



MSX ESG DISCLOSURE GUIDELINE



His Majesty Sultan Haitham bin Tariq
-God bless him-

We stand today with firm invincible will on the threshold of a vital stage of development and nation building. It is a stage in which you all have participated in drawing out its prospects in Oman 2040 Future Vision, and contributed to devising its economic, social and cultural goals, in a manner that embodies a clear-cut vision, great expectation towards a more prosperous future. We are all aware of the challenges imposed by the current global conditions, and their implications to the region and to us, since we are part of this world, influencing it and are influenced by it.





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PURPOSE OF THE MSX ESG GUIDELINE

The Muscat Stock Exchange (MSX) has developed this guideline to assist all companies publicly listed on MSX and registered as “SOAG” companies to report on their environmental, social and governance (ESG) performance. MSX encourages all publicly listed companies to voluntarily report in 2024, covering their 2023 activities. Starting 2025, reporting on the 2024 activities will be mandatory. More details on mandatory reporting can be found in the “How to Report” section of this guideline.

The business case of ESG reporting includes several factors such as meeting investor demands, achieving operational improvements, complying with an evolving regulatory environment, enhancing financial performance, improving reputation and effective risk management. More details are available under the Business Case for ESG Disclosure section of this Guideline.

By following the guideline, companies can publicly disclose ESG information that communicates their commitments and activities while addressing their key stakeholders, including, but not limited to, their investors, clients, partners, suppliers, employees and their overall community. This Guideline is in alignment with the Gulf Cooperation Council (GCC) ESG Disclosure Metrics for Listed Companies published in 2022.

Developing this guideline was a natural step following MSX joining the UN Sustainable Stock Exchange (SSE) initiative in March 2022, influencing the growth of a sustainable and inclusive financial culture through ESG best practices. The SSE works with stock exchanges through technical assistance, consensus building and research to contribute to the achievement of the United Nations Sustainable Development Goals (SDGs) and to stimulate investment for a sustainable future. Exchanges worldwide partner with the SSE to work towards a common objective of fostering financial markets that support the growth of sustainable and responsible business practices.

This guideline uses the term “ESG report” and “sustainability report” interchangeably. It includes information on the business case of ESG, global trends, frameworks and standards, which aid in facilitating reporting exercises. It also provides information on 30 ESG metrics in alignment with the recommendations of the SSE initiative and the World Federation of Exchanges (WFE). While reporting is voluntary, it is highly encouraged, and we view this guideline as only the starting point. We encourage companies to go beyond this guideline and publish reports in accordance with global reporting standards that best suit their needs.

Disclaimer

This guideline aims to provide general information on ESG reporting and aligns with the regulations and requirements of the Capital Markets Authority and with MSX rules and regulations. The guidelines are not comprehensive and MSX does not bear any burden or liability whatsoever for misinterpretation. MSX reserves the right to amend and update this guideline at any time.



HAITHAM AL SALMI,
CEO

FOREWORD FROM THE CEO

"Respected market participants, MSX is pleased to present the ESG disclosure guidelines, prepared in line with the growing interest among investors worldwide towards sustainability.

In keeping with global sustainability trends, the Muscat Stock Exchange recently joined the United Nations Sustainable Stock Exchanges initiative as a partner exchange. Our aim is to build a sustainable and inclusive financial culture by adopting the best environmental, social, and governance practices, corresponding to Oman Vision 2040 for achieving a diverse and sustainable economy.

These guidelines are intended to meet the current and future needs of investors, while also achieving sustainable development, which is a crucial part of our world's future. Companies play a vital role in achieving this noble goal.

While profitability and financial success are important aspects of our businesses, sustainability cannot be measured solely by financial indicators. It also encompasses social responsibility, environmental protection, and strong governance. Therefore, the Exchange is committed to enhancing transparency in these areas as a matter of responsibility. Good governance is an essential pillar for achieving sustainable development and building a strong economy.

Therefore, we at MSX aspire that the ESG disclosure guidelines presented herewith shall serve as a valuable tool for companies to help them understand and implement the principles of ESG in their respective entities as a standard of quality.

Disclosures related to ESG are not just obligations for companies to consider. They are effective tools for building trust and enhancing relationships with shareholders, investors, and any other interested parties. Thus, the primary goal remains for these disclosures to be transparent, comprehensive, and robust, providing all relevant parties with the necessary information to make decisions on sustainable foundations.

The guidelines are aimed at providing a comprehensive and practical toolkit for producing world-class ESG disclosures for local listed companies, and a best practice benchmark for all local companies that aspire to acquire these standards of excellence.

We look forward to assisting you in making ESG disclosures an integral part of your sustainable strategy and future success.

Thank you all, and may Allah bless and guide you in your endeavors."



OVERVIEW OF THE KEY DRIVERS OF ESG ADOPTION IN OMAN

Oman Vision 2040

Oman's Vision 2040 and the Five-Year Plan demonstrate the country's commitment to achieving the 2030 SDGs by implementing policies, programs, and initiatives that promote sustainable and inclusive economic development. The Oman Vision 2040 is a strategic framework that outlines the country's goals for the future. The vision seeks to establish a productive and diversified economy that prioritizes innovation, equal opportunities, and the integration of roles. The private sector plays a crucial role in Oman's development, and the vision aims to leverage Oman's competitive advantages towards greater integration with the world economy and active contribution to international trade. The vision seeks to achieve inclusive and sustainable development by implementing effective

economic leadership within a coherent and contemporary institutional framework. This will ensure financial sustainability and diversify public revenues, paving the way for a prosperous future for Oman and its people.

In alignment with the 2040 vision, Oman has been making significant efforts to address ESG considerations in recent years, reflecting the country's commitment to sustainable and inclusive economic development. Environmental concerns have been one area of focus, with the establishment of the Environmental Authority in 2020 which was put in place to develop plans and programs that protect the environment and preserve its natural resources.

