>----------------------------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>programme, as well as coordinated with the SEP activities.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Issues with workers camp</td>
<td>Camp Management Plan to be developed by EPC as per plan prepared by Orpic (Appendix B)</td>
<td>LPIC HR department /Contractors</td>
<td>Prior to construction</td>
</tr>
<tr>
<td>7.</td>
<td>Dust, Air and odour issues raised by locals during consultation.</td>
<td>LPIC has to develop monitoring plans for these impacts as suggested in the EIA report.</td>
<td>LPIC-EHS department</td>
<td>Prior to construction</td>
</tr>
<tr>
<td>8.</td>
<td>Loss access to camel grazing land for Bedouin community</td>
<td>LPIC should develop a management plan in consultation with affected communities to manage the issue without affecting their livelihoods.</td>
<td>LPIC/Opric CSR Department.</td>
<td>Prior to construction</td>
</tr>
<tr>
<td>9.</td>
<td>Employee accidents</td>
<td>LPIC to develop accident/incident register. LPIC should require contractors to maintain the register also ensuring every accident/incident registered in it.</td>
<td>LPIC/Contractors</td>
<td>Prior to construction</td>
</tr>
<tr>
<td>10.</td>
<td>Accidents in local villages related to/as a result of Orpic activities during construction and operation phases.</td>
<td>LPIC needs to assess the accident (if occurred within the project boundary and control of Orpic) and should note it in the accident/incident register. Accordingly LPIC can support the person/family to which the person belongs to as per LPIC Corporate Social Responsibility procedures.</td>
<td>LPIC/Contractors</td>
<td>Prior to and during construction and operation</td>
</tr>
<tr>
<td>11.</td>
<td>Increased migration, unemployment for locals.</td>
<td>LPIC should continue investment in social programs already in place such as the international scholarship</td>
<td>Orpic/LPIC</td>
<td>Prior to operation</td>
</tr>
<tr>
<td>No.</td>
<td>Impacts Assessed</td>
<td>Proposed Management Plan</td>
<td>Responsibility</td>
<td>Timeframe</td>
</tr>
<tr>
<td>-----</td>
<td>------------------</td>
<td>------------------------------------------------------------------------------------------</td>
<td>----------------</td>
<td>-----------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>program. Having a tie-up with local educational institutions to develop curriculum which can cater to Orpic’s (LPIC Project) operational requirements (both technical &amp; non-technical) will enable the workforce to be future ready. This may require time to develop, but will help address the issues of migration and create employment for locals. LPIC can encourage locals to establish auxiliary industries/facilities to manage these issues.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Stakeholders Consultation</td>
<td>Adherence to the SEP. Development and integration of the social oriented Programme of stakeholders’ interaction at the construction &amp; operation stage.</td>
<td>LPIC</td>
<td>On-going</td>
</tr>
</tbody>
</table>
Section 5. Monitoring programs

Social monitoring programs are combined for LPIC (Petrochemical Complex, Pipeline and NGLE Plant) and classified into local residents living within range of 5 km and employees working in LPIC.

According to the EP and IFC performance Standards, the Company has to develop a procedure for monitoring the social environmental and has to make the data obtained available to the interested parties. It is required to document the monitoring results, define required corrective and preventive measures and include them into the management program subject to regular updating.

Whatever health and social issues raised by different stakeholder groups in social consultations should addressed on priority basis. Subsequently, it is essential to implement such corrective and preventive actions and ensure subsequent monitoring and recording of their efficiency. Orpic has a grievance mechanism for stakeholders and it is included in the Stakeholder Engagement Plan (Appendix A-Section 8).

LPIC will develop and implement a social environment monitoring program related to the following affected parties:

1. Local residents living within a range of 5 km from the Pipeline & Petrochemical Complex
2. Fahud industrial camp

The social monitoring of the community within a range of 5 km from the pipeline and Petrochemical Complex, and the Fahud industrial camp should cover the following aspects:

- Impact on public health (measurements of quality of ambient air and groundwater; and health status of local affected settlements);
- Changes in the standards of living (for most of residents involved in NGLE Plant & Petrochemical Complex operations) through Living Standards Measurement Survey;
- Environmental performance (as per environmental management plan and monitoring programs)

The following measures are required to carry out social monitoring:

- Approve a routine monitoring program, including monitoring of community health status and occupational health and safety (OHS) compliance as its integral part;
- Comparison of the wages of the Company’s employees with the average monthly wages in the region.
- Comparison or prices for local produce.
- Community Grievance management and resolution monitoring.
- Review of Labour accommodation camp standards:
• Review of Labour Grievance Mechanism;
• Review of livelihoods within industries which may be affected by the project, (with a focus on agriculture producers and fishing)
• Quarterly (or more frequent if needed) of management programs during construction

An update on the parameters described above, should be submitted to the Company’s management and the HSE management department on a quarterly basis.

The following parameters are to be monitored with respect to the local residents living within the townships of NGLE, Pipeline & Petrochemical Complex:

• Quality of new housing;
• Impact on public health in the new housing environment;
• Changes in the standard of living.

Monitoring should be conducted in the following ways:

• Survey residents with the aid of questionnaires at least once per year (more frequently during the first year);
• Arrangement with medical institutions to provide quarterly information about the number of visits by local residents with complaints caused by cardiovascular, breathing and gastrointestinal diseases;
• Comparison of the information obtained with the average statistics data for the given administrative area;
• Preparation of quarterly reports on the results obtained. If the actual data exceed the average statistical values, identify the cause of the problem.
• Review of worker grievances and resolution and
• Review of community grievances and resolution.

A report on a current situation based on the monitoring data is to be submitted to the municipal administration and disclosed to the local community on a quarterly basis. The method for communication and disclosure with the local communities is described within the stakeholder engagement plan (Appendix A).
Appendix A: Stakeholder Engagement Plan
Appendix B: Camp Management Plan
Stakeholder Engagement Plan
Liwa Plastic Industries Complex
9 November 2015
## Issue and Revision

<table>
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<tr>
<th>Rev.</th>
<th>Document Description</th>
<th>Date</th>
<th>HMR Prepared</th>
<th>HMR Checked</th>
<th>HMR Approved</th>
<th>Company</th>
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<td>B</td>
<td>Stakeholder Engagement Plan</td>
<td>9/11/2015</td>
<td>HMR</td>
<td>HMR</td>
<td>HMR</td>
<td>Orpic</td>
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<tr>
<td>A</td>
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<td>27/10/2015</td>
<td>HMR</td>
<td>HMR</td>
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<td>Orpic</td>
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</table>

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1. **INTRODUCTION**

Oman Oil Refineries and Petroleum Industries Company (Orpic) is one of Oman’s largest companies and a rapidly growing business in the Middle East’s oil industry. Orpic (the company) currently operates oil refineries (Mina Al Fahal and Sohar Refinery), an aromatics plant and a polypropylene plant at its complex located within the port of Sohar Oman.

1.1 **Project Description**

The Liwa Plastics Industries Complex (LPIC) is a steam cracker project which will process light ends produced in Orpic’s Sohar Refinery and its Aromatics plant as well as optimize Natural Gas Liquids (NGL) extracted from currently available natural gas supplies. The NGL will be extracted from a plant at Fahud and transported via a pipeline to a petrochemical complex at Sohar. The overall project location from the extraction plant at Fahud to the complex at Sohar is illustrated below.

![Overall Project Location](image)

Figure 1: Overall Project Location

The NGLE Plant at the Fahud Site is the most upstream component of LPIC Project. The NGLE Plant will recover Ethane and heavier components from rich natural gas by a cryogenic process. Rich natural gas which is the feed gas will be sourced from both Government Gas Plant (GGP) in Yibal and Central Processing Plant (CPP) in Saih Rawl. NGL (C₂+) extracted from the NGLE Plant is to be located near the existing Fahud Compressor Station.

The NGL extracted shall be transported to the Petrochemical Complex via a proposed 300 km pipeline in liquid phase. The proposed 14” pipeline is to be collated within the existing Oman Gas Company’s (OGC) 32” natural gas pipeline (right of way (ROW)) from Fahud to Sohar.
The petrochemical complex proposed in the designated Sohar Industrial Port Area will include a nominal 863 kilo tons per annum ethylene cracking plant, high density polyethylene (HDPE) plant, linear low density polyethylene plant (LLDPE), new polypropylene plant, methyl tertiary butyl ether (MTBE) plant, Butene-1 plant and associated utility and offsite facilities. The complex will be integrated with the existing Sohar Refinery, Aromatics Plant and Polypropylene Plant. NGLs (C_2+) extracted at the NGLE Plant forms one of the feedstock. Other feedstock are mixed LPG produced in the Sohar Refinery and aromatics complex, dry gas produced in the RFCC unit and new delayed coking unit that is included in the Sohar Refinery Improvement Project, and condensate (light naphtha) imported from Oman LNG by marine tanker. Some of the materials produced in the complex, including hydrogen, MTBE, pyrolysis fuel oil and hydro-treated pyrolysis gasoline will be returned to the Sohar Refinery, Aromatics Plant and existing Polypropylene Plant.

The figures below illustrate the three main components of the project (NGLE, Pipeline and Petrochemical Plant) and the potential project affected population.
1.2 Purpose of this Plan

This Stakeholder Engagement Plan (SEP) outlines tools for initiating, building and maintaining long term positive relationships with local stakeholders. Further, it serves to manage and monitor the social environment of the LPIC project thereby maintaining Orpic’s social license to operate within the community.

1.3 Goals and objectives of the SEP

Orpic is a socially responsible operator and is interested in understand the social dynamics of the project affected communities. The SEP will enable Orpic to maintain channels of communications with the local stakeholders to update on project progress and impacts and provide opportunities for stakeholders to voice their opinions and concerns. This will build trust and strengthen relationships with project affected parties.

The objectives of the SEP are to:

- Identify project stakeholders
- Provide meaningful information in a format and language that is readily understandable and tailored to the needs of the stakeholders
- Identify issues of importance to stakeholders
- Identify and utilize effective channels of communication with stakeholders
- Build and maintain relationships with Affected Communities
- Enable an informed Orpic response to the issues raised by stakeholders by providing clear mechanisms for responding to people’s concerns, suggestions and grievances
- Incorporate feedback into the project where possible
LPIC Stakeholder Engagement Plan

- Monitor the affected communities response to the project

1.4 Principles of the SEP

The key principles of the SEP are:

- Processes free of intimidation or coercion
- Transparent two-way dialogue that gives both sides the opportunity to exchange views and information, to listen, and to have their issues heard and addressed
- Inclusiveness in representation of views, including women, vulnerable and/or minority groups

2. REGULATIONS AND REQUIREMENTS

There is no institutional requirement to publish notification of a project under Omani law; however, the company published their Invitation to Tender documents widely in Q1 2014 which gave notice on their website that the project was under consideration. The main driver for developing this SEP and associated documents is to comply with international Lender requirements (i.e. Export Credit Agencies) for environmental and social due diligence. The key ECA criteria are the eight IFC Performance Standards (2012). Additionally, the third edition of the Equator Principles (EP) is followed by many ECA’s and investment banks.

The applicable IFC Performance Standard (PS) is PS1: Assessment and Management of Environmental and Social Risks and Impacts (paragraphs 25 to 36). The section on Stakeholder Engagement provides the basis for building strong, constructive and responsive relationships that are essential for the successful management of a project’s environmental and social impacts. Stakeholder engagement is an ongoing process that may involve, in varying degrees, the following elements:

- Stakeholder analysis and planning
- Disclosure and dissemination of information
- Consultation and participation
- Grievance mechanism
- On-going reporting to Affected Communities

The nature, frequency and level of effort of stakeholder engagement may vary considerably and will be commensurate with the project’s risks and adverse impacts, and the project’s phase of development. The IFC PS further describes the steps needed to ensure effective analysis and engagement with stakeholders, disclosure of information, consultation methods, informed consultation and participation, consideration of indigenous people, external communication and grievance mechanisms and on-going reporting to Affected Communities. The IFC Good Practice Handbook for Stakeholder Engagement has been referenced in development of this plan to ensure alignment with the requirements of the IFC PS.

2.1 Scope of the SEP

The SEP scope covers areas of influence such as project site and related facilities, ancillary facilities, and pipeline route. The project affected areas are illustrated by maps Figures 1 through 4. Throughout all phases of the Project a variety of stakeholders will have power and/or influence affecting project objectives and the overall outcomes. These stakeholders need to be engaged with and consulted early to identify and address concerns, interests or issues to enhance the success of
the project. Orpic believes in the importance of close connection with stakeholders and this document is intended to be a guideline for stakeholder engagement throughout all phases of the project.

3. SUMMARY OF PREVIOUS STAKEHOLDER ENGAGEMENT ACTIVITIES

The company conducts regular stakeholder engagement as a part of the corporate sustainability program. Project related information is posted on the website and available at the visitor center at Sohar. Furthermore, stakeholder consultations are underway with communities located around the project area.

A summary of the engagements conducted to date including the type of communication, locations, date, and information on individuals consulted is included in Appendix A. The majority of the stakeholder consultations have been conducted via in-person meetings and key informant interviews. The focus group meeting with the villages around the petrochemical complex also included social surveys which were completed by participants during the meeting. The information from the surveys was used to inform the socio-economic baseline. The survey template is included in Appendix B. The project information disclosed with stakeholder included a brief project introduction, potential environmental and social impacts and the overarching project timelines. Orpic’s standard template for recording stakeholder meeting outcomes is included in Appendix C.

Additionally, a Socio-Economic Impact Assessment was conducted on behalf of the company by Strategy&. The purpose of this study was to highlight the role of Orpic and LPIC in meeting the current socio-economic priorities of Oman. Stakeholder consultations were conducted as a part of the study. Summary of the interviews conducted by Strategy& for the study is included in Appendix A.

The list of stakeholders engaged to date include:

1. Al Jall Village
2. Saqah Village
3. Khshishat Al-Melh Village
4. Village representatives from around the Petrochemical Complex including: Harmouil, Al Ghuzyal, Al Haad, Wadi Ghasab, Ghadafan and Al Zahiyah
5. Governor of North Al Batinah
6. Wali of Liwa
7. Sohar Chamber of Commerce
8. Shinas College of Technology
9. Sohar University
10. Jusoor (Social Investment Arm of Orpic)
11. Oman Women’s Association
12. Minister of Finance
13. Ministry of Oil & Gas
14. Ministry of Environment and Climate Affairs
15. Ministry of Manpower
16. Oman Oil Company
17. Orpic Management
18. Media

The main concerns from the community and project affected population include:
LPIC Stakeholder Engagement Plan

- Local hiring to service project needs
- Environmental controls to manage odour, dust, noise and any air quality impacts
- Investment social infrastructure such as community centres
- Upgrading community network such as water systems (Falaj)

Through the stakeholder consultations, Orpic raised awareness about the LPIC project and shared the mechanisms for the project affected people to communicate with the company. Key outcomes from the stakeholder consultations informed the social baseline of the project and helped identify appropriate mechanisms to communicate with the different stakeholder groups.

4. PROJECT STAKEHOLDERS

Stakeholders were mapped and identified based on whether they are directly and/or indirectly affected by the project (or company operations); have interests in the project of parent company; and/or have the potential to influence project outcomes or company operations. Communities in the project affected area were considered as follows:

**Impacted communities:** Resettled/Displaced Communities

**Proximity community:** Serves as a transport corridor, is affected by or adjacent to any of the Project’s site elements

**Fence-line:** Communities that are on the boundary of the Project site or pipeline

**Host:** Communities that have received any (historic) resettled parties and/or live locally to where the workforce will be accommodated.

The table below summarizes the project stakeholders per group.

