



OGDCL **ESG** REPORT '24

Moving upward and forward with ESG



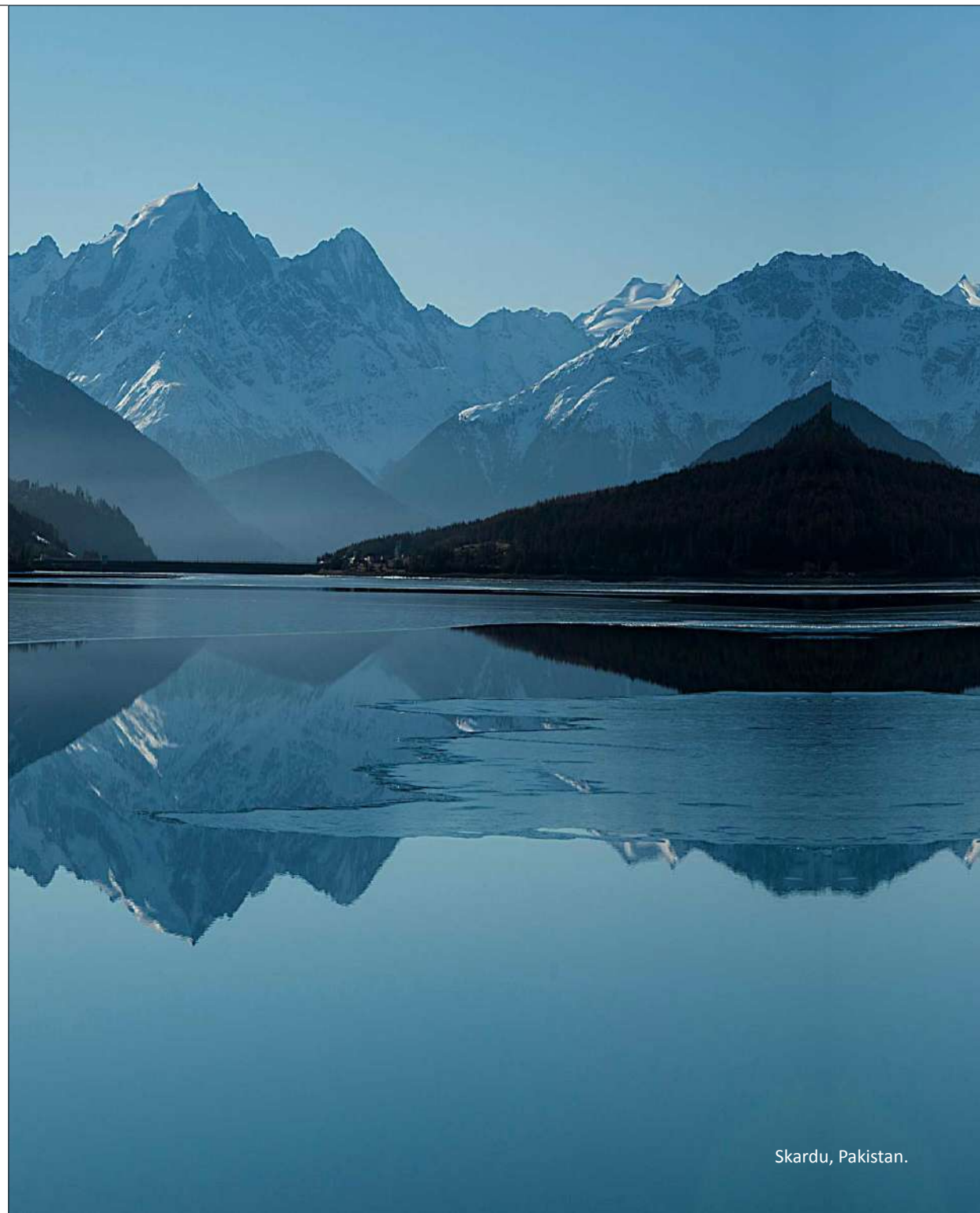
PREFACE

At its core, ESG reporting is the disclosure of environmental, social, and corporate governance data. This comprehensive approach allows us to communicate our commitment to sustainability and responsible business practices to stakeholders, including investors, customers, and regulators. ESG reporting goes beyond financial metrics, providing insight into the company's broader impact on society and the environment.

By disclosing ESG performance metrics, OGDCL demonstrates its dedication to transparent and responsible business practices, fostering trust and credibility with all concerned.



Note: Only 50 copies printed as part of our green initiative.



Skardu, Pakistan.





Without environmental sustainability, economic stability and social cohesion cannot be achieved.


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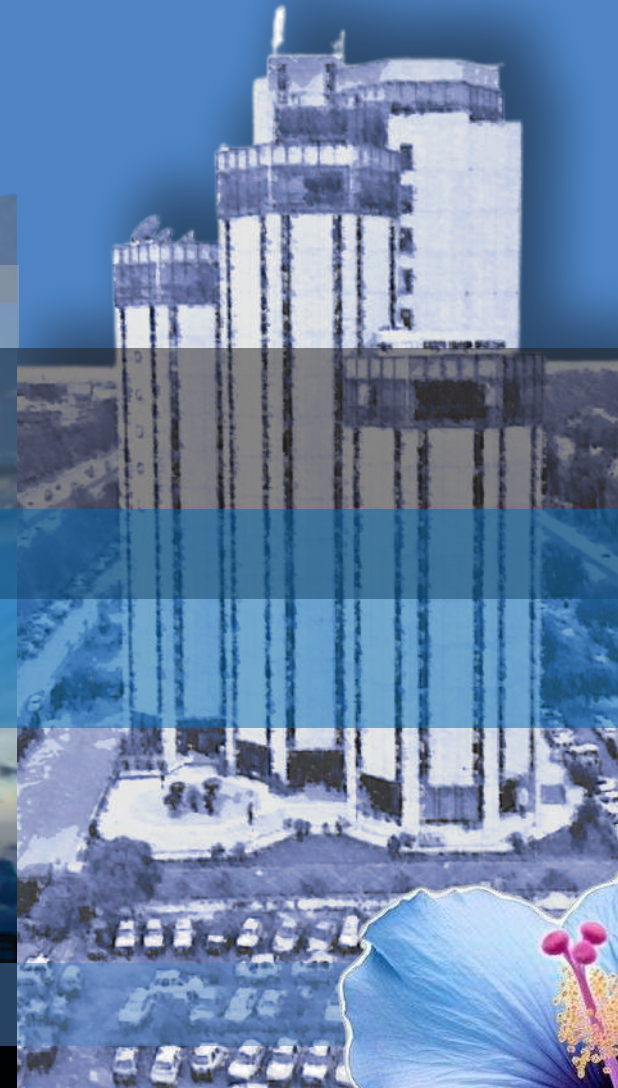
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About OGDCL



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5. OUR BUSINESS
6. GEOGRAPHICAL PRESENCE

1.

About the Report



Shaping the future...

This is Oil and Gas Development Company Limited (OGDCL)'s first annual Environmental Social and Governance (ESG) report, which shares OGDCL's performance and impacts on the economy, environment, and society. The report was published on November 11, 2024 and includes information from July 01, 2023 to June 30, 2024.

Reporting Standards and Guidelines

The report is prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021 while considering the requirements of the SASB Oil & Gas—Exploration & Production Industry Standard | Version 2023-12 and “Sustainability Reporting Guidance for the Oil and Gas Industry” developed by Ipieca, API, and IOGP. The report aligns the OGDCL activities with the United Nations' Sustainable Development Goals (SDGs) where relevant. It demonstrates OGDCL's actions, management approach, and performance on material sustainability topics.

Report Scope

The report includes information on OGDCL's operations, including exploration, drilling, production and commercial functions. However, it does not include information on the sustainability performance of subsidiaries and supply chain partners. The sustainability information of all operational locations where OGDCL is an operator or exercises a controlling influence (operational control approach) is included according to “Sustainability reporting guidance for the oil and gas industry” developed by Ipieca, API, and IOGP.

Significant operational locations represent the specific areas where the company conducts its business.

Report Content

The report content is based on the requirements of the GRI standards, industry guidelines and the topics determined through materiality assessment. See page 32 for details of the materiality analysis. This is the first report, so no restatements have been made.

Management Approval and Assurance

The report is reviewed by management and approved by the ESG Committee. It is externally reviewed and assured by FERSO ESG, an independent reviewer, and counter-signed by Nadeem Safdar & Co. Chartered Accountants to check compliance with GRI Standards, ISAE 3000 (Revised), and AA 1000 Accountability Principles of Inclusivity, Materiality, Responsiveness and Impact. The ESG Committee reviewed the external assurance process and delegated the GM HSE to manage the selection and coordination with the external reviewer throughout the review process. See page 98 for the external assurance report.

For any questions or information about the ESG report, you can reach the sustainability team using the following channels.

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Email: esg@ogdcl.com

2.

Highlights 2024



*reflecting
on our
progress!*

Highlights 2024



1,357,821 MT
GHG Emissions

Climate Change



3,767 ML
Water Withdrawal

Water Management



74,287 MT
Waste Generated

Waste Management



PKR 2.61 billion
Investment for
community welfare

Contributing to Community



0.17
High-consequences
injury rate

Health, Safety, and Security



112,128
Training hours

Nurturing Workforce



ESG Policy
launched in 2024

ESG Policy



PKR 33.82 billion
Paid to local suppliers for
goods and services

Ethical Practices



18%
Return on Equity

Economic Returns



Mr. Zafar Masud
Chairman
OGDCL



Mr. Ahmed Hayat Lak
MD/CEO
OGDCL

3.

Chairman and MD/CEO's Message

‘We acknowledge the ongoing pivotal global energy transition and remain unwavering in our commitment to positioning OGDCL to navigate and capitalize on this transformative shift adeptly.’

We proudly present our first Environmental, Social and Governance (ESG) report, highlighting our performance and challenges in our mission to power Pakistan's economy responsibly.

We acknowledge the ongoing pivotal global energy transition and remain unwavering in our commitment to positioning OGDCL to navigate and capitalize on this transformative shift adeptly. As the nation's leading energy provider, we have a unique responsibility to address the critical issues of climate change, social development, and economic stability in a way that fosters sustainability and long-term value for all stakeholders.

Transition to Low Carbon

Pakistan is one of the most vulnerable countries to the impacts of climate change, from increasing temperatures to more frequent floods and droughts. These challenges reinforce the urgency for all sectors, especially energy, to accelerate the transition to a low-carbon future, providing an opportunity for innovation and growth. At OGDCL, we are deeply committed to this transition while recognizing the importance of balancing energy security and economic development.