Social factors such as labor standards and human rights have also gained prominence in Oman, with the government investing in initiatives to improve access and quality of education and healthcare services. These initiatives demonstrate the country's commitment to promoting equal opportunities and social development. Governance issues such as transparency and accountability have also been emphasized in Oman. The introduction of a New Commercial Companies Law in 2021, which included provisions related to the government's commitment to enhancing corporate governance practices. board composition, executive compensation and shareholder rights, is one example.

Oman's Vision 2040, which outlines the country's long-term development goals, places significant emphasis on sustainability and ESG considerations. The vision aims to create a diversified economy that promotes innovation, fosters equal opportunities and leverages Oman's competitive advantages, while prioritizing environmental protection and social development. In line with this vision, the Central Bank of Oman (CBO) has published a [circular on financial inclusion](#), in alignment with the SDGs, outlining the country's strategy for promoting access to financial services for all segments of society. CBO also published a circular on climate-related financial risk management and green financing. This circular aims to encourage financial institutions to adopt green finance practices.

Net Zero by 2050

Under the leadership of His Majesty Sultan Haitham bin Tarik, in October 2022, Oman announced its commitment to achieve net zero emissions by 2050 by targeting Industry sectors, Oil & Gas, Power, Transport and other sectors. With this commitment, Oman joins a group of over 70 countries that have pledged to achieve net zero emissions by 2050. This commitment aligns with the Sultanate's 2040 vision to be "the gateway to overcome challenges."

Oman Towards Sustainable Growth and ESG Implementation

10th 5 Year

Development Plan — — — — 56 Strategic Programs — — — — 156 Strategic Programs — — — — 53 Strategic Programs

Oman Vision 2040 Priorities & Objectives

Priority: Environment & Natural Resources:

- Balance in Economic, Social, Environmental requirements.
- Environmental ecosystems.
- Food & water Security.
- Investment in natural resources.
- Renewable energy.
- Green circular economy.
- Environmental awareness.

Environment

Four Priorities Focused on People wellbeing:

- Education, learning, scientific research and national capabilities.
- Health.
- Citizenship, identity, national culture and heritage.
- Well-being and social protection.
- Development of youth sector.

Social

Priority: Governance of State's Administrative Bodies, Resources & Projects:

- Improved government services.
- Trustworthy government decisions.
- Forward looking Public sector.
- Clear & Competitive recruitment standards.
- Transparency & Disclosure.
- Partnerships to boost institutional performance.

Governance



Promote Environmental Sustainability



Diversify Revenues Through Alternative Energy Sources



Efficiently Manage Natural Resources



Reduce Reliance on Depleted Resources

GCC STOCK EXCHANGES UNIFY ESG DISCLOSURES



On a regional level, MSX is a member of the GCC Stock Exchanges ESG Committee. MSX played an active role in the development of the GCC ESG Disclosure Metrics for Listed Companies. The issuance of these standards for GCC-listed companies is a significant milestone in promoting ESG considerations in the region and aligning GCC markets with global best practices.

ESG Initiatives at MSX

MSX announced its UN SSE Initiative in December 2022 as a part of its social commitment under “Sustainable ESG Initiative”, with the Ministry of Social Development, Ministry of Commerce, Industry & Investment Promotion and the Environment Authority. As part of its commitment, MSX strives to provide an ecosystem for ethical business practices by introducing a sustainable investment team that is dedicated to monitoring ESG practices at MSX and supporting listed companies to disclose their ESG practices. This is facilitated by providing a multilateral governance framework that includes ancillary reports, guidelines and projects to prepare companies for the global shift towards mandatory ESG reporting. These initiatives include:

Environmental Responsibility Initiatives:

- Reducing the use of single-use plastic bottles, and eliminating them completely by the end of 2023.
- Reducing the use and waste of paper through digitizing all documents and centralized and controlled printing services.
- Awareness campaigns to encourage recycling and adopting environmentally- responsible practices.
- Efficient use of energy through reducing consumption and shifting to smarter systems.
- Switching to clean/alternative energy to operate MSX facilities.
- Managing waste and introducing recycling initiatives.
- Reducing water consumption by installing dynamic systems that work by sensors.

Ethical Investment, Diversity & Employee Wellness:

- Implementing gender inclusive and diverse policies and practices by providing equal opportunities and equal pay.
- Eliminating any gender discriminatory practices, such as gender specifications in job postings.
- Increasing opportunities for employee career growth through training, development and internal job postings and promotions.
- Enforcing modern health and safety practices and increasing employee wellness by procuring special offers and discounts.
- Investing in employee development and training.
- Engaging with the local investor community regularly through workshops, seminars and conferences to maintain a transparent flow of information.
- Supporting local businesses to provide ethically sourced products and services.
- Introducing graduate training programs and paid internships to local fresh graduates.

Corporate Governance Practices:

- Maintaining the separation between CEO and Chairman’s functions.
- Maintaining a non-executive board of directors.
- Ensuring complete compliance with applicable laws and regulations and shareholder guidelines and regulations.

MSX ESG Disclosure Guideline reflects the growing importance of ESG considerations in Oman, regionally and globally, and aims to support the country’s sustainable development objectives. By providing guidelines for ESG reporting, MSX aims to raise awareness of ESG considerations and encourage companies to prioritize sustainability and responsible business practices.

THE BUSINESS CASE FOR ESG DISCLOSURE

There is a significant level of effort associated with publicly disclosing ESG practices. Companies might need to develop expertise internally, or work with external consultants and experts to ensure proper public disclosure. Best practices indicate that this can be done through reports, on their website, or via other channels. In order to justify the resources and effort needed to make ESG disclosures, it is important to consider the business case for it. MSX has identified several factors to support the case for ESG disclosure below.