**Table 1: LPIC Project Stakeholders**

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communities</td>
<td>Local Affected Villages at:</td>
</tr>
<tr>
<td></td>
<td>- Sohar/Liwa (Harmul, Al Mukhaylif, Uqdat Al Mawani, Wadi Al Qasab, Al Hadd, Al Ghuzzayyil, Ghadfan, Al Khuwairiya, Majees and Amq)</td>
</tr>
<tr>
<td></td>
<td>- Along the pipeline (Al Jaylat, Al Jall, As Saqah, Kashishat Al Milh and Willi)</td>
</tr>
<tr>
<td></td>
<td>- Fahud (Fahd industrial camp)</td>
</tr>
<tr>
<td>Shareholders</td>
<td>Investors, Orpic Board, Oman Oil Company</td>
</tr>
<tr>
<td>Media</td>
<td>Newspapers, Press, TV and Radio</td>
</tr>
<tr>
<td>Academics</td>
<td>Shinas College of Technology , Sohar University</td>
</tr>
<tr>
<td>Government</td>
<td>This group includes: Ministry of Oil and Gas, Ministry of Environment and Climate Affairs, Ministry of Finance, Ministry of Culture and Heritage, Ministry of Agriculture and Fisheries, Ministry of Regional Municipality and Water Resources, Sohar Chamber of Commerce, etc.</td>
</tr>
<tr>
<td>Labor Representatives</td>
<td>HSE Representative, Labor Account Management, Representative of Labor Camps, and Worker Group Managers</td>
</tr>
<tr>
<td>Cultural Groups</td>
<td>Bedouins, Tribal communities</td>
</tr>
</tbody>
</table>
5. STAKEHOLDER ENGAGEMENT PROGRAM

Principles

Orpic aims to listen, respond and collaborate with stakeholders to ensure trust building and to maintain its social license to operate.

Communication planning and developing key messages (NB. This is an internal process and explain the communications plan: situation analysis; purpose; risk prevention or mitigation, desired outcomes, key messages, target audiences, comms channels and comms schedule – a lot of this work has already been completed by Strategy&)

Key messaging - to help create consistent messaging to inform re. key project milestones and activities (it is quite helpful to have an internal key messaging handbook which contains factual information about the Project and enables standard answers and responses to specific issues or questions that arise from interaction with S/H)

Form Engagement Mechanisms

Considering the lack of experience with public consultation processes in Oman, Orpic has selected mechanisms which are familiar to the affected and interested stakeholders. Therefore Orpic uses a range of tools to communicate with its stakeholders such as in person meetings, website notifications, announcements in the visitor’s center and local representative (Wali/Governor) office. The stakeholder engagement program is summarized in the table below.

Table 2: Stakeholder Engagement Program

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Description</th>
<th>Tools to communicate</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communities</td>
<td>Local Affected Villages at: - Sohar/Liwa - Along the pipeline - Fahud</td>
<td>- Face-to-face meetings with community representatives - Visits to the Sohar plants for members of the local community (and the general public) - Newspapers - Radio - Orpic website - Flyers distributed by hand</td>
<td>- Monthly face-to-face meetings - Sohar plants visits by request - Monthly publication of updates</td>
</tr>
<tr>
<td>Shareholders</td>
<td>Investors, Orpic Board</td>
<td>Board meetings and email circular</td>
<td>- Monthly and more frequently if required.</td>
</tr>
<tr>
<td>Media</td>
<td>Newspapers, Press, TV and Radio</td>
<td>- One-to-one meetings - Press conferences</td>
<td>- Monthly - Event based</td>
</tr>
<tr>
<td>Stakeholder Group</td>
<td>Description</td>
<td>Tools to communicate</td>
<td>Frequency</td>
</tr>
<tr>
<td>-------------------</td>
<td>-------------</td>
<td>----------------------</td>
<td>-----------</td>
</tr>
</tbody>
</table>
| Academics         | Shinas College of Technology, Sohar University | - In person meetings  
- Flyers  
- Recruitment events | - Annually |
| Government        | This group includes: Ministry of Oil and Gas, Ministry of Environment and Climate Affairs, Ministry of Finance, Ministry of Culture and Heritage, Ministry of Agriculture and Fisheries, Ministry of Regional Municipality and Water Resources, etc. | - In person meetings  
- Status reports | - Quarterly |
| Labor Representatives | HSE Representative, Labor Account Management and Worker Group Mangers | - In person meetings  
- Status updates | - Weekly |
| Cultural Groups   | Bedouins, Tribal communities | - In person meetings | - As needed |
| NGOs              | Oman Women’s Association, Environment Society Oman | - In person meetings  
- Email communications  
- Flyers | - Quarterly |

The views of women and other relevant sub-groups (e.g. minorities, elderly, youth etc.) will be taken into account through dedicated sessions catering to these groups (i.e. stakeholder consultation session with women organized by Orpic through the Women’s Association). Further, Orpic will make every effort to highlight the importance of the difference in opinion during engagement session to raise awareness on the issue.

Orpic leadership stress the importance of diversity and inclusion which influences the organizational culture and attitude towards consultation sessions. Tools used to promote inclusivity involve including women (or other sub-groups as relevant) during the session; using active facilitation to draw out minority opinions; and, where needed, conducting separate meetings for women/sub-groups.

**Informal Engagement Mechanisms**

Informal engagement sessions are often the more effective means of communication with the local communities and affected parties. These mechanisms include discussions and social survey’s with workforce who live locally, coffee sessions with an Affected Party in the communities, and feedback through conversations with family members. Information engagement sessions are managed through Orpic’s External Relations Services.
Orpic External Relations Services

Orpic has dedicated External Relations Services (ERS) with the mandate to: To position Orpic as a good corporate citizen recognized for excellence in community engagement, contributing to the prosperity of the community where we operate by applying our values. The main objectives of the ERS are to:

- Build Strategic alignment between Orpic business direction and its stakeholders;
- Maximize economic and social impacts of Orpic operation by playing an active and positive role as a good neighbour;
- Strengthen the engagement platform that leads to a greater understand of Orpic’s business, and;
- Actively engagement stakeholder for more effective contribution to the socio-economic development of the local community.

The work strategy elements include stakeholder programs described in subsequent sections: Community Office, Visitor’s Center, CSR Programme, Volunteerism, and Public Capacity Building.

Community Office

Orpic has a Community Office located in Falaj Al Qabail in Sohar to enable the community to gain easy access to Orpic. The Community Office open Sunday to Thursday allows Orpic’s staff to assist with any business inquiries the community may have including assistance with vendor registrations for local businesses, receive tender bids, display tender announcements and showcase Orpic’s latest environmental developments and employment opportunities. Directions to the office are available on Orpic’s website.
Visitor Centre

Orpic also has a dedicated Visitor Centre at the Sohar Industrial Complex. The centre is open during working days (Sunday to Thursday) and aims to provide the public a glimpse of the core business at Orpic. The visitor programme consists of an animated film on oil and the refining industry, a guided tour of the Visitor Centre which details Orpic’s operations, plants, products, environmental commitment and many other aspects of Orpic’s business. The programme normally lasts about one and a half hours in total.

CSR Programme

Through Jusoor, a corporate social responsibility initiative created by Orpic, Vale and Sohar Aluminium, the corporate social responsibility efforts of the companies are being combined for the benefit of the communities within the immediate areas of operations. Jusoor has initiated a number of human capacity development projects in the North Al Batinah region since its inception and will extend along the planned pipeline route and at Fahud industrial area. The programs underway include:

**Professional Education:** A series of projects to complement the Omanisation efforts being made by the Government and private sector. These structured training programmes (varying from one to two years) are aimed at providing young Omani’s with the knowledge and skills needed for the labour market.

**Jusoor Enrichment Programme:** This commenced in January 2013, with the aim of cascading knowledge amongst Omani youth in North Al Batinah in the field of entrepreneurship. It also provides career guidance with the objective of contributing to the graduate’s readiness for joining the labour market.

**Jusoor Volunteerism Program:** A three month training programme was initiated to teach trainees how to sew. 50 trainees were given sewing machines for their personal use, which will help them develop their skills and make their own homemade tailored products.

**Industrial Tailoring Workshop:** Following the tailoring training programme which commenced in 2012, the foundation aims to establish an Industrial Tailoring Incubator that will work mainly on producing work uniforms for the many of the companies in Sohar industrial area.

Further community engagement sessions in 2015 included:

- Safety Traffic Awareness Campaign
- Simplifying work procedures in Government Institutions
- Effective Communication Skills training in the Municipal Councils
- HSE and Fire fighting training sessions for the community
- Elderly Health Awareness and Screening Campaign
Construction activities will generate issues that require systematic assessment and determination of response by the Project. The range of these issues will change depending on activities at site and over time and therefore the Stakeholder Identification and Issues scoping will be implemented to assess prevailing issues and the perceptions of stakeholders as well as the capacity of Orpic to effectively respond (in collaboration with contractors).

**Stakeholder Identification and Issues Scoping**

**Table 3: Key Stakeholder Scoping**

<table>
<thead>
<tr>
<th>Key Stakeholder</th>
<th>Position, power and influence</th>
<th>Goal, motivation and interests</th>
<th>Potential role in project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Environment and Climate Affairs</td>
<td>Environmental regulator and authoritative body</td>
<td>Environmental permit conditions and renewals</td>
<td>Regulator of environmental permits</td>
</tr>
<tr>
<td>Royal Oman Police</td>
<td>Regional security and safety</td>
<td>Site security plans and crime management</td>
<td>Second line of defence at project site and ensuring safety of all stakeholders</td>
</tr>
<tr>
<td>Shinas College of Technology and Sohar University</td>
<td>Higher education provider</td>
<td>Increased enrolment in degree programs specific to industrial development</td>
<td>Skills development and capacity building through quality higher education programs to ensure a ‘future ready’ workforce for LPIC</td>
</tr>
<tr>
<td>Ministry of Oil and Gas</td>
<td>Governmental body responsible for all government Oil and gas projects.</td>
<td>Diversification of GDP through LPIC project downstream industries</td>
<td>Development and implementation of plans, policies and studies to ensure optimum exploitation of the oil and gas.</td>
</tr>
</tbody>
</table>
## Table 4: Affected Stakeholder Scoping

<table>
<thead>
<tr>
<th>Affected Stakeholder</th>
<th>Ways affected by the project</th>
<th>Key issues/concerns to be addressed</th>
<th>Potential role in project</th>
</tr>
</thead>
</table>
| Harmul, Al Mukhaylif, Uqdat Al Mawani, Wadi Al Qasab, Al Hadd, Al Ghuzzayyil, Ghadfan, Al Khuwairiya, Majees and Amq | • Traffic during construction and operation  
• Dust levels during construction  
• Congestion in public social infrastructure due to large numbers of construction workers.  
• Employment opportunities  
• Local business opportunities | • Traffic management plan  
• Dust monitoring and mitigation through environmental management plan  
• Management of construction workers.  
• Local job creation and skills development  
• Local business development | Inform Orpic on key community issues/concerns and provide feedback to ensure management and monitoring programs are effective. |
| Al Jaylat, Al Jall, As Saqah, Kashishat Al Milh and Willi)                           | • Dust levels during construction  
• Employment opportunities  
• Local business opportunities | • Dust monitoring and mitigation through environmental management plan  
• Local job creation and skills development  
• Local business development plan | Inform Orpic on key community issues/concerns and provide feedback to ensure management and monitoring programs are effective. |
| Fahd industrial camp                                                                  | • Traffic and dust during construction  
• Interactions with construction worker  
• Interactions with employees during operation of the NGLE | • Traffic and dust management programs  
• Labor camp management plan  
• Human resource management policies | Inform Orpic on key issues/concerns and provide feedback to ensure management and monitoring programs are effective. |

Orpic will update the issues scoping once a year unless there are significant impacts identified in a particular location in which base more regular reviews will be undertaken.
6. TIMETABLE

Stakeholder consultations are currently underway and will continue through all phases of the project, i.e.: construction, commissioning, operation and decommissioning. This will better inform Orpic’s socio-economic baseline and tailor programs to manage and where possible mitigate the perceived social impacts of the project. The outcomes or activities resulting from the stakeholder consultations will be incorporated into the social management system prior to commissioning and updated during operation as consultations continue. The timeline for engaging with each group is included in the table below.

Table 5: Stakeholder Consultation Timetable

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Description</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communities</td>
<td>Local Affected Villages at:</td>
<td>Monthly</td>
</tr>
<tr>
<td></td>
<td>- Sohar/Liwa (Harmul, Al Mukhaylif, Uqdat Al Mawani, Wadi Al Qasab, Al Hadd, Al Ghuzzayyil, Ghadfan, Al Khuwairiya, Majees and Amq)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Along the pipeline (Al Jaylat, Al Jall, As Saqah, Kashishat Al Milh and Willi)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Fahud (Fahd industrial camp)</td>
<td></td>
</tr>
<tr>
<td>Shareholders</td>
<td>Investors, Orpic Board</td>
<td>Monthly</td>
</tr>
<tr>
<td>Media</td>
<td>Newspapers, Press, TV and Radio</td>
<td>Monthly (or more frequent if project related news arises)</td>
</tr>
<tr>
<td>Academics</td>
<td>Shinas College of Technology, Sohar University</td>
<td>Annually</td>
</tr>
<tr>
<td>Government</td>
<td>This group includes: Ministry of Oil and Gas, Ministry of Environment and Climate Affairs, Ministry of Finance, Ministry of Culture and Heritage, Ministry of Agriculture and Fisheries, Ministry of Regional Municipality and Water Resources, etc.</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Labor Representatives</td>
<td>HSE Representative, Labor Account</td>
<td>Weekly</td>
</tr>
</tbody>
</table>
**Stakeholder Group** | **Description** | **Timeline**
--- | --- | ---
Management, Representative of Labor Camps and Worker Group Managers |  
**Cultural Groups** | Bedouins, Tribal communities | As needed  
**NGOs** | Oman Women's Association, Environment Society Oman | Quarterly

7. **RESOURCES AND RESPONSIBILITIES**

The company has a dedicated external communications and community liaison team who will be managing and implementing the stakeholder engagement program. This will be through Orpic’s External Relation Services (ERS) Team and Communications team. The team will report back to the Project Director on a monthly basis to provide oversight and track progress. There are currently 5 employees working within the ERS team and 6 with the Communications team at Orpic. They are available to support the LPIC project in close collaboration with the HSE focal point to understand project details and potential environmental/social issues.

**Training**

The following training is provided to the ERS and Communications Team:

- Managing Time with Multiple Tasks
- Finance for Non-Finance
- HSE Re-induction
- Process Safety
- Security Awareness Training
- Setting Priorities, Managing Stress & Pressure at Work
- Hazard Identification
- Orpic Re-induction Course
- Global PR Trends Summit Middle East 2
- Protocol and event Management
- Screen and motion design
- First Aid training

**Resourcing**

Orpic maintains its commitment to Omanization and hiring locals. In particular, Orpic has already hired from the local community affected by the project. Furthermore, Orpic continuously assesses the skills required to support activities and will hire according to the business needs.

**Budget**

There is a dedicated budget for the Community programs.
Responsibilities

The SEP team is responsible for relationships with a wide range of stakeholders as identified in this plan, including liaising with local, regional and national government. They are responsibility for implementing the stakeholder engagement activities included in the SEP. Further, they undertake Orpic’s public consultation exercises and social research.

8. GRIEVANCE MECHANISM

In keeping with the HSE Policy Statement, Orpic’s highest priority is to provide for the safety and environment of the local communities. It has a goal of “minimize the impact of our activities on environment and society.” Orpic’s formal grievance channels use a variety of techniques, from site visits, workshops and meetings to distributing literature. Community enquiries and concerns are brought to Orpic’s attention directly via through the toll free Enquiries and Complaints Contact Number, or raised through the Sohar Environmental Unit, Community Office, or Visitor Centre. The complaints number is broadly advertised on Orpic’s website and through local offices. Stakeholders that located in remote areas or are unable to travel can raise complaints via their local representative office (Wali or Governor).

Orpic implements a structured process of registering, verifying and investigating complaints and prioritises the process of providing feedback on the status of the complaint received. Corrective actions are put into effect to ensure legitimate complaints are addressed and adverse effects mitigated as soon as possible. For example, the majority of community concerns raised relate to odour from the facilities, an issue that was identified to be linked to waste water management practices. This issue has been actively managed and resolved through the design and implementation of an odour abatement system.