Our strategy is clear: enhance energy efficiency, adopt cutting-edge technologies to reduce emissions, and explore carbon capture and storage (CCS) technologies and renewable energy investments. In 2024, we took significant steps to identify emission sources, develop our GHG inventory, set emission reduction targets in coming years and explore low-carbon energy solutions to expand our portfolio.

We aim to support Pakistan's national objectives, aligning with the global agenda of limiting global warming to below 2°C while ensuring that our country can meet its growing energy demands. We see the transition to low-carbon energy as a challenge and an opportunity for innovation, economic growth, and environmental stewardship.

Environmental Stewardship

Protecting the environment is at the core of our operations. Recognizing the ecological diversity and vulnerability of Pakistan's natural resources, we have made significant strides to measure our environmental impacts, energy and water use and waste generation and minimize our effect on biodiversity in our operating areas. Our ESG strategy 2025 includes significant initiatives to pursue a flaring reduction program and methane leak detection systems, which are expected to yield substantial improvements, reducing greenhouse gas emissions across our operations. Furthermore, we actively restore ecosystems through reforestation projects and collaborate with industry partners to promote responsible environmental practices in the E&P sector.

Health and Safety

The safety and well-being of our workforce and the communities in which we operate are paramount. Operating in the oil and gas industry comes with inherent risks, and we are fully committed to creating a safe work environment by adhering to the highest international standards in health, safety, and environment (HSE). We have strengthened our safety culture through rigorous training, the deployment of advanced safety technologies, and proactive monitoring systems across all our sites. Our health and safety culture extends beyond compliance, and it's a core value embedded in everything we do.

Diversity, Equity, and Inclusion (DEI)

Fostering a diverse, equitable, and inclusive workplace is not just a moral imperative but a business necessity. At OGDCL, we are committed to building a culture where every employee, regardless of background, can thrive. Over the past year, we launched a DE&I policy aligned with the UN Respect and Remedy Framework to promote a diverse and inclusive culture and introduced new DEI training initiatives. We believe a diverse, equitable, and inclusive workforce is essential to driving innovation, creativity, and sustainable business success.

In a country as diverse as Pakistan, where socioeconomic disparities can be pronounced, we are committed to creating opportunities for all segments of society. Through strategic recruitment efforts, mentoring programs, and an inclusive work environment, we continue to build a workforce that reflects the diversity of our nation.

Corporate Social Responsibility (CSR)

Our commitment to corporate social responsibility is deeply embedded in our mission to contribute to Pakistan's sustainable development. As a developing country, Pakistan faces significant challenges related to poverty, access to education and healthcare, and limited infrastructure. Through our CSR programs, we aim to address these challenges meaningfully.

We believe in creating shared value for the communities where we work. In 2024, we invested in a range of community development projects, focusing on improving access to quality education, healthcare services, clean water and infrastructure projects that positively impacted the lives of communities across Pakistan, especially around our fields. Our partnerships with local organizations drive economic development, empower local businesses, and provide vital services to underserved populations. We remain dedicated to making a positive and lasting impact on society through responsible corporate citizenship.

Governance and Transparency

We believe in strong corporate governance, transparency, and compliance with regulatory requirements. We have taken a significant step in our company's journey toward building a more sustainable, responsible, and resilient future by launching our Environmental, Social, and Governance (ESG) policy and formally establishing the Board's ESG Committee. Launching this policy and committee marks a new beginning, not the end. The Board's ESG Committee will oversee the implementation of our ESG strategy and ensure that we remain at the forefront of industry standards and stakeholder expectations.

Our ESG report provides detailed information on our environmental, social, and governance efforts. We adopted GRI standards to report on our performance and impacts. We have also joined the United Nations Global Compact (UNGC) to support and implement its "Ten Principles" in our operations and supply chain. Our report also aligns with the Sustainable Development Goals and meets the minimum SDG standards for listed companies on the PSX.

Looking Ahead

The energy future is evolving, and OGDCL is prepared to align with that transformation. While challenges remain, we are confident that by embracing innovation, maintaining our focus on sustainability, and upholding the highest standards of governance, we will continue to deliver long-term value for our shareholders, employees, and the communities we serve.

On behalf of the Board of Directors and the entire leadership team, we thank you for your continued trust and support. Together, we are building a brighter, more sustainable future.



Mr. Zafar Masud
Chairman



Mr. Ahmed Hayat Lak
MD/CEO

‘The energy future is evolving, and OGDCL is prepared to align with that transformation.’

ESG Committee Chairman's Message

4.



Mr. Hassan Mehmood Yousufzai
Chairman



Mr. Zafar Masud
Member



Muhammad Riaz Khan
Member



Mrs. Shamama Tul Amber Arbab
Member



Mr. Jahanzaib Durrani
Member

We, the ESG Committee of Oil and Gas Development Company Limited (OGDCL), are proud to present our inaugural Environmental, Social, and Governance (ESG) report—a significant milestone in our journey towards sustainability, responsibility, and transparency. This report affirms our commitment to integrating sustainable practices across our operations and delivering long-term value to our stakeholders, including our employees, investors, regulators, and communities.

Our approach to ESG reflects a belief that success encompasses more than financial performance; it is about contributing meaningfully to environmental stewardship, social well-being, and robust governance. In 2024, we established an integrated ESG framework aligned with global standards, such as the Global Reporting Initiative (GRI) and the United Nations Sustainable Development Goals (SDGs). This report details our progress, including establishing baselines for greenhouse gas emissions, water and waste management, and introducing our first ESG Policy. Guided by principles of transparency and accountability, we are focused on minimizing our environmental footprint, promoting social equity, and upholding high governance standards.

Key Initiatives and Innovations

As part of our commitment to carbon reduction, we are actively exploring innovative solutions like Carbon Capture and Storage (CCS) technologies. These advancements will align us with Pakistan's goals for a sustainable energy transition and global climate objectives, including the Paris Agreement. We are also exploring and implementing advanced tools, such as Geographic Information Systems (GIS) and remote sensing, to monitor and manage environmental impacts. These technologies will enhance our capacity for thorough environmental assessments, allowing us to protect biodiversity around exploration sites and proactively address potential risks.

Vision for the Future

Looking forward, our path is clear: we aim to continually strengthen our ESG strategy, enhance energy efficiency, and lead our industry towards a low-carbon future. Our structured data collection process and robust Key Performance Indicators (KPIs) will allow us to benchmark progress against international standards, ensuring our commitments are measurable and impactful. Collaborating with cross-functional teams will further enhance data accuracy and transparency, setting ambitious yet achievable ESG targets.

I extend our heartfelt gratitude to the chairman of the Board, who is also a member of the committee, for his passionate commitment and guidance on the ESG journey, to the committee members, and to all those who support our vision for a responsible, sustainable energy future. Together, we will continue to build OGDCL's legacy as a steward of sustainable development in Pakistan, fostering positive impact through resilience, foresight, and responsible practices.

Mr. Hassan Mehmood Yousufzai
Chairman ESG Committee



5. Our Business



Oil and Gas Development Company Limited (OGDCL) is a public sector company listed on the Pakistan and London Stock Exchanges, with a head office in Islamabad. The government of Pakistan holds 85.02% of the shares, while the public holds 14.98%.

It holds the highest exploration and acreage, oil and gas reserves, production and output in Pakistan. OGDCL's exploration and production portfolio comprises 54 owned and operated joint venture exploration licenses and 78 Development and Production (D&P) leases, complemented by its working interest in 9 exploration blocks and 34 D&P leases operated by other companies in all four provinces of Pakistan. It also holds a working interest in offshore block-5 in Abu Dhabi and is an equity holder in Balochistan's Reko Diq Mining project.

The company's primary business involves exploring, developing, and producing oil and gas resources and related activities. Refineries are the primary customers of OGDCL's crude oil and condensate output, while natural gas is supplied to the gas distribution companies, power generation companies and fertilizer industries. The downstream entities refine crude oil, supply gas to industrial, commercial and household consumers, produce & supply electricity and fertilizer to end consumers.

We interact with various stakeholders throughout our exploration, development and production activities to ensure the smooth execution of our operations, the safety and security of our personnel and communities and the implementation of CSR initiatives in the communities. See pages 72 and 77 -82 for details of such engagements. There were no significant changes in our value chain and other business relationships during the year.

Our company's commitment to Environmental, Social, and Governance (ESG) factors takes precedence over our financial performance. We are dedicated to promoting workplace diversity and inclusion, supporting local initiatives, and cultivating a culture of safety and respect at all levels.

Input

10,735
Employees

54
Operated exploration licenses

3,767
ML water withdrawal for use

29,581,770
GJ energy consumed

Workforce knowhow and IT systems

PKR 1,424 billion
capital and liabilities

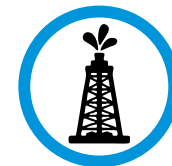
Activities



Sourcing of Equipment and Inputs



Oil and Gas Exploration



Drilling



Production of Oil and Gas



Supply oil to refineries and gas to fertilizer, power plants and gas distribution companies

