

By means of water,  
We give life to everything  
Al-Anbiya - Al Aya '30'

# 2025

## Sustainability Report



الشرقية لتحلية المياه  
Sharqiyah Desalination

The background of the page is a light gray aerial photograph of a city, showing streets, buildings, and green spaces. Overlaid on this are several thin, decorative lines: a blue line that starts at the top left, curves down, and then goes back up towards the right; a red line that starts at the top right, goes down, and then curves back towards the left. These lines intersect and create a dynamic, abstract pattern.

# 2025

Sustainability Report



الشرقية لتحلية المياه  
Sharqiyah Desalination

**His Majesty Sultan Haitham bin Tarik**







الشرقية لتحلية المياه  
Sharqiyah Desalination

**Sharqiyah Desalination Company SAOG**

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## CEO Message:

I am honored to present the Second Sustainability Report of Sharqiyah Desalination Company SAOG (SDC), marking a key milestone in our commitment to transparency, accountability, and sustainable value creation. This report reflects our alignment with leading frameworks, including GRI Standards, the UN Sustainable Development Goals (SDGs), Oman Vision 2040, and MSX ESG guidelines.

In a world facing a twofold climate and biodiversity crisis, destabilized by geopolitical uncertainty, where universal access to essential services continues to pose a challenge, SDC stands as a vital contributor to water security in Oman. We deliver safe, reliable potable water to communities across the Sharqiyah region through advanced, energy efficient desalination technologies that transform and protect both human health and the environment.

Our strategic approach, which we call 'GreenUp,' has a clear mission: to accelerate transformation and provide tangible, affordable, and replicable decarbonization, depollution, and resource regeneration solutions. The successful integration of our 17 MWp solar PV farm represents a significant leap forward in this mission, reducing our carbon footprint and supporting the transition to cleaner energy.

Sustainability at SDC extends beyond environmental performance. Strong governance, regulatory compliance, data security, employee well-being, Omanization, and meaningful

community initiatives are all central to how we operate and create long-term value.

GreenUp sets out our strategic priorities of making SDC a sustainable and prosperous business in a livable world through our pioneering multifaceted performance approach. This report highlights our structured approach to climate action, responsible water management, biodiversity protection, and operational excellence. These achievements are the result of collaboration, and I extend my sincere appreciation to our employees, partners, regulators, and community stakeholders, as well as OSOOL Consultancy for their support in developing this report.

As we move forward, SDC remains committed to balancing growth with environmental and social responsibility, contributing to Oman Vision 2040 and a more sustainable future.

Sincerely,

**Murshid Al Fannah**  
CEO, Sharqiyah Desalination Company SAOG

# About This Report:

We at Sharqiyah Desalination Company SAOG (SDC) are proud to present our Second sustainability report, covering the period from January 1 to December 31, 2025. This report reflects our steadfast commitment to Environmental, Social, and Governance (ESG) principles and underscores our dedication to sustainable and responsible practices within our internal operations in Oman. Aligned with the Global Reporting Initiative (GRI) Standards and MSX ESG guidelines, our sustainability initiatives are designed to contribute meaningfully to Oman Vision 2040 and the United Nations Sustainable Development Goals (SDGs). The report highlights our operational achievements while demonstrating how our efforts are in harmony with both national and global sustainability objectives.

Through transparency and accountability, we aim to foster a culture of sustainability within our organization, ensuring that our practices benefit our stakeholders and support the well-being of the communities and environments we serve. By sharing this report, we seek to provide a clear view of our sustainability journey, reflecting our commitment to responsible operations and long-term value creation. It emphasizes how SDC is integrating ESG considerations into our daily practices, reinforcing our dedication to sustainable development and responsible corporate citizenship.

| Assurance  | Restatement  | Contact Details  |
|--|--|--|
| <p>we have opted not to seek external assurance. All non-financial information has undergone an internal review process to ensure accuracy, while the financial figures have been independently audited by EY Oman</p> | <p>The previously reported ratio of the basic salary and remuneration of women to men for 2024 has been corrected from 35% to 18% due to a change in the CEO's remuneration, which affected the overall calculation.</p> | <p>If you have any questions or recommendations, please contact us through email address: <a href="mailto:raiya.alrawahi@veolia.com">raiya.alrawahi@veolia.com</a></p> |



# About Sharqiyah Desalination Company SAOG

On 7 January 2006, the Ministry of National Economy issued a request for proposals to prospective bidders for the development of desalination facilities in Sur, located in the Sharqiyah region of the Sultanate of Oman, under a build, own, and operate (BOO) model. The scope of the proposal included the acquisition of an existing desalination plant at the site, which had an approximate capacity of 2.66 million imperial gallons per day (MIGD), along with the construction of a new reverse osmosis desalination facility. The combined capacity of the existing and new plants amounted to 17.66 MIGD, marking a significant step in strengthening potable water infrastructure in the region through advanced desalination technology.

On 10 July 2014, the Company entered into an Amended Water Purchase Agreement with Oman Power and Water Procurement Company (OPWP) to further expand the facility. This agreement enabled the development of an extension to the desalination plant, increasing its total aggregated production capacity from 17.66 MIGD to 29 MIGD, equivalent to 131,837 cubic meters per day. As a result of this expansion, the Sur Independent Water Project (IWP) now delivers an average of 131,837 cubic meters of potable water per day, serving more than 600,000 residents across the Sharqiyah region and reinforcing water security for the growing population.

The Sur IWP is recognized globally for its leadership in advanced reverse osmosis technology and its adherence to world-class environmental standards. The plant achieves over 97% mechanical energy recovery and consumes up to 40% less energy compared to conventional reverse osmosis facilities. It is designed with a strong commitment to preserving Oman's unique geological and marine environment and incorporates the world's largest beachwell catchment water intake system. Since commencing operations in 2007, the plant has operated continuously without interruption and has successfully delivered more than 24.66 million cubic meters of potable water in 2025, demonstrating its reliability, efficiency, and long-term operational excellence.

## Mission



SDC desalinates and produces potable water securely and cost-effectively for the benefits of the local communities in the Sharqiyah region. Our mission is expressed through our environmental approach and performance, and the daily commitment, achievements of the women and men who work for Sharqiyah Desalination Company SAOG.

## Vision



Improve people's life through the continuous access of potable water in the Sharqiyah region today and for the next generations. In delivering effective, sustainable solutions that address local needs; SDC demonstrates its uniquely holistic approach in the Sultanate of Oman. Through a mixture of pragmatism, entrepreneurial spirit and innovative capabilities, performance is supported by the leveraging of economies of scale, the strength and flexibility of the company and the resilience of its vision.

[For more information about Sharqiyah Desalination Company SAOG, please visit our website.](#)

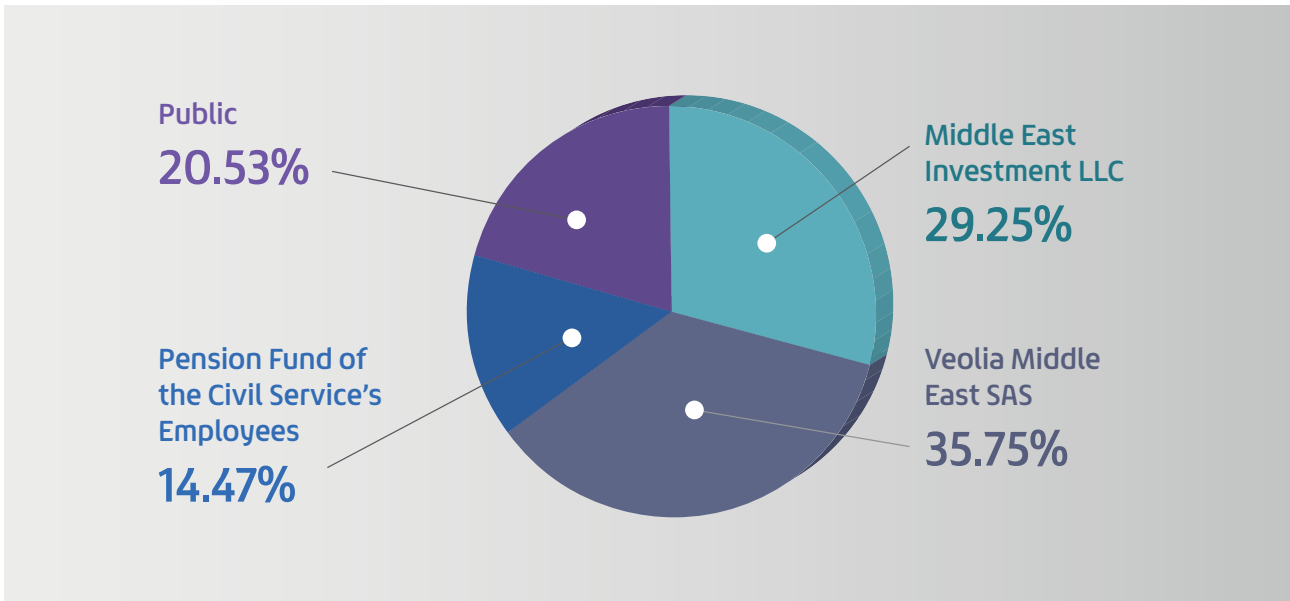
## Timeline of Key Achievements

| Phase                                  | Date             | Milestone  |
|--|------------------|--|
| Establishment & Early Development      | 7 January 2006   | <ul style="list-style-type: none"> <li>Bid award of the Initial Project to the original founder</li> <li>Incorporation of SDC</li> <li>Execution of the Existing WPA between SDC and MHEW</li> <li>Financial close of the Initial Project</li> </ul>   |
|  | 14 January 2007  |  |
|  | 17 January 2007  |  |
|  | 15 May 2007      |  |
|  |                  |  |
| Operations & Expansion                 | 8 October 2009   | <ul style="list-style-type: none"> <li>Commercial operation of the Initial Project</li> <li>Listing on Muscat Securities Market (MSM)</li> <li>Signature of amended and restated WPA</li> <li>Increase of share capital and distribution of bonus shares</li> <li>Signature of Ancillary Contract</li> <li>Financial close for the expansion project</li> <li>COD confirmed by OPWP</li> </ul> |
|  | 30 June 2013     |  |
|  | 10 July 2014     |  |
|  | 16 December 2014 |  |
|  | 25 December 2014 |  |
|  | 25 March 2015    |  |
|  | 7 February 2017  |  |
|  |                  |  |
|  |                  |  |
| Sustainability & Renewable Integration | 16 April 2023    | <ul style="list-style-type: none"> <li>COD Solar Farm</li> </ul>   |