The objective of the Environment and Community Complaints procedure at Orpic is to understand perceived and actual impacts on the community and stakeholders, correct the situation as appropriate, provide feedback on the correction to the complainant, and through management review, develop strategies to prevent the causes of the complaints. In responding to the complaints, a key emphasis is a timely resolution of the immediate issue. Complainant will receive notification that the issue has been received within 3 working days and within 10 working days a preliminary response will be provided including a summary of additional actions/concluding statements, etc. If the Grievance mechanism cannot resolve the issue, and the escalation mechanisms fail, then the complainant has the right to make use of any legal channels available.

The process, while facilitated by the HSE Department, requires the integration and involvement of a number of departments to resolve the complaints. Management is involved in the development of longer term strategies, as appropriate, to deal with the causes of the complaints.

The environmental and community complaints process is included in Appendix D.

LPIC Workers grievances will be resolved as per Human Resource Policy. The grievance procedure at Orpic is as follows:

- When an employee has a grievance, they should discuss with their immediate leader within 5 working days. It is a part of the leader’s accountability to help solve the grievances within 3 working days.
• If the employee is still dissatisfied with the outcome, they may appeal to the leader’s direct superior by filling a Grievance Form within 3 working days of the outcome being communicated. Once this form is completed and submitted to the Department Manager the Formal Grievance procedure is initiated. The process can only be terminated by the aggrieved employee.

• If the employee has discussed their grievance with the department manager and is not satisfied with the outcome, they may proceed to preset the grievance within 5 working days to the Function Head.

• If the grievance is still not resolved, the Function Head HRS till submit a summary of the process followed, and proposed outcome to the Function Head within 5 working days. If required, consultation with the parties concerned should be conducted and a final recommendation be submitted to the Executive Team for ratification.

• The decision of the Executive team will be the final position of the company.

• The decision of the Company will be communicated, in writing, to the employee who may exercise their right to submit the case to the Labor Office under the Oman Labor Law.

• The whole process, from time the employee has filed the grievance (through the Grievance Form) will be completed within a reasonable time not exceeding 21 working days.

9. MONITORING AND REPORTING

Consultations will be an on-going process throughout the duration of the project. This will inform baseline data collection and update/very findings from statistics which are available. Feedback from engagement sessions will be reported back to the project affected people through project status briefings or specific one-to-one interviews on a quarterly basis. Perception survey’s undertaken by Orpic on an annual basis will included quantitative and qualitative indicators as follows:

**Quantitative indicators include:** Number of meetings held, number of disclosure activities and attendees, stakeholder groups present during meetings (including women and vulnerable groups), number of issues/concerns raised, number of beneficiaries from CSR programme activities.

**Qualitative indicators include:** Improved messaging, interest of stakeholders to be involved in project/monitoring, increasing ability of stakeholders to propose and undertake actions, emergence of local Affected Parties willing to take on leadership roles, interaction among groups, etc.

Reporting will be conducted through the following channels:

• Stakeholder Log

• Internal Weekly Meetings: HSE, ERS and Communications Team meetings

• External Reporting : The executive summary of the Environmental and Social Impact Report in Arabic and English will be available on the Orpic website, at visitor centre and the community office. Company newsletters, project briefings and publications such as the bi-annual corporate sustainability report are available at the visitor centre and community office. Air quality and emissions from the Sohar refinery are updated on an hourly basis and available online. Orpic’s annual report is also available online and at local offices.
10. MANAGEMENT FUNCTIONS

Stakeholder engagement activities are the responsibility of the corporate external communications officer with the support of the HSE team. Representative from the LPIC project will manage external communications and community relationships for project-specific elements. The responsible manager will report to the LPIC project director on a monthly basis to ensure accountability. Furthermore, monthly status reports on the stakeholder engagement program will be provided to Orpic leadership on the LPIC project to track progress. Contractors will have no engagement with local stakeholders and any consultations will be done by Orpic on behalf of the contractors.

Management tools such as the Orpic stakeholder engagement database (part of the corporate sustainability report) will be leveraged to document, track and management the stakeholder engagement process. The stakeholder engagement activities will be integrated into the environmental and social management system to align with core business functions. This will be communicated internally within Orpic through an email circular to all employees and during team meetings.
## APPENDIX A: SUMMARY OF ENGAGEMENT ACTIVITIES

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Channel</th>
<th>Frequency</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orpic Board</td>
<td>- Board meetings</td>
<td>As required, at least monthly</td>
<td>- Status update of Orpic performance and Projects progress</td>
</tr>
<tr>
<td></td>
<td>- Monthly MIS</td>
<td></td>
<td>- Briefings for required approvals</td>
</tr>
<tr>
<td>OOC Board of Directors</td>
<td>- Written status reports</td>
<td>Quarterly</td>
<td>- Status update of Orpic performance and Projects progress</td>
</tr>
<tr>
<td>Ministry of Oil and Gas</td>
<td>- One-on-one meetings with the minister</td>
<td>As required, at least monthly</td>
<td>- Status update of Orpic performance and Projects progress</td>
</tr>
<tr>
<td></td>
<td>- Written status reports</td>
<td></td>
<td>- Briefings for required approvals</td>
</tr>
<tr>
<td>Ministry of Finance</td>
<td>- One-on-one meetings with the undersecretary</td>
<td>As required, at least monthly</td>
<td>- Status update of Orpic performance and Projects progress</td>
</tr>
<tr>
<td></td>
<td>- Written status reports</td>
<td></td>
<td>- Briefings for required approvals</td>
</tr>
<tr>
<td>Ministry of Manpower</td>
<td>- One-on-one meetings with HE and the undersecretary</td>
<td>Based on announcements of major changes, roughly quarterly</td>
<td>- Status with a focus on labor issues</td>
</tr>
<tr>
<td></td>
<td>- Written status reports</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ministry of Environment and Climate Affairs</td>
<td>- One-on-one meetings - Status reports</td>
<td>Based on announcements of major changes, roughly every 3 months or as required</td>
<td>- High-level status update of Orpic with a focus on environment issues</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Progress in improving environmental protection</td>
</tr>
<tr>
<td>Governor of North Al Batinah</td>
<td>- One-on-one meetings</td>
<td>Based on announcements of major changes, quarterly or as required</td>
<td>- Progress in improving environmental Protection</td>
</tr>
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<td></td>
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<td>- Update on new projects progress</td>
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<td>- Progress in community involvement</td>
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<td></td>
<td>- Employment opportunities</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td>- Prior to any Instance where may be perceived suspiciously by community i.e. heavy smoke, weird flaring, etc.</td>
</tr>
<tr>
<td>Walls of Sohar, Liwa and Shinas</td>
<td>- One-on-one meetings</td>
<td>Based on announcements of major changes, Every 2 months or as required</td>
<td>- Progress in improving environmental Protection</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Update on new projects progress</td>
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<td></td>
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<td></td>
<td>- Progress in community involvement</td>
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<td>- Employment opportunities</td>
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<td></td>
<td></td>
<td>- Prior to any Instance where may be perceived suspiciously by community i.e. heavy smoke, weird flaring, etc.</td>
</tr>
<tr>
<td>Newspapers, TV and other media services</td>
<td>- One-to-one meetings - Press conferences - Press releases - Media lunch</td>
<td>Occasionally, At least monthly. - Event based or as required</td>
<td>- HSE improvements</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Developments in community relations</td>
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<td></td>
<td></td>
<td></td>
<td>- Progress of New Projects</td>
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<td></td>
<td></td>
<td></td>
<td>- Orpic performance</td>
</tr>
<tr>
<td>Stakeholder Group</td>
<td>Channel</td>
<td>Frequency</td>
<td>Summary</td>
</tr>
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<td>------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
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</tr>
</tbody>
</table>
| Local community in Sohar, Liwa & Shinas | - Face-to-face meetings with community representatives  
- Visits to the Sohar plants for members of the local community (and the general public)  
- Newspapers  
- Radio  
- Orpic website  
- Flyers distributed by hand | Monthly face-to-face meetings  
- Sohar plants visits by request  
- Monthly publication of updates | - Progress in improving environmental protection  
- Job opportunities  
- Corporate Social Responsibility program progress |
| Local Community at Pipeline       | - Face-to-face meetings  
- Newspapers  
- Radio  
- Orpic Website  
- Flyers distributed by hand | Monthly in-person meetings | - The feeling of only receiving information and lack of Dialogue.  
- Lack of Support and Social Investment from the Owner Company of the Old Gas Pipeline.  
- Maintaining Khishishat AL-Melh Village Cemetery Wall.  
- Complaining from neighboring crushers companies and that polluting the air by truck movements and the operations.  
- Maintaining Relation/ link/ connections with the community in the Villages.  
- Need for little fund for Maintaining the “Al Jell falaj” A traditional water channel irrigating the Village farm.  
- Request fund for providing a play areas and playground  
- Building of “Majliss” a traditional common hall for gathering of community members hosting regular meetings and celebrations.  
- Maintaining Relation/ link/ connections with the community in the Villages |
<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Channel</th>
<th>Frequency</th>
<th>Summary</th>
</tr>
</thead>
</table>
| Local community in Muscat | - Face-to-Face meetings with community representatives  
- Visits to the Sohar plants for members of the local community (and the general public)  
- Newspapers  
- Radio  
- Orpic website | - Bi-Monthly face-to-face meetings  
- MAF plant visits by request  
- Monthly publication of updates | - Progress in improving environmental protection  
- Job opportunities  
- Corporate Social Responsibility program progress |
| Potential employees from around Oman | - Newspapers  
- Orpic website  
- Participation in job/career fairs  
- On-campus presentations | - Job opportunities based on availability | - Job opportunities |
Pictures from recent stakeholder meetings

Consultations with Al Jall Village along Pipeline
Consultations with Al Sagha Village along Pipeline
Consultations with Khashaishat Al Melh
Focus Group Meeting: Liwa villages
Pipeline route
Summary of Interviews Conducted for Socio-Economic Study by Strategy& (April 2015)

H.E. Sheikh Mahna bin Saif Al Lamki – Governor of North Al Batinah

- Overall positive prospects and expectations of LPIC
- It is expected to generate a sizeable economic stimulus to Al Batinah and Oman:
  - Create Jobs
  - Support local SMEs
  - LPIC should consider prioritizing the local Liwa workforce for employment
  - LPIC is also expected to support capability development efforts
  - On the social side, managing the environmental aspect is critical
  - Building trust with the local community is also a key success factor and this could be done through constant and transparent communication
  - A community-ORPIC committee to support this process

H.E Sheikh Dr. Said bin Humaid Al Harthi – Wali of Liwa

- Job creation for Omanis is an immediate priority in the region; Giving some priority to the local population in Liwa is also a must
- Any kind of jobs would do in the short term and not necessarily high paying jobs only
- We need to ensure that the LPIC project respects all environmental norms
- Social services such as building a cultural center would be key for such a project
- Al Batinah North is the most populated area: Sohar accounts for ~120K people
- The geographical location (close to the UAE) of Sohar and its ports should be additional reasons why LPIC would be a great fit to Sohar

Sohar Chamber of Commerce

Interviewees:

Hafedh Al Rubaei

Sheikh Ali Al Badi

Asma Al Futaisi

Interview Summary / Key Points:

- A win-win situation with the local SMEs is needed
- Sohar aluminum has a better reputation than ORPIC
- Local SMEs can provide basic services around
  - Levelling / foundation
  - Basic construction
  - Catering
  - Cleaning
  - Supplying utilities
  - IT Networking
- Local companies are unexperienced and small with limited capabilities. Developing them requires a leap of faith
Currently local content quota is taken by “fake” Omani companies, with non-omani management.
According to some of the local SMEs, it is estimated that 93% of SRIP budget is being captured by non-local resources.
The chamber proposed to establish a local content committee between ORPIC and local SMEs owners and the chamber.

Dean and Faculty – Shinas College of Technology

- There are links with ORPIC for training the students – the college is willing to adapt more to the industry’s requirements.
- There is no human capital planning in Oman and everyone is suffering from this.
- ORPIC needs to do more in terms of employment generation for the people of Liwa specifically, and environmental impact management.
- ORPIC can follow the example of Vale which has been working a lot with the local community, in terms of employment and outreach programs.
- ORPIC should work on creating ‘win-win’ situations for itself and the local community.
- We view everyone in the Sohar Port Industrial Area as ORPIC, and any environmental complication we blame it on ORPIC.
- Communication is key to the social success of any project.
- Since the inception of the first refinery (prior to ORPIC), the population has developed a negative perception of ORPIC driven by its inheritance of this refinery.
- The local SMEs in Liwa have not been contacted or contracted by ORPIC on their projects and operations.

Sohar University

Interviewees:

- Dr. Hamdan Al-Fazari – Professor, VC, Resources
- Dr. Ghassan Al-Kindi – Director of Research and Industrial Collaboration

Interview Summary / Key Points:

- There are 6200 students in the University currently, of which, 82% are women – this reduces the suitability of the graduates for industrial jobs such as shift operators.
- Main reasons for the lower percentage of male students:
  - Significant number of male students enter the Army, Police or Civil Services after high school.
  - Entry to the University is largely based on scholarships which is given to the best performing high school students – these are mostly the women – one way to address this can be to lower the high school performance requirement for male students to get a scholarship.
  - Further, women prefer to go into government or administrative jobs as well once they graduate given the better working hours and relatively higher compensation at entry levels.
  - In the private sector, work - visas for expatriates are not transferable across companies whereas the Omanis can switch companies more easily – this acts a disincentive for private sector companies to hire and invest in Omanis.
- Unemployment issue in the region is significant and ORPIC / LPIC alone cannot address this.
LPIC Stakeholder Engagement Plan

- There would be 1000-1500 students entering the job market from Sohar University every year for the coming few years
- LPIC would create around ~1000 jobs in total

Ali Al Hashar – CEO, Jusoor

- Jusoor is the CSR arm of Vale, ORPIC and Sohar Aluminum
- Jusoor manages both Jusoor branded or ORPIC branded projects
- Jusoor has implemented multiple social projects for the companies, ranging from small scale projects to rehab centers to schools and other infrastructure projects
- The key priority to the local community is:
  - Creation of job opportunities
  - Training and build capabilities of people to be able to succeed in their job
- Omanis typically prefer public sector jobs and that is the key challenge for Omani employment in general

Khadija Al Nofali - Oman Women’s Association, Sohar

- There are two categories of women:
  - Educated women prefer to work in the public sector driven by the environment and working hours
  - Un-educated women don’t mind working in any kind of job
- The key challenge for the women working in Industries is the shift system, and the fact that the law does not allow them to work under a 3 shifts system
- They have developed a study on the environmental impact of the industrial zone in Sohar, and they would be sending it to the working team as soon as they get the go-ahead and required approvals

H.E. Mohammed Jawad – Advisor to the Minister of Finance

- Most of the approvals for LPIC from Ministry of Finance have already been received
- Financial returns (i.e., IRR) of investments are important but it should not be the only criteria. Ministry of Finance itself looks at several socio-economic parameters before approving projects including:
  - Economic diversification
  - Adding value to in-country resources
  - In-country human capital development
  - Employment generation is very important for Oman today and SMEs are the only way to address this issue
  - Government should only provide subsidies to develop SMEs when there is a clear net positive impact on GDP, employment and capabilities
  - There are several other ways in which the Government can drive SME development and MOF is working on several of these, including:
  - Fix ODB’s procedures: Increase lending limits while securing the principal; Reduce the types and number guarantees required; Increase approval for seasonal loans
  - Bring together the various lending bodies
  - Increase liquidity and infrastructure support (e.g., set up incubation centers)
  - Provide assured revenue in initial phase through government contracts
- Provide ‘education for employment’ i.e., educational programs that help Omanis get employed in current jobs in the economy which are primarily occupied by expatriates, e.g., accountants, auditors, financial analysts, IT specialists, pilots / co-pilots, etc.
- There is need to target private sector companies in Oman to develop Omanis by using the right incentives / levers. Specifically, 2 types of companies need to be targeted:
  - Companies that have been around for a long time in Oman and have made a lot of money already
  - Companies that are looking to enter Oman
- Training programs for capability development need to be properly structured to have the right impact