Investor Demands and Expectations

By providing comprehensive disclosure on their ESG practices, companies can attract investors who prioritize ESG considerations in their investment decisions. For these investors, ESG information offers valuable insight into corporate management quality and assists in predicting a company's overall stability, financial performance and potential for growth.

ESG indices, such as the MSCI ESG Leaders Index, Dow Jones Sustainability Index and FTSE4Good Index, among others, assist investors in benchmarking ESG investment performance by relying solely on publicly available information. Investors widely use these indices to identify well-governed, socially and environmentally responsible companies, providing a means to identify attractive investment opportunities with desirable returns.

Operational Improvements

ESG disclosures also enable companies to identify areas where they can improve their internal practices and manage risks related to ESG factors. By measuring its carbon footprint, for example, a company might be able to identify areas in which it could better manage its emissions, and thus reduce its overall energy costs. Sound ESG practices allow companies to better understand how they interact with employees, suppliers and partners. By measuring certain social metrics, like employees' satisfaction, growth and learning, companies are able to better retain talent.

A Growing Regulatory Environment

As there is an increasing demand for better corporate reporting on ESG information, governments and regulators around the world are taking measures to improve disclosures and regulations on ESG topics. This is in recognition of the importance of strengthening market mechanisms to facilitate the achievement of the SDGs. By anticipating regulatory changes related to ESG, companies can stay ahead of the curve and ensure they are compliant with emerging requirements. This can also provide companies with a competitive advantage, as investors increasingly seek out companies in compliance with applicable regulatory frameworks.

Enhanced Financial Performance

By disclosing how sustainability initiatives are interconnected with a company's strategy, financial performance and valuation, companies can communicate their commitment to sustainability with investors and stakeholders. This can lead to increased investor confidence and trust in the company, which can translate into improved financial performance over long term.

Some companies also evaluate the influence of sustainability efforts on future cash flows and the weighted average cost of capital. By considering ESG factors in financial decision-making, companies can better manage risks related to ESG factors, such as climate change and social unrest, which can eventually impact their financial performance.

Incorporating sustainability practices into a company's valuation can effectively communicate its approach to addressing global challenges such as poverty, education, climate change and biodiversity. This can attract socially responsible investors and customers who prioritize ESG considerations in their decision-making.

Improved Reputation

Reporting on ESG performance and engaging with stakeholders can also help to improve corporate reputation by enhancing stakeholders' perception of a company's commitment to sustainability. This can include reporting on sustainability initiatives and stakeholder engagement efforts to demonstrate a company's dedication to transparency and responsible management. Such efforts can also contribute to improving employee perception of the company, helping to attract, retain and motivate new and existing employees who share the values and beliefs of the company.

Ultimately, a strong corporate reputation and brand built upon ESG principles can contribute to creating a competitive advantage for companies. By demonstrating their commitment to sustainability, companies can attract like-minded investors, partners, employees and customers who prioritize responsible business practices.

Effective Risk Management

ESG disclosure is crucial for effective risk management as climate and demographic changes, coupled with resource scarcity, can provide valuable insights into the long-term risks that companies may face and that may threaten their existence. By gathering ESG data, integrating it into management practices, and improving ESG performance, companies can enhance their risk oversight and management. Integrating ESG considerations enables companies to effectively navigate ESG information and take into account a more comprehensive set of the risks and opportunities that may affect their performance.



HOW TO REPORT

How to Report

The below section shares further detail on what companies should consider while reporting. While there are several other details for companies to consider, we highlight the below points as key to provide transparent and meaningful disclosures.

A. Stakeholder Engagement & Materiality

Materiality refers to the significance or importance of an ESG issue that could affect a company's financial performance, reputation or ability to operate sustainably. Material ESG issues are those that are directly or indirectly relevant to a company's stakeholders, including investors, employees, customers, suppliers and the wider community. Materiality assessments are used to determine the most significant ESG topics for a company, taking into account stakeholder perspectives.

Stakeholder engagement is vital in identifying material ESG topics as they have a significant impact on a company's operations and strategy. Engaging with stakeholders through various forms such as surveys, interviews, focus groups or public consultations enables a better understanding of stakeholder expectations and concerns.

Different standards have different interpretations and recommendations on how the concept of materiality can be applied to reporting on ESG considerations. For instance, the Global Reporting Initiative (GRI) highlights the following four steps:

- Understanding the organization's context (including sector and country context).
- Identifying the actual and potential impacts of the topics.
- Assessing the significance of the impacts.
- Prioritizing the most significant impact for reporting.

When reporting on ESG, it is important to explain the process followed to identify the material ESG topics that were selected. This includes providing information on the types of stakeholder groups engaged and how their concerns and expectations were considered. The report should also explain the criteria used to select certain ESG topics and how the materiality exercise was conducted.

It is essential to provide a clear understanding on how considerations to the materiality of ESG factors have been made, and within what time frame. This is important because ESG factors can change over time, and it is crucial to ensure that ESG reporting is updated regularly to reflect these changes.

The below table highlights some general ESG themes that are commonly covered across different industries.



B. Reporting Boundaries:

Effective reporting includes clear boundaries to determine the scope of disclosure. It identifies the reporting period, which MSX requires to be based on the fiscal year. Boundaries also should list all the entities and countries included.

C. Exercising Balance:

A good report balances quantitative and qualitative information, in addition to covering environmental, social and governance topics in alignment with the results of the materiality analysis. Furthermore, a strong report includes transparent reporting on information that could be perceived both as negative and positive. Focusing too much on the positive performance, and downplaying any challenges faced during the reporting period might result in report that is not fully transparent.

D. Providing Benchmarks:

After the first report, companies are encouraged to disclose information covering at least two years, to provide a comparison point and show how certain performances have improved, or not, across time. Providing adequate explanations to performance changes does not just demonstrate transparency, but also provides stakeholders with the right context to better understand why certain changes took place.