## Our plant:

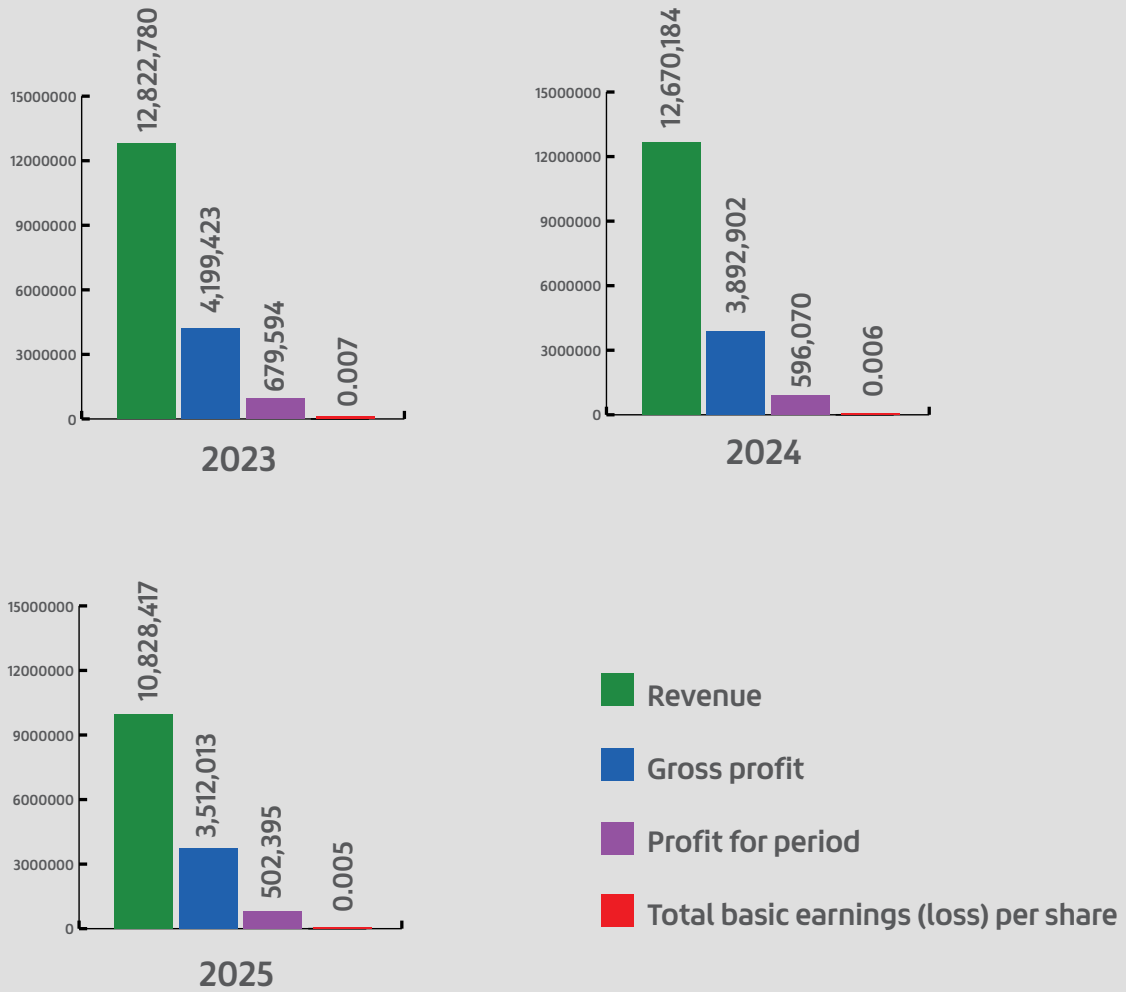
The Sur Desalination Plant addresses potable water scarcity by producing 83,837 m<sup>3</sup>/day (SDP1) and 48,000 m<sup>3</sup>/day (SDP2) of drinking water, serving approximately 600,000 inhabitants, while minimizing environmental impact. The plant achieves this through innovative beachwell water intake that improves seawater quality and reduces pre-treatment, and Energy Recovery Devices (ERD) that recycle over 97% of mechanical energy, saving up to 40% more energy than conventional reverse osmosis plants. It holds quadruple certification (ISO 9001, ISO 14001, ISO 45001, and ISO 55001 for asset management) and features the largest beachwell catchment worldwide, producing over 187,000 m<sup>3</sup>/day with minimal impact on marine and coastal ecology. In addition, the 17 MWp Solar PV Farm, inaugurated in 2023, in 2025, the solar farm generated **27,317,495 kWh** of renewable electricity, reducing CO<sub>2</sub> emissions by approximately 23,493 tonnes of CO<sub>2</sub>e, and directly supporting Sharqiyah Desalination Company SAOG long-term decarbonization and sustainability objectives.

## Our shareholders



## Economic Performance:

The table below presents our financial performance



Please refer to our financial reports for comprehensive details regarding our financial information.

## Recognitions & Affiliations:

Sharqiyah Desalination Company SAOG is committed to attaining excellence in sustainable practices. The company has set ambitious objectives to align its operations with global sustainability standards and best practices, reflecting a strong foundation for long-term responsible growth.

As part of its sustainability journey, the company continues to strengthen its environmental, social, and governance performance, with the aim of achieving future recognitions and building meaningful affiliations that demonstrate its commitment to social responsibility, environmental stewardship, and ethical leadership.



# Sustainability at Sharqiyah Desalination Company SAOG

At Sharqiyah Desalination Company SAOG, sustainability is embedded at the core of our operations and decision-making processes. We actively engage with stakeholders to understand and address their concerns, ensuring that our business priorities reflect both operational needs and community expectations. Through systematic materiality analyses, we identify and focus on the most critical issues that impact our business, stakeholders, and the communities we serve, enabling informed and responsible management of resources. This sustainability framework was established in 2024 and continues to guide our approach and priorities.

Our sustainability initiatives are closely aligned with Oman Vision 2040 and the United Nations Sustainable Development Goals (SDGs), reinforcing our commitment to supporting national development objectives while safeguarding water security and the environment. By fostering transparency, collaboration, and accountability, we strive to deliver lasting value to our stakeholders and create positive, enduring impacts for society and the planet.

## Alignment with Veolia's GreenUp 2027 Strategy

As part of the Veolia Group, Sharqiyah Desalination Company SAOG aligns its sustainability approach with Veolia's global strategic program, GreenUp 2027. This program reflects Veolia's purpose of being useful to all stakeholders and is built around a model of multifaceted performance that balances environmental, social, economic, commercial, and societal priorities.

GreenUp 2027 defines 15 priority objectives, each supported by measurable indicators and clear performance targets to be achieved by 2027. These indicators are subject to annual audit and are integrated into key decision-making processes across the Group, including investment planning, operational management, major project approvals, and performance evaluation.

Through this alignment, SDC ensures that its local operations contribute to Veolia's global commitments, reinforcing responsible water management, climate action, resource efficiency, and social value creation in the Sultanate of Oman.

## Veolia GreenUp 2027 -Multifaceted Performance Framework

To further illustrate how SDC's sustainability framework connects to the broader Veolia strategy, the diagram below demonstrates the alignment between the Company's local operations and Veolia's global GreenUp 2027 program.

## Stakeholders Engagement

At Sharqiyah Desalination Company SAOG, we foster transparent and proactive communication with both internal and external stakeholders to address their key sustainability concerns. Through multiple engagement platforms, we gather valuable insights from employees, customers, and other stakeholders, ensuring their perspectives inform our decision-making. These interactions help us prioritize sustainability issues, tailor our initiatives to stakeholder expectations, and reinforce our commitment to responsible water production and environmental stewardship.