Ali Al Riyami – DG Marketing, Ministry of Oil & Gas (MOG)

- Oman has been a little late in developing downstream oil & gas sector and other industries – a lot of valuable time and resources have been lost by just exporting crude oil and LNG since 1960s
- Arab spring with the uprising in Sohar was a wake - up call in terms of realizing that the wider Omani population is not completely satisfied with the current socio-economic situation
- Employment creation is an immediate requirement and not something in the future – close to 60,000 Omanis will join the working age group every year for the next 5-10 years
- Companies like LPIC, ORPIC and the other large companies in SIPC will not be able to solve the employment problem on their own – these are capital intensive and will employ a very small number of people and not across all skill levels
- SIPC has not been able to incentivize / set-up other companies that would employ more people – D’uqm SEZ might be able to address this in a better way
- There is a need for a long term view across the entire economy in order to identify focus areas that will address the economic and especially, employment related issues – needs to be addressed as part of the country’s economic planning

Shanmugan Balaji – Strategy and Performance Director, Oman Oil Company

- Oman Oil Company follows a rigorous process to evaluate investment opportunities that looks at overall impact rather than just financial returns
- There are several factors that need to be taken into account, e.g.,
  - Link back to Oman
  - High quality jobs creation
  - Bringing new technologies into the country with the potential to develop these technologies further within Oman
  - Private sector and SMEs development
  - Employment generated per MMBTU of energy spent
  - Potential to develop further downstream industries and diversify the economy on the back of an investment
  - Transfer pricing is a key issue to be considered when evaluating the impact of integrated investments
  - Downstream plastics park in Oman would have a significant impact on the economy even if raw material needs to be subsidized to make the projects profitable and competitive in the short term
Dr. Anwar Al Kharusi – Head of International M&A for Upstream, Oman Oil Company

- Upstream investments are quite large and capital intensive and therefore, do not contribute significantly to indirect and induced GDP / employment impact
- One could consider exporting Omani capabilities to develop oil & gas projects in other regions that lack capabilities, e.g., Africa
- Other potential parameters to consider while making investments:
  - Security of government revenues
  - Security of supplies
  - Returns to shareholders in the government

Faisal Al Mamari – Takamul

- Takamul’s focus is to explore and develop small and medium size industries downstream of current major companies, via two potential models:
  - Integrated model (backward linked into existing mega projects)
  - Support services model
- Takamul follows four key criteria in selecting investments that are similar to the ones identified by the study:
  - Sectors need to be one of Chemicals, Minerals, Metals or Industrial Support Services
  - Financial returns
  - Integration – either on the raw material side or in terms of services supplier
  - Omanization

Musab Al Mahruqi – CEO, ORPIC

- There are several competing projects for every dollar being invested in Oman therefore GDP impact needs to be maximized
- Further, investments should definitely result in economic diversification of Oman
- Orpic has already made a significant impact on the GDP of the country by providing refined products for domestic consumption that would have otherwise been imported
- Further, it has also contributed significantly towards the development of Sohar region and the local community—however, this has not been highlighted enough
- LPIC will further add to Orpic’s contribution:
  - Ensure high degree of integration across the value chain which will have a greater indirect and induced impact
  - Will maximize the value add from gas (through gas separation) and refinery side streams (dry gas, condensates, etc.)
  - Will also bring new capabilities into the country (e.g., plastics) and develop them further
  - Finally, Orpic is a business and needs to be treated like one, which implies that Orpic can only contribute to a certain extent in terms of improving the socio-economic situation in Oman and in Sohar.
- Government and the ministries need to play a strong enabling / facilitating role in this regard

Raphael De Loenen – COO, ORPIC

- Key issues faced by Orpic in recruiting / training people in Oman:
  - Curriculum mismatch in local universities – too many non-technical topics
  - Students don’t have ‘application based teaching’ in schools and therefore need to be trained extensively to bring them up to the Orpic level
Orpic is already contributing a lot towards local community development:

- Recruitment and training:
  - Hiring Omanis in advance for future projects and sending them to refineries and petrochemical plants in India / South Asia to get trained on the job – and paying for the training
  - Program to hire graduate engineers and train them as panel operators
  - Hiring Omani women for non-shift technical jobs (maintenance, technical, etc.)
  - Developing a career path for Engineers that would develop well rounded and experienced professionals
  - Providing a mix of classroom and on-the-job trainings under the ItQan program to prepare professionals for Orpic

- SME development:
  - Metrics defined for ICV performance measurement
  - Supporting and engaging locals to take up new SME opportunities as sole suppliers of specific goods / services for Orpic – providing support in terms of business feasibility assessment, assured revenues (supply contracts) for a fixed period.
  - Government / ministries / other entities can do more in this aspect, e.g.,
    - Align curriculum in schools / colleges with industrial requirements
    - Promote technical jobs and raise awareness and appeal among students about the Oil & Gas industry

Nazar Al Lawati – CFO, ORPIC

- LPIC is a natural extension to Orpic in the sense that refining is not a high margin business globally and Oman needs to extract maximum value from all the other streams that are not essential to meeting Oman’s fuel requirements
- While LPIC may be a good investment among the industrial investment options, service sectors should be also considered at the government level
- At the government level, service sectors such as Tourism should be a focus area as it has the potential to generate significant employment opportunities, which is a critical socio-economic priority for Oman

Ibrahim Al Kalbani – Head of Procurement, ORPIC / Abdullah Al Farsi – Manager of Planning and ICV, ORPIC

- Orpic has implemented several initiatives to help develop local SMEs. These include both
  - ICV enhancement initiatives: Orpic has defined its own set of criteria to enhance ICV, especially on large projects and has also been able to drive significant ICV content as a result (e.g., 25% on the pipeline project)
  - Other local content development initiatives aimed at developing suppliers within the Sohar region itself (target for total spend from supplier base within Sohar has been set at 10%)
  - Enhancing ICV can be challenging depending on the project, as spend profile varies from one to the other. E.g., for the Muscat – Sohar pipeline, a relatively higher ICV was achieved given the availability of pipe manufacturers within Oman, but this may not be possible for other projects
  - While the local population in Sohar has been requesting Orpic and the government to provide employment opportunities, some drive is also required on part of the general population in terms of being entrepreneurial and starting up companies that can become potential suppliers
Another way to enhance ICV can be to encourage Orpic alumni to start intermediate supplier businesses based on the capabilities they have developed while working for Orpic.

One concern with respect to enhancing the ICV on LPIC would be the requirements of potential foreign investors in the project (i.e., requirements on using material and services from the investors’ countries / projects).
# APPENDIX B: SOCIO-ECONOMIC SURVEY TEMPLATE

Date:

Village/Town:

Wilayat:

Name of Respondent (Wali/Sheikh/Local People):

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Social Variables</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Demography</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Most populated settlement</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Least populated settlement</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Main tribe – (write the distribution in villages)</td>
<td></td>
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<tr>
<td>4.</td>
<td>Other tribes</td>
<td></td>
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<tr>
<td>5.</td>
<td>Native tribe of Sohar</td>
<td></td>
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<tr>
<td>6.</td>
<td>For how long people are residing in you region?</td>
<td></td>
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<tr>
<td>7.</td>
<td>Average family size</td>
<td></td>
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<tr>
<td>8.</td>
<td>Family demography – major population</td>
<td>Children Major (0-6)</td>
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<td></td>
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<td>Youth Major (6-15)</td>
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<td></td>
<td></td>
<td>Economically Productive (15 – 45) Major</td>
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<td></td>
<td></td>
<td>Old Major (+45)</td>
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<tr>
<td>B</td>
<td>Economic Characteristics</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>What were the early occupations of residents of your region?</td>
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<tr>
<td>2.</td>
<td>What is the current occupation of residents?</td>
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<tr>
<td>3.</td>
<td>Major source of income for the local community at present</td>
<td></td>
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<td>4.</td>
<td>Reason for changing occupation – if any</td>
<td></td>
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<tr>
<td>5.</td>
<td>Average household income</td>
<td></td>
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<tr>
<td>6.</td>
<td>Changes in employment characteristics over the years</td>
<td></td>
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<tr>
<td>7.</td>
<td>Influence of recent industrial development on employment opportunities</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>What is the current economic status?</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>Social and cultural characteristics</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Girls of school age are going to school and higher education?</td>
<td>All are going</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mostly Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mostly No</td>
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<tr>
<td></td>
<td></td>
<td>Girls are not attending schools and higher education</td>
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<td>2.</td>
<td>Boys of school age are going to school and higher education?</td>
<td>All are going</td>
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<td></td>
<td></td>
<td>Mostly Yes</td>
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<tr>
<td></td>
<td></td>
<td>Mostly No</td>
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<tr>
<td></td>
<td></td>
<td>Boys are not attending schools and higher education</td>
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<tr>
<td>Sl. No.</td>
<td>Social Variables</td>
<td>Comments</td>
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<td>--------</td>
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<td>-------------------------------------------------------------------------------------------</td>
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<tr>
<td>3.</td>
<td>What is the current education level in the community? Have most gone to university? If so, what type of degree programs did they pursue?</td>
<td>Yes gone to University List degree programs:</td>
</tr>
<tr>
<td>4.</td>
<td>Is there any vocational training provided to the community to provide practical experience?</td>
<td>Yes</td>
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<tr>
<td></td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>5.</td>
<td>Are the current education facilities (i.e. schools and Universities) enough? Sufficient? Of good quality?</td>
<td></td>
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<td>6.</td>
<td>Major occupation of women in family</td>
<td>House hold works</td>
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<td></td>
<td>Animal rearing &amp; house hold works</td>
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<td></td>
<td></td>
<td>Rarely service</td>
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<td></td>
<td></td>
<td>Women do not go for jobs</td>
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<td></td>
<td>Any Others ……………………………………………………………………………………………………….</td>
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<tr>
<td>7.</td>
<td>Effects of population influx on social environment</td>
<td>Increased Vehicle</td>
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<td></td>
<td>Increased Crime</td>
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<td>Increased cost of food/living costs</td>
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<td></td>
<td>Increased Road Accidents</td>
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<td></td>
<td></td>
<td>Increase in outsider workers/population (Omani and Expatriate)</td>
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<td></td>
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<td>Cultural Depletion</td>
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<td>8.</td>
<td>Seasonal migration</td>
<td>Inward</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Outward</td>
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<td>9.</td>
<td>Seasonal Inward Migration</td>
<td>Expatriate More</td>
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<tr>
<td></td>
<td></td>
<td>Omani from Other Regions More</td>
</tr>
<tr>
<td>10.</td>
<td>Reason for Seasonal Inward Migration</td>
<td></td>
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<tr>
<td>11.</td>
<td>Seasonal Outward Migration of natives - Reasons</td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>Permanent Migration of Omanis</td>
<td>Inward</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Outward</td>
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<tr>
<td>13.</td>
<td>Reason for Permanent Migration of Omanis - Inward</td>
<td></td>
</tr>
<tr>
<td>14.</td>
<td>Reason for Permanent Migration of Omanis - Outward</td>
<td></td>
</tr>
<tr>
<td>15.</td>
<td>Effects on land use pattern and natural resources</td>
<td></td>
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<tr>
<td>16.</td>
<td>Concerns regarding relocation of local population (if required)</td>
<td></td>
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<tr>
<td>17.</td>
<td>Changes in social or family structure</td>
<td></td>
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<tr>
<td>18.</td>
<td>Impacts of influx population on local culture</td>
<td></td>
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<tr>
<td>19.</td>
<td>Potential health issues</td>
<td></td>
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<tr>
<td>20.</td>
<td>What is the current health status of the community? Any common diseases (e.g. respiratory illness, cancer, etc.)?</td>
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<tr>
<td>Sl. No.</td>
<td>Social Variables</td>
<td>Comments</td>
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<tr>
<td>21.</td>
<td>Are the current health facility sufficient and of good quality?</td>
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</tr>
<tr>
<td>22.</td>
<td>Pressure on current infrastructure</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td><strong>Attitude towards project development</strong></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Any impact from the Industrial Development in Sohar?</td>
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<tr>
<td>2.</td>
<td>Any positive or negative impacts of the current development (seawater Intake pipe, excavation activities etc.) on communities? Specify the Community………………………………………</td>
<td>Agriculture and grazing activities Influx of more working population Any others …………………………………………………………</td>
</tr>
<tr>
<td>3.</td>
<td>Is the local community in favor or against current development and why?</td>
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<tr>
<td>4.</td>
<td>Expectations and aspirations of the local community</td>
<td></td>
</tr>
</tbody>
</table>
## APPENDIX C: SAMPLE STAKEHOLDER LOG

<table>
<thead>
<tr>
<th>ORGANISATION</th>
<th>NAME OF CONTACT</th>
<th>POSITION</th>
<th>CONTACT DETAILS</th>
<th>MEETING PLACE</th>
<th>MEETING DATE &amp; TIME</th>
<th>ISSUES UNDER DISCUSSION</th>
<th>OUTCOMES</th>
<th>FOLLOW UP ACTIONS</th>
<th>RESPONSIBILITY</th>
<th>DEADLINE DATE</th>
<th>SPECIFIC ADDITIONAL DETAIL</th>
</tr>
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<tbody>
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</table>
APPENDIX D: ENVIRONMENTAL AND COMMUNITY COMPLAINTS PROCESS

(Next Page)
Labor Camp Management Plan

Liwa Plastic Industries Complex
9 November 2015
<table>
<thead>
<tr>
<th>Rev.</th>
<th>Document</th>
<th>Description</th>
<th>Date</th>
<th>HMR Prepared</th>
<th>HMR Checked</th>
<th>HMR Approved</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Camp Management Plan</td>
<td>Second version</td>
<td>9/11/2015</td>
<td>HMR</td>
<td>HMR</td>
<td>HMR</td>
<td>Orpic</td>
</tr>
<tr>
<td>A</td>
<td>Camp Management Plan</td>
<td>First version</td>
<td>1/11/2015</td>
<td>HMR</td>
<td>HMR</td>
<td>HMR</td>
<td>Orpic</td>
</tr>
</tbody>
</table>

This document has been prepared for the above titled Project and it should not be relied upon or used for any other Project without the prior written authority of HMR Environmental Engineering Consultants. HMR Environmental Engineering Consultants accepts no responsibility or liability for this document to any party other than the client for whom it was commissioned.
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Introduction ........................................................................................................................................... 1
Legal Requirements and Grievances ...................................................................................................... 1
Management and Monitoring ................................................................................................................. 2
Roles and Responsibilities ....................................................................................................................... 12
Training, Awareness and Competency ..................................................................................................... 12
Performance Indicators .......................................................................................................................... 13
Appendix A: Legal and Other Requirements ........................................................................................ 14
Introduction
Orpic (the Company) has developed this Camp Management Plan as part of its Environmental and Social Management Plan (ESMP) outlining a range of mitigation measures designed to avoid or reduce undesired camp management impacts during construction. This document establishes a basis and template for use by the Contractor to develop their own plans outlining not only mitigation measures but to also incorporate the roles and responsibilities described in the ESMP.

The objectives of the Camp Management Plan are:

- Avoid or reduce negative impacts on the community and maintain constructive relationships between local communities and workers’ camps; and
- Establish standards on worker welfare and living conditions at the camps that provide a healthy, safe and comfortable environment.