Production



12,121
KBBL
Oil



262,520
MMSCF
Gas



262,435
MT
LPG



8,677
MT
Sulphur

Value Created/Eroded

PKR 569.07 billion
economic value generated

9.5

Billion PKR dividend paid

1,357,821

MT emissions

100.52

Billion PKR payment to suppliers

67.87

Billion PKR payment to employees

112,128

training hours

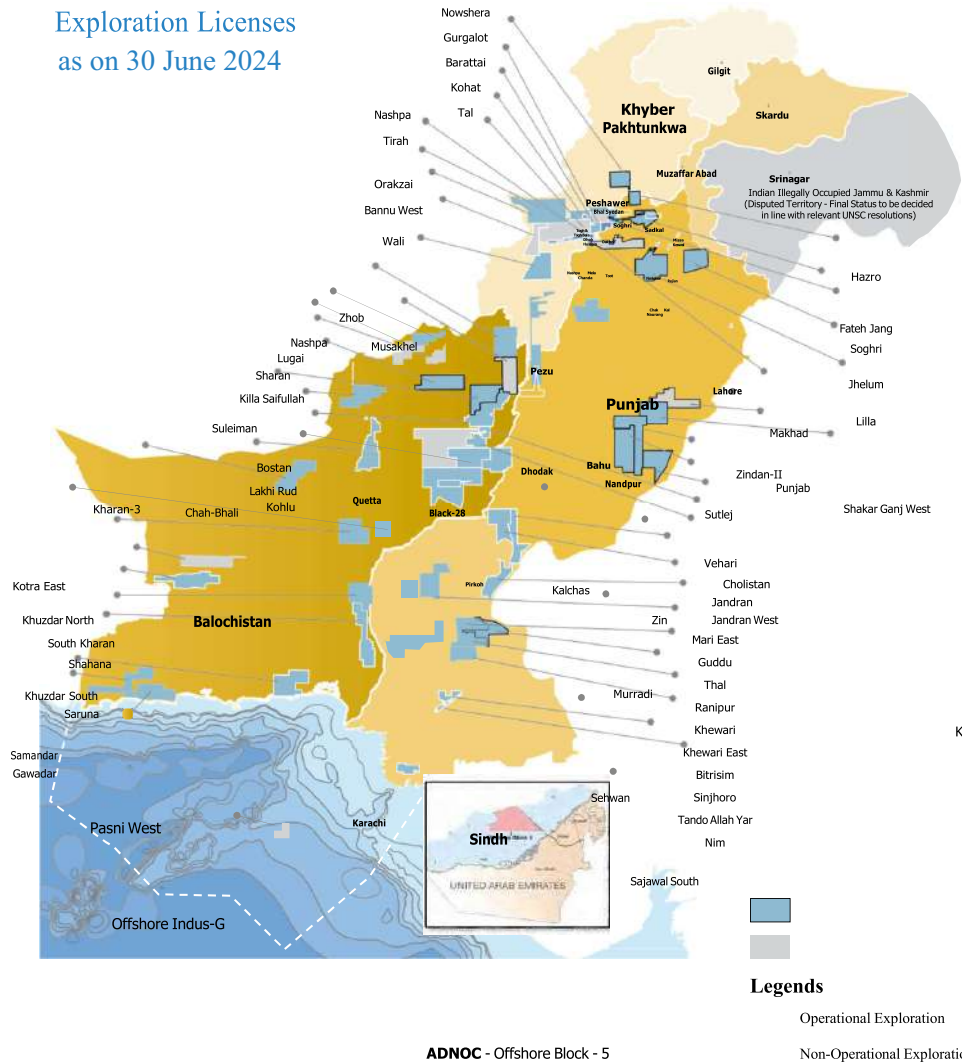
119.56

Billion PKR taxes paid to government

2.61

Billion PKR investment in communities

Exploration Licenses as on 30 June 2024



Operated Exploration Licenses

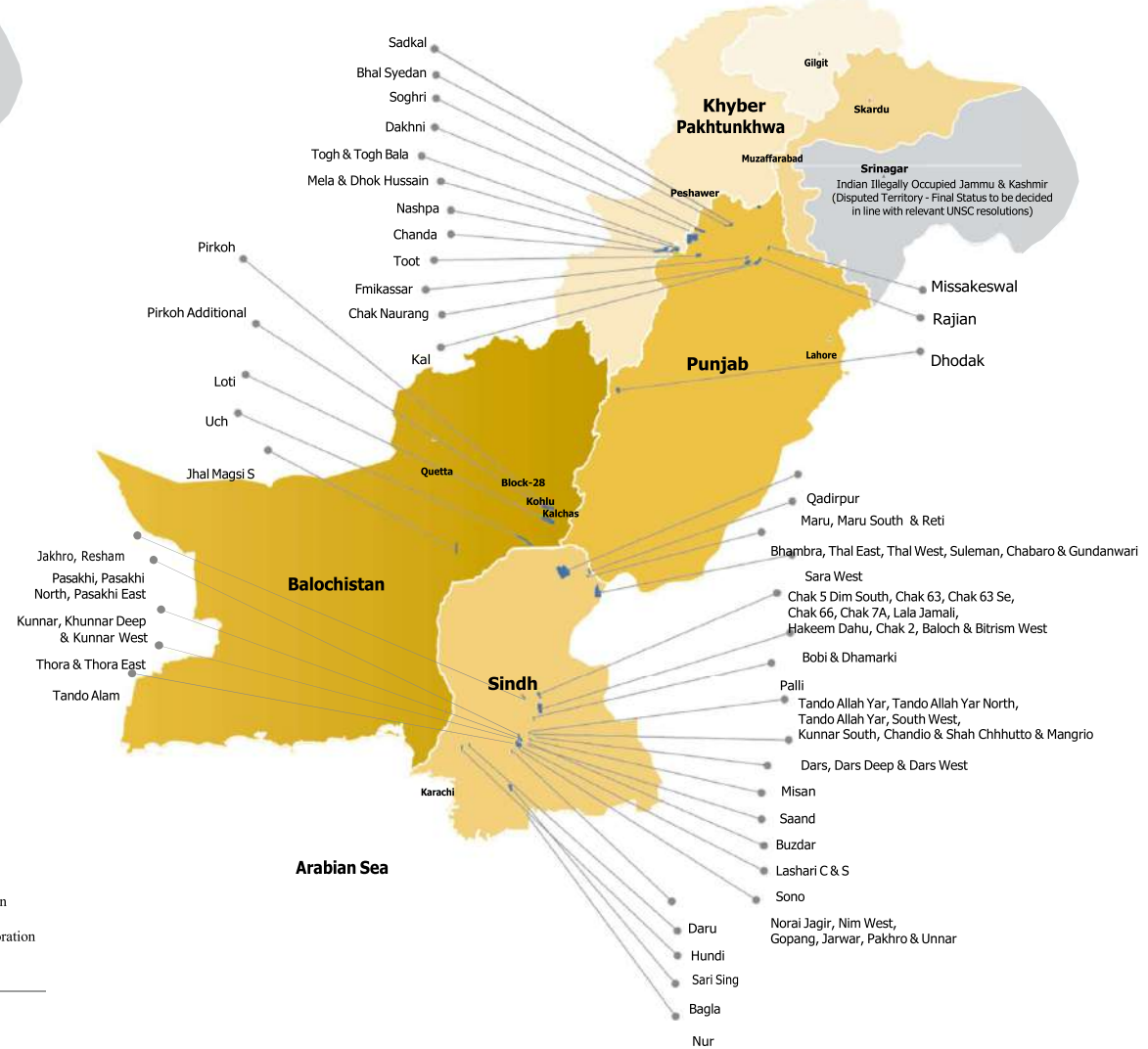


Non-Operated Exploration Licenses



Development and Production/Mining Leases as on 30 June 2024

Geographical Presence



Operated D&PLs



Governance & Materiality



1. GOVERNANCE
2. POLICY COMMITMENTS
3. ESG POLICY
4. STAKEHOLDERS' ENGAGEMENT
5. MATERIALITY ANALYSIS

Governance 1.



fostering good governance

Our vision, mission, core values, company policies, and code of conduct are the foundation for our governance structure. The Companies Act 2017, the Public Sector Companies (Corporate Governance) Rules 2013, and the Listed Companies (Code of Corporate Governance) Regulations 2019, along with best governance practices, provide a framework for our governance.

Read pages 20-23 of the Annual Report 2024 for vision, mission, core values and code of conduct.

Governance Structure

The Board of Directors is the highest governing body, providing leadership, strategic guidance, and a practical control framework to create value for all stakeholders. The Board is ultimately accountable and responsible for the company's performance and affairs. The Board consists of nine directors: three independent directors, five non-executive directors, and one executive director. Four of the nine members represent the government of Pakistan as a significant shareholder. Eight members are male, while one Board member is female. The Board members also hold important positions in government and other companies. The government makes the nominations for the board members, and directors on the board are appointed in the general meeting of the shareholders following the requirements of the Companies Act, 2017 and the Public Sector (Companies Corporate Governance) Rules 2013. OGDCL adheres to the relevant legal and regulatory framework that outlines the qualifications and composition of the Board to ensure smooth business operations and promote a positive corporate culture. The Board comprises qualified directors with diverse backgrounds in management, engineering, finance and other disciplines. OGDCL does not set specific quotas for particular nationalities, ethnic minorities, or specific age groups on the Board.

‘Good governance adds a normative or evaluative attribute to the process of governing.’

The Board Chairman is a non-executive director. The Board has delegated the company's executive management to the MD/CEO. The MD/CEO is responsible for developing and implementing the organization's strategy and quarterly reporting performance to the Board.

The Board has instituted several committees to fulfil its oversight duties with a pragmatic approach and prompt resolution. Each Board committee has a specific charter and convenes as necessary to supervise performance in its respective areas. The Board Committees are the Human Resource & Nomination Committee, Risk Management Committee, Business Development & Operations Committee, ESG Committee and Audit Committee. For details about the Board members and committees, see pages 28-33 and 36-38 of the Annual Report 2024.

Sustainability Governance

The Board provides oversight and strategic direction for managing the impacts of OGDCL activities. It reviews and approves the company's vision, mission, values, code of conduct and policies to manage the risks and effects. The Board has established a dedicated ESG committee to focus on managing sustainability

impacts, with quarterly reporting to the Board. The ESG Committee reviews sustainability-related initiatives and policies and provides strategic direction. OGDCL developed an ESG policy this year and is implementing an ESG framework within the company to integrate ESG into the overall governance structure and policies. The enterprise risk management system was revised and now includes sustainability-related risks and impacts in the risk monitoring and control mechanisms. The Board has delegated the responsibility to review and approve material topics, ESG reports, appointments and engagement with external reviewers to the MD/CEO.

During the year, we organized extensive training sessions on ESG practices for the Executive Directors, General Managers, and working group members to apprise them about sustainability and ESG, developments in the field, sustainability-related risks, opportunities and impacts of OGDCL activities. The management team regularly participate in conferences, workshops and training at renowned institutions to equip them with the latest knowledge and developments in sustainability, management and leadership. During the year, the MD/CEO and the management team participated in COP28 and signed the Oil and Gas Decarbonization Charter (OGDC) with other leading companies in the E&P sector. The Board members are also apprised of the changes in regulatory and governance regimes through regular sessions.

Managing Sustainability Impacts

OGDCL manages its activities' impacts from a risk perspective, considering the risks posed by the external environment and the risks arising from its operational activities. However, the company has revamped the enterprise risk management framework to incorporate the assessment of risks based on the impacts of its activities and business relations. The policy function at OGDCL is responsible for developing corporate-level policy guidelines. The functional experts at the operational sites implement policies and procedures.

The MD/CEO is responsible for managing the risks and impacts of company operations. The executive directors are responsible for operations management in their functional areas as per company policies. The MD/CEO addresses performance, significant operational, and health & safety issues in bi-weekly departmental representative meetings. The MD/CEO provides the Board with quarterly progress updates. Subsequently, during quarterly board meetings, the Board reviews the progress vis-à-vis the corporate objectives and targets.