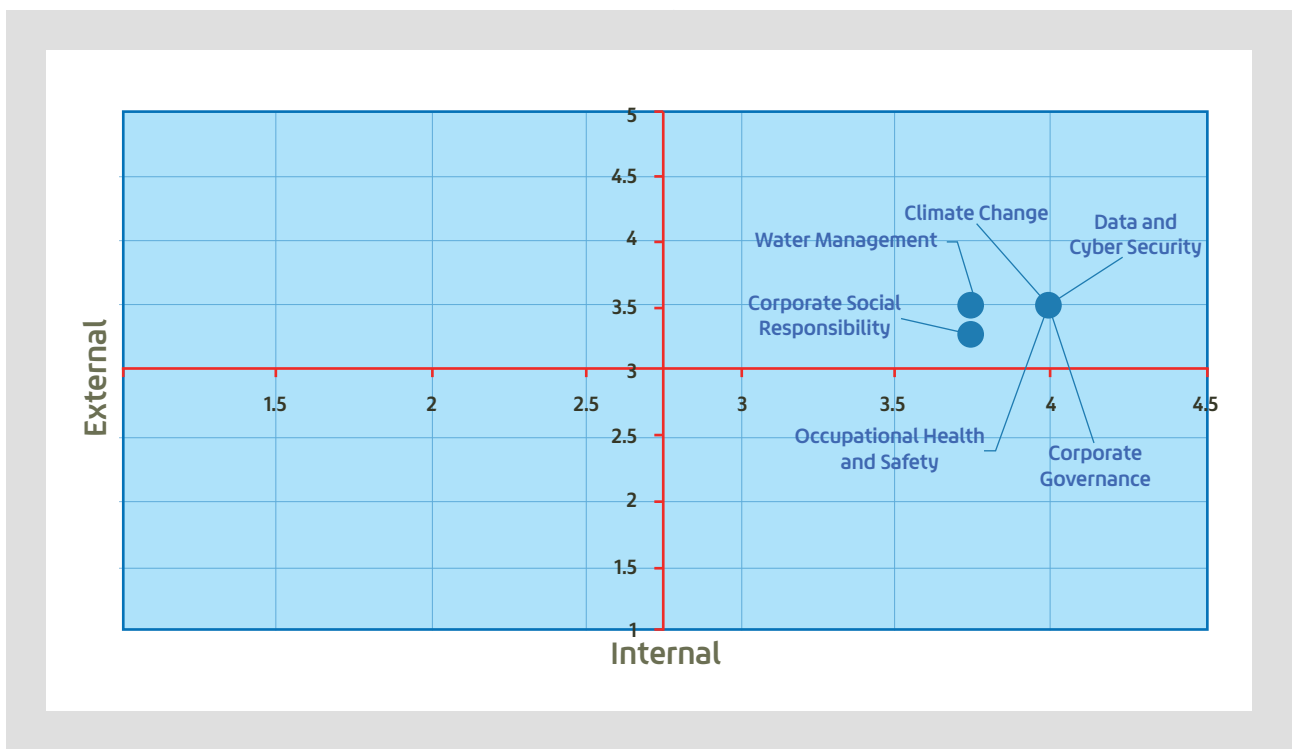


## Materiality Analysis

A cornerstone of our sustainability reporting at Sharqiyah Desalination Company SAOG is the materiality assessment, conducted in accordance with Global Reporting Initiative (GRI) standards. This process involves comprehensive benchmarking to identify and prioritize the Environmental, Social, and Governance (ESG) issues most relevant to our operations. By focusing on these critical topics, we ensure that our sustainability efforts align with the expectations of stakeholders, while supporting Oman Vision 2040 and the United Nations Sustainable Development Goals (SDGs).

## Materiality Matrix

The materiality matrix highlights the sustainability topics that are most significant to both Sharqiyah Desalination Company SAOG and its stakeholders. It shows that Corporate Governance, Data and Digitalization, Water Management, Climate Change, Occupational Health and Safety, and Corporate Social Responsibility are the highest priority areas. These topics guide the Company's sustainability strategy, ensuring that resources and efforts are focused on issues that deliver the greatest impact for both the business and the community.



## Oman Vision 2040 and the UN SDGs:

At Sharqiyah Desalination Company SAOG, our purpose serves as a true compass for strategic choices and activities, reflected in our commitment to multifaceted performance that creates value for all stakeholders.

We are dedicated to giving equal attention and demanding the same level of excellence across our economic and financial, commercial, social, societal, and environmental dimensions. This approach ensures that sustainability is not just an aspiration, but a measurable outcome embedded in everything we do.

This commitment guides how we serve our clients and communities by delivering solutions that are technically robust and economically viable, while generating positive impacts for people, society, and the environment. Our sustainability strategy is closely aligned with Oman Vision 2040 and the United Nations Sustainable Development Goals (SDGs), reinforcing our role in strengthening national water security, addressing environmental and social challenges, and promoting sustainable development.





# Multifaceted performance: an ESG booster at the heart of everything At Sharqiyah Desalination Company does



At Sharqiyah Desalination Company, environmental, social, and governance (ESG) principles form the foundation of our multifaceted performance framework. Our three pillars environmental stewardship, social responsibility, and robust governance drive our commitment to sustainable excellence and long-term value creation.

GreenUp, our new strategic program for 2024-2027, is designed to accelerate the deployment of practical solutions while fostering innovation to depollute, decarbonize, and regenerate resources. This initiative reinforces our position as an ESG leader and sustainability champion in the region.

The table below highlights how our strategic goals and key initiatives align with Oman Vision 2040 and the SDGs, showcasing our commitment to sustainability.

| ESG pillars               | Topics  | Alignments with Oman 2040 Vision               | Alignments with Sustainable Development Goals   |
|---------------------------|---|--|---|
| Environmental Stewardship | <ul style="list-style-type: none"> <li>Climate change</li> <li>Water management</li> </ul>                                | Environment and natural resources              |   |
| Social Responsibility     | <ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Corporate Social Responsibility</li> </ul> | Health<br><br>Well-being and social protection |    |
| Governance Excellence     | <ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Data and Cyber security</li> </ul>                   | Legislative, judicial and oversight system     |    |



# Governance Excellence

At Sharqiyah Desalination Company SAOG, strong governance is fundamental to sustaining our operations and creating long-term value. Our governance framework is supported by a highly experienced Board of Directors and dedicated Board Committees, which together provide effective oversight and strategic guidance. We adhere to sound corporate governance practices that promote transparency, accountability, and ethical conduct across all aspects of our business.

Our commitment to governance excellence is reflected in our focus on safeguarding water quality, strengthening data protection and cybersecurity measures, and applying responsible procurement standards. By integrating these governance elements into our daily operations, we reinforce regulatory compliance, operational reliability, and the confidence and trust of our stakeholders.

## Board of Directors:

The Board of Directors at Sharqiyah Desalination Company SAOG was appointed by shareholders during the Annual General Meeting held on 16 March, 2025. All members of the Board of Directors at Sharqiyah Desalination Company SAOG are non-executive and non-shareholder directors. The members bring a wealth of professional and practical experience across diverse corporate fields, ensuring that the company's strategic direction and operational oversight are upheld with integrity and expertise. Each director's professional and ethical profile aligns with the second principle of the Code of Corporate Governance for Public Listed Companies, highlighting a commitment to responsible governance. Through their collective experience, the Board members provide strategic oversight that upholds the company's commitment to sustainable operations, ethical conduct, and compliance with corporate governance standards.

The board consists of the following members:

| Name of Director     | Position        | Category        |
|----------------------|-----------------|-----------------|
| Denis Le-Maout       | Chairman        | Non-Independent |
| Suhaib Abudayyeh     | Deputy Chairman | Non-Independent |
| Khalid Ansari        | Director        | Independent     |
| Nitin Bajaj          | Director        | Non-Independent |
| Ali Khamis Al Alawi  | Director        | Independent     |
| Mustafa Ahmed Salman | Director        | Independent     |
| Chouhaid Nasr        | Director        | Non-Independent |
| Zaher Al Mahrooqi    | Director        | Non-Independent |
| Phillippe Paulissen  | Director        | Non-Independent |



**DENIS LE MAOÛT**  
Chairman of the Board



**SUHAIB ABU DAYYEH**  
Deputy Chairman of the Board,  
Member of the Nomination and  
Remuneration Committee



**PHILLIPPE PAULISSEN**  
Member of the Board and  
Member of the Nomination and  
Remuneration Committee



**ALI KHAMIS MUBARIK  
AL ALAWI**  
Member of the Board and  
Chairman of the Nomination and  
Remuneration Committee



**MUSTAFA AHMED SALMAN**  
Member of the Board  
Member of the Audit-Committee



**NITIN BAJAJ**  
Member of the Board  
Member of the Audit-Committee



**KHALID MASUD ANSARI**  
Member of the Board and  
Chairman of the Audit Committee



**ZAHIR AL MAHROOQI**  
Member of the Board



**NASR CHOUHAID**  
Member of the Board

## Board Committees:

Sharqiyah Desalination Company SAOG's Board of Directors is supported by two dedicated Board Committees: the Audit Committee and the Nomination and Remuneration Committee. Each committee plays a distinct role in strengthening governance structures, enhancing transparency, and ensuring robust accountability through focused oversight and informed guidance within its mandate.