E. Mandatory Standard, Format and Metrics





Listed companies must publish stand-alone ESG reports in alignment with the Global Reporting Initiative (GRI) Universal Standards. These reports should be separate from the company's other annual publications, such as the annual report focusing on financial performance. To enhance visibility and transparency, companies must make the ESG report accessible on their website. The information should be easy to access and navigate by utilizing features such as a hyperlinked table of contents. In addition, and in alignment with the GCC ESG Disclosure Guidance for Listed Companies, below are the 30 metrics companies are expected to report on. Most of these metrics are aligned with specific GRI disclosures as explained in the table below. Companies are expected to cover these metrics in their stand-alone ESG report, where they can expand on them through further narrative and context. In addition, companies are expected to provide a response to each of the metrics below, without further context and narrative, by submitting responses to the MSX ESG Disclosures Platform.

F. Mandatory Versus Voluntary Reporting Period




MSX encourages all publicly listed companies to voluntarily report in 2024, covering their 2023 activities. Starting 2025, reporting on the 2024 activities will be mandatory. Companies will have to provide disclosures on the below metrics through the MSX ESG Disclosures platform which could be accessed [here](#).





Types of Disclosures and Whether They're Voluntary or Mandatory			
	Disclosure Published in 2024 Covering 2023 Performance	Disclosure Published in 2025 Covering 2024 Performance	Ongoing Annual Disclosure for All Following Years
Disclosing on the MSX ESG Disclosures Platform by Answering the 30 ESG Metrics	Voluntary	Mandatory. 2024 disclosures should be uploaded on the Platform by the end of the first quarter of 2025. Disclosures submitted later than March 31, 2025, will not be accepted.	Mandatory. Annual disclosures should be uploaded on the Platform by the end of the first quarter showcasing the performance of the previous fiscal year. Disclosures submitted later than March 31 will not be accepted.
Publishing a stand-alone ESG report.	Voluntary	Mandatory. 2024 stand-alone ESG reports should be published and made available on the company's website by the end of the first quarter of 2025. Reports published later than March 31, 2025, will not be accepted.	Mandatory. Annual stand-alone ESG reports should be published and made available on the company's website by the end of the first quarter showcasing the performance of the previous fiscal year. Reports published later than March 31 will not be accepted.







30 ESG METRICS TO DISCLOSE




Category	Metric	Calculation	Corresponding GRI Standards	Corresponding SDGs	Notes
ENVIRONMENTAL	E1. GHG Emissions	<p>E1.1) Total amount, in CO2 equivalents, for Scope 1</p> <p>E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable)</p> <p>E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)</p>	GRI 305: Emissions 2016	<p>13 CLIMATE ACTION</p> 	<p>Actual or estimated atmospheric emissions produced as a direct (or indirect) result of the company's consumption of energy.</p> <p>Please refer to the WRI/ WBCSD GHG protocol. Corresponding SDGs</p>
	E2. Emissions Intensity	<p>E2.1) Total GHG emissions per output scaling factor</p> <p>E2.2) Total non-GHG emissions per output scaling factor</p>	GRI 305: Emissions 2016		<p>Dividing annual emissions (numerator) by relevant measures of economic output (denominator).</p> <p>Scaling factors set by the reporting company. Examples include: Revenues, sales, production units, employee headcount, physical floor space.</p>
	E3. Energy Usage	<p>E3.1) Total amount of energy directly consumed</p> <p>E3.2) Total amount of energy indirectly consumed</p>	GRI 302: Energy 2016	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>Typically measured in megawatt-hours (MWh) or gigajoules (GJ).</p> <p>Direct energy is produced and consumed on company-owned or operated property.</p> <p>Indirect energy is produced elsewhere (i.e., utilities).</p>
	E4. Energy Intensity	Total direct energy usage per output scaling factor	GRI 302: Energy 2016		<p>Dividing annual consumption (numerator) by relevant measures of physical scale (denominator).</p> <p>Examples include: Revenues, sales, production units, employee headcount, physical floor space.</p>

ENVIRONMENTAL

E5. Energy Mix	Percentage: Energy usage by generation type	GRI 302: Energy 2016	07 AFFORDABLE AND CLEAN ENERGY 	Quantifying the specific energy sources most directly used by the company. “Generation type” set by the reporting company; examples include renewables, hydro, coal, oil, or natural gas.
E6. Water Usage	E6.1) Total amount of water consumed E6.2) Total amount of water reclaimed	GRI 303: Water and Effluents 2018	06 CLEAN WATER AND SANITATION 	Water consumed, recycled, and reclaimed annually, in cubic meters (m3).
E7. Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes/No E7.2) Does your company follow specific waste, water, energy, and/or recycling policies? Yes/No E7.3) Does your company use a recognized energy management system? Yes/No	GRI 103: Management Approach 2016*	13 CLIMATE ACTION 	Publish a commitment, position statement, or a policy document that covers this subject. Examples of management systems: • ISO14001: Environmental management system. • ISO 50001: Energy management system.
E8. Environmental Oversight	Does your Management Team oversee and/or manages sustainability issues? Yes/No	GRI 102: General Disclosures 2016		Does your company cover sustainability issues in senior management (as part of the official agenda) or has a management committee dedicated to sustainability-related issues?