Performance Evaluation and Remuneration Policies

The Board's performance is assessed annually. An outsourced evaluation by a third party confirms that the board's overall effectiveness has increased compared to last year. Board members also engage in self-assessment exercises to evaluate their performance against the set objectives, enhancing their effectiveness and gaining deeper insight into the Board's roles and responsibilities.

The Human Resource and Nomination Committee of the Board assesses the performance of the MD/CEO and senior management against the goals and Key Performance Indicators (KPIs) annually. The performance evaluation of goals and KPIs includes operational performance, environmental, health, and safety. OGDCL is implementing the ESG framework and establishing baseline performance data for material sustainability areas. The baseline measurement will serve as a basis for target setting and evaluating executive performance in these sustainability areas in the future.

The Human Resource and Nomination Committee assesses and discusses market trends and their potential impact on OGDCL operations to provide recommendations to the Board. OGDCL's compensation policy ensures competitive remuneration and benefits, considering stakeholder input through AGM, employee surveys and CBA negotiations. OGDCL does not involve remuneration consultants in determining compensation and benefits.

OGDCL does not disclose sensitive and proprietary information, such as the ratio of annual compensation within the organization and the percentage increase in annual salary.

Conflict of Interest and Grievance Handling

OGDCL's code of conduct prohibits conflicts of interest. It requires disclosure and prohibits interested directors/executives from participating in related discussions if unavoidable. The code is disseminated among directors, executives, and all employees to ensure adherence to its true spirit. It is also circulated among all shareholders as part of the Annual Report. In addition, this code of conduct is placed on the company's official website.

Critical concerns are presented to the Board through Board committees. Critical matters presented to the Board include investing in associates in the Abu Dhabi block for exploration and production through PIOL and investing in Associates Pakistan Mineral (Pvt) Limited. The critical concerns are reported to the Board through the Board Audit Committee for direction for resolution. The critical concerns include circular debt, security issues, employee training and development, storage facilities, technological advancement and alternate energy resources.

OGDCL has a robust system in place for employees, business partners, and external stakeholders to report any potential or actual violations of the code of conduct and company policies relating to responsible business behaviour. This system is also a central point for seeking advice on implementing company policies and commitments to responsible business behaviour. It enables stakeholders to ask questions, report violations, track the progress of their complaints and inquiries, provide feedback, and voice concerns about unsatisfactory proceedings. We regularly review and update the system to remain relevant and practical.

OGDCL is dedicated to fair and equitable interactions with competitors, suppliers, customers, and communities. Our head office and operational sites have grievance mechanisms where communities and other stakeholders can ask questions and file complaints. Stakeholders can also file complaints through the PM Citizen Portal. Complaints are carefully investigated and, if related to OGDCL, forwarded to the relevant department for resolution. The MD secretariat at the head office and DRs at operational sites ensure that complaints are resolved smoothly with departmental support and that the investigation results are shared with the relevant stakeholders. Although operational fields have grievance mechanisms in place, data on the number of complaints filed during the year is not currently available.

OGDCL is dedicated to
fair and equitable
interactions with
competitors, suppliers,
customers, and
communities.

2.

Policy Commitments

OGDCL's code of conduct and comprehensive policies explicitly require ethical business conduct, compliance with laws and regulations and management of risks and adverse effects of its activities. These practices govern all business activities conducted by the company and its partners. The policies adhere to the Universal Declaration of Human Rights and the International Labour Organization (ILO) Conventions ratified by the government of Pakistan. The company has adopted the government of Pakistan's anti-harassment policy and developed and implemented a comprehensive Diversity, Equity, & Inclusion (DEI) policy and program, which are aligned with the principles laid out in the UN's Respect and Remedy Framework for Business. The Greenhouse Gas Emissions Policy Statement & Commitment integrates Article 15 of the Rio Declaration on the Principle of Precaution. The Board approves the policy commitments.

The policies are emailed to all relevant individuals and shared through orientation sessions and company town hall meetings. The company is developing an online portal for policy commitments, offering improved accessibility, advanced search and transparency. Moreover, the Right to Information Act of 2017, applicable to the company, empowers anyone to request and receive specific information. The policies relating to supply chain partners are communicated through emails and meetings.

Embedding Policy Commitments

The MD/CEO and the senior management set the overall tone and direction for embedding the policies, allocating resources and ensuring alignment with business strategy. The departmental heads are responsible for integrating responsible business conduct principles into their specific operational areas by developing and implementing relevant department policies, standard operating procedures and training programs. The training on company policies is provided through induction and role-specific and ongoing training programs. The internal review, audit and external certifications of management systems ensure policy compliance.

Remediating the Negative Impacts

OGDCL prioritises responsible business conduct and proactively identifies and addresses adverse social, environmental, or economic impacts of its activities from a risk perspective for the company. However, this year, it has updated its approach to include an impact perspective in its risk management framework. The company uses internal monitoring procedures, stakeholder engagement, grievance mechanisms and the PM citizen portal to identify potential adverse consequences. Based on the severity of the impacts, the remediation plan is defined and implemented, and outcomes are shared with affected stakeholders. The grievance mechanisms are evaluated annually to identify areas for improvement.

During the year, besides existing platforms, the company introduced a forum called THE SPARK, a dedicated platform for employee ideation where all employees can present ideas, raise constructive criticism, and provide feedback.

3.

ESG Policy

At OGDCL, we view sustainability as an opportunity rather than a constraint. Our policy encompasses climate as a primary driver of transformation, socio-economic development, well-being, environmental care and shared value creation. Our strategy involves transitioning to lower-carbon energy resources, meeting societal needs and contributing towards national development. We believe that a strong environmental, social and governance framework creates value and resilience in all our activities from operations to energy transition opportunities. We are committed to meeting the highest standards of environmental, social and governance practices across all aspects of our business, including the value chain and aligning with the UN SDGs for sustainable and inclusive development.

1. Environmental Stewardship

We recognize that oil and gas exploration and production activities impact the environment and natural resources. Therefore, we are committed to responsibly minimizing negative environmental impacts throughout our activities. We commit to:

i. GHG emissions

Reduce emissions from our operations, minimize flaring and identify and eliminate leakages.

ii. Climate adaptation, resilience, and transition

Explore new practices/ technologies for improving energy efficiency, becoming resilient and transforming into low-carbon and renewable energy sources.

iii. Biodiversity and ecosystem

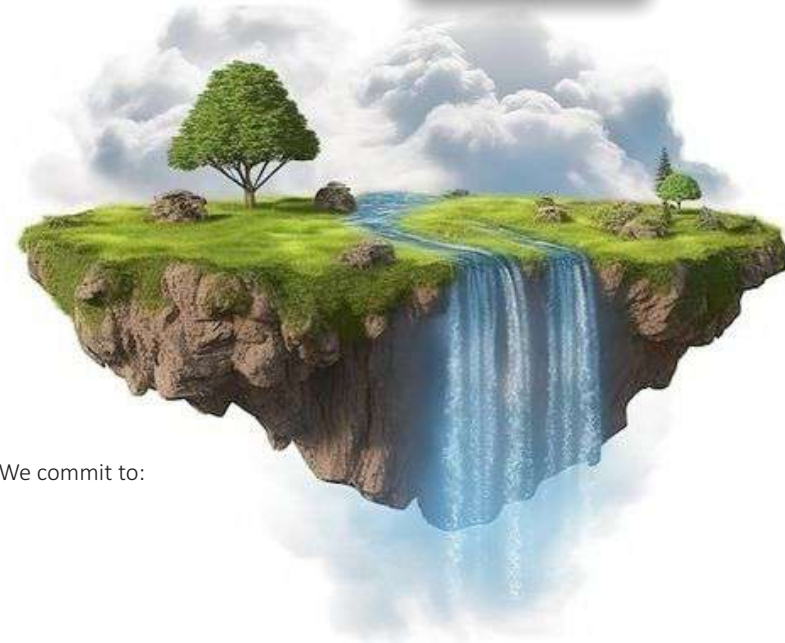
Focus on creating a net-positive impact by respecting, managing, restoring and enhancing biodiversity, paying attention to land use and making commitments to preserve ecosystem around our operational sites.

iv. Waste and pollution management

Implement an integrated waste management system following regulatory requirements and best practices to safely handle and dispose waste, protect the health of our workforce and the public.

v. Water management

Responsibly use freshwater as a shared resource with communities and dispose the produced and used water complying with regulations and best practices.



2. Social

Our business activities create direct and indirect job opportunities, influence health and safety of workforce and foster economic growth by supporting infrastructure development and education. We are dedicated to promoting sustainable growth as well as supporting local communities. We commit to

i. Ensuring health and safety

Promote a health and safety culture across the company to maintain high standards and achieve health and safety-related targets as per corporate HSE policy.

ii. Well-being, diversity, equity and inclusion

Promote employee well-being, diversity, equity, inclusion, future skills development and competitive remuneration and benefits.

iii. Upholding human and labour rights

Respect the human rights of the workforce, local communities and relevant stakeholders as per applicable regulations and voluntary commitments. Comply with applicable labour laws to ensure fair labour practices.

iv. Community engagement and social investment

Engage with the local communities and relevant stakeholders to create and maintain an enabling working environment. Invest in communities in thematic areas to address the pressing social and environmental challenges for inclusive development.

v. Responsible supply chain practices

Engage with the suppliers to create awareness of our sustainability priorities, integration in the procurement cycle, assessment of suppliers to ensure compliance and manage supply chain impacts.

3. Governance

Good governance is vital to creating and preserving value for our stakeholders. We commit to:

i. Corporate governance

Conduct business activities complying with applicable governance laws, regulations and best practices.

ii. Ethics and compliance

Conduct business ethically and transparently by promoting financial transparency, fighting corruption, following a responsible tax approach to promote accountability and responsible decision-making.

iii. Stakeholder management

Engage with shareholders, employees, communities, suppliers, regulators and other relevant stakeholders for inclusive development.

iv. Data protection, privacy and digitalization

Pursue digitalization and responsible data management to ensure business continuity and protection of business and personal information.

This statement has been reviewed and approved by the Board of Directors and is signed by OGDCL's Managing Director/CEO.