| Audit Committee  | Nomination and Remuneration Committee  |
|--|--|
| <p>The Audit Committee supports the Board of Directors in maintaining the integrity and effectiveness of the Company's financial reporting and control environment. Its scope of responsibility includes oversight of financial statements, internal and external audit activities, internal control frameworks, and enterprise risk management processes. In addition, the Committee reviews the performance of executive management in executing Board-approved decisions and ensures that internal control systems function effectively and in line with established objectives. As part of its mandate, the Committee also develops and enforces policies aimed at safeguarding the Company's human, physical, and intellectual assets.</p> <p>The Committee is responsible for reviewing the internal audit framework and issuing an annual report that highlights key observations and recommendations. It closely monitors internal audit findings and follows up on the timely implementation of corrective actions. Furthermore, the Committee recommends the appointment, reappointment, or removal of external auditors, approves their remuneration, and oversees their performance and independence, including the approval of any non-audit services provided during the audit process.</p> <p>In fulfilling its financial oversight role, the Audit Committee reviews the Company's financial statements and submits its recommendations to the Board prior to approval. It also evaluates accounting policies, internal control systems, and the methodologies and processes applied in the preparation of financial statements to ensure accuracy, consistency, and compliance with applicable standards.</p> | <p>The Nomination and Remuneration Committee is responsible for overseeing the Company's nomination and remuneration frameworks, ensuring that the selection of Board members and senior executives is conducted with transparency, objectivity, and fairness. The Committee upholds rigorous standards in assessing candidates while safeguarding shareholders' rights to nominate and elect directors. It also develops and maintains a balanced remuneration and incentive structure designed to attract, motivate, and retain qualified and experienced leadership through competitive compensation and reward mechanisms.</p> <p>Further information on the Board of Directors and its committees, including their roles, attendance records, and the nomination and selection process, is provided in our Corporate Governance Report.</p> |

## Corporate Governance

At Sharqiyah Desalination Company SAOG, corporate governance forms the cornerstone of our ethical, transparent, and effective management practices. The Company operates in full compliance with the requirements of the Financial Services Authority (FSA), the Code of Corporate Governance, and the Commercial Companies Law, with these regulatory principles embedded across all governance processes. Our governance framework is designed to reinforce transparency, accountability, and alignment with strategic objectives, supporting responsible decision-making and operational excellence throughout the organization.

This governance approach fosters a culture focused on long-term value creation for shareholders while carefully considering the interests of all stakeholders. The Company's internal control system, overseen by the Internal Auditor, is fully aligned with FSA regulations and conforms to the International Professional Practices Framework (IPPF). By maintaining strong internal controls and adhering to the FSA's Code of Corporate Governance, Sharqiyah Desalination Company SAOG continues to strengthen trust, enhance organizational resilience, and support sustainable growth across its operations.

## Guiding Rules of Conduct:

Sharqiyah Desalination Company SAOG upholds a strict Code of Conduct that governs the behavior of all employees and guides day-to-day operations. The following key principles form the foundation of our ethical and responsible business practices:



## Compliance:

At Sharqiyah Desalination Company SAOG, compliance is integral to our operations and reflects our commitment to ethical and responsible business practices. We strictly adhere to all legal and regulatory requirements, including the standards set by the Financial Services Authority (FSA) and the Muscat Stock Exchange (MSX). Our proactive compliance management and robust internal controls have ensured zero instances of non-compliance or penalties, demonstrating our dedication to transparency, accountability, and maintaining the highest regulatory standards.

## Whistleblowing

At Sharqiyah Desalination Company SAOG, we uphold the highest standards of ethical conduct, reinforced by a comprehensive Whistleblowing Policy. This policy provides employees and stakeholders with a secure and accessible channel to report unethical or illegal activities, reflecting our commitment to responsibility, respect, and accountability. We promote an open and transparent culture, encouraging employees to approach supervisors or managers if they observe any breaches of conduct. Supervisors act as the first point of contact, offering guidance and support for addressing ethical concerns.

For situations where reporting to a direct supervisor may be difficult, employees can contact the Company's

independent internal auditor, who reports directly to the Board. Concerns should be based on verifiable facts and specific breaches of SDC policies or the Code of Conduct. Employees are assured that all reports, including those with shared contact details, are treated confidentially and protected from discrimination, harassment, or retaliation.

## Anonymous Reporting

To support privacy, concerns can be submitted anonymously via an online form available on the SDC website. The process allows submissions in the preferred language, after which SDC reviews the report and conducts an appropriate investigation.

## Contact Information for Reporting

Employees and stakeholders can also report any suspected waste, fraud, or misuse of Company resources through the following confidential channels:

✉ Email: [dalia.sharabati@veolia.com](mailto:dalia.sharabati@veolia.com)

☎ Phone: 96573312

For more information, please refer to our Whistleblowing Policy on our website.

## Business continuity

At Sharqiyah Desalination Company SAOG, business continuity is a key pillar of our operations, reflecting our commitment to providing a continuous supply of high-quality desalinated drinking water. We prioritize the safety and well-being of all personnel, implementing rigorous safety protocols and proactive measures that enhance resilience and ensure uninterrupted service. By maintaining these high standards, the Company safeguards its operations against potential risks, supports water security, and continues to serve the community reliably, even under unforeseen circumstances.

### Key Business Continuity Initiatives

| Storm Water Management   | Rain Management Plan  | Strategic Elevation/  |
|--|---|---|
| A dedicated stormwater channel diverts floodwaters away from critical infrastructure, protecting operational assets during heavy rainfall. | Comprehensive planning and preparedness measures ensure the facility can effectively handle adverse weather events. | The plant is built more than six meters above mean sea level, providing additional protection against flooding and natural hazards. |

Through these initiatives, Sharqiyah Desalination Company SAOG reinforces its mission to ensure water security and provide uninterrupted service to the community, even when faced with unexpected challenges.

## Water quality:

At Sharqiyah Desalination Company SAOG, water quality is at the heart of our commitment to delivering safe, high-quality potable water to the communities we serve. The Sur Desalination Plant operates under a comprehensive water quality monitoring program designed to ensure full compliance with contractual requirements and applicable drinking water standards.

Water quality is monitored through a structured laboratory analysis plan that includes both internal and external testing. Samples are collected and analyzed at multiple stages of the desalination process, from raw water intake through to final potable water, ensuring continuous oversight of treatment performance and product quality.

The plant's internal laboratory plays a critical role in this system, conducting routine chemical, physical, and microbiological analyses to verify that all parameters remain within specified limits. This multi-layered monitoring approach allows for early detection of any variation and supports timely corrective actions where necessary.

To further strengthen data reliability, the plant applies the Online Analyzer Follow-up (OLAF) methodology. This system verifies online analyzer readings using calibrated laboratory instruments and follows strict Analytical Quality Control (AQC) practices. Regular cross-checks ensure the accuracy and consistency of water quality data used for operational control and compliance reporting.

Through continuous monitoring, laboratory verification, and adherence to recognized drinking water standards, Sharqiyah Desalination Company SAOG maintains a strong focus on regulatory compliance, operational excellence, and the protection of public health.



## Data and Cyber security:

At Sharqiyah Desalination Company SAOG (SDC), safeguarding digital assets and protecting personal information are central to our operations. During 2025, SDC did not receive any substantiated complaints regarding breaches of customer privacy, nor were there any confirmed data leaks, thefts, or losses of customer data. As part of the Veolia Group, SDC complies with international data protection regulations, including GDPR in Europe and other regional privacy laws, embedding these standards across our policies and operational practices. Data privacy and cyber security are vital for protecting customer trust, ensuring regulatory compliance, maintaining business continuity, and preventing financial losses, making them key pillars of our risk management and operational strategy.

Our Data and Cyber Security program combines advanced technology, proactive monitoring, and staff engagement. Key initiatives include regular security audits, continuous employee awareness training, multi-factor authentication, privacy impact assessments, and implementation of a Security Operations Center (SOC). Critical infrastructure improvements, such as SCADA hardware upgrades, and robust access controls further strengthen system resilience. The Group has supported these initiatives with investments, including local spending of approximately OMR 7,300 in 2025. These measures benefit all stakeholders by ensuring regulatory compliance, avoiding penalties, protecting employee personal information, and securing business partner data.

To monitor and evaluate the effectiveness of our security efforts, SDC tracks key performance indicators, including:

- Number of security incidents per year
- Time to detect and respond to security threats
- Percentage of employees who have completed security training

Through this structured approach, SDC maintains a secure digital environment that upholds operational integrity, protects sensitive information, and reinforces stakeholder trust while aligning with global best practices in cyber security.

## Responsible Procurement:

At Sharqiyah Desalination Company SAOG, our procurement strategy is focused on promoting local economic development while maintaining the highest quality standards. We prioritize sourcing from the Omani market, giving preference to local products that meet our rigorous international requirements. Beyond regulatory compliance, our responsible procurement approach and strategic capital investments demonstrate our commitment to generating in-country value (ICV), strengthening partnerships with local suppliers, enhancing the value chain, and supporting sustainable growth across Oman.





# Social Responsibility

At Sharqiyah Desalination Company SAOG, social responsibility is embedded in the way we operate and engage with our people and communities. Our approach focuses on creating positive social and economic value by providing safe and reliable water services, fostering a safe and inclusive workplace, and supporting the development of our employees. Through our Corporate Social Responsibility initiatives, we actively engage with stakeholders, contribute to community development, and support national priorities in line with Oman Vision 2040. We also place strong emphasis on local value creation through In-Country Value (ICV) and Omanization, reinforcing our commitment to empowering Omani talent and supporting long-term community growth.

## Our Employees:

At Sharqiyah Desalination Company SAOG, our employees are at the heart of our success. We are committed to fostering a diverse and inclusive workplace that values differences in gender, age, experience, and background. This diversity enriches our organization, strengthens collaboration, and enables us to draw on a wide range of perspectives when addressing challenges and driving innovation. By cultivating an environment built on mutual respect and inclusion, we empower our people to contribute meaningfully and perform at their best.