ENVIRONMENTAL	E9. Environmental Oversight	Does your Board oversee and/or manage other sustainability issues? Yes/No	GRI 102: General Disclosures 2016		Does your company cover sustainability issues in board meetings (as part of the official agenda) or has a board committee dedicated to sustainability-related issues?
	E10. Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development		13 CLIMATE ACTION 	Companies measure the total OMR amount invested in climate-related issues, including R&D spend, if any.
SOCIAL	S1. CEO Pay Ratio	S1.1) Ratio: CEO total compensation to median FTE total compensation S1.2) Does your company report this metric in regulatory filings? Yes/No	GRI 102: General Disclosures 2016	10 REDUCED INEQUALITIES 	As a ratio: the CEO Salary & Bonus (X) to Median (FTE - Full Time Equivalent) Salary, usually expressed as "X:1" Use total compensation, including all bonus payments and incentives.
	S2. Gender Pay Ratio	Ratio: Median male compensation to median female compensation	GRI 405: Diversity and Equal Opportunity 2016	05 GENDER EQUALITY 	As a ratio: the median total compensation for men compared to the median total compensation for women. Reported for Full Time Equivalent (FTEs) only; Use total compensation, including all bonus payments and incentives.
	S3. Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees S3.2) Percentage: Year-over-year change for part-time employees S3.3) Percentage: Year-over-year change for contractors and/or consultants			Percentage of total annual turnover, broken down by various employment types. Turnover includes all job changes, whether due to dismissal, retirement, job transition, or death.
	S4. Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women S4.2) Percentage: Entry- and mid-level positions held by men and women S4.3) Percentage: Senior- and executive-level positions held by men and women	GRI 102: General Disclosures 2016 GRI 405: Diversity and Equal Opportunity 2016	05 GENDER EQUALITY 	Percentage of male-to-female metrics, broken down by various organizational levels.

SOCIAL	S.5 Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	GRI 102: General Disclosures 2016 GRI 405: Diversity and Equal Opportunity 2016		Percentage of Full-Time (or FTE-equivalent) positions held by non-traditional workers in the value chain.
	S6. Non-Discrimination	Does your company follow nondiscrimination policy? Yes/No	GRI 103: Management Approach 2016*	10 REDUCED INEQUALITIES 	Publish a commitment, position statement, or a policy document that covers this subject.
	S7. Injury Rate	Percentage: Frequency of injury events relative to total workforce time	GRI 403: Occupational Health and Safety 2018	03 GOOD HEALTH AND WELL-BEING 	Total number of injuries and fatalities, relative to the total workforce.
	S8. Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	GRI 103: Management Approach 2016*	03 GOOD HEALTH AND WELL-BEING 	Publish a commitment, position statement, or a policy document that covers this subject.
	S9. Child & Forced Labor	S9.1) Does your company follow a child and/or forced labor policy? Yes/No S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	GRI 103: Management Approach 2016*	08 DECENT WORK AND ECONOMIC GROWTH 	Publish a commitment, position statement, or a policy document that covers this subject.
	S10. Human Rights	S10.1) Does your company follow a human rights policy? Yes/No S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	GRI 103: Management Approach 2016*	10 REDUCED INEQUALITIES 	Publish a commitment, position statement, or a policy document that covers this subject.
	S11. Community Investment	Amount invested in the community, including philanthropic donations, as a percentage of the company's pretax profits		08 DECENT WORK AND ECONOMIC GROWTH 	The percentage of the amount invested as a part of pretax profits

GOVERNANCE	G1. Board Diversity	G1.1) Percentage: Total board seats occupied by men and women G1.2) Percentage: Committee chairs occupied by men and women	GRI 405: Diversity and Equal Opportunity 2016	10 REDUCED INEQUALITIES 	The percentage of women at the board. The percentage of committee chairs held by women.
	G2. Board Independence	G2.1) Does the company prohibit the CEO from serving as board chair? Yes/No G2.2) Percentage: Total board seats occupied by independents			Highlight the separation of the role of chairman and CEO. Disclose the percentage of independent board members
	G3. Incentivized Pay	Are executives formally incentivized to perform on sustainability? Yes/No			Describe links between executive performance and sustainability performance, if any.
	G4. Supplier Code of Conduct	G4.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?		12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Publish a commitment, position statement, or a policy document that covers this subject.
	G5. Ethics & Anti-Corruption	G5.1) Does your company follow an Ethics and/or anti-corruption policy? Yes/No G5.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	GRI 103: Management Approach 2016*	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	Publish a commitment, position statement, or a policy document that covers this subject.
	G6. Data Privacy	G6.1) Does your company follow a Data Privacy policy? Yes/No G6.2) Has your company taken steps to comply with GDPR rules? Yes/No G7.3) Has your company taken steps to comply with Oman Personal Data Protection Law rules? Yes/No			Publish a commitment, position statement, or a policy document that covers this subject.
	G7. Sustainability Reporting	G7.1) Does your company publish a sustainability report? Yes/No G7.2) Is sustainability data included in your regulatory filings? Yes/ No			