(Managing Director/ CEO)

Stakeholders' Engagement

Our stakeholder engagement processes are designed to carefully identify stakeholders' concerns, assess the impact of our operational activities and business relations and evaluate the resulting risks for our business. We regularly identify and engage with a diverse range of stakeholders whose interests can be affected by our activities or who can affect our ability to achieve our goals and objectives.

We carefully consider influence, dependency, responsibility, tension and proximity factors in planning and implementing stakeholder engagement activities. Stakeholder engagement occurs at the corporate, project and site levels. Corporate-level engagements involve interactions with the government, regulators, shareholders, joint ventures, customers, employees, suppliers and financial institutions. Meanwhile, project and site-level engagements typically include interactions with local communities, governments, suppliers, contractors and project employees.

The insights obtained from these activities help us meet stakeholder expectations and shape our strategies for creating responsible value.











Stakeholder groups	Examples of engagement	Key topics and concerns raised by stakeholders
Shareholders	Annual/Extra ordinary general meetings Investors briefings Annual/quarterly reports	Economic returns Oil and gas discoveries Health and safety Share price
Government	Policy development inputs Regulatory reporting Project-related sessions Awareness sessions	Regulatory compliance Payment of duties and taxes Community development New oil and gas discoveries
Joint venture partners	Project review meetings Emails	Health and safety Performance review Compliance with regulations

Stakeholder groups	Examples of engagement	Key topics and concerns raised by stakeholders
Banks/Lenders	Meetings Emails	Economic performance New project developments Health, safety and environmental performance
Employees	Town hall meeting Trainings Annual dinner Employee surveys & meetings	Health and safety Economic performance Training and education
Suppliers	Request for quotation Bids grievances mechanism Supplier meeting	Timely delivery Health and safety Environmental and social compliance
Customers	Meetings Emails	Consistent and reliable supply Product specification New discoveries of oil and gas
Local communities	Public hearings Outreach programs Grievances mechanism	Infrastructure development Community development and provision of education and health facilities Employment opportunities
Industry associations	Joint policy development sessions	E&P regulatory framework Business environment
NGOs/NPOs	Project donations Partnership opportunities Dialogue with stakeholders	Community development projects Operational impacts
Media	Company reports Press releases Interviews	Discovery of oil and gas reserves Strategy and performance

Materiality Analysis

We conducted a thorough analysis to identify the most significant impacts of our activities, which are grouped into topics for reporting our performance. The process involved assessing the effects of our activities, external risks, stakeholder interests, issues covered in peer company reports, industry guidelines, and sector standards. We used guidance from GRI 3 Material Topics to prioritize issues based on their severity, likelihood of negative impacts, and the scale and scope of positive effects. We also considered the input of relevant stakeholders and experts before finalising the process. This materiality assessment will be conducted annually to assess regulation changes and external risks.

The materiality analysis identified seventeen main topics with seven subtopics. The report discusses the impacts, management approach, actions, and performance regarding these material topics in various sections. These material matters influence the structure and content of the report and are also aligned with relevant Sustainable Development Goals (SDGs) to show how our activities impact or contribute to them.

Material topics	Sub-topic	Relevant SDGs
GHG and air emissions		
Climate adaptation, resilience and transition		
Biodiversity		
Waste		
Water and effluents		
Closure and rehabilitation		
Asset integrity and critical incident management		
Occupational health and safety		
Employment practices	Diversity & inclusion and work life balance	
Labour practices	Non-discrimination and equal opportunity, Forced labour and modern slavery and Freedom of association and collective bargaining	

Material topics	Sub-topic	Relevant SDGs
Economic impacts		
Community relations	Local communities and Land and resource rights	
Conflict and security		
Ethical practices	Anti-competitive behaviour Anti-corruption Payments to governments	
Public policy		
Supply chain impacts		
Digitalization and cyber security		

*every action counts
towards a greener future*





Environmental Stewardship



1. OUR APPROACH
2. CLIMATE CHANGE
3. BIODIVERSITY
4. WATER MANAGEMENT
5. WASTE MANAGEMENT

1. Our Approach

Significant challenges, particularly climate change, biodiversity loss, water scarcity, and increasing waste levels, affect the quality of life and natural ecosystems. Businesses are pressured to promptly and decisively tackle these challenges to minimize their harmful impacts effectively.

OGDCL, an exploration and production (E&P) company, heavily relies on natural resources to extract and process hydrocarbons. Our operations significantly affect the natural ecosystem, encompassing biodiversity, energy and water use and discharge of emissions, wastewater and waste. The negative impacts resulting from our operations constitute significant environmental challenges that necessitate compliance with regulatory standards and adherence to our ESG policy. This is our first year reporting on these critical areas as we establish baselines to monitor our progress and define targets in future reports. We acknowledge that the adverse effects are present in our operations and our supply chain. Our current supplier selection and assessment procedures assess suppliers' compliance with laws and health and safety practices. We are in the process of updating our procedures to consider ecological factors as part of the criteria. Refer to page 95 for more information.

OGDCL's Occupational Health, Safety, and Environment Policy Statement and Commitment guide our environmental management activities. The policy requires us to embrace health, safety, and environmental stewardship in all activities while meeting and exceeding regulatory compliance and applicable standards. Our HSE System complies with the latest revisions of international standards ISO14001, ISO45001, ISO 31000, Guidelines of The International Association of Oil & Gas Producers (IOGP) and OSHA's Process Safety Management (PSM) Guidelines. All major operational sites are certified against the ISO 14001 Environmental Management System. The Initial Environmental examination/ Environmental Impact Assessment (IEE/EIA) are conducted for all sites under applicable regulatory requirements before commencing exploration and production activities. The studies identify potential adverse effects and outline mitigation measures to overcome or reduce these effects. The Environmental Management Plan (EMP) is developed for each site and encompasses all project activities. Any risks identified from these studies are recorded in the enterprise risk register and then brought to the attention of the governance bodies for discussion and determination of mitigation activities. The person responsible for the project implements the mitigation measures in the specific location.

The progress and effectiveness of the environmental management plan are monitored through regular HSE audits, regulatory compliance reports, and re-certification audits for ISO 14001. The review results form the basis for developing and updating the procedures to improve practices.

OGDCL is committed to complying with the applicable environmental laws and regulations in its operational activities. During the year, there was no non-compliance with environmental laws.



*truly
environment
friendly!*

2.

Climate Change

*combating
climate change*



Material Topics:

Climate adaptation, resilience and transition, GHG and air emissions

Developing strategies for climate adaptation and resilience by reducing emissions and energy usage by adopting cleaner and more efficient technologies. Exploring diversification opportunities while contributing to the economic and sustainable development of the country.

Most relevant SDGs:



OGDCL recognises that climate change poses a significant threat to its business model and presents a complex challenge for humanity. We are dedicated to identifying opportunities to transition to a low-carbon business model, offering eco-friendly alternatives while fulfilling the country's energy requirements and effectively managing our environmental impact.

Climate Adaptation, Resilience and Transition

OGDCL's climate adaptation, resilience and transition approach focuses on reducing its operations' carbon footprint, investing in forestation and exploring diversification options to align with a low-carbon economy. As the largest state-owned E&P company, we face challenges of supporting the national agenda, contributing to sustainable development and aligning with the broader market shift.

Our HSE policy exceeds regulatory requirements and guides our actions to manage environmental impacts. In 2023, OGDCL developed the Greenhouse Gas Emissions Policy Statement & Commitment to demonstrate the organization's dedication to reducing greenhouse gas and air emissions. Despite no regulatory requirement, OGDCL voluntarily reduced GHG emissions as part of corporate responsibility. This year, we embarked on the ESG journey to identify and measure our impacts, such as emissions and energy usage. We plan to reduce them by implementing efficiency and technology adoption measures and setting targets.

Our ESG policy has extended the commitment to exploring new practices/ technologies for improving energy efficiency, becoming resilient and transforming into low-carbon and renewable energy sources. After launching the ESG policy, we hosted awareness and training sessions for the senior management team and ESG working group. These sessions aimed to communicate OGDCL's dedication to ESG and inspire employees to think innovatively and explore and propose ideas for reducing the impact and transitioning to the low-carbon business model.

Oil & Gas Decarbonization Charter (OGDC)

During the 28th Conference of the Parties (COP28), OGDCL, in collaboration with 50 other prominent oil and gas entities, formally endorsed the Oil & Gas Decarbonization Charter (OGDC) as a testament to its commitment to advancing the objectives outlined in the Paris Agreement. This initiative's primary purpose is to curtail carbon emissions within the oil and gas sector while facilitating the transition towards renewable energy sources.

GHG and Air Emissions

GHG and air emissions are an integral part of our business arising from our operational activities and use of our products. The primary sources are our core exploration, production, processing activities, fuel use in vehicles and machinery, and purchased electricity. As part of our ESG journey this year, we initiated

building our GHG inventory encompassing Scope I and Scope II emissions. The HSE department is the custodian of the GHG inventory and coordinates with the operational sites and other departments for data collection, choosing emission factors and calculating emissions. The HSE department also monitors the GHG and air emissions to ensure compliance with the regulatory requirements.

Our gas processing operations are equipped with dedicated control devices to ensure efficient processing, gas specifications maintenance, and flaring and venting reduction. Flaring is employed only when necessary and in controlled conditions following the plant design and process requirements. A flare gas utilisation plan has been developed to explore the possibility of selling flare gas to potential buyers from the operating fields where it is economically feasible. Leak Detection and Rectification (LDAR) surveys are being carried out routinely to reduce fugitive emissions from valves, flanges, connectors, and sampling points. We are examining alternative methods of utilising flare gas, such as operating gas engines for power generation and utility purposes where technically feasible. We have created a plan to reduce greenhouse gas emissions. This plan includes direct and indirect measures, with responsibilities assigned at the directorate level.

GHG Emissions (MT)	2024
GHG emissions CO ₂ e (Scope I)	1,355,026
GHG emissions CO ₂ e (Scope II)	2,795
Total GHG Emissions	1,357,821
GHG emissions intensity (MT CO ₂ equivalent/ KBOE)	26

OGDCL produces no biogenic emissions. Emissions sources include combustion, process, maintenance, and loss of containment. Emissions from plants/locations are determined through carbon footprint studies carried out at different plants/locations. Emissions data is collected at each site and consolidated at the corporate level. The emissions data are mainly based on estimation and will be collected on an actual basis where possible in the future. CO₂, CH₄, N₂O gases were included in the calculation.



This is the first year of reporting GHG emissions following the GHG protocol. Previously, OGDCL measured emissions from its fields through studies that included cumulative emissions for previous years. We are reporting emissions for the year 2024 to ensure accurate comparability and trend analysis in future reporting periods.