We also recognize that supporting our workforce goes beyond the workplace environment. SDC provides a comprehensive range of benefits to its 4 full-time employees in 2025, ensuring that every team member is empowered to perform at their best. Together, our inclusive culture and employee-focused benefits support a resilient and motivated workforce, aligned with our values of responsibility, respect, and accountability, and contribute to sustainable growth for the Company and the communities we serve.

| Employee turnover | Total number of employee turnover | Total number of new employee hires |
|-------------------|-----------------------------------|------------------------------------|
| 2023              | 0                                 | 0                                  |
| 2024              | 1                                 | 1                                  |
| 2025              | 0                                 | 0                                  |

| Employees by Gender | Year | Number of members on the Board of Directors | Number of employees in the Executive Management | Number of employees in the Middle Management | Number of employees |
|---------------------|------|---|---|--|---------------------|
| MALE                | 2023 | -   | 1   | 1  | 2                   |
|                     | 2024 | 9   | 1   | 1  | 3                   |
|                     | 2025 | 9   | 1   | 1  | 2                   |
| FEMALE              | 2023 | 0   | 0   | 2  | 2                   |
|                     | 2024 | 0   | 0   | 2  | 2                   |
|                     | 2025 | 0   | 0   | 2  | 2                   |

| Employees Age Group | 36 - 45 | 46 - 50 | Above 50 |
|---------------------|---------|---------|----------|
| 2024                | 2       | 2       | 1        |
| 2025                | 2       | 1       | 1        |

| Employees Nationality | Oman | Belgium |
|-----------------------|------|---------|
| 2024                  | 4    | 1       |
| 2025                  | 4    |         |

|  | 2024 | 2025 |
|--|------|------|
| Ratio of the basic salary and remuneration of women to men | 18%  | 18%  |

## Omanization

At Sharqiyah Desalination Company SAOG (SDC), Omanization remains a cornerstone of our human resources strategy, reflecting our commitment to building a skilled local workforce and supporting the Sultanate of Oman's economic and social objectives under Oman Vision 2040. Our approach goes beyond meeting numerical targets; it is a carefully planned and strategically executed effort that combines targeted recruitment, structured training programs, and career development initiatives to ensure that Omani nationals acquire the skills, expertise, and opportunities to thrive.

SDC continues to maintain full Omanization, with our workforce comprising 100% Omani nationals. This achievement reflects our sustained dedication to nurturing local talent while contributing to the long-term development of national capabilities in the water and utilities sector.

| Omanization | Year | Total number of employees | Total number of new employee hires |
|-------------|------|---------------------------|------------------------------------|
| Omani       | 2023 | 3                         | 0                                  |
|             | 2024 | 4                         | 1                                  |
|             | 2025 | 4                         | 0                                  |
| Non-Omani   | 2023 | 1                         | 0                                  |
|             | 2024 | 0                         | 0                                  |
|             | 2025 | 0                         | 0                                  |

Our ongoing commitment to Omanization ensures that we maintain a knowledgeable, skilled, and empowered workforce that drives the success of both the Sultanate and Sharqiyah Desalination Company SAOG.

## Employee Benefits and Parental Leave

At Sharqiyah Desalination Company SAOG (SDC), we are committed to supporting our employees' well-being, security, and long-term development through a comprehensive benefits program. Our full-time employees enjoy a range of protections and provisions, including retirement plans, life insurance, health care coverage, and disability and invalidity protection, as well as parental leave to support them during key life stages. These inclusive policies ensure that our employees are cared for both professionally and personally, fostering a positive, motivating, and sustainable workplace environment.

### Parental Leave

We are dedicated to supporting our employees during parental leave, providing a seamless transition during this important life stage. Our policy promotes work-life balance, allowing employees to care for their families while staying engaged in their professional development. This approach underscores SDC's commitment to maintaining a supportive, inclusive, and family-friendly workplace for all.

| Parental Leave  | 2023 | 2024 | 2025 |
|---|------|------|------|
| Total number of employees entitled to parental leave                              | 4    | 4    | 4    |
| Total number of male employees who took parental leave                            | 0    | 0    | 0    |
| Total number of female employees who took parental leave                          | 1    | 1    | 0    |
| Total number of male employees who returned to work after parental leave ended    | 0    | 0    | 0    |
| Total number of female employees that returned to work after parental leave ended | 1    | 1    | 0    |

# Occupational Health and Safety (OHS)

Occupational health and safety is part of the core values of Sharqiyah Desalination Company SAOG (SDC), safeguarding the health, safety, and well-being of our employees, contractors, and visitors is a fundamental pillar of our operational excellence. As a provider of critical potable water infrastructure in the Sultanate of Oman, we recognize that safe operations are essential not only for our workforce but also for the communities we serve.

Our Occupational Health and Safety (OHS) management approach is embedded within our Integrated Management System (IMS) and aligned with Veolia’s global health and safety framework. This structured system ensures that risks are proactively identified, controlled, and continuously monitored.

## OHS Strategy and Governance

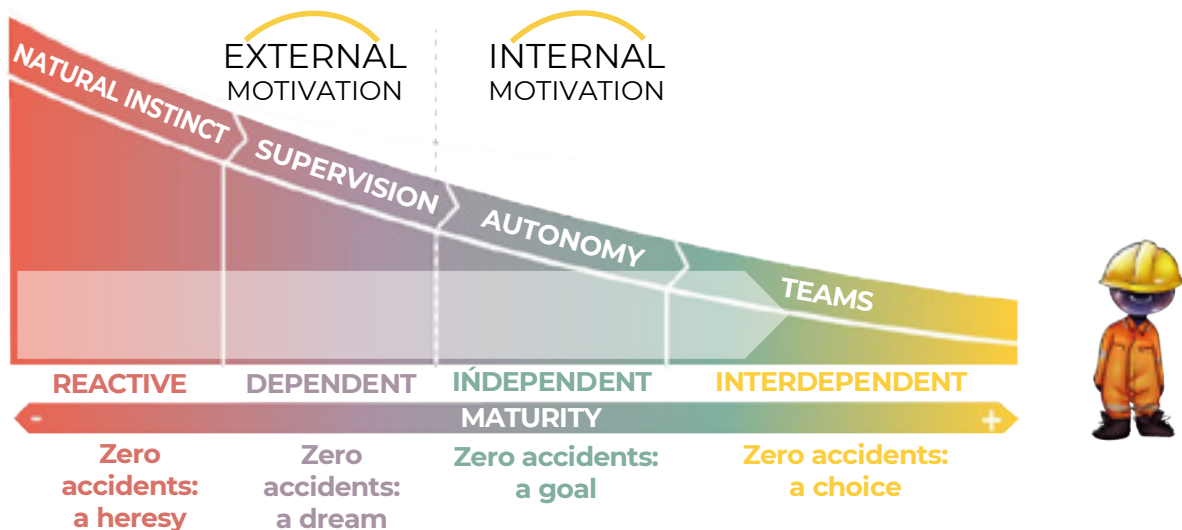
SDC’s safety strategy is built on the principle that all incidents are preventable. Achieving Zero Accidents is not simply a target but a guiding philosophy that shapes our operational behavior, decision-making, and performance monitoring.

Our OHS governance framework is supported by management systems certified under:



The OHS system complies with Omani legal requirements, contractual obligations, and Veolia minimum standards. Compliance is regularly reviewed through audits, inspections, and management reviews.

SDC approach to reducing and eliminating workplace hazards is structured around 5 pillars which include the precise requirements for reaching the «interdependent» safety culture level in order to make zero accidents a choice and to strive for excellence.



Our health, safety, and environmental (HSE) strategy is built on a robust framework designed to ensure excellence in every aspect of our operations:

- 10 Standards and 12 Life Saving Rules that set clear expectations and non-negotiable safety protocols
- 5 Management Pillars that form the foundation of our HSE culture and operational discipline

## The Five Pillars of Our HSE Management Framework:



## Fair Culture and Stop Work Authority

SDC promotes a strong Fair Culture, encouraging transparent reporting of unsafe acts, near misses, and hazards without fear of retaliation.

All personnel have the authority to stop work if unsafe conditions are identified. A structured incident reporting and investigation process ensures that root causes are analyzed and corrective actions are implemented promptly.

## HSE Management Framework

Our HSE practices are governed by key management documents:

| Document                 | Purpose                                    |
|--------------------------|--|
| IMS Policy               | Defines overall HSE commitments            |
| IMS Manual               | Describes management system implementation |
| Global Risk Assessment   | Identifies key HSE risks                   |
| Emergency Response Plans | Preparedness for emergency scenarios       |
| HSE Training Plans       | Ensures workforce competency               |

## HSE Training and Awareness

SDC invests in continuous training to strengthen workforce competency and safety awareness.

| Training Type     | Description   |
|-------------------|---|
| HSE Induction     | Mandatory onboarding safety orientation                         |
| Tool Box Talks    | Daily task-specific safety discussions                          |
| Internal Training | Life Saving Rules, Heat Stress, Job Safety Analysis             |
| External Training | First Aid, Fire Warden, Electrical Safety, Confined Space Entry |

These programs enhance employees' ability to recognize hazards and apply safe working practices.