This Plan should be read in conjunction with other environmental and social management plans (EMPs and SMP’s), including:
- Traffic Management Plan
- Security Plan
- HSSE Management System
- Stakeholder Engagement Plan

Legal Requirements and Grievances
The Contractor is required to operate within the parameters of the Omani Labor Law and the International Labor Organization guidelines. Oman has ratified 4 of the 8 ILO fundamental conventions. The IFC Performance Standards are applicable to this project, therefore Performance Standard 2 covering labor and working conditions will be followed. Furthermore, the Company has a Human Resources Policy which is required to be adhered to by the Contractor. Through this policy, the Contractor may file a grievance by sending an email, stating the causes of complaints, to: supplier.complaint@orpic.om. Furthermore, contractors will have access to the Orpic worker grievance mechanism for escalation purposes.

The Company will acknowledge receipt of the complaints immediately and will go through an internal process to investigate. A more detailed response regarding the grievance will be provided within 60 days. In the event that no response is provided within 60 days, Contractor can contact the Market and Logistics Team Leader within the Procurement, Contracts and Inventory Department on +96822105353. Furthermore, Company personnel conduct regular safety walks and an HSE committee will track performance against requirements stipulated in this plan. The Contractor will also have its grievance mechanism developed for the project.

Additionally, the Company Code of Business is applicable to this Project and the Contractor would be required to sign and acknowledge the Code of Business Conduct and agree to abide by its provisions.

Legal requirements applicable to this Plan are detailed in Appendix A.
Management and Monitoring

Figure 1 presents a flow chart summarising key management steps associated with implementation and review of this Plan, including steps to allow for continued improvement. Table 1 presents a summary of the potential impacts related to camp activities, together with mitigation and management measures to avoid or reduce these impacts, and the monitoring required to assess the performance of these measures.

The Contractor shall develop a Contractor Plan which shall, as a minimum, incorporate the camp management measures described in Table 1. The Contractor shall not be limited to these measures.

Monitoring to be undertaken as part of this Plan is described in Table 1. The Contractor is responsible for developing area or site-specific procedures for the monitoring program (where necessary) based upon the final design details of the infrastructure.
Figure 1: Camp Management Process

1. Camp Management
2. Prepare CP
3. Evaluate activity in terms of potential impacts (refer to Table 1)
4. Implement relevant mitigation & management measures (refer to Table 1)
5. Monitor performance (refer to Table 1)
6. Were mitigation & management measures effective in achieving the objective?
   - Yes
     - Complete reporting requirements (see Section 8.0)
     - Complete audits as required
     - Are improvements required?
       - No
         - Operations
       - Yes
         - Modify CP (if necessary)
   - No
     - Modify measures (if necessary)
Table 1: Management and Monitoring

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Potential impact</th>
<th>Mitigation &amp; Management</th>
<th>Monitoring</th>
<th>Frequency</th>
<th>Responsibility</th>
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<tr>
<td>Community Relations</td>
<td>Unauthorised movements of construction workers (during and after working hours) could result in trespassing, damage to local land and property and create amongst local residents a sense of their privacy being invaded. Residents may feel vulnerable and there may be increasing incidents of crime and or violence and threats to the safety of community members. Disparity of pay, increase in disposable income and potential availability of illegal substances, illicit or culturally inappropriate lifestyle choices, leading to increased tension between local communities and the workers at camps.</td>
<td>1. Contractor shall enforce a 'closed' camp policy unless otherwise agreed and approved by Company. Workers will comply with the agreed camp closure hours. 2. Contractor shall implement suitable measures to maintain the closed camp policy which may include perimeter security fences, security controls and guard houses, monitoring transfer of goods into and out of camps for contraband and stolen goods. Contractor should refer to the Project Security Management Plan. 3. Contractor, as appropriate, shall provide adequate recreation facilities for workers to reduce incentive for leaving camps during leisure time. 4. Contractor shall limit workers interaction with the community when outside the camp e.g., by organising transport directly to and from the worksite. 5. If community members or local businesses express grievances in relation to camp related activities/operations, the Project shall respond to the grievance in accordance with the grievance procedure outlined in this plan and the Community Grievance Procedure contained in the Stakeholder Engagement Plan (SEP). 6. Company may request that camp related activities/operations be amended to address</td>
<td>1. Monitoring 2. Verification 3. Verification 4. Verification 5. Notification 6. Verification 7. Verification 8. Verification 9. Verification</td>
<td>1. On-going 2. Every 3 months 3. Every 6 months 4. On-going 5. On-going 6. On-going 7. Every 3 months 8. On-going 9. Every 3 months</td>
<td>1. Contractor 2. Contractor 3. Contractor 4. Contractor 5. Contractor and/or Company 6. Contractor and/or Company 7. Contractor and/or Company 8. Contractor and/or Company 9. Contractor and/or Company</td>
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</table>

1 Detailed plans to mitigate and manage potential impacts will be developed by the Contractors once they are appointed for the LPIC project. These Plans will be monitored on a weekly basis my contractors and Orpic will conduct over-arching checks on a quarterly basis.
## LPIC Camp Management Plan

<table>
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<th>Aspect</th>
<th>Potential impact</th>
<th>Mitigation &amp; Management</th>
<th>Monitoring</th>
<th>Frequency</th>
<th>Responsibility</th>
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|        |                                                                                                                                                                                                                                                                                                                                                  | community grievances. Contractor shall comply with these requests.  
7. Workers shall abide by camp rules which include a disciplinary process to be developed by the contractor once appointed.  
8. The Project shall, be cognisant of the environment in which it works and shall, where practicable, respect local cultural events such as religious events, funerals and the like.  
9. The Project shall provide training to all workers, national and expatriate on camp management including:  
   a. A briefing on camp rules, including closed camp policy, behaviour between fellow workers and the community;  
   b. Procedures for dealing with camp related complaints, worker issues and community issues (as per Stakeholder Engagement Plan, SEP); and  
   c. Community relations orientation. The objective of this orientation will be to increase awareness about the local area and cultural sensitivities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |            |           |               |
| Health | Potential interaction between workers, persons engaged in illicit activities and the community increases the risk of spreading communicable diseases, particularly in more remote communities.  
Camp operations have the potential to develop favourable conditions for weeds, pests and disease, which could impact the health of workers and the community, as well as affect | 1. Contractor shall comply with the Minimum Health Requirements for Project Execution and the Community Health and Safety Management Plan which set out requirements and management measures on controlling communicable diseases within camps and to outside communities  
2. Contractor shall enforce the closed camp policy to limit interaction with community  
3. The Project shall comply with the Weed, Plant Pathogen and Pest Management Plan to prevent exotic weeds, plant pathogens and pests from | Verification | 1. Every three months  
2. On-going  
3. Every three months |            |           |               |
<p>| | | | | | |
|        |                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |            |           |               |</p>
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<th>Aspect</th>
<th>Potential impact</th>
<th>Mitigation &amp; Management</th>
<th>Monitoring</th>
<th>Frequency</th>
<th>Responsibility</th>
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<td></td>
<td>community livelihoods (e.g. rodent infestation affecting crops).</td>
<td>entering the Project areas (including camps) and spreading outside of those areas. 4. Posters and informational sessions will be conducted to raise awareness among the workforce and communities locally around the worker camps.</td>
<td>1. Verification 2. Verification 3. Notification</td>
<td>On-going</td>
<td>Contractor</td>
</tr>
<tr>
<td>Waste management, pollution and environmental impacts</td>
<td>Camp has the potential to have off site pollution impacts from waste disposal, emissions and spills. Camp operations may also cause environmental issues including deteriorating water quality, erosion, sedimentation, noise and air quality issues. These factors have the potential to affect the community if not adequately managed.</td>
<td>1. Contractor shall exercise all reasonable due diligence to conduct its operations in a manner that will minimize pollution. 2. Contractor shall comply with the Waste Management Plan and Hazardous Materials Management Plan which define requirements to contain, transport, handle and dispose of camp wastes and hazardous materials to avoid impacts to human health and the environment. 3. Contractor shall also apply appropriate management controls set out in Orpic’s HSSE Management Plan.</td>
<td>1. Verification 2. Verification 3. Notification</td>
<td>On-going</td>
<td>Contractor</td>
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<tr>
<td>Community resources</td>
<td>- Any infrastructure, services or resources used by camps (e.g. water abstraction) that result in reductions/ shortage/interruptions for the local community will have a negative impact. - There is potential for social envy and increased resentment from the community towards the Project and project team if camp facilities are perceived to be superior to those in the community. Services of note include camp health facilities, power supply, clean running water. Restricted ability to access</td>
<td>1. Contractor shall utilise water sources for camp use in a manner that minimises impacts on local supply and use. Freshwater sources used by the Contractor should be reviewed and accepted by Company. 2. The Project shall routinely monitor quality and supply of water source used by camp through quarterly sampling exercises. 3. Company will implement the In-Country Value Plan and the Company Community Support Strategy which identifies strategic community investments.</td>
<td>1. Verification 2. On-going 3. Verification</td>
<td>1. Prior to establishing the camps 2. Every 3 months 3. Annual</td>
<td>1. Contractor 2. Contractor 3. Company</td>
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</table>
**LPIC Camp Management Plan**

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Potential impact</th>
<th>Mitigation &amp; Management</th>
<th>Monitoring</th>
<th>Frequency</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement and supply of goods</td>
<td>Increased demand for food and other provisions may deplete natural resources e.g. agriculture, fisheries, etc. potentially causing shortages of supply in the local community, and/or increasing the price of goods, affecting affordability for local communities.</td>
<td>The Project shall not purchase products in the local community unless through formal contracts with approved suppliers as per the In-Country Value(^2) and Local Content Plan to be developed by contractors as detailed in Appendix B.</td>
<td>Verification</td>
<td>On-going</td>
<td>Contractor</td>
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</table>
| Camp location                             | • Siting of camps may result in displacement of residents, loss of productive lands and the resources upon these lands. Camps may also restrict or impede access to areas for the local community.  
  • Construction camps may result in a noticeable increase in traffic, noise, air emissions and light intrusion which could negatively affect the amenity and lifestyle of nearby communities and pose a potential safety issue. | 1. Potential camp locations will be selected in consultation with Company and affected communities will be subsequently consulted. Necessary permits will be obtained from the relevant local government organizations for the approved camp location.  
  2. The Project shall refer to those Environmental Management Plan's (EMP) that include mitigation/avoidance measures that relate to the local community, including:  
    o Noise and Vibration Management Plan;  
    o Air Emissions Management Plan; and  
    o Waste Management Plan. | Verification | 1. Prior to establishing the camp  
2. On-going | Contractor and/or Company |
| In-migration                              | There is a low likelihood of in-migration into areas around the construction camps. However, people from outside of the local area may migrate into existing settlements or develop new settlements. | • Contractor shall enforce a ‘closed’ camp policy unless otherwise agreed by Company. This is intended to deter individuals setting up near camp.  
  • Contractor shall develop a Labor and Working Conditions Management Plan with a minimum | Verification | On-going  | Contractor and/or Company |

---

\(^2\) In-Country Value is defined as “The total spend retained in country that benefits business development, contributes to human capability development, and stimulates productivity in Oman’s economy”. The ICV requirements for the Contract are: Local purchase content of minimum 25%; a minimum Omanization level of 30% at all levels of the organization; and, training effort for a number of Omani’s in excess of 15% of those Omani’s employed (excluding owner employees). The contractor is required to submit a draft ICV plan for Orpic’s approval within 45 days of contract award. The ICV plan will be a single, stand-alone, auditable document containing responses and supporting information as per the requirements stipulated in the ICV requirements and local content guidelines.
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<th>Aspect</th>
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<th>Mitigation &amp; Management</th>
<th>Monitoring</th>
<th>Frequency</th>
<th>Responsibility</th>
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<tbody>
<tr>
<td>settlements in proximity to camps and the Project area. Existing communities may also relocate to be closer to camps. In-migration can result in disputes and sometimes violence between the new settlers and the resident community. Migrants moving into existing settlements may increase demand and inflate prices for housing, goods and services. Increased population and development of new and uncontrolled settlements increase pressure on infrastructure, services and resources. The increased traffic from in-migration may also result in greater theft and smuggling of goods.</td>
<td>compliance with the Omani Labor Law, Company HSSE Policy, Human Rights and HR Policy, and HSSE Management Plan.</td>
<td>• The Contractor is to refer and abide by the Workers Accommodation process and standards (IFC/EBRD).</td>
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</table>
| Worker welfare and living conditions                                | Construction workers living in camps may encounter stresses and discomforts that negatively impact their health and welfare. These stressors or discomforts may be caused by Poor living conditions (accommodation, ablution and sanitary, health, recreation catering and laundry).                                    | Contractor shall comply with minimum standards for camp buildings, facilities and services cited in Omani Law, Workers Accommodation process and standards (IFC/EBRD) and the Project Invitation to Tender (ITT) requirements. Standards covered include but are not limited to:  
• Building requirements;  
• First aid facilities and services;  
• Sanitary and ablution facilities;  
• Entertainment and recreation facilities and services;  
• Communication services;  
• Food and canteen facilities and services;  
• Accommodation requirements; and  
• Laundry facilities.                                                                                           | Verification | On-going  | Contractor       |
<p>| There is potential for resentment if living conditions of Omani or other country nationals are of a lesser | • Where there is a difference in camp accommodation, Contractor shall manage this issue in an open and transparent manner. Orpic                                                                                                           |                                                                                                                                                                                                                                                                                             | Verification | On-going  | Contractor       |</p>
<table>
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<tr>
<th>Aspect</th>
<th>Potential impact</th>
<th>Mitigation &amp; Management</th>
<th>Monitoring</th>
<th>Frequency</th>
<th>Responsibility</th>
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<tr>
<td>standard than expats.</td>
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<td>will work with contractors to improve standards to an international level.</td>
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<td>• All camps will operate on a non-discriminatory basis and provide the same standard</td>
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<td>of accommodation and welfare facilities for workers; although distinctions may be</td>
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<td>appropriate based on seniority of individuals and job classifications.</td>
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<td>Cultural issues (nationality, religion,</td>
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<td>• Contractor may provide prayer rooms and other facilities, as necessary and to the</td>
<td>Verification</td>
<td>On-going</td>
<td>Contractor</td>
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<td>discrimination and harassment, etc.).</td>
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<td>extent practicable, to satisfy the religious needs and customs of its workforce.</td>
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<td>• Contractor’s personnel shall not engage in any discrimination or harassing</td>
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<td>behaviour. Contractor shall establish an Equal Opportunity Policy to promote</td>
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<td>non-discrimination in accordance with Labour and Worker Conditions Management Plan.</td>
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<td>• Contractor shall implement a worker grievance procedure to address grievances</td>
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<td>between workers. Refer to the Worker Grievance section of the Labour and Worker</td>
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<td>Conditions Management Plan.</td>
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<td>Mental health issues (morale, isolation,</td>
<td>1. Camps will be treated as closed camps. Camp rules in relation to alcohol</td>
<td>Verification</td>
<td>1. On-going</td>
<td></td>
<td>Contractor</td>
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<td>family attachments, boredom).</td>
<td>consumption and drug prohibition will be complied with.</td>
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<td>2. Every 6 months</td>
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<td>2. Contractor shall provide recreational facilities where practicable.</td>
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<td>3. Contractor will provide counselling for all workers, with no discrimination</td>
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<td>by race, sex or religion.</td>
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<td>Personal security (crime, and emergencies).</td>
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<td>• Camps will be controlled by security to avoid intrusions from outside community.</td>
<td>Verification</td>
<td>Prior to establishing camp</td>
<td>Contractor</td>
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<td></td>
<td></td>
<td>• Work Site Security Plan to be developed by Contractor shall include security</td>
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<td>measures to be provided at the camps which may include fencing.</td>
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<tr>
<td>Aspect</td>
<td>Potential impact</td>
<td>Mitigation &amp; Management</td>
<td>Monitoring</td>
<td>Frequency</td>
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<td></td>
<td>locks, alarms, pass card systems, badge and pass</td>
<td>Contractor shall develop an Emergency Response Plan that meets requirements set out in the ITT package</td>
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<td>system, access points, safe transport of personnel</td>
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<td>as appropriate. Orpic has a site Security Plan</td>
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<td>detailed in Appendix C.</td>
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<tr>
<td>Environmental stress</td>
<td>Contractor shall comply with the Minimum Health</td>
<td>Verification</td>
<td>On-going</td>
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<td>Contractor</td>
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<td>(climate, noise etc.)</td>
<td>requirements for Project Execution Project Design</td>
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<td>Specifications (PDS) and Health Design Specifications</td>
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<td>for Projects, and as per requirements of the IFC/EBRD</td>
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<td>Guidance for Worker Processes and Accommodation in</td>
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<td>addressing environmental factors including:</td>
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<td>• Accommodation will be designed to suit climatic</td>
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<td>conditions;</td>
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<td>• Accommodation and surroundings shall be constructed</td>
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<td>so that noise does not interfere with sleep to the</td>
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<td>extent that is reasonably practicable; and</td>
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<td></td>
<td>• Health and hygiene inspections of facilities as per</td>
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<td></td>
<td>the above PDS.</td>
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<tr>
<td>Decommissioning</td>
<td>Decommissioning of camps has several potential</td>
<td>Contractor is to follow the retrenchment procedure discussed in the Labour and Worker Conditions Management Plan.</td>
<td>Verification</td>
<td>On-going</td>
<td>Contractor and Company</td>
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<td></td>
<td>impacts:</td>
<td>Where Community requests, some infrastructure and services may be retained at the discretion of Company:</td>
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<tr>
<td></td>
<td>• Local employment and provision of local goods and</td>
<td>o Disturbed areas will be reinstated as per the Reinstatement Plan;</td>
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<td></td>
<td>services at camps will no longer be required;</td>
<td>o Where practicable, Contractor will return camp areas to former landforms;</td>
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<td></td>
<td>• Locals employed and previously accommodated in</td>
<td>o No facilities will be maintained in or near especially environmentally or socially sensitive areas; and</td>
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<td></td>
<td>camps will no longer have access to services and</td>
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<td></td>
<td>benefits available at camps (e.g. health services,</td>
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<td></td>
<td>recreation facilities); and</td>
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<td>• Infrastructure which provides benefits to</td>
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<td></td>
<td>communities may no longer be maintained (e.g. roads)</td>
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<td></td>
<td>and may be</td>
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</tbody>
</table>
### LPIC Camp Management Plan