GHG emission factors were sourced from the IPCC assessment report AR6, based on a 100-year timeframe. At the same time, the 2009 API Compendium of Greenhouse Gas Emission Estimation Methodologies for the Oil and Natural Gas Industry was also consulted. Stoichiometric conversions based on carbon contents were also considered during the calculation. The Scope II emissions were calculated using conversion factors from UNFCCC.

The emissions intensity metric encompasses both Scope I and Scope II emissions. OGDCL presently lacks a mechanism for quantifying scope III emissions. OGDCL started reporting GHG inventory this year, and the data on emissions reduction from efficiency measures is unavailable, but it will be reported in future reports. The NO_x and SO_x emissions are within the NEQS limits.

Energy consumption within the organization (GJ)	2024	2023
Energy consumption – non-renewable	29,649,550	29,581,770
Energy consumption – renewable	941	739
Total energy consumption	29,650,491	29,582,509
Energy intensity GJ/KBOE	565	546

Energy consumption is mainly from non-renewable sources, including electricity use and fuel used in generators, turbines, and vehicles. The electricity and fuel use at each site is computed independently, consolidated, and converted at the corporate level to calculate the energy consumption using conversion factors from EIA USA. The energy conversion factor 0.0036GJ/KWH for electricity consumption was sourced from the B.L. Theraja Electrical handbook. The energy intensity measurement encompasses energy consumption within the organization. OGDCL presently lacks a mechanism for quantifying energy consumption outside the organization.

The CO₂e emissions are computed for the production operations, where OGDCL is the operator, the processing facilities, the head office and the regional offices. The measurement and computation methodology for HC vents, leakages, and fugitive emissions is in development and is not integrated into GHG calculations.

3.

Biodiversity

*One planet
for all life
to share!*



Material Topics:

Biodiversity and Closure and rehabilitation

Safeguarding natural ecosystems and biodiversity through proficient management of operational and site closure impacts on biodiversity.

Most relevant SDGs:



OGDCL's ESG policy underscores its unwavering commitment to conserving, managing, restoring and auguring biodiversity through conscientious and sustainable practices. Our exploration, development, extraction, production and site closure activities potentially affect the biodiversity around our operational sites. We conduct (EIA/IEE) studies before commencing exploration and production activities according to the applicable regulatory requirements. The EIA develops a biodiversity baseline, impact, and mitigation measures as an Environmental Management Plan (EMP) to manage the effects during project execution and closure.

To positively impact biodiversity, OGDCL has initiated plantation campaigns involving planting Miyawaki forests in our fields and at sites identified in consultation with stakeholders. Our reforestation initiatives establish and maintain crucial habitats for avian and insect populations and act as a protective barrier against the proliferation of pests and environmental hazards. They also contribute to improving air and water quality and play a vital role in mitigating soil erosion and land degradation.

The location and project In-charges are responsible for managing the impact and are the custodians of the sites and projects. Performance is monitored through monthly environmental monitoring reports, internal HSE audits, compliance status with the EMP and environmental management system audits. Stakeholders are briefed on biodiversity initiatives and progress in public consultation and public hearing sessions organized in collaboration with the Environmental Protection Agency.

OGDCL did not operate permanent oil and gas processing facilities within protected areas. The temporary setups and activities were managed through the EMP. The Environmental Studies did not identify any irreversible impact. However, reversible impacts were anticipated during temporary operations such as drilling and seismic activities and were managed through EMP control measures. Ultimately, sites with no further requirements were restored. Data on species affected and areas impacted due to oil and gas exploration and production activities is unavailable. The impacts of temporary operations are short-term and reversible and are catered through on-site restoration of temporary sites.

IUCN Red List species and National Conservation List species with habitats in areas affected by operations (Nara Canal, Wildlife Sanctuary Deh Akro II, Wildlife Sanctuary Chotiari Wetlands Complex)

Critically endangered	Endangered	Vulnerable	Near threatened	Least concern
	Spotted Turtle, Indian Pangolin	Marsh Crocodile/ Mugger	Marbled Teal, Indian Sand Boa	Honey Badger, Indian fringe-toed Sand Lizard, Indian Sand Swimmer, Indian Monitor, Saw-scaled Viper, Long-eared Hedgehog, Asiatic Jackal, Red Fox, Small Indian Mongoose, Desert Cat, Indian Hare, Five-striped Palm Squirrel, Indian Crested Porcupine, House Mouse, Indian Desert Gerbil, Indian Gerbil, Short-tailed Bandicoot Rat, Little Grebe and Chinkara

Temporary operations such as seismic surveys and drilling activities were conducted in the following blocks during 2023-24.

Block	Status
<p>Khewari Block Khewari block includes the areas of Nara canal wildlife sanctuary and Deh Akro II wildlife sanctuary. Nara desert wildlife sanctuary is home to four different habitats: desert, agricultural areas, wetlands and human habitations. Deh Akro II is a wildlife sanctuary, a Ramsar site and an important bird area. Based on Ramsar criteria, this area is designated as a wetland of international importance, representing natural inland wetland ecosystems and important for threatened species, large bird populations, unique bird species and distinct habitats.</p>	<p>Seismic surveys and drilling activities</p>

Block	Status
<p>Bitrism Block</p> <p>The Bitrism block includes the Deh Akro II wildlife sanctuary and the Chotiari wetlands complex. Chotiari wetlands complex lies in the Thar desert of the Indomalayan realm and covers the southeastern portion of the Indus ecoregion. It includes the Thar desert sand hills on the east, north, north-east and south-east and Nara canal on the west and south. The wetlands in this area consist of permanent freshwater lakes, seasonal/intermittent freshwater lakes, seasonal/ intermittent freshwater marshes/pools and irrigated land (including irrigation channels, rice fields, and water storage areas).</p>	Seismic surveys and drilling activities
<p>Sinjhero Block</p> <p>The Sinjhero block encompasses the Chotiari wetlands complex. Chotiari wetlands complex lies in the Thar desert of the Indo-malayan realm and covers the southeastern portion of the Indus eco-region. It includes the Thar desert sand hills on the east, north, north-east and south-east and Nara canal on the west and south. The wetlands in this area consist of permanent freshwater lakes, seasonal/intermittent freshwater lakes, seasonal/ intermittent freshwater marshes/pools and irrigated land (including irrigation channels, rice fields and water storage areas).</p>	Seismic surveys and drilling activities
<p>Sujawal South Block</p> <p>Keti Bunder south wildlife sanctuary lies in the vicinity of the block but outside the block boundary. It is a protected site notified under laws and regulations.</p>	Seismic surveys and drilling activities
<p>Killa Saifullah Block</p> <p>The Killa Saifullah block is in the Killa Saifullah district. Torghar Conservation Project (TCP). It is a community conservation area located in the Torghar hills of Killa Saifullah district, Balochistan, Pakistan. The TCP is a private conservation program that was initiated after consultations between local Pathan tribal leaders and wildlife biologists from the USA for restoration and conservation of the Suleiman Markhor and the Afghan Urial on Pathan tribal lands.</p>	Seismic surveys and drilling activities



Water Management 4.

*harnessing
water
resources*

Material Topics:**Water and effluents**

Preserving natural ecosystems by strategically managing water withdrawals and addressing water and soil pollution.

Most relevant SDGs:

Our water management approach focuses on using water as a shared resource with communities. OGDCL's Occupational Health, Safety and Environment and ESG policies guide water management activities. Hydrological and Environmental Impact Assessment (EIA) studies are conducted before commencing exploration and production activities according to the applicable regulatory requirements. The EIA develops a baseline for available water resources, water quality in the proposed project area, impact, and mitigation measures. An Environmental Management Plan (EMP) is designed to manage water use and discharge and to avoid the deterioration of existing water resources.

We use water during exploration, drilling, production, construction of camps, cooling at processing facilities and utility purposes. Water is also produced during production operations, stored in tanks and ponds and injected into the wells. Water gets polluted during operational use and utility consumption, which is treated following EPA guidelines and stored in water storage pits. It is also disposed of through sewerage systems at permanent locations and offices and through evaporation pits, septic tanks, and third parties at operational sites following applicable National Environmental Quality Standards and Provincial Environmental Quality Standards. Water discharge-related impacts are effectively handled by assessing groundwater quality near OGDCL fields, ensuring sustainable environmental management.

Through our commitment to Corporate Social Responsibility, we actively share water resources with the neighbouring communities surrounding our operation sites. This aligns with our values of sustainability and community engagement.

The location and project In-charges are responsible for managing the impact and are the custodians of the sites and projects. Performance is assessed using monthly environmental monitoring reports, compliance status with the EMP, Environmental Management System audits and Regulatory Compliance Matrix annually. In collaboration with the Environmental Protection Agency, public consultation and public hearing sessions ensure stakeholders are well-informed about initiatives and progress.



Water withdrawal by source in ML/year	2024		2023	
	All areas	Areas with water stress	All areas	Areas with water stress
Surface water				
Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	1,241	1,202	1,060	1,060
Other water ($> 1,000$ mg/L Total Dissolved Solids)	-	-	-	-
Ground water				
Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	1,033	60	984	44
Other water ($> 1,000$ mg/L Total Dissolved Solids)	-	-	-	-
Produced water				
Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)				
Other water ($> 1,000$ mg/L Total Dissolved Solids)	732	553	785	706
Third-party water				
Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	761	20	523	31
Other water ($> 1,000$ mg/L Total Dissolved Solids)	-	-	-	-
Total water withdrawal	3,767	1,835	3,352	1,841

Water consumption in ML/year	2024		2023	
	All areas	Areas with water stress	All areas	Areas with water stress
Total water consumption	3,767	1,835	3,352	1,841

Water consumption is calculated by considering the water used by OGDCL operations and the utility water used at fields and the head office. After usage, the water becomes wastewater and is considered consumed by OGDCL which is discharged through pits, and sewerage streams.

Water discharge by destination in ML/year	2024		2023	
	All areas	Areas with water stress	All areas	Areas with water stress
Total water discharged	3,767	1,835	3,352	1,841

Water withdrawal, consumption and discharge data are recorded at the facility/site level and consolidated at the corporate level to calculate the water footprint. The data is mainly based on estimation, as flow meters are only installed at some sites and offices. However, the installation of flow meters has been initiated to measure and report actual water data in future reports.

5.