## Employee Health and Well-being

SDC supports employee well-being through:

| Initiative        | Description   |
|-------------------|---|
| Medical Insurance | Comprehensive global coverage for all direct staff          |
| Preventive Health | Periodic health awareness and medical screening initiatives |

## Occupational Health & Safety Performance – 2025

SDC maintained a strong safety performance in 2025:

| Indicator                 | 2025 Result   |
|---------------------------|---------------|
| Fatalities                | 0             |
| High-Consequence Injuries | 0             |
| Recordable Injuries       | 0             |
| Total Hours Worked        | 143,591 hours |

## Continuous Improvement

SDC continually enhances its OHS performance through:

- Periodic audits and inspections
- Incident investigations and corrective actions
- Data analysis and management reviews
- Workforce engagement and feedback

By fostering a proactive safety culture and maintaining rigorous compliance with international standards, Sharqiyah Desalination Company SAOG continues to uphold the highest levels of occupational health and safety.

# Corporate Social Responsibility

At Sharqiyah Desalination Company SAOG, we prioritize Corporate Social Responsibility (CSR) as a core part of our operations, focusing on driving positive social, economic, and environmental impacts within the Sur community. By actively engaging with stakeholders and fostering strong partnerships, we gain a deeper understanding of local needs and can address them effectively. This collaborative approach allows us to deliver meaningful initiatives that support Oman Vision 2040 and enhance our overall social contributions.

| CSR Focus Areas  |  |  |
|--|--|--|
| Water as a Precious Resource   | Protecting the Environment   | Investing in Local Communities   |
| Recognizing our responsibility in providing essential water services, we treat water as a shared and invaluable resource. Our operations are guided by sustainable practices that ensure the community has continuous access to safe and reliable water. | Caring for the environment is central to our CSR efforts. We undertake initiatives that support local biodiversity, encourage eco-friendly practices, and minimize our ecological impact, reinforcing our commitment to preserving natural habitats. | We invest in education, training, and skill development to prepare young men and women for future opportunities, contributing to a capable workforce that supports regional growth and Oman Vision 2040. |



## CSR programs:

| CSR Contributions                 |   |   |
|-----------------------------------|---|---|
| Year                              | 2024  | 2025  |
| Total amount of CSR contributions | OMR 28,545.24   | 31,741 OMR  |
| CSR programs                      | <p><b>School Bags:</b> Building on the success of the previous year, 300 orphans benefited from our school bag distribution initiative in collaboration with the Ministry of Social Development.</p> <p><b>Eid Supplies for Orphans:</b> In coordination with charitable organizations, SDC provided Eid supplies to 320 individuals, spreading joy and uplifting families during the festive season.</p> <p><b>Ramadan Food Basket:</b> For the eighth consecutive year, SDC implemented the fast-breaking initiative, delivering 6,000 Ramadan meals to families in need.</p> <p><b>Food Basket:</b> We continued our efforts to support families and laid-off workers during Ramadan by supplying 100 food baskets to meet their essential needs.</p> <p><b>Tamkeen (Empowerment Program):</b> This ongoing program remains a key focus, empowering Omani youth with professional development tools to strengthen their readiness for the labor market.</p> <p><b>Support for Al-Amaniyat Center for Autism:</b> SDC is committed to funding the treatment of patients from underprivileged families.</p> <p><b>Sensory Room Construction at Al-Bahja Center:</b> We aim to create a sensory room to improve therapy and care services for children with special needs.</p> <p><b>Support for Oman Cancer Association:</b> SDC will provide medical equipment and electric beds to enhance patient care for those undergoing cancer treatment.</p> | <p><b>Iftar Initiative:</b> For the ninth consecutive year, SDC provided daily Iftar meals to 200 individuals throughout the holy month, along with food baskets for 100 families.</p> <p><b>Food Basket Support:</b> 100 low-income families and laid-off workers received essential food items distributed through government programs.</p> <p><b>Supporting Orphans:</b> On Eid al-Fitr, SDC met the basic needs of orphans, including nutrition, clothing, and psychological and social support.</p> <p><b>Supporting Brilliant Students:</b> Financial assistance was provided to outstanding students in coordination with Sheikh Dr. Wali of Sur, motivating continued excellence.</p> <p><b>Smart Screens:</b> Interactive whiteboards were provided to Boulaba Sur School in partnership with the General Directorate of Education, enhancing student and teacher skills while promoting sustainable digital learning.</p> <p><b>Blood Donation Campaign:</b> In collaboration with the South Health Authority, SDC organized a quarterly blood donation drive for employees to support local blood banks.</p> <p><b>Lower-Income Support (Eid Al-Adha):</b> Assistance was extended to low-income families through the Wali Sur Office.</p> <p><b>School Bag Initiative:</b> SDC distributed school bags to support students in coordination with the Wali Sur Office.</p> <p><b>Natural Park Project:</b> The company contributed to site preparation and leveling for a local natural park development.</p> <p><b>Elderly Patient Support:</b> Tablets and remote monitoring devices were provided to assist elderly patients.</p> <p><b>Educational Support Initiative</b></p> <p><b>Initiative to support outstanding students 2026</b></p> |

Through our continuous CSR initiatives, we support education and skill development, uphold high health and safety standards, and foster environmental sustainability. These efforts go beyond regulatory compliance, reflecting our genuine commitment to social responsibility and building lasting partnerships that benefit the entire community.

## Maximizing In-Country Value (ICV):

Sharqiyah Desalination Company SAOG is committed to driving local economic development by prioritizing In-Country Value (ICV) in all its operations. Beyond adhering to Omani laws and Royal Decrees, including those governing employment and Omanization, the company actively invests in the local workforce, supports strategic procurement from local suppliers, and fosters initiatives that strengthen the regional economy. Through these efforts, SDC not only ensures regulatory compliance but also contributes meaningfully to Oman's sustainable growth.

|                     | Capital Investments  | Procurement  | Human Resources  | Local Development   |
|---------------------|--|--|--|---|
| <b>Aim:</b>         | Maximise local investments and strengthen the local economy.   | Support local markets while ensuring quality and compliance.   | Identify, recruit, train, and develop local talent.  | Maximise the impact on local communities through multiple initiatives.  |
| <b>Initiatives:</b> | <ul style="list-style-type: none"> <li>Maximise local investments</li> <li>Investments in fixed assets</li> <li>Develop local sources of investment</li> </ul> | <ul style="list-style-type: none"> <li>Maximise procurement of local goods and services within quality and price standards</li> <li>Local sourcing of goods and subcontracted services</li> <li>Development of national suppliers</li> </ul> | <ul style="list-style-type: none"> <li>Recruitment policy focused on Omani nationals</li> <li>Training of Omani nationals</li> <li>Training budget allocation</li> <li>Structured training programs to enhance skills</li> </ul> | <ul style="list-style-type: none"> <li>Development of national training, education, and R&amp;D institutions</li> <li>Supporting local development through CSR initiatives</li> </ul> |

These initiatives underscore Sharqiyah Desalination Company SAOG's commitment to fostering sustainable development while generating lasting benefits for Oman's economy.



# Environmental Stewardship

At Sharqiyah Desalination Company SAOG, environmental stewardship is integral to how we operate and create long-term value. We are committed to protecting the environment by embedding responsible and sustainable practices across our operations, while ensuring full compliance with all applicable environmental laws and regulatory requirements. Our approach focuses on addressing key environmental challenges, including climate change, through efficient water management, resource optimization, and the reduction of environmental impacts. In parallel, we actively support the preservation of biodiversity by safeguarding the ecosystems surrounding our facilities. Through these efforts, we demonstrate our responsibility as a corporate citizen and contribute to a more sustainable future for Oman and the wider region.

## Regulatory and legal environmental compliance

Regulatory and legal compliance forms the foundation of our environmental management at the Sur Desalination Plant (SDP). The environmental aspects of our operations are regularly measured through both internal monitoring schedules and external third-party assessments, with results compared and evaluated against applicable legal standards. Internal and independent assessments verify compliance, reinforcing our commitment to responsible environmental management. Sharqiyah Desalination Company SAOG also aligns its practices with Veolia Oman's Environmental Policy Statement, which emphasizes sustainable development, responsible resource management, and environmental stewardship across all levels of the organization. This policy underscores our shared responsibility to manage environmental impacts, preserve natural resources, and integrate sustainability into operational decision-making.

Noise and air quality management are key components of our environmental strategy. Ambient noise levels across plant locations are maintained within regulatory limits, and designated high-noise areas, including specific operational zones, require strict adherence to PPE protocols and clear signage. Signage and mandatory personal protective equipment (PPE), such as earplugs and earmuffs, help safeguard personnel and maintain a safe working environment. In line with Veolia Oman's policy, all employees are actively engaged in environmental compliance and preservation, with awareness and training programs ensuring that protective measures and best practices are consistently applied. Dust and particulate emissions at ambient locations and within the plant are closely monitored and consistently maintained within regulatory limits. Pollutants such as dust, Oxides of Nitrogen (NO<sub>x</sub>), Sulphur Dioxide (SO<sub>2</sub>), Ozone (O<sub>3</sub>), and Nitrogen Dioxide (NO<sub>2</sub>) are tracked to ensure compliance with applicable environmental standards. Furthermore, our environmental policy encourages continual improvement and the adoption of safer, more environmentally sound methods whenever feasible, ensuring that air quality management evolves alongside operational and technological advancements.

Our commitment to environmental standards extends beyond monitoring to include sustainable operational practices and continuous improvement. The policy highlights our commitment to resource optimization, waste reduction, and the recovery of limited materials, ensuring sustainability principles are embedded in procurement, operations, and business decision-making. We adhere strictly to environmental permits and legal requirements, with regular reviews and updates to align with evolving regulations, demonstrating a proactive approach to sustainability.