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Potential impact</th>
<th>Mitigation &amp; Management</th>
<th>Monitoring</th>
<th>Frequency</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decommissioned and removed or reinstated (e.g. access tracks).</td>
<td>· Where there are negative consequences of induced access, the facility will also be decommissioned and the area reinstated.</td>
<td></td>
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</tbody>
</table>
Roles and Responsibilities

The implementation to this plan required consistent and committed resources from the Company and Contractor. Below are the expectations of roles and responsibilities for this Plan:

- Contractor shall ensure sufficient resources are allocated on an on-going basis to meet the requirements of this Plan.

- The Contractor Plan shall describe the resources allocated to and responsible for the execution of each task and requirement contained therein, and shall describe how roles and responsibilities are communicated to relevant personnel.

- Company shall ensure sufficient resources are allocated on an on-going basis to achieve effective implementation of Company’s responsibilities in the Camp Management Plan.

Training, Awareness and Competency

Training is a critical component to raise awareness on the various impacts and associated management functions of the Plan. As such, it is expected that:

- Contractor shall ensure that all personnel responsible for the execution of the tasks and requirements contained within this Plan are competent on the basis of education, training and experience.

- The Contractor Plan shall describe the training and awareness requirements necessary for its effective implementation.

- Contractor’s training activity associated with the Contractor Plan shall be appropriately documented by means of a training needs assessment, training matrix/plan and records of training undertaken.

- Project shall ensure that personnel responsible for the execution of tasks and requirements in the Camp Management Plan are competent on the basis of education, training and experience.

- Project training activity associated with the Camp Management Plan shall be appropriately documented by means of a training needs assessment, training matrix/plan and records of training undertaken.
Performance Indicators

Table 2 outlines the indicators for measuring and verifying performance in relation to camp management. However Contractor may, subject to agreement with Company, may modify or add to these indicators to enhance the Contractor Plan based on lessons from the performance indicators.

Table 2: Performance Indicators

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Measurement</th>
<th>Assessment Frequency*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Camp Management Training participation</td>
<td>100% of workers resident at camp undergo training on camp management.</td>
<td>Monthly</td>
</tr>
<tr>
<td>Company satisfaction with Camp Management</td>
<td>An 80% compliance with the standards outlined in the Company Camp Monitoring Plan (contained in the Temporary Construction Camp Standard).</td>
<td>Monthly</td>
</tr>
<tr>
<td>Worker satisfaction with living conditions</td>
<td>Number of workers’ grievances related to camp management.</td>
<td>Monthly</td>
</tr>
</tbody>
</table>

* Frequency is determined by Company and may vary subject to Contractor’s performance.

8.0 REPORTING AND NOTIFICATION

The Contractor shall submit to the Company a monthly report addressing the performance indicators (see Table 2). Other reporting or notifications required as part of the implementation of this Plan are summarised in Table 1.
Appendix A: Legal and Other Requirements

Labor Framework and Inspection in Oman

Labour inspection is one of the responsibilities of the Labour Division of the Ministry of Manpower and at a central level comes under the General Directorate of Labour Care (GDLC). The GDLC comprises the six departments: Labour Inspection, Occupational Safety and Health, Labour Dispute Settlement, Labour Services, Trade Unions and the Office of Joint Inspection.

The Department of Labour Inspection organizes inspection visits to the private sector's establishments, to ensure their compliance with the laws and decrees through three sections: the Routine Inspection Section, the Work Permits Inspection Section and the Foreign Workers Recruitment Agencies Section. General labour inspectors do not inspect safety and health conditions, but if they come across any relevant violations they report them to the director of OSH department who follows up with his inspectors. The Department of Occupational Safety and Health has within its mandate to conduct regular inspection visits to enterprises in all sectors to ensure that they abide by the safety and health provisions of the Omani Labour Law. The Department of Labour Services also monitors enterprises concerning the implementation of the labour law provisions related to workers’ social welfare and services. The Office of Joint Inspection conducts regular routine visits to enterprises and workplaces to ensure that all their foreign workers are legal and have valid work permits.

Laws that cover organization and function

- Labour Law, issued by the Royal decree No. 35/2003;
- Regulation of Occupational Safety and Health for Establishments Governed by the Labour Law. Issued by Ministerial decision No. 286/2008;
- Ministerial decision No. 11/2008, concerning the approval of the “Guide to Labour Inspection”.

Current reforms

There was no labour inspection in Oman prior to 2007 but a comprehensive change started when the ILO started technical programs in Oman, which included assisting the country in rebuilding the capacities of its labour inspection system. The MOM is fully committed to the development and promotion of the labour inspection system in their country. The Omani situation, with such high level commitment and the very good infrastructure at the General Directorate for Labour Care is promising to become one of the best models of modern and effective labour inspection systems in the region.

Scope of Labour Inspection

The Labour inspectors have authority to carry out judicial investigations for the implementation of the provisions of the labour law and the regulations which applies to all enterprises and sectors, except members of the armed forces and public security organizations and employees of the state.

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3 International Labor Organization, Information resources, Oman
administrative apparatus and other government units; members of the employer’s family of his dependants and domestic workers.

Labour inspectors have the right to enter the places of work and audit the books, records and documents, interview whoever they find necessary and prepare relevant reports. The labour inspectors do not usually deal with individual labour disputes, but such cases may be referred to them only if they concern labour rights, but not termination of service. Collective labour disputes may be handled by labour inspectors, when such cases come to them, either directly from the dispute parties or through the Department of Labour Dispute Settlement.

Some of the functions and activities carried out by the Department of Labour Inspection are not really related to labour inspection, such as auditing the applications and requests for licensing new recruitment agencies and auditing the applications of obtaining or renewing work permits for foreign workers.

**Local Divisions**

There are five General Directorates of Manpower (GDM) out of the capital Muscat, one in each of the other five governorates. Each of those General Directorates of Manpower has, among other departments a Section of Labour Inspection and Occupational Safety and Health and a Section of Labour Care and Dispute Settlement. The five regional General Directorates of Manpower have eight regional Labour Departments, each of which have a Section of Work Permits and Inspection and a Section of Employment and Labour Care. Each regional GDM has a similar status as the central general directorates and reports directly to the undersecretary of the MOM for the labour division.

OSH activities at the MOM are limited to the capital Muscat and the district of Salalah, where there is an OSH specialist in the General Directorate of Manpower there. There are no OSH inspectors or activities in any other district.

**Programming and communication**

The activities of the Department of Labour Inspection are interrelated with those of other departments. It coordinates with the departments of employment and the Joint Inspection Office concerning illegal work of foreign workers and monitoring the implementation of the Omanization policy. It also receives requests from the Department of Labour Dispute Settlement for interference and settlement of some labour disputes.

The Department of Labour Inspection sometimes receives request from the Inspectors at the Ministry of Fisheries to join them in some offshore inspections. There is little coordination with the Public Administration for Social Security, the Ministry of Trade and Commerce, the Ministry of Health, the municipalities and the Royal Police of Oman.

There is little supervision of the regional labour inspection activities in the provinces by the central authority. Most of the plans of the central authority do not include the regions out of the capital Muscat.

The regional directorates don’t seem to have adequate communication and coordination with the central authority.
Human Resources and career development

Permanency of inspectors

Labour inspectors are civil servants.

Selection process, background required and training

Labour inspectors are of two categories: (a) labour inspectors that have full inspection authority and can conduct individual or joint inspections are university graduates: general labour inspectors, law graduates, and OSH inspectors, science graduates, mostly engineers; (b) junior inspectors attached to the Office of Joint Inspection, who are not authorized to conduct individual visits are intermediate college graduates.

Training is one of the main priorities of the MOM. The MOM has trained 92 inspectors on the national labour law, computer and English communication skills and the ILO trained them on the International Labour Standards and labour inspection skills. New hires have been, going through various training courses, provided by the MOM and the ILO, on the local labour law, International Labour Standards, labour inspection, trafficking, forced labour, trade unions issues, occupational safety and health and public prosecution. The staff of the Department of Labour Services have never underwent any training, other than the general training provided to other public servants.

Types of visits

Both general labour inspectors and OSH inspectors may perform routine and follow-up visits. There are special visits that are also frequently performed: (i) organization inspection visits: conducted to ensure that the inspected enterprise abides by the percentage of Organization determined for its sector, as required by a relevant Ministerial decree; (ii) afternoon inspection visits: conducted to ensure compliance with the prohibition work between 12:30 pm and 03:30pm, during the Summer months of July, August and September; (iii) distinguished treatment inspection visits: to verify the eligibility of enterprises for the Distinguished Treatment Status; (iv) conducted to the agencies involved in bringing foreign domestic workers into the country; and (v) inspection visits to the enterprises applying for importing foreign workers into the country.

Currently all inspection visits are announced to build up more confidence with employers and to keep more channels of cooperation open with them. Under cover or unannounced visits are very rarely conducted by the inspectors. All inspection visits are organized in teams. Labour inspectors have the right to enter the places of work and audit the books, records and documents related thereto to ensure that the provisions of this law and its executive regulations and decisions are implemented.

Role of preventive measures

Within the functions of the Department of Labour Inspection is raising awareness among employers and workers of their legal rights and duties and advising them on the best means of compliance with the labour legislation. One of the main priorities of The Department of Occupational Safety and Health also is raising safety and health awareness among workers and employers and providing them with relevant materials and advocacy. The Department of Labour Services also organizes awareness raising programs for workers and employers, on workers’ social welfare and services
required by the law, including, workshops, training courses, brochures and media campaigns. A 24 hours Labour Relations Office has also been established at Muscat International Airport, which provides information to incoming foreign workers on their legal rights and duties. A special brochure has been developed for this purpose and copies are distributed to foreign workers, which contains the most important provisions of the Omani Labour Law and direction and advices to workers.

Programming

Inspection visits are usually planned. The head of the DLI prepares quarterly plans, which are revised every month. Priority is always given to the following categories: (i) enterprises on the Distinguished Treatment List (Green Card holders), (ii) enterprises employing 50, or more, workers, (iii) Enterprises referred by other departments for inspection, (iv) enterprises with reported violations of the labour law. Follow up visits are included in the following month plan.

Registries and reporting of accidents /diseases at work

Enterprises have the obligation to notify the MOM of every serious accident, in written, within 24 hours of its occurrence and of every proved occupational injury or disease, and to notify the Public Authority for Social Insurance of occupational injuries of socially insured workers. Despite the legal obligation, work injuries, are rarely reported to the MOM.

The Omani social security system maintains records of reported injuries, but this system covers only nationals and does not cover foreign workers.

The Ministry of Health also collects information on occupational injuries from the health services providers but the reported cases of work related injuries represent the tip of the iceberg, and occupational diseases are not reported at all due to lack of awareness and lack of human and technical resources to diagnose such diseases.

Sanctions and administrative processes

In general, it is very rare that a serious action or coercive measures are taken against violators of the Omani Labour Law. If a violation is identified, the inspectors start with providing advice on compliance issues, to employers. Then they issue verbal warnings and may proceed to written warnings. Verbal and written warnings may be repeated, but they rarely go beyond that. In case an inspector decides to sanction an employer who does not respond to warnings, the penalty is referred, through the legal department at the MOM, to the Public Prosecutor who again gives the violator time to rectify the situation. It is rare that the Public Prosecutor lets such cases proceed to the court. The sanctions stipulated in the Omani Labour law may be financial, administrative or penal.

OSH inspectors have the right to order immediate suspension, total or partial, of work, or stopping the operation of a machine, or more, in case of imminent risk and they may seek the assistance of the Royal Oman Police, when needed.

ILO Conventions ratified

Oman has ratified the following 4 conventions:

1. CO29: Forced Labour Convention, 1930 (No.29)
3. C138: Minimum Age Convention, 1973 (No. 138)

**IFC Performance Standards**

IFC Performance Standard 2: Labor and Working Conditions; recognizes that employments should be accompanied by the protection of fundamental rights of workers. With respect to contracted workers, the Company will apply the following requirements:

**Occupational Health and Safety**

The client will provide a safe and healthy work environment, taking into account inherent risks in its particular sector and specific classes of hazards in the client’s work areas, including physical, chemical, biological, and radiological hazards, and specific threats to women. The client will take steps to prevent accidents, injury, and disease arising from, associated with, or occurring in the course of work by minimizing, as far as reasonably practicable, the causes of hazards. In a manner consistent with good international industry practice, as reflected in various internationally recognized sources including the World Bank Group Environmental, Health and Safety Guidelines, the client will address areas that include the (i) identification of potential hazards to workers, particularly those that may be life-threatening; (ii) provision of preventive and protective measures, including modification, substitution, or elimination of hazardous conditions or substances; (iii) training of workers; (iv) documentation and reporting of occupational accidents, diseases, and incidents; and (v) emergency prevention, preparedness, and response arrangements.

**Workers Engaged by Third Parties**

With respect to contracted workers the client will take commercially reasonable efforts to ascertain that the third parties who engage these workers are reputable and legitimate enterprises and have an appropriate ESMS that will allow them to operate in a manner consistent with the requirements of this Performance Standard, except for paragraphs 18–19, and 27–29.

The client will establish policies and procedures for managing and monitoring the performance of such third party employers in relation to the requirements of this Performance Standard. In addition, the client will use commercially reasonable efforts to incorporate these requirements in contractual agreements with such third party employers.

The client will ensure that contracted workers have access to a grievance mechanism through inclusion in on-boarding process for all workers. In cases where the third party is not able to provide a grievance mechanism the client will extend its own grievance mechanism to serve workers engaged by the third party.

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5 IFC Performance Standards on Environmental and Social Sustainability, Effective 1 January 2012
Appendix B: Orpic In-Country Value and Local Content Plan for Contractors
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1. REGULATION AND POLICY

1.1. Nothing contained in this Attachment shall contradict or relieve Contractor from any statutory obligation in accordance with the relevant laws and regulations of the Sultanate of Oman.