Waste Management

*reduce
reuse
recycle*



Material Topic:	Most relevant SDGs:
<p>Waste</p>	<p>Preserving natural ecosystems by carefully managing waste and addressing water, air, and soil pollution to protect life on land and life below water.</p>



Our Occupational Health, Safety and Environment Policy Statement and Commitment provides guidelines for effectively managing and disposing of waste to prevent health, safety and environmental issues, including soil, land, water and air contamination. The policy applies to all operational sites and corporate locations to manage waste disposal impacts.

Chemicals, drill cuttings, equipment and ancillary supplies are converted into waste during exploration, production, processing, construction, maintenance and corporate activities. The waste stream encompasses non-biodegradable, single-use, heterogeneous materials and toxic or hazardous substances and is divided into hazardous and non-hazardous waste. The procedures for handling, segregating and disposing of waste provide guidelines for managing waste and its impacts through location-level integrated waste management plans. The OGDCL’s handbook on integrated waste management offers methods and procedures to ensure the proper and efficient handling and disposal of generated waste in compliance with local regulations and best industrial practices.

Each site records the information about the source, composition, quantity and disposal method to generate a waste inventory. The sites dispose of the kitchen waste and papers through local vendors. Other non-hazardous waste from all sites is transported to the regional and central waste yards for disposal through auction.

However, the hazardous waste, in line with HSE guidelines, is carefully segregated, handled and handed over to the store at the respective site for disposal following HSE and EPA guidelines. The hazardous waste is disposed of through EPA approved contractors who are required to report back the compliance with the applicable disposal procedures.

The location and project In-charges are responsible for managing the impact and are the custodians of the sites and projects. Regular HSE audits, ISO audits, EMP and reporting to regulatory authorities ensure compliance with waste handling and disposal procedures. The findings are discussed in the departmental meeting, used to improve the waste management procedures and shared with the respective sites for necessary action.

Waste by composition, in Metric Tons (MT)

Waste composition	2024			2023		
	Waste generated	Waste diverted from disposal	Waste directed to disposal	Waste generated	Waste diverted from disposal	Waste directed to disposal
Hazardous	67,035	-	67,035	36,353	-	36,353
Non-hazardous	7,252	-	7,252	9,326	-	9,326
Total waste	74,287	-	74,287	45,679	-	45,679

Waste diverted to disposal-by-disposal operation in Metric Tons (MT)

	2024			2023		
	Onsite	Offsite	Total	Onsite	Offsite	Total
Hazardous waste						
Incineration (with energy recovery)	-	-	-	-	-	-
Incineration (without energy recovery)	-	41	41	-	26	26
Landfill and other disposal operations	39,050	27,944	66,694	21,310	15,018	36,328
Total	39,050	27,985	67,035	21,310	15,043	36,353
Non-hazardous waste						
Incineration (with energy recovery)						
Incineration (without energy recovery)						
Landfill and other disposal operations	9	7,243	7,252	14	9,312	9,326
Total	9	7,243	7,252	14	9,312	9,326

The generated waste comprises biomass, metals, used oil, paper, chemicals such as paints and mercury, food residuals, packaging materials, textiles, construction debris and charcoal. The waste quantities are recorded at the site level and consolidated at the corporate level. The waste is recorded at the time of transfer to the waste yard or at the time of the auction, which is held when waste quantities reach a significant level. The variation in the waste figures from 2023 to 2024 is due to increased drilling waste.

‘a clean environment starts with proper waste management.’



Powering Lives



People

1. OUR APPROACH
2. NURTURING WORKFORCE
3. HEALTH, SAFETY AND SECURITY
4. RESPECTING HUMAN RIGHTS



Communities

1. OUR APPROACH
2. CONTRIBUTING TO COMMUNITIES

1. Our Approach

Our human capital is the foundation for achieving our organizational objectives, creating returns for our stakeholders and making substantive contributions to national development. Our approach to human resource management is centred on acquiring exceptionally skilled individuals and nurturing their abilities through tailored role-specific and management training programs, thereby facilitating OGDCL's triumph in the competitive marketplace. We positively impact our human capital through employment, remuneration and benefits, skill development and building a diverse and inclusive workforce. Challenging field working environments and health and safety issues are significant possible negative impacts. However, we are committed to providing a decent and safe working environment for our employees to continue working and help OGDCL meet its targets.

We ensure equal opportunities and fair treatment to create a diverse, inclusive workplace free of discrimination and harassment, fostering fresh ideas and economic growth. We recognise that the challenging working conditions in the E&P sector and the social and cultural context surrounding our operational sites create significant obstacles for women in field roles. Nonetheless, we are committed to promoting female participation in our workforce and management at all locations by actively recruiting, selecting and implementing workplace policies that support women, following relevant regulations. We offer equal opportunities for advancement based on merit and qualifications.

The executive director of human resources is responsible for managing human resource practices. Our code of conduct, recruitment policy, learning and development policy, remuneration and benefits policy, medical benefits policy, workplace harassment policy, and diversity, equity and inclusion policy serve as guiding principles for effectively managing our human capital. Annual objectives and targets are defined to implement the policies effectively. Performance is monitored through periodic reviews, performance dashboards and employee surveys.

The identified issues and feedback from various mechanisms contribute to enhancing our practices and implementing corrective actions. Performance reports are presented to the Board's Human Resource and Remuneration Committee for discussion and guidance. Our policies are regularly reviewed and enhanced based on management evaluations and industry best practices.



Nurturing Workforce 2.

Talent onboarding



OGDCL is dedicated to hiring a skilled and qualified workforce, providing training and development opportunities, and retaining employees by offering competitive compensation and benefits. We encourage a healthy work-life balance by offering flexible working arrangements and employee wellness programs.

The hiring decisions are based on qualifications, experience, and suitability for the position. As a state-owned company, we consider provincial quotas as per applicable laws when recruiting for multiple positions.

However, local applicants are prioritized to promote local employment and community empowerment around sites. The company hires locals for project-based jobs on a man-day basis, and the workers are released after the project is completed. No senior management is hired from local communities due to the unavailability of the required talent pool. Senior management includes officers on or above the position of General Manager,

while the local includes natives of the areas where the company has its fields or performs business operations.

OGDCL offers internship programs for fresh graduates to provide practical exposure to the oil and gas industry, enhance their knowledge and skills and give them hands-on experience in real-world settings.

We hire outsourced/contract workers to perform technical and non-technical tasks at our head office, regional offices, processing, production, and exploration fields. These workers perform janitorial, cleaning, firefighting, security, and technical and non-technical functions. They are hired for contracts of varying lengths, which are renewed based on the nature of work and operational requirements. The number of workers varies depending on the number of projects.

Material Topics:

Employment practices, Diversity & inclusion and work-life balance

Striving to offer equal employment opportunities, establish favourable working conditions and facilitate skill development through training and educational initiatives. Promoting diversity of thoughts and experiences to drive innovation and fostering a safer, more flexible and inclusive work environment.

Most relevant SDGs:



Workforce on June 30, 2024

2024	10,735
2023	11,207

Employees by employment type broken by gender.

Employment contract	2024		2023	
	Male	Female	Male	Female
Permanent	10,258	128	10,557	129
Temporary	325	24	502	19
Total	10,583	152	11,059	148

Employees by employment contract broken by gender.

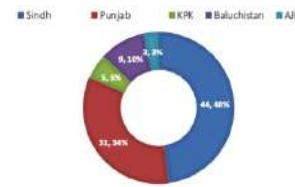
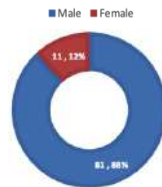
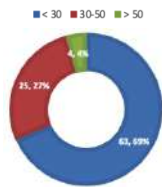
Employment type	2024		2023	
	Male	Female	Male	Female
Full time	10,583	152	11,059	148
Part-time	-	-	-	-
Total	10,583	152	11,059	148

Employees by employment contract broken by region.

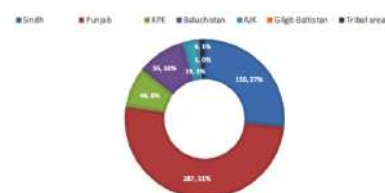
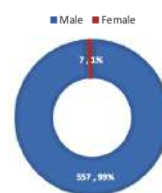
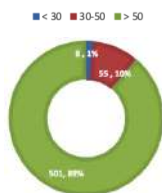
Location	2024		2023	
	Permanent	Temporary	Permanent	Temporary
AJK	190	6	209	4
Balochistan	879	22	868	80
Gilgit-Baltistan	16	5	17	5
Khyber Pakhtunkhwa	1,123	60	1,146	71
Punjab	4,868	161	5,037	246
Sindh	3,262	91	3,348	111
Tribal Area/Fed. Adm.	48	4	61	4
Total	10,386	349	10,686	521

Hiring and Attrition

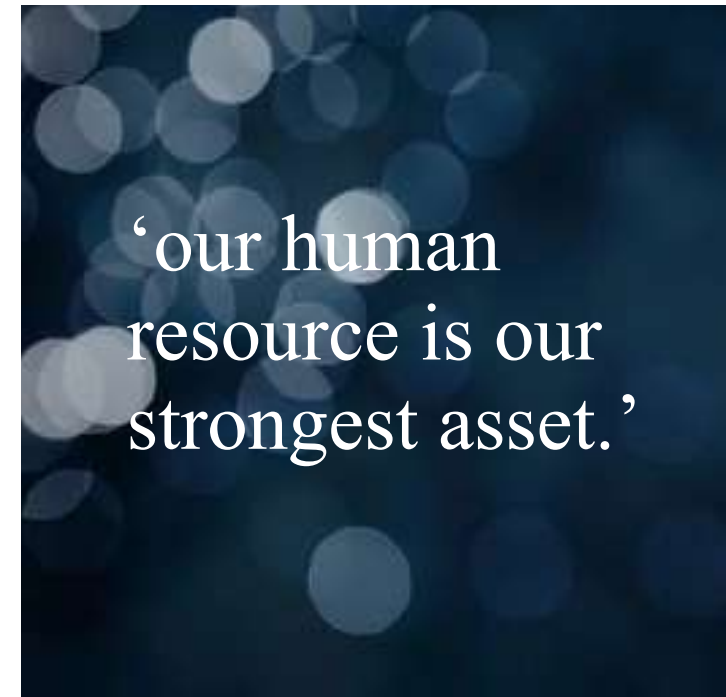
Hiring by age group			Hiring by gender			Hiring by region		
<30	69%	63	Male	88%	81			-
30-50	27%	25	Female	12%	11	Sindh	48%	44
>50	4%	4	Total		92	Punjab	34%	31
Total		92				KPK	5%	5
						Balochistan	10%	9
						AJK	3%	3
						Total		92



Attrition by age group			Attrition by gender			Attrition by region		
<30	1%	8	Male	99%	557	Sindh	27%	150
30-50	10%	55	Female	1%	7	Punjab	51%	287
>50	89%	501	Total		564	KPK	8%	46
Total		564				Balochistan	10%	55
						AJK	3%	19
						Gilgit Baltistan	1%	1
						Tribal areas	1%	6
						Total		564



The hiring rate was 0.85 %, while the attrition rate was 5.25%.