In summary, SDP demonstrates responsible environmental stewardship through comprehensive monitoring, strict compliance with regulations, and continuous improvement initiatives. By maintaining these standards, we aim to reduce our environmental footprint and contribute to a cleaner, safer environment for our community and future generations. Our alignment with Veolia Oman's Environmental Policy reinforces this commitment, promoting a culture of inclusion, employee engagement, and transparent communication with stakeholders, all directed toward achieving ambitious environmental and sustainability objectives.

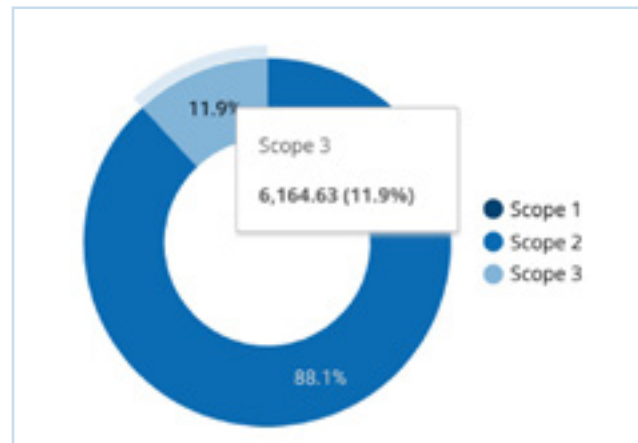
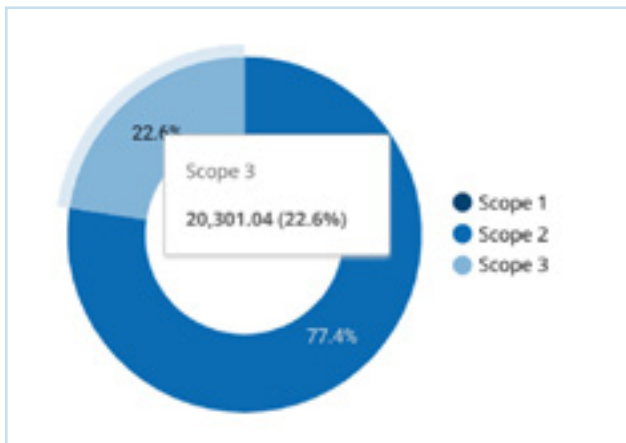
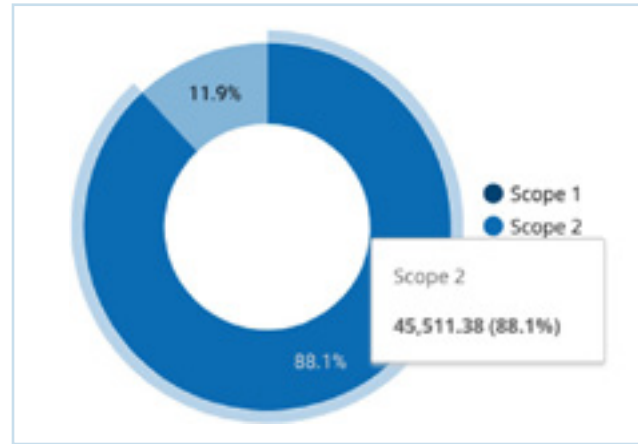
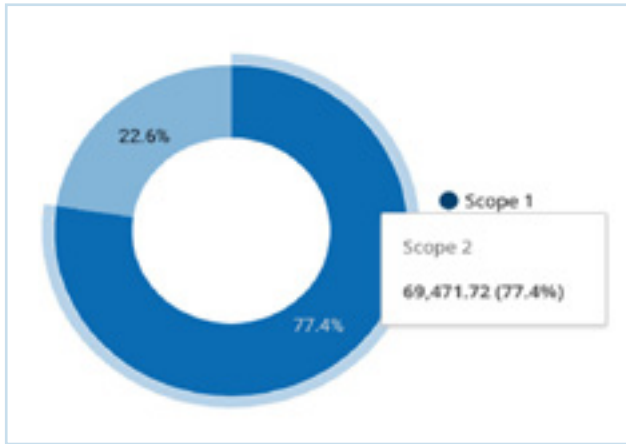
## Climate change

Sharqiyah Desalination Company SAOG prepares its Greenhouse Gas (GHG) Inventory annually in alignment with the Environment Authority's reporting guidelines. The inventory is developed by the QHSE department of Bahwan Veolia Water LLC, the Operations & Maintenance company for the Sur Desalination Plant, and follows consistent organizational and operational boundaries across reporting years.

For the purpose of this report, the company discloses Scope 1 and Scope 2 emissions as follows:

- **Scope 1:** Direct emissions from stationary fuel combustion sources under operational control (primarily diesel used for standby generators).
- **Scope 2:** Indirect emissions from purchased electricity consumed during plant operations.

| Indicator                   | Unit               | 2023     | 2024      | 2025      |
|-----------------------------|--------------------|----------|-----------|-----------|
| Total Scope 1 GHG Emissions | tCO <sub>2</sub> e | 1.50     | 3.90      | 1.50      |
| Total Scope 2 GHG Emissions | tCO <sub>2</sub> e | 77644.2  | 69,471.72 | 45,511.38 |
| Total Scope 1 & 2 Emissions | tCO <sub>2</sub> e | 77,645.7 | 69,475.6  | 45,512.8  |



## Energy Usage

| Indicator               | Unit   | 2023       | 2024       | 2025       |
|-------------------------|--------|------------|------------|------------|
| Diesel Consumption      | Liters | 580        | 650        | 600        |
| Petrol Consumption      | Liters | 28,800     | 21600      | 68,576     |
| Electricity Consumption | kWh    | 90,228,539 | 80,128,861 | 52,920,206 |

## Renewable Energy Contribution

| Year | Renewable Energy Used (kWh) |
|------|-----------------------------|
| 2024 | 30,214,525                  |
| 2025 | 27,317,495                  |

# Climate Action in Practice

## Case Study: Solar PV Farm Powering the Sur Desalination Plant

As part of its commitment to reducing greenhouse gas emissions and supporting Oman's transition toward renewable energy, Sharqiyah Desalination Company SAOG (SDC) has integrated a large-scale solar photovoltaic (PV) farm to power the Sur Desalination Plant.

The solar PV farm began commercial operation on 16 April 2023 and is designed to generate approximately 32 million kWh of clean electricity annually. This renewable energy supply enables the plant to cover 100% of its daytime electricity consumption, significantly reducing dependence on fossil fuels and lowering the plant's carbon footprint.

This initiative contributes to an estimated reduction of 27,200 metric tons of CO<sub>2</sub> emissions per year, which is equivalent to removing approximately 6,000 gasoline-powered passenger vehicles from the road annually. By utilizing advanced solar technology, the project enhances energy efficiency while supporting Oman's national objectives under Vision 2040 to diversify the energy mix and expand the use of renewable energy sources.

Developed in collaboration with Veolia and TotalEnergies, the project represents the largest solar system powering a desalination plant in Oman. It demonstrates how innovative renewable energy solutions can support critical water infrastructure while advancing climate resilience and environmental sustainability.

Beyond emissions reduction, the solar PV farm strengthens the long-term sustainability of desalination operations by improving energy security and reducing exposure to fluctuations in conventional energy sources. This case study highlights SDC's proactive approach to integrating renewable energy into essential utility services and its contribution to Oman's broader clean energy transition.

## Water management

In the Sultanate of Oman, where approximately 80% of the land is desert and rainfall is scarce, effective water management is a critical challenge. Increasing population demands have made the provision of sufficient potable water a priority for sustainable development. To address this, Sharqiyah Desalination Company SAOG relies on desalination as a reliable solution. Although water covers 70% of the planet, less than 1% is drinkable, and one in nine people worldwide lacks access to safe drinking water. The Sur Desalination Plant plays a central role in supplying safe drinking water to the region, serving approximately 600,000 residents.

The Sur plant is notable for its world's largest beach well catchment system, which draws over 180,000 cubic meters of water daily. This innovative intake system uses natural sand filtration, reducing environmental impact on marine and coastal ecosystems while improving the quality of the water collected. The plant's daily production capacity is 131,837 cubic meters, by producing 83,837 m<sup>3</sup>/day (SDP1) and 48,000 m<sup>3</sup>/day (SDP2) of drinking water, ensuring a consistent supply of potable water to meet current needs. Water is essential not only for drinking but also for food production, energy, transport, and sanitation, yet much of it is wasted, polluted, or managed unsustainably, underscoring the importance of efficient and responsible water management. This proactive approach ensures that the growing population of the Sharqiyah region will continue to have sustainable access to high-quality potable water.

## Water Consumption and Discharge Performance

Efficient internal water use is a key component of responsible plant operations. Internal utility water consumption represents the volume of potable water used within plant operations.

In 2024, internal utility water consumption was 6,403 m<sup>3</sup>, increasing slightly to 6,778 m<sup>3</sup> in 2025 due to normal operational variation.

Total water discharge, primarily in the form of regulated brine discharge, amounted to 50,798,391 liters in 2024 and 41,440,822 liters in 2025. This discharge is managed in full compliance with environmental regulations to minimize impact on the surrounding marine environment.

## Water Management Data

| Indicator                          | Unit           | 2024       | 2025       |
|------------------------------------|----------------|------------|------------|
| Internal Utility Water Consumption | m <sup>3</sup> | 6,403      | 6,778      |
| Total Water Discharge (Brine)      | m <sup>3</sup> | 50,798,391 | 28,947,379 |

## Advanced Water Quality Monitoring

Maintaining water quality remains a core operational commitment. In 2024, the plant conducted 8,038 laboratory tests on final potable water, exceeding the regulatory monitoring target with a performance ratio of 1.11, demonstrating a proactive approach to ensuring compliance with Omani drinking water standards.