1.2. Contractor shall comply with, and shall cause its sub-contractors to comply with, all applicable Laws and regulations of the Sultanate of Oman governing the engagement and employment of Omani personnel and preferences for local goods and services, including, but not limited to:

- Article 11, Royal Decree 35/2003 on Omanisation requires an employer to employ Omani employees “to the greatest possible extent”. Ministry of Manpower stipulates the minimum percentage of Omani citizens to be employed within a Company in four sub-sectors: Productive and operating, direct services, assisting services, and local companies.

- Article 36, Royal Decree 36/2008 on Tenders requires that “preference in bids shall be granted to the national products of the small and medium enterprises fulfilling the conditions and specifications. This preference would contain price preference within increase of 10%.”

- Article 21, Royal Decree 1/79 on foreign capital investment requires that “preference shall be given when purchasing for the government, to local products which conform with the provisions of this law, provided that such local products satisfy the standard specifications in terms of excellence and quality, also including a price preference in the region of 10% at the most”.

- Article 5 Royal Decree 1/79 on foreign capital investment requires that “preference shall be given to the projects using local products and raw materials which maximise the value added thereof, to the export oriented industries, and to the industries introducing new products or using modern technology …..[and] that attract and localize internationally reputed industries”.

1.3. Owner is committed to increase In-Country-Value (hereafter “ICV”) in Oman within the context of technical excellence and commercial attractiveness in the Omani oil and gas industry, and to require Contractors, subcontractors and suppliers to contribute to this objective.

1.4. Through its expenditure on personnel, goods and services, the Owner is committed to generating ICV in the Oman oil and gas sector. Therefore, subject to Article 1.3, the Owner expects its services Contractors, subcontractors and suppliers to seek to:

- maximize and develop employment opportunities for Omanis and placements for Omanis on vocational or professional training courses, both in Oman and overseas, with a principal focus on skilled and managerial positions;

- Maximize and increase over time expenditure on goods and services produced or provided by Omanis working for companies registered in Oman with a physical presence in Oman;

- Maximize and develop locally-produced - Made-in-Oman - materials, products and equipment that increase value-added in-country, introduce new technologies and grow
Oman’s export industries;

- Develop the capabilities of the local small and medium scale enterprise (SME) sector, both during contract delivery and in the longer-term;
- Develop world class capability in vocational and professional education, training and research institutions in Oman, matched to actual industry opportunities.

Company may have its own policy or procedures that give consideration to supporting communities within specific concession areas.

2. **ICV PLAN**

2.1. **In-Country Value (ICV)** is defined as “The total spend retained in country that benefits business development, contributes to human capability development, and stimulates productivity in Oman’s economy”.

The ICV requirements are,

1) Local purchase content of minimum 25%

2) A minimum Omanisation level of 30% at all levels of the organization

3) Training effort for a number of Omani in excess of 15% of those Omani employed (excluding owner employees)

2.2. The contractor shall within 45 days from the effective date submit the draft ICV plan for owner approval. The ICV Plan shall constitute an elaboration of each of the ICV components stipulated herein in Articles 3.1 to 3.8 in conjunction with Tables A to H in Appendix A, which are to be completed by the Contractor.

2.3. Contractor shall submit their ICV Plan as a single, stand-alone, document containing all responses and supporting and qualifying information, and including completed Tables A to H within the relevant section of the ICV Plan.

2.4. All costs associated with delivering the ICV Plan shall be deemed to be included within the Contractor’s base bid price.

2.5. Contractor shall maintain a true and auditable set of records pertaining to the ICV Plan, including the assumptions and calculations used to generate the figures entered into Tables A to G.

2.6. Owner shall have the right to verify and audit the information contained in the ICV Plan in accordance with the standard terms and conditions contained in the ICV Exhibit (“Exhibit X – ICV”).

2.7. In case of any variations in scope of work and/or contract value, whether plus or minus, the overall originally committed ICV value will be measured as a percentage of the original contract value, or as per agreed between contract parties.
3. INSTRUCTIONS TO PREPARE ICV PLAN

3.1. Overview

Contractor shall provide a concise overview of their detailed ICV Plan summarising the level of ICV the Contractor proposes to deliver in execution of the Contract, and any compelling strategies or programmes that the Contractor wishes to draw to the attention of the Owner.

3.2. Investments in Fixed Assets in Oman

- The Owner aims to maximise ICV during the execution of the Contract and beyond. Investments by the Contractor in operational offices, manufacturing facilities, service facilities or other fixed assets related to the oil and gas industry in Oman is key to achieving this objective.

- Contractor shall complete Table A in Appendix A describing in detail (i) past capital investments made by Contractor to purchase, construct or rehabilitate fixed assets in Oman over the last three (3) years in relation to the development of the Oman petroleum industry (e.g., transport-related, logistics-related, manufacturing facility, repair and maintenance facility, office/depot construction/ refurbishment, physical infrastructure, training centres, research establishments); and (ii) planned capital investments to be made by the Contractor in similar fixed assets over the next three (3) years.

- Contractor shall include in Table A only those past investments in fixed assets made directly by the Contractor from its own, or raised, capital, and that are included within the Contractor’s Balance Sheet. For clarity, Contractor is to exclude from Table A any capital investments in fixed assets that have been (or are planned to be) directly charged to the Owner, in whole or in part. Contractor shall also exclude from Table A expenditures by the Contractor on corporate social responsibility projects, unless in the form of capital investments in fixed assets intended explicitly to increase ICV, as defined in Article 2.1. Further, the Contractor shall exclude from Table A investments in fixed assets included in the information submitted in Table G in relation to support for national institutions.

- Contractor shall provide evidence that relates the Company Balance Sheet to the figures stated in Table A for past three (3) years’ investments in Oman. Contractor shall provide information clarifying the likelihood that the figures stated in Table A for future investment over the next three (3) years will be realised.

3.3. Omanisation in the Workforce

Contractor shall complete Table B in Appendix A with figures for the total level of Omanisation to be utilised by Contractor and 3rd Party Sub-contractors in execution of the Contract, as Headcount, Man-hours and USD$ Compensation, for the following categories of job position (see Definitions):

1. Senior Management
2. Professional
3. Supervisory
4. Skilled
5. Semi-skilled
6. Unskilled

- Should the Contractor not to provide hourly rates in Table B, the Owner will consider its input as zero and therefore will lose any potential ICV credit out of that area.
- Where Contractor is to involve Omani citizens residing outside Oman in the execution of the Contract, these may be included in Table B. In its overall ICV Plan document, Contractor shall clarify which figures, or proportion of figures, in Table B relate to overseas Omanis.

3.4. Omani Recruitment, Training and Progression

Contractor shall describe details and attach documentation of their proposed programme of recruitment, training and progression of Omani Nationals during the term of the Contract in the different categories of job positions given in Article 3.3. Contractor shall provide evidence of a well-structured and sustainable recruitment and training programme for each category of position covered by the scope of the Contract, including:

(i) **outreach** activities and procedures for maximizing the direct hiring of Omani Nationals;

(ii) **career paths** for Omani Nationals, in particular progress into Senior Management, Supervisory and Skilled positions over the Contract term; performance review programmes; coaching and mentoring programmes, and succession of Omanis into expatriate positions;

(iii) **skills training** of Omani Nationals during the term of the Contract (whether trained in Oman or overseas), including: key skill sets for development identified by the Contractor; training programmes covering formal training and on-the-job training e.g. apprentice scheme; cooperation with local training schools; the courses to be delivered; the anticipated number of participants; the duration of courses; and the qualifications to be attained;

(iv) **post-training employment** opportunities in the oil and gas industry in Oman and overseas, and how the Contractor will assist its Omani National employees in discovering these opportunities (e.g., through targeted programmes, public database of skills and experience).

Contractor shall complete **Table C in Appendix A** with the number of training hours provided to Omani Nationals utilized in execution of the Contract during the Contract term. Contractor shall include in Table C training hours both on-the-job and class-room training (e.g., induction, EHS/HES and technical and professional skills, internships and apprenticeships (scholarships are not to be included)).

Local Sourcing of Goods
• Contractor shall complete Table D1 in Appendix A with all Made-in-Oman materials, products, commodities and equipment to be utilised in execution of Contract, and indicate the billed rate of spend on each item (see Definitions).

• Contractor shall list at least five items under each selected category in Table D1 in Appendix A. Contractor is also encouraged to list as many items per category as applicable.

4. LOCAL SOURCING OF GOODS

The following are sources of information concerning the availability of local products and services in the Oman market:

1) MoCI – Ministry of Chamber and Commerce
2) PAIPED – Public Authority for Investment, Promotion and Export Development
3) PEIE – Public Establishment for Industrial Estates
4) PASMED – Public Authority for SMEs Development

• Contractor is eligible to include within table D1 any anticipated expenditure on Made-in-Oman goods to be utilized in execution of Contract that the Owner has already committed to use through a Frame Agreement, Term Agreement or similar “ring-fenced” arrangement.

• Contractor shall complete Table D2 in Appendix A with the total amount to be paid for all Non-Made-in-Oman goods (materials, equipment, products and commodities) to be sourced from either Nationally-registered Suppliers or Foreign-registered Suppliers to be utilized in Contract execution, and indicate the billed rate of spend on each item (see Definitions).

• Contractor shall list at least five items under each selected category in Table D2 in Appendix A. Contractor is also encouraged to list as many items per category as applicable.

4.1. Local Sourcing of Sub-Contracted Services

Contractor shall complete Table E in Appendix A with the amount paid for services that are to be sourced from 3rd Party Nationally-Registered Sub-contractors for utilisation in execution of the Contract. For clarity, only those services used in Contract execution that are provided by 3rd Party Nationally-Registered Suppliers are to be included in Table E.

4.2. Development of 3rd Party National Suppliers

Owner shall describe details and attach documentation of its proposed programmes of support to develop the capabilities of 3rd Party National Suppliers of goods and services. Contractor shall provide evidence of (a) short-term programmes during the term of the Contract that underpin the percentage levels of Omanisation, Made-in-Oman goods and expenditure with
National Suppliers committed in Tables D and E, and (b) longer-term programmes post-Contract execution that contribute to greater levels of ICV being retained in the Omani economy through expenditures in the oil and gas sector. The Contractor’s response shall cover:

(a) Short Term Participation of 3rd Party National Suppliers during Contract execution:

(i) **communication of information** through appropriate communication channels that alerts National Suppliers to tender opportunities, and provides real-time support in how to navigate the vendor registration, pre-qualification and tendering process;

(ii) **upgrading** National Suppliers and partners to meet project and international standards for capability, capacity, HES and quality through improvements in operational process, efficiency and quality assurance;

(iii) **skills training** and competency development of employees of National Suppliers and partners;

(iv) towards the end of the Contract period, support for the **best-performing** National Suppliers to access other opportunities and markets; and

(v) **collaboration** with other organisations, such as other operators and contractors, public institutions and non-governmental organisations.

(b) Longer-Term Development of 3rd Party National Suppliers post Contract execution:

(i) introduction of **new technologies** and development of Oman’s **export** competitiveness;

(ii) establishment of **new National Suppliers**, with a focus on manufacturing/production;

(iii) attraction of **foreign companies** to establish value-adding facilities in Oman;

(iv) facilitation of **strategic alliances/partnerships/consortia** that enable National Suppliers to competitively win more work and move up the value chain;

(v) programs with a special focus on developing **SMEs**; and

(vi) **collaboration** with other organisations, such as other operators and contractors, public institutions and non-governmental organisations.

Contractor shall complete **Table F in Appendix A** with values monetising the level of support as actual or in-kind expenditure. Contractor shall describe the expected **outcomes** of the proposed programmes. Contractor shall include in Table F only those anticipated expenditures to be made directly by the Contractor from its own financial resources. For clarity, Contractor is to **exclude** from Table F any expenditures on supplier development planned to be directly charged to the Owner, in whole or in part.
4.3. Development of National Training, Education and R&D Institutions in Oil and Gas

Contractor shall complete Table G in Appendix A with a description of their past and proposed programs to develop the capability and capacity of Omani public and private institutions, as follows:

(i) vocational and technical training institutions (including scholarships);

(ii) tertiary education establishments, e.g., teaching part of universities (including scholarships);

(iii) national R&D institutions, e.g., research part of universities, investments in research centres (excluding fixed assets already included in Table A).

Contractor shall complete Table G with values that monetise the level of this support (not charged to the Owner or other party) as actual or in-kind expenditure. Contractor shall describe the expected benefits to Oman of this support, e.g., in number of citizens benefiting; new research capability, new technologies developed.

5. EVIDENCE OF OMANI ORIGIN FOR GOODS

5.1. The Contractor shall be required, at its own expense, and shall require its sub-contractors and suppliers to obtain assurance that commitments to expenditure on Made in Oman Goods included in Table D1 are assigned to, and only to, products, materials and equipment that are included in the List of goods of Omani origin issued by the Ministry of Commerce.

5.2. The Owner reserves the right to request copies of such assurance obtained by the Contractor to support ICV claimed in any subsequent ICV performance reports submitted by the Contractor.

6. ICV MONITORING AND REPORTING

6.1. Within forty five (45) days from the Effective Date of the Agreement, Contractor shall prepare a comprehensive ICV plan including a Reporting Schedule for owner approval (to be proposed by the contractor part of Appendix A). This Schedule shall detail the planned ICV activities and timeline (i.e., milestones) for key deliverables of the ICV Plan, for approval by the Owner. For this purpose, the Contractor shall detail milestones on a quarterly basis that, when delivered across the full period of contract execution, achieve all commitments made in the approved ICV Plan, inclusive of the commitments made in Tables A to G (ITT Attachment X – ICV). For clarity, the agreed Reporting Schedule shall be fully consistent with the approved ICV Plan.

6.2. In accordance with the approved ICV plan, the Contractor shall provide an ICV contract performance report to the Owner on a quarterly basis from the Effective Date of the Agreement detailing performance in delivery of commitments in the ICV Plan directly associated with contract execution, namely progress against commitments to: (i) Omanisation in the workforce (Table B); (ii) training of OMANis (Table C); (iii) expenditure on local goods and 3rd party services (Tables D and E); (iv) short-term support for participation of
3rd Party National Suppliers in contract execution (Table F – short-term). Contractor shall use for this purpose the reporting templates provided in Appendix C: Quarterly ICV Contract Performance Reporting Template and Appendix D: Quarterly ICV Sub-Contract Performance Reporting Template.

6.3. At the time of submission of the final invoice for execution of the Agreement, Contractor is to provide a whole of contractor ICV performance report detailing (i) overall progress in Omanisation of the Contractor’s workforce and expenditure on local goods and services, and (ii) delivery of longer-term commitments made by the Contractor in the ICV Plan, namely: future investments in fixed assets in Oman (Table A); long-term development of National Suppliers (Table F – long-term); and support to national institutions to develop the Omani Oil and Gas Sector (Table G). Contractor shall use for this purpose the reporting templates provided in Appendix E: Whole of Contractor ICV Reporting Template.

6.4. At any reasonable time during the term of the Agreement and for two years thereafter Owner may request Contractor to provide a whole of contractor ICV performance report as detailed in Article 4.3 above.

7. OWNER RIGHT TO VERIFY AND AUDIT

7.1. During the term of the Agreement and for two years thereafter, Contractor shall maintain and preserve, and as required shall cause its sub-contractors and suppliers to maintain and preserve, a true and accurate set of records pertaining to the approved ICV Plan (Appendix A), including, but not limited to, the assumptions and calculations used to generate the commitments made in Tables A to G.

7.2. Without limiting any of Owner’s rights under the Agreement, at any reasonable time during the term of the Agreement and for two years thereafter, the Owner shall be allowed access to Contractor’s records for purposes of verifying the commitments made in the approved ICV Plan (Appendix A).