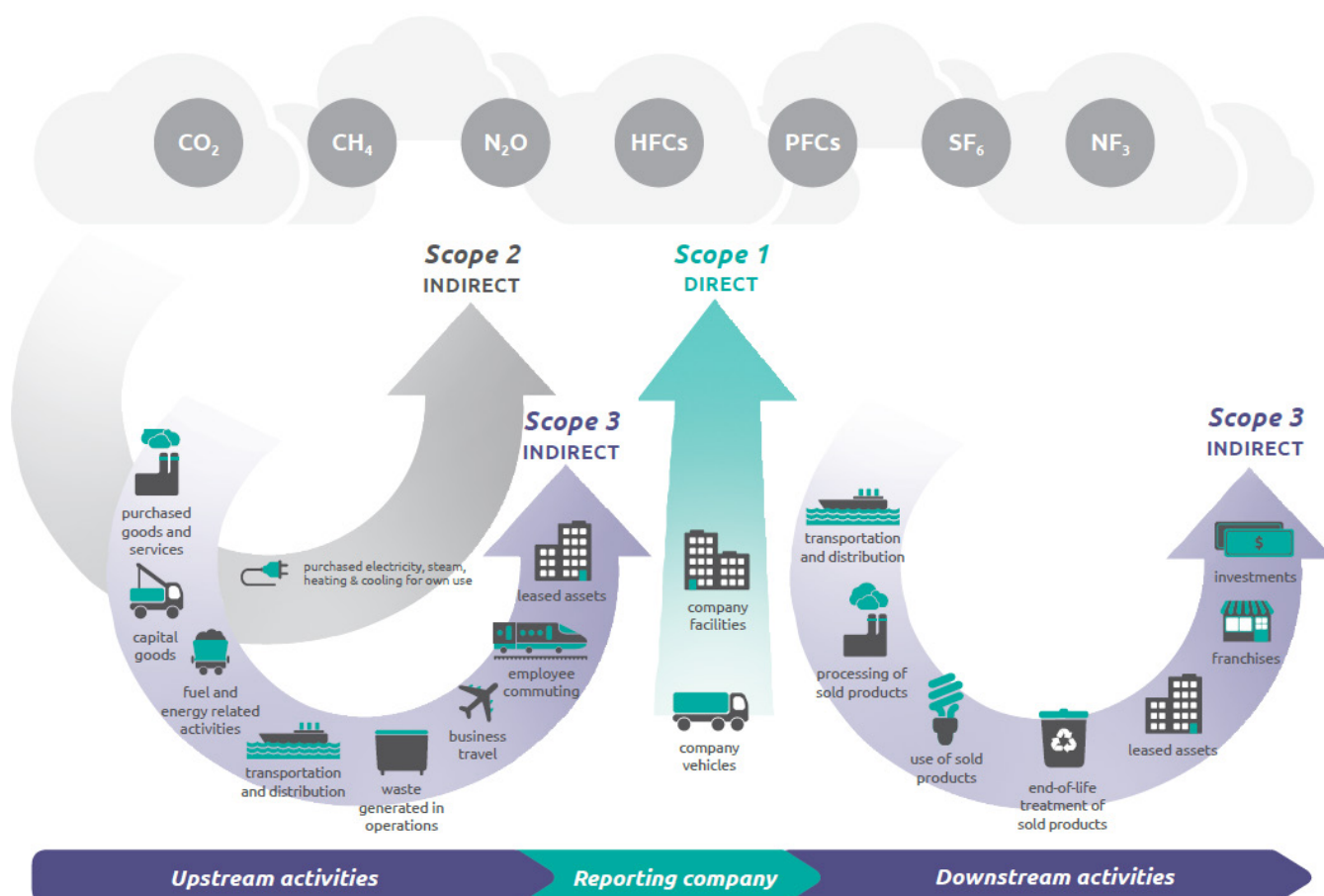
GOVERNANCE	G8. Disclosure Practices	<p>G8.1) Does your company provide reporting frameworks? Yes/No</p> <p>G8.2) Does your company focus on specific UN SDGs? Yes/No</p> <p>G8.3) Does your company set targets and report progress on the UN SDGs? Yes/No</p>			In addition to GRI, does your company publish a CDP, SASB, IIRC, or UNGC based report?
	G9. External Assurance	Are your sustainability disclosures assured or validated by a third party? Yes/No	<p>GRI 102: General Disclosures 2016</p> <p>GRI 103: Management Approach 2016 is to be used in combination with the topic-specific Standards</p>		Please specify whether your sustainability data has been verified by a third party. Please highlight the Key Performance Indicators (KPIs) that have been verified, if any.

G. Greenhouse Gas Emissions (GHG) Calculations

GHG emissions include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), fluorinated gases, and others that are released in the air. It is important for a company to calculate GHG emissions and to put in place strategies to reduce them.

GHG emissions are divided into 3 scopes:

- [Scope 1](#)
emissions encompass direct GHG emissions that occur from sources owned or controlled by an organization. These emissions are a result of the organization's operational activities.
- [Scope 2](#)
emissions refer to indirect GHG emissions associated with the consumption of purchased electricity, heat, or steam. These emissions occur from activities outside an organization's operational boundaries but are a result of the organization's energy consumption.
- [Scope 3](#)
emissions encompass all other indirect GHG emissions that occur as a consequence of an organization's activities but are not classified under Scope 2. These emissions typically extend beyond an organization's operational boundaries and cover various upstream and downstream activities of the value chain.



[Source: EPA.gov](#)

There are different ways to calculate the GHG emissions. The most common way to calculate them is by using emission factors. Emission factors are average values that represent the amount of GHG emissions produced per unit of activity or output.

To calculate GHG emissions using emission factors, follow these steps:

1. [Identify the emission sources](#): Determine the activities or processes that contribute to GHG emissions. This could include energy consumption, transportation, industrial processes, waste management, and more. Emissions sources decide whether you would categorize them under Scope 1, 2 or
2. [Determine the appropriate emission factors](#): Emission factors can be obtained from various sources, such as government agencies, industry standards, or published databases. [These factors provide the average emissions associated with a specific activity or process.](#)
3. [Collect activity data](#): Gather information on the quantity or magnitude of the activities or processes under consideration. For example, if you want to calculate emissions from electricity consumption, you would need data on the amount of electricity used.
4. [Calculate emissions](#): Multiply the activity data by the corresponding emission factor. This will give you the total emissions associated with the specific activity or process.
5. [Summarize and report](#): Add up the emissions from all the activities or processes to obtain the total GHG emissions. You can report the emissions in metric tons of carbon dioxide equivalent (CO₂e), which includes other GHGs converted into their CO₂ equivalents.