The internal laboratory analyzed more than 19,338 water quality parameters across various treatment stages. This is supported by the Online Analyser Follow-up (OLAF) system, which verifies real-time analyser readings through laboratory cross-checking and Analytical Quality Control (AQC) procedures. These practices ensure accuracy, reliability, and consistency in water quality monitoring.

## Commitment to Sustainable Water Solutions

Through innovative intake design, responsible discharge management, and rigorous water quality assurance, Sharqiyah Desalination Company SAOG continues to strengthen its contribution to Oman's water resilience. As demand grows, the company remains focused on operational efficiency, environmental stewardship, and the delivery of safe, sustainable water supplies for present and future generations.





# Appendix

## GRI & MSX index

|                                   |  |
|-----------------------------------|--|
| Statement of use                  | Sharqiyah Desalination Company SAOG has reported in reference to the GRI Standards for the period of January, 1 2025 - December, 31 2025 |
| GRI 1 used                        | GRI 1: Foundation 2021   |
| Applicable GRI Sector Standard(s) | No GRI Sector Standards apply to Sharqiyah Desalination Company SAOG   |

| GRI Standard                    | Disclosure   | Location | Omission               |           |             | MSX ESG Disclosure Metric |
|---------------------------------|--|----------|------------------------|-----------|-------------|---------------------------|
|                                 |  |          | Requirement(s) Omitted | Reason    | Explanation |                           |
| <b>General Disclosures</b>      |  |          |                        |           |             |                           |
| GRI 2: General Disclosures 2021 | 2-1 Organizational details   | 6-8      |                        |           |             |                           |
|                                 | 2-2 Entities included in the organization's sustainability reporting | 5        |                        |           |             |                           |
|                                 | 2-3 Reporting period, frequency and contact point                    | 5        |                        | G7 and G8 |             |                           |
|                                 | 2-4 Restatements of information                                      | 5        |                        |           |             |                           |
|                                 | 2-5 External assurance   | 5        |                        | G9        |             |                           |
|                                 | 2-6 Activities, value chain and other business relationships         | 6-9      |                        |           |             |                           |
|                                 | 2-7 Employees  | 18-20    |                        |           |             | S5                        |
|                                 | 2-8 Workers who are not employees                                    | 18-20    |                        |           |             |                           |
|                                 | 2-9 Governance structure and composition                             | 11-14    |                        |           |             | G1 and G2                 |
|                                 | 2-10 Nomination and selection of the highest governance body         | 13       |                        |           |             |                           |

| GRI Standard                    | Disclosure   | Location | Omission               |        |             | MSX ESG Disclosure Metric |
|---------------------------------|--|----------|------------------------|--------|-------------|---------------------------|
|                                 |  |          | Requirement(s) Omitted | Reason | Explanation |                           |
| GRI 2: General Disclosures 2021 | 2-11 Chair of the highest governance body  | 11       |                        |        |             |                           |
|                                 | 2-12 Role of the highest governance body in overseeing the management of impacts | 11-14    |                        |        |             | E8 AND E9                 |
|                                 | 2-13 Delegation of responsibility for managing impacts                           | 11-14    |                        |        |             |                           |
|                                 | 2-14 Role of the highest governance body in sustainability reporting             | 11-14    |                        |        |             |                           |
|                                 | 2-15 Conflicts of interest   | 11-14    |                        |        |             |                           |
|                                 | 2-16 Communication of critical concerns  | 14-15    |                        |        |             |                           |
|                                 | 2-17 Collective knowledge of the highest governance body                         | 11-14    |                        |        |             |                           |
|                                 | 2-18 Evaluation of the performance of the highest governance body                | 11-14    |                        |        |             |                           |
|                                 | 2-19 Remuneration policies   | 13       |                        |        |             | S2                        |
|                                 | 2-20 Process to determine remuneration   | 11-14    |                        |        |             |                           |
|                                 | 2-21 Annual total compensation ratio   | 21       |                        |        |             | S1                        |
|                                 | 2-22 Statement on sustainable development strategy                               | 4        |                        |        |             |                           |
|                                 | 2-23 Policy commitments  | 14       |                        |        |             |                           |
|                                 | 2-24 Embedding policy commitments  | 14       |                        |        |             |                           |
|                                 | 2-25 Processes to remediate negative impacts                                     | 14       |                        |        |             |                           |
|                                 | 2-26 Mechanisms for seeking advice and raising concerns                          | 14       |                        |        |             |                           |
|                                 | 2-27 Compliance with laws and regulations  | 14       |                        |        |             |                           |
|                                 | 2-28 Membership associations   | 8        |                        |        |             |                           |
|                                 | 2-29 Approach to stakeholder engagement  | 9        |                        |        |             |                           |
|                                 | 2-30 Collective bargaining agreements  | NA       |                        |        |             |                           |
| <b>Material Topics</b>          |  |          |                        |        |             |                           |
| GRI 3: Material Topics 2021     | 3-1 Process to determine material topics   | 10       |                        |        |             | G8                        |
|                                 | 3-2 List of material topics  | 10       |                        |        |             |                           |

| GRI Standard                                 | Disclosure   | Location | Omission               |        |             | MSX ESG Disclosure Metric  |
|--|--|----------|------------------------|--------|-------------|----------------------------|
|  |  |          | Requirement(s) Omitted | Reason | Explanation |                            |
| <b>Climate Change</b>                        |  |          |                        |        |             |                            |
| GRI 3: Material Topics 2021                  | 3-3 Management of material topics  | 28-29    |                        |        |             | E1, E2, E3, E4, E5, AND E7 |
| GRI 302: Energy 2016                         | Disclosure 302-1 Energy consumption within the organization  | 29       |                        |        |             |                            |
|  | Disclosure 302-2 Energy consumption outside the organization   | 29       |                        |        |             |                            |
|  | Disclosure 302-3 Energy intensity  | 31       |                        |        |             |                            |
| GRI 305: Emissions 2016                      | Disclosure 305-1 Direct (Scope 1) GHG Emissions  | 28       |                        |        |             |                            |
|  | Disclosure 305-2 Energy indirect (Scope 2) GHG emissions   | 28       |                        |        |             |                            |
| <b>Water Management</b>                      |  |          |                        |        |             |                            |
| GRI 3: Material Topics 2021                  | 3-3 Management of material topics  | 30-31    |                        |        |             | E6                         |
| GRI 303: Water and Effluents 2018            | Disclosure 303-1 Interactions with water as a shared resource  | 30       |                        |        |             |                            |
|  | Disclosure 303-2 Management of water discharge-related impacts   | 30       |                        |        |             |                            |
|  | Disclosure 303-3 Water withdrawal  | 7,30     |                        |        |             |                            |
|  | Disclosure 303-4 Water discharge   | 30       |                        |        |             |                            |
|  | Disclosure 303-5 Water consumption   | 30       |                        |        |             |                            |
| <b>Occupational Health and Safety</b>        |  |          |                        |        |             |                            |
| GRI 3: Material Topics 2021                  | 3-3 Management of material topics  | 21-23    |                        |        |             | S7 and S8                  |
| GRI 403: Occupational Health and Safety 2018 | Disclosure 403-1 Occupational health and safety management system  | 21       |                        |        |             |                            |
|  | Disclosure 403-2 Hazard identification, risk assessment, and incident investigation                      | 21-22    |                        |        |             |                            |
|  | Disclosure 403-3 Occupational health services  | 22       |                        |        |             |                            |
|  | Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety | 22       |                        |        |             |                            |

| GRI Standard                                 | Disclosure   | Location | Omission               |        |             | MSX ESG Disclosure Metric |
|--|--|----------|------------------------|--------|-------------|---------------------------|
|  |  |          | Requirement(s) Omitted | Reason | Explanation |                           |
| GRI 403: Occupational Health and Safety 2018 | Disclosure 403-5 Worker training on occupational health and safety   | 22       |                        |        |             |                           |
|  | Disclosure 403-6 Promotion of worker health  | 22       |                        |        |             |                           |
|  | Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 21-23    |                        |        |             |                           |
|  | Disclosure 403-8 Workers covered by an occupational health and safety management system  | 21       |                        |        |             |                           |
|  | Disclosure 403-9 Work-related injuries   | 23       |                        |        |             |                           |
|  | Disclosure 403-10 Work-related ill health  | 23       |                        |        |             |                           |
| <b>Corporate Social Responsibility</b>       |  |          |                        |        |             |                           |
| GRI 3: Material Topics 2021                  | 3-3 Management of material topics  | 23-26    |                        |        |             | S11                       |
| GRI 413: Local Communities 2016              | Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs                      | 23-26    |                        |        |             |                           |
|  | Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities                        | 23-26    |                        |        |             |                           |
| <b>Data and Cyber Security</b>               |  |          |                        |        |             |                           |
| GRI 3: Material Topics 2021                  | 3-3 Management of material topics  | 16       |                        |        |             |                           |
| GRI 418: Customer Privacy 2016               | Disclosure 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data                  | 16       |                        |        |             | G6                        |
| Corporate Governance                         |  |          |                        |        |             |                           |
| GRI 3: Material Topics 2021                  | 3-3 Management of material topics  | 11-15    |                        |        |             |                           |