7.3. Without limiting any of Owner’s rights under the Agreement, during the term of the Agreement and for two years thereafter, Contractor shall maintain and preserve, and as required shall cause its sub-contractors and suppliers to maintain and preserve, a true and accurate set of records pertaining to the information provided in the Contractor’s quarterly ICV contract performance reports and whole of contractor ICV performance report.

7.4. Without limiting any of Owner’s rights under the Agreement, at any reasonable time during the term of the Agreement and for two years thereafter, the Owner shall be allowed access to Contractor’s records for purposes of an audit of the information provided in the Contractor’s quarterly ICV contract performance reports and whole of contractor ICV performance report.

8. NON-CONFORMANCE

8.1. Non-conformance by the Contractor in delivering the agreed milestones in the approved ICV Reporting Schedule (Appendix A) shall trigger the following non-conformance and corrective action process (Articles 8.2 to 8.5).
8.2. The Contractor shall ensure that the Owner is promptly notified of any such ICV non-conformance, and the corrective measures the Contractor has already, or intends, to put in place to deliver the associated milestones.

8.3. Owner shall approve corrective measures to be implemented by the Contractor, and the timeline for their delivery.

8.4. The Contractor shall maintain an ICV non-conformance register against delivery of the approved ICV Reporting Schedule. This register shall be kept up to date and shall summarise the status of all non-conformance and progress of associated corrective actions. The non-conformance register shall be reported to the Owner as part of the Contractor's quarterly ICV contract performance reports and whole of contractor ICV performance reports.

8.5. If Contractor fails to implement the approved and agreed-upon corrective measures, or if Contractor fails to make reasonable endeavours to remedy such ICV non-compliance, then Owner shall have the right to deem such non-compliance as a Contractor Default, as that term is defined in the Agreement.
APPENDIX A – ICV PLAN

Appendix A-ICV plan.xlsx
APPENDIX B - DEFINITIONS

“Owner” means the operator issuing the tender.

“Contractor” means the party invited to bid for a specified Contract.

“ICV” means In-Country Value and is defined as “The total spend retained in country that benefits business development, contributes to human capability development, and stimulates productivity in Oman’s economy”.

“ICV Plan” means a plan prepared by the Contractor and delivered as part of Contract execution. The Plan sets forth strategy and actions aimed at the participation of Omani nationals and local goods and services, and in the development of local assets, skills, suppliers and institutions associated with the oil and gas sector in Oman.

“Omani National” means holder of Omani citizenship.

“Nationally-Registered Supplier” means a supplier of goods and services that is a Company, subsidiary or branch incorporated under Omani law in Oman and/or registered to operate in Oman under a renewable license; and whose offices or facilities associated with producing manufactured or assembled goods or providing services to the Owner are located in the Sultanate of Oman.

“SMEs” means Small and Medium Enterprise and are defined as below:

<table>
<thead>
<tr>
<th>Company Size</th>
<th>Number of Employees</th>
<th>Annual Turnover (R.O.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>1 to 4</td>
<td>Less than 25,000</td>
</tr>
<tr>
<td>Small</td>
<td>5 to 9</td>
<td>25,000 to 250,000</td>
</tr>
<tr>
<td>Medium</td>
<td>10 to 99</td>
<td>250,000 to 1.5 Million</td>
</tr>
</tbody>
</table>

“Foreign-Registered Supplier” means a supplier of goods or services that is a Company, subsidiary or branch not incorporated under Omani law in Oman and/or registered to operate in Oman under a renewable license.

“3rd Party Sub-Contractor/Supplier” means a 2nd tier sub-Contractor or supplier, or a partner/alliance Company, who provides services or goods to the Contractor for utilisation in Contract execution.

“Senior Management” means a member of the decision-making executive of a function within Contractor or sub-Contractor Company.

“Professional” means an individual who has completed related tertiary education and achieved status within a professional body. Includes chartered engineers and accountants, lawyers, architects, procurement professionals. Engineers who are also middle managers should be categorised as “Professional”, not “Supervisory”.
"Supervisory" means a worker who manages a team of at least two subordinates (but who is not considered part of the Senior Management team, nor a Professional). Supervisors include construction foreman, equipment overseers, business administration team leaders, etc.

"Skilled" means a worker with a high level of technical expertise accumulated over a number of years (but not a member of a recognised "profession"). A skilled worker may have attended a Technical College or learned their skill via a formal apprenticeship or on-the-job over a number of years. Includes: electricians, scaffolders, welders, crafts, business admin, personnel assistants, computer programmers, equipment and machinery operators.

“Semi-skilled” means workers with a skill set acquired in a short space of time (a few weeks or months). Following short periods of training a casual labour may become semi-skilled. Semi-skilled positions include secretaries, drivers, meet and greet services, fencing, block laying, basic construction skills, etc.

“Unskilled” means casual labour with no skills required and not yet trained, other than in initial workplace induction and HES.

“Headcount” means the number of full-time equivalent employees or in-house Contractors/agency staff within the Contractor or 3rd Party Sub-Contractor who will be involved in execution of the Contract.

“Man-hours” means the number of hours of work undertaken in execution of the Contract (For clarity, only the actual hours written, or to be written, to Contract execution are to be included).

“USD$ Compensation” means the sum of Manhours multiplied by associated All-Inclusive Average Hourly Rate.

“All-Inclusive Average Hourly Rate” means the average hourly rate of pay for a particular category of job position (e.g., skilled, semi skilled), including: base pay rate/hour, overtime increment on base rate, social taxes, overheads on base rate (or at a flat/fixed rate), benefits, and profit margin.

“Made-in-Oman good” means a product, material or equipment that is included in the List of goods of Omani origin issued by the Ministry of Commerce.

“Fixed Asset” means the long-term, tangible assets used in the oil and gas business in Oman such as properties, plants and equipment. Examples of fixed assets are lands, buildings, manufacturing facilities and equipment, repair and maintenance facilities, office equipment, and vehicles.

“Billed Rate”: means the quoted price or cost of goods or services provided by a contractor in a free market. For example, it can be the full value of a labor-hour, including all overhead, burden, and profit.
APPENDIX C: QUARTERLY ICV CONTRACT PERFORMANCE REPORTING TEMPLATE
APPENDIX D: QUARTERLY ICV SUB-CONTRACT PERFORMANCE REPORTING TEMPLATE

Appendix D-Quarterly
ICV report template fo
APPENDIX E: QUARTERLY REPORT OF FIXED ASSETS, NATIONAL SUPPLIERS, INSTITUTIONS TEMPLATE

Appendix E: Quarterly ICV report on Fixed assets
Appendix C: Orpic Security Plan
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1.0 SITE SECURITY PLAN

1.1 The Contractor shall develop a Site security plan (Site Security Plan) to ensure that the Contractor and each Subcontractor complies with all of the Owner's security requirements. The Site Security Plan shall be developed and operated in conjunction with the HSSE Plan and in accordance with all applicable Laws and regulations (including, but not limited to, the laws, regulations and requirements set out in paragraph 2.

The Contractor shall:

a) control all activities on each construction Site in respect of the movement of personnel, vehicles and Materials in order to prevent loss, the interruption of work and prohibited activities;
b) provide an efficient and competent security force to secure the Site and control the movement of Goods and personnel through the field construction gate on a 24 hour basis;
c) provide accommodation and equipment that ensures the security force is mobile, has proper communication equipment, and presents a smart and distinguishable appearance with uniform apparel;
d) provide suitably qualified personnel for the senior security force positions; and

e) coordinate its security program with the Owner.

The Contractor shall ensure its Subcontractors and Vendors comply with all applicable security Laws and regulations, including the Owner's security requirements. Such compliance shall not relieve the Contractor of its responsibility for maintaining proper security nor shall it be construed as limiting the Contractor's obligations to undertake, as required, any reasonable action to establish and maintain secure conditions at the Site.

1.2 Security Management

The Contractor shall implement a security management system (Security Management System) to assess and mitigate the losses associated with security issues. The objective of the Security Management System shall be to:

a) protect personnel, property, information and the reputation of each of the Owner, Contractor and Subcontractors;
b) minimize economic losses and business interruption; and

c) safeguard the integrity and reputation of the Owner and its Affiliates.

1.3 Security Policy

The Contractor shall have a written policy and strategy for security, dated and signed by an authorised representative of the Contractor (Security Policy). The Security Policy shall:

a) cover Project specific issues and be clear, concise and motivating;
b) stress the importance of individual responsibility and ensure that the Contractor's activities are conducive to the long term operation of the Facility;
c) ensure compliance with all relevant local, national and international Laws, regulations and standards;
d) implement relevant response plans and procedures to minimise the impact of any security incident; and

e) develop individual and collective security awareness and responsibility, including the consideration of security in business decisions.
All Contractor’s Personnel shall be issued with a copy of the Security Policy.

The Contractor shall advise the Owner of any decisions it makes or is intending to make in respect to the engagement of a government, independent or private security firm. The Contractor shall not engage any such security firm without the Owner’s approval.

The Contractor shall be fully responsible for supervision of its personnel to ensure that they strictly adhere to all applicable security requirements.

The Contractor shall ensure that the security systems of Subcontractors are consistent with its own and the Owner’s and may allow Subcontractors to apply their own procedures provided they are consistent with the procedures of the Contractor and the Owner. This however, does not relieve the Contractor of any responsibility in respect to a Subcontractors’ failure to exercise proper security procedures.

1.4 Security Management System

The Contractor shall have a formal system for management of security (Security Management System). This Security Management System shall be documented, fully implemented and effective in achieving the aims and objectives of the Security Policy. The Security Management System shall define the security management elements to be implemented, including but not limited to, the security organisational structure, resources, plans, and procedures.

The Security Management System shall consist of comprehensive policy to ensure full compliance with all Laws and regulations listed in paragraph 2 below. The Security Management System shall define the responsibilities of all personnel who manage, perform and verify compliance with these requirements. All personnel are responsible for ensuring that activities are undertaken in accordance with safe working practices and Project security, safety and environmental engineering requirements.

1.5 Security Management Plan

The Contractor shall develop a security management plan (Security Management Plan) for all areas where the Works are to be performed and for the transportation of all components between work areas. The Security Management Plan shall make specific reference to each stage of the Contract, and to the particular security requirements at the Site and each work area. Written contingency plans and procedures, identifying instances where security precautions should be taken, shall be included which cover all stages of the Works. The Contractor will be responsible for demonstrating to the Owner that all security risks which fall under Contractor’s responsibility have been reduced to a level that is as low as reasonably practicable.

The Security Management Plan shall address the following requirements for each individual asset:

a) People: the Contractor shall have a program in place to create security awareness for all of the Contractor’s Personnel and associated staff, as well as the Owner’s Personnel and
associated staff. The program shall set out appropriate protection measures in respect of the Works, including any work undertaken at the Owner’s and Contractor’s Site offices;
b) Property: the Contractor shall ensure that material assets (e.g. offices, installations, field sites) are secure. These measures will include perimeter security, access control, vital point protection and communications;
c) Information: the Contractor shall safeguard all information including that in electronic or written format. The Contractor shall ensure the confidentiality, integrity and availability of information, including proprietary information, in all locations including the Contractor’s own premises. Any actual or suspected attempts to subvert the Contractor’s bid tender process must be reported immediately to the Owner; and
d) Reputation: the Contractor shall ensure that it will not adversely affect the reputation of the Owner at any stage of the Project.

1.6 Security Procedures

The Contractor shall have written security procedures (Security Procedures) available that shall be made familiar to all Contractor’s Personnel and shall be available in the working language of such personnel and in English. The Security Procedures shall define the Contractor’s control and implementation of all security aspects including, but not limited to:

a) Security Incident Reporting and Investigation: all security breaches shall be promptly reported to the Owner within twenty-four (24) hours of occurrence. The Contractor may be required to file formal reports of such breaches or assist local authorities in the investigation of such breaches;
b) Security Emergency Response Procedures: the Contractor shall develop appropriate emergency response procedures covering all potential security risks associated with the performance of the Works. The procedures shall include but are not limited to procedures to respond to security emergencies such as bomb threats, kidnapping, extortion, civil and industrial unrest, community disturbance and evacuation. The Contractor shall provide the Owner with a copy of its emergency response procedures that are applicable to the Contract; and

c) Searches and Security Checks: the Contractor shall be responsible for ensuring that all Contractor’s Personnel, while engaged in the performance of the Contract at the work areas and the Site, are not at any time in possession of, do not take or have taken prohibited substances (which includes, but is not limited to alcohol, drugs (other than for medical use), drug utensils, firearms, ammunition, all other weapons, explosives and all kind of gasses). To prevent the presence of prohibited substances at the work areas and the Site, the Contractor shall introduce procedures to carry out searches and security checks of personnel and personal effects. Searches and security checks shall be carried out as required by the security threat assessment. Security checks shall be made prior to personnel entering the work areas or the Site and prior to personnel boarding transport (e.g. vessels) to and from offshore locations.

1.7 Security Review and Inspection by the Owner

The Owner will review the Contractor’s compliance with the Security Management Plan on a regular basis and will carry out milestone reviews and close-out reviews in close cooperation with the Contractor.

The Owner may carry out security inspections of the work areas and the Site. The Owner reserves the right to shut down the Contractor’s Works if any significant security breaches are found. The Contractor will not be permitted to resume the Works until such practices or
conditions are corrected. All costs and schedule impact incurred for all such corrections shall be borne by the Contractor.

The Contractor shall implement all agreed recommendations from such security inspections within a time mutually agreed between the Owner and the Contractor. The Contractor shall include in Subcontracts the right of access for the Owner as described above.

The Owner reserves the right to include Owner nominated security personnel, at the Owner’s cost, to work with the Contractor’s security team at work areas and the Site. The Contractor shall provide rights of access for the Owner nominated security personnel.

2.0 LIST OF LEGAL REQUIREMENTS:

2.1 During the course of construction, Pre-Commissioning, Commissioning and Initial Acceptance hand-over, the Contractor and each Subcontractor will conform to and respect all:

a) construction health, safety, security and environmental policy/legislation/codes of practice;
b) government state Laws;
c) public authority requirements;
d) public health requirements;
e) local customs, fiscal and social legislation and practices; and
f) Owner’s codes of practice.

2.2 The following security system regulations and requirements shall be followed:

a) Security System for Oil and Gas Facilities;
b) Access Control System and CCTV;
c) Scope Of Work for Providing Security Services (24/7 - Administration Services);
d) Close Circuit TV System (CCTV); and
e) Perimeter Protection.

2.3 The following legal requirements are applicable for the Project from Omani Ministerial Decisions and Royal Decrees:

b) MD 37/2001, ‘Regulations for the control and management of ozone depleting substances (ODS);
c) RD 46/95, Regulations on the handling and use of chemicals;
d) MD 80/94, Issuing Regulations for Noise Pollution Control in the Working Environment; and
e) MD 286/2008.

2.4 The following required permits shall be obtained by the Contractor:

a) work permit from Sohar Industrial Port Company;
b) plot handover certificates from Sohar Industrial Port Company;
c) initial license for Security and Safety of company from the Directorate General of Civil Defense, Royal Oman Police;
d) chemicals permit for handling, storage and transportation of hazardous chemicals; and
e) permit for storage and handling of radioactive/explosive materials.
2.5 The following Project and client procedures and specifications shall be followed:

a) QRAs reports (include any amendment to the reports);
b) rapid risk assessment report;
c) fire protection philosophy and specification;
d) design basis for firewater protection system;
e) general specification for building fire protection system;
f) HSSE Plan;
g) general specification for Plant noise control;
h) general specification for equipment noise control; and
i) specification for ergonomic study.

3.0 PROJECT PLANNING, CONTROL AND COMMUNICATION

The Contractor shall establish a system that governs planning, control and communication requirements for the Project. Planning of the overall HSSE activities is to be carried out in line with overall Project planning. Records of Project-based HSSE communications will be maintained together with Project documentation, including minutes of meetings with HSSE items on the agenda. All Project HSSE documentation will be subject to the standard document control procedures applied to the Project.

4.0 ATTACHMENTS

[This section shall include all applicable standards as attachments hereto.]