Formulas

Below are suggested calculation methods:

SCOPE 1

Emissions = Activity Data
(e.g., fuel consumption, activity
quantity) * Emission Factor

For example, if you want to calculate
[Scope 1](#)
emissions from company-owned
vehicles:

Emissions = Fuel
Consumption (e.g., liters) *
Emission Factor (e.g., kg CO₂e
per liter)

SCOPE 2

Emissions = Activity Data
(e.g., electricity consumption)
* Emission Factor

For example, to calculate [Scope 2](#)
emissions from electricity
consumption:

Emissions = Electricity
Consumption (e.g., kWh) *
Emission Factor (e.g., kg CO₂e
per kWh)

SCOPE 3

Emissions = Activity Data
(e.g., distance traveled,
quantity of goods) * Emission
Factor

For example, if you want to calculate
[Scope 3](#) emissions from business
travel:

Emissions = Distance Traveled
(e.g., kilometers) * Emission
Factor (e.g., kg CO₂e per
kilometer)

It's important to note that the specific activity data and emission factors used in the formulas will vary based on the nature of the emissions and the available data sources. Additionally, these formulas provide a simplified representation, and actual calculations may involve more comprehensive approaches and data collection.

In the EPA website, the company can find the [emissions factors](#) and also a [calculator tool](#) to calculate the GHG emissions.

ABOUT MSX



About MSX

Muscat Securities Market (MSM) was established by Royal Decree No. 53/88 issued on 21 June 1988, as an independent body aiming to regulate the Omani securities market in order to support and set up the infrastructure of financial sector in the Sultanate. As its core business, MSM supervised the trading of shares and laid the foundations of price fairness while maintaining the integrity of procedures such as settlement of rights and obligations, and other critical dealings between buyers and sellers. MSM also exercised control over brokerage companies to ensure corporate governance via continuous monitoring and surveillance, as well as continuous dissemination of timely information in order to maintain proper disclosures in the interest of the public. The main objectives of MSM include providing an efficient and attractive investment environment that operates according to the international best standards and practices as well as providing diverse investment opportunities in alignment with the national economic development trends.

The market continued in this manner until Royal Decree No. 80/98 was issued. Article (3) of this decree abolished Royal Decree No. 53/88 declaring the establishment of Capital Market Authority in addition to the Muscat Securities Market. Article (9) of the Capital Market Law stipulates that the securities market is registered and traded as a market called Muscat Securities Market.

Muscat Clearing and Deposit Company (MCD), a closed Omani joint stock company was also established by Royal Decree No. 82/98, on February 25, 1998. Today Muscat Securities Market (aka MSX) holds 79.88% of its capital in banks, brokerage firms and invests the remaining share of its capital.

Royal Decree No. 5/2021 issued by His Majesty Sultan Haitham bin Tarik of Oman, dated 5th of January 2021, declared that an Omani closed joint stock company had been established under the name of Muscat Stock Exchange S.A.O.C (MSX) and fully owned by Oman Investment Authority. The conversion to a state-owned entity has authorized MSX to operate on commercial grounds and enhanced its

CONTACT US:

 www.msx.om

 si@msx.om

 96824823600

 [P.O Box 3265 Postal Code 112, Ruwi Sultanate of Oman](#)



APPENDIX A



MSX partnered with the UN SSE is in line with Oman 2040 Vision to achieve a sustainable economy that is market resilient.



MSX signed a Memorandum of Understanding (MoU) with the Ministry of Social Development, the Ministry of Commerce, Industry & Investment Promotion and the Environment Authority as part of its commitment under ESG initiatives.

APPENDIX B

ESG Global Trends

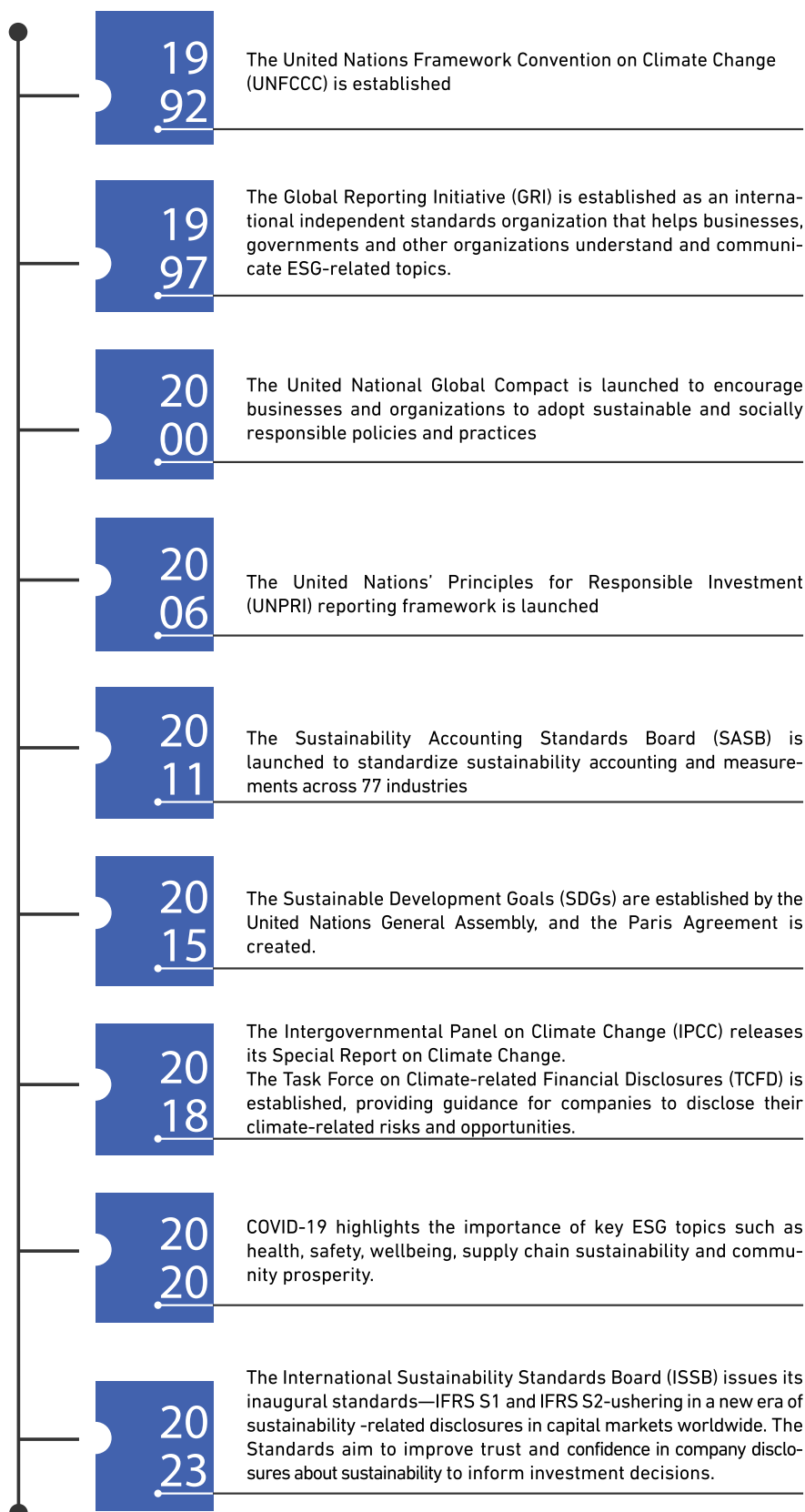
In 2015, [The 2030 Agenda for Sustainable Development](#), was adopted by all United Nations Member States to provide a shared blueprint for peace and prosperity for people and the planet. The agenda includes the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership to be achieved by 2030. Since then, the world has witnessed an increased public discourse on the value of ESG practices and reporting among companies. This stemmed from the conviction that companies are corporate citizens that play a key role in advancing the agenda of the SDGs by mobilizing their resources, knowledge and value chains.



More recently, the frequency and severity of climate-related events, coupled with growing regulatory and societal pressure, have elevated the significance of ESG practices and disclosures. Social factors, such as labor standards, human rights and consumer protection have also become more critical. Governance issues, such as board composition, executive compensation and shareholder rights, have long been an essential element for the sustainable growth of any company.

In addition, today we see investors demanding more transparency on ESG practices to aid in their decision-making processes. Investors are increasingly looking to align their investments with their values and long-term sustainability objectives. Environmental considerations like climate change, natural resource depletion and pollution have been key drivers of this trend, along with their impact on local communities.

MSX believes that the trend towards ESG investing is set to continue, driven by a growing recognition of the materiality of ESG factors to long-term financial performance and the desire to achieve positive environmental and social outcomes.



APPENDIX C

Global ESG Disclosure Standards and Frameworks

There are multiple global standards and frameworks that provide guidance on ESG disclosures. MSX highlights some of them in the table below. It is important to note that MSX only requires listed companies to report in alignment with the GRI Standards. Companies may voluntarily choose to align with additional global standards or industry-specific standards at their own discretion.



Global Reporting Initiative (GRI)

The GRI is a globally recognized, independent standards organization that supports businesses, governments, and other entities in comprehending and reporting on their impacts related to issues such as climate change, human rights and corruption. The GRI provides general and sector-specific disclosure guidelines, enabling organizations to effectively communicate their sustainability performance and disclose the information relevant to their industry.



Sustainability Accounting Standards Board (SASB)

The SASB Standards serve as a comprehensive guide for companies to disclose financially material sustainability information to their investors. These standards are applicable to 77 industries and help identify the subset of environmental, social and governance issues that are most relevant to financial performance in each industry.



International Integrated Reporting Council (IIRC)

The International Integrated Reporting Framework and Integrated Thinking Principles have been globally adopted, with 75 countries leveraging their benefits to enhance communication about value creation, preservation and erosion.

By adopting an integrated approach to reporting and thinking, companies can streamline their capital allocation process, promoting efficient and productive use of resources. This can act as a catalyst for both financial stability and sustainable development.



International Financial Reporting Standards (IFRS) Foundation

The IFRS Foundation is a non-for-profit organization committed to creating clear, enforceable, high-quality accounting and sustainability disclosure standards that are widely accepted globally. These standards are developed by two standard-setting boards: the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB).



CDP (formerly the Carbon Disclosure Project)

CDP is a non-for-profit organization that operates a global disclosure system for investors, companies, cities, states, and regions to effectively manage their environmental impacts. With over 20 years of experience, they have developed a system that has led to unprecedented engagement on environmental issues worldwide.



Task Force on Climate-Related Financial Disclosures (TCFD)

The TCFD has issued recommendations on how companies can disclose climate-related financial information, with the aim of providing investors and other stakeholders with better information to support informed capital allocation. The TCFD's framework is widely recognized as a valuable tool for companies to understand and disclose their climate-related risks and opportunities.

The disclosure recommendations are structured around four thematic areas that represent core elements of how companies operate: governance, strategy, risk management and metrics and targets.



United Nations Global Compact (UNGC)

The UNGC is a voluntary initiative that is based on the commitment of CEOs to implement ten universally accepted sustainability principles. These principles cover various areas, including human rights, labor, environment and anti-corruption measures.



United Nations Sustainable Development Goals (SDGs)

The UN SDGs are a collection of seventeen interlinked objectives designed to serve as a “shared blueprint for peace and prosperity for people and the planet, now and into the future”.



Principles for Responsible Investment (PRI)

The objective of the PRI is to assess the impact of sustainability on investment decisions and assist signatories in integrating these issues into their ownership practices and investment decision-making. By adhering to these principles, signatories contribute to the development of a more sustainable global financial system.



The Equator Principles (EP)

The EP is a risk management framework utilized by financial institutions to identify, evaluate, and manage environmental and social risks in project finance. In order to ensure responsible risk decision-making, the International Finance Corporation (IFC) has developed a set of standards and principles on social and environmental sustainability, providing a minimum standard for due diligence. This development has drawn attention to social and environmental responsibility, and consequently promoted the integration of ESG risks into investment decisions. The principles serve as a means for financial institutions to uphold these standards, contributing to the creation of a more sustainable global financial system.