Remuneration and Benefits

We provide competitive position-based remuneration and benefits without discrimination, setting high industry standards in Pakistan's oil and gas sector. We conduct remuneration surveys to assess our compensation package and ensure it remains relevant, competitive and fair. We commit to providing competitive compensation and benefits to attract a highly skilled workforce to achieve our corporate goals. The ratio of basic salary of women to men is 1:1. However, the ratio of remuneration of women to men varies due to female employees being predominantly stationed at head office and regional offices. In contrast, most male employees are deployed in the field or remote locations. Consequently, the observed wage differential does not stem from gender-based compensation disparities but from disparate work locations.

The compensation and benefits offered to employees encompass fixed and variable financial and non-financial components. We provide overtime for extra work, and a security premium allowance is allocated for security-sensitive areas.

Maternity leave is extended to all eligible female employees for 90 days, three times during the entire service, following relevant laws and regulations. In 2024, 144 female employees met the criteria for maternity leave, in contrast to 142 female employees in 2023. All female employees, if not resigned from the company at their own will, once resumed after maternity leave, remained as Company employees. We currently do not have data available on individual maternity leave usage. The information about returning to work and retention rates shall be reported in future reports.

Benefits Provided to Full-Time Employees

Benefits
Provident fund
Gratuity for regular employees after January 01, 2016.
Performance bonus
Life insurance
Disability and invalidity coverage for regular employees
Medical coverage
Maternity leave for female staff

Training and Development

To ensure that our employees are updated with the latest knowledge and practices, we offer training programs such as in-house, on-the-job and specialised training at professional institutions. The annual Training Need Assessment (TNA) determines the technical, soft skills and management skills program for the staff and management employees. Our state-of-the-art Oil and Gas Training Institute conducts various training programs in the upstream sector, particularly emphasizing exploration, drilling, well services, production and gas processing. In addition to providing training, we support our management employees in pursuing further education at national and international institutions. The programs are designed to improve employee skills, knowledge and well-being and help advance their careers. OGDCL does not offer transition assistance programs as most employees leave their jobs at retirement age.

Annual training hours per employee

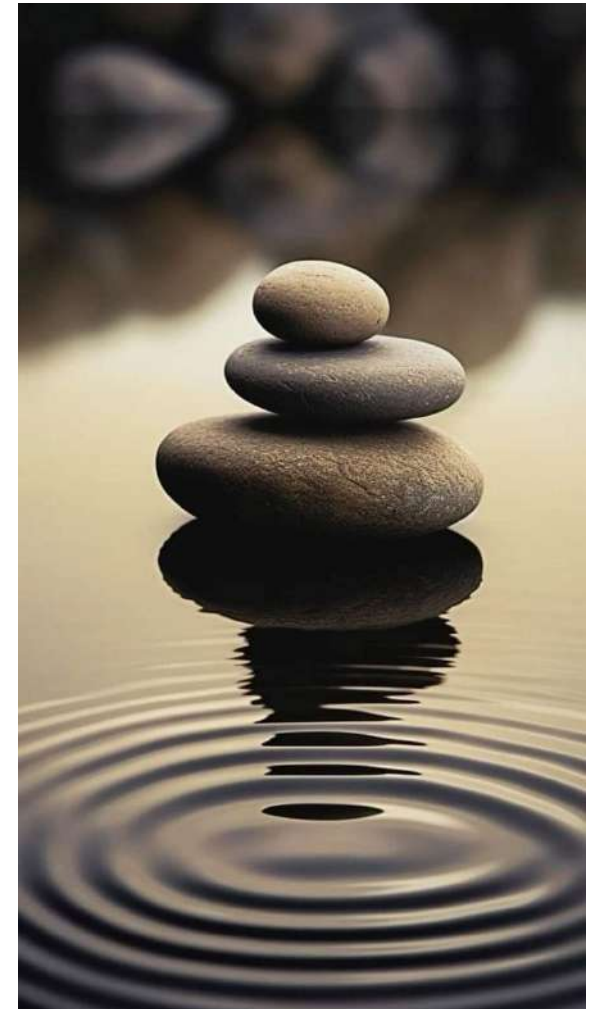
Training hours	112,128
Number of employees	10,735
Training per employee per year	10.44

Annual training hours by gender

	Male		Female	
	2024	2023	2024	2023
Training per employee per year	10.07	2.74	16.71	2.60

Annual training hours by employee category

	Management		Staff	
	2024	2023	2024	2023
Training per employee per year	18.50	8	3.67	1.25



Performance Management

We uphold transparent and fair employment practices and comply with all relevant labour laws and regulations regarding wages, working hours, safety standards and benefits.

A fair and transparent performance management and appraisal system ensures that all employees are assessed against their defined SMART KPIs and departmental targets through mid-year review and annual performance appraisal. We have recently revamped the performance management system to ensure greater objectivity in goal setting and evaluations, promoting a more transparent and effective performance management process. During the year, all employees were assessed and appraised. Employees are acknowledged and rewarded for their accomplishments to enhance morale and productivity. We foster a culture of ongoing improvement by soliciting employee feedback and promoting innovation.

Diversity, Equity, Inclusion and Work-Life Balance

OGDCL is committed to creating a diverse, equitable and inclusive workplace where every employee feels valued, respected and given equal opportunities for personal and professional growth. We believe that embracing and celebrating our differences can cultivate innovation, creativity and collaboration, which are fundamental to our success.

To ensure fairness and equal opportunity for all, OGDCL has implemented a policy focused on promoting diversity, inclusion and equity. This policy aims to create an inclusive workplace built on mutual trust, respect, and dignity, regardless of gender, abilities, ethnicity, or religion. The policy supports embracing individual differences, attracting and retaining a diverse range of talented people and prioritizing diversity, equity and inclusion as core company values. Extensive training and awareness sessions were organized to apprise the workforce about OGDCL's diversity, equity and inclusion policy and practices.





*embrace the
power of
green as
an action*



Employees by gender, age, and minority group

	Minority group		Age group			Disability	
	Muslim	Non-Muslim	<30	30-50	>50	Normal	Disable
Male	97%	3%	3%	56%	41%	100%	0%
Female	95%	5%	11%	65%	24%	99%	1%

Employees by employment category, gender, age, and minority group

	Gender		Minority group		Age group		
	Male	Female	Muslim	Non-Muslim	<30	30-50	>50
Management	96%	4%	99%	1%	1%	59%	40%
Staff	99%	1%	97%	3%	3%	55%	42%

Individuals in governance bodies by gender, age, and minority group

	Gender		Minority group		Age group		
	Male	Female	Muslim	Non-Muslim	<30	30-50	>50
Board of Directors	89%	11%	100%	-	-	-	100%

3.

Health, Safety and Security



healthy work practices for a safe and secure future!

Material Topics:

Occupational Health & Safety, Asset integrity and critical incident management, Digitalization and cyber security

Prioritising the protection of the health and safety of OGDCL employees, contractors, communities, and facilities. Advancing digitalisation and strengthening cybersecurity measures to ensure uninterrupted business operations.

Most relevant SDGs:



Health, Safety and Security represent critical facets of our unwavering commitment to responsible and secure business practices. We are dedicated to upholding the most stringent health and safety standards within our operations and proactively refining our safety protocols to mitigate health and safety risks for our employees, contractors, workers and local communities.

HSE Management System

OGDCL has a dedicated Occupational Health, Safety and Environment Policy Statement and Commitment governing health and safety management practices. The commitment encompasses embracing Health, Safety and Environment (HSE) practices in all our activities, ensuring the welfare of indigenous communities and protecting ecosystems and the environment while carrying out exploration and production operations.

OGDCL has implemented its Integrated HSE Management System, which was developed based on the latest revisions of ISO14001, ISO45001, ISO31001, ISO50001, IOGP guidelines and the Process Safety & Risk Management (PSRM) Model. The HSE management system is implemented to comply with the applicable laws and regulations and meet sectorial best practices. It applies to all workers, contractors and business operations, including exploration, development, production, plants and offices.



Responsibility for HSE

Health, safety and the environment are everyone's responsibility at OGDCL. However, the overall responsibility lies with the Managing Director and Chief Executive, the highest executive positions. The GM HSEQ is responsible for communicating the health and safety practices and procedures to the relevant teams, supervising audits to identify deficiencies and recommending corrective actions. At the same time, the location and project In-charge are responsible for observing the health and safety procedures during operational activities.

Hazard Identification and Incident Investigation

The Integrated HSE System manual includes detailed procedures to identify work-related hazards, assess risks on a routine and non-routine basis and apply the hierarchy of controls to eliminate and minimise risks. Regular internal and external training programs are provided to ensure the quality of risk identification and management processes. The health and safety audits ensure compliance with the procedures, and results are discussed in the periodic review of the management system procedures. The procedures require workers to stop the work posing significant hazards as defined by procedures and report the incident through a STOP card. We reward employees for identifying and reporting hazards; no reprisal is made for reporting hazards. The workers are encouraged to report hazards under the identification and reporting system. The incidents are investigated using incident investigation procedures. This involves transmitting first-hand information about an incident from the location In-charge to all concerned at the head office within a specific timeline. This is followed by the preliminary incident report containing prescribed information sent to the HSEQ department and the relevant departmental head at the head office.

Promotion of Workers' Health

We ensure workers' health by identifying and eliminating work-related hazards and minimising risks through the development and execution of location-level occupational health monitoring plans. Annual medical checkups and routine health and safety audits help prevent and mitigate health issues. Moreover, health awareness campaigns, wellness initiatives and hygiene inspections at offices and sites are carried out according to defined procedures. Workers can access medical facilities at all locations, providing routine health services.

OGDCL provides health benefits and treatment to employees and dependents through medical service centres and panellist hospitals, facilitating employees' access to health facilities. To promote wellness, a healthy lifestyle and awareness of health information, the Medical Services department regularly provides workforce members with information on common medical issues, seasonal diseases, epidemic threats, chronic diseases, complications and their management. The medical services department maintains employees' medical records. The records are kept confidential and not used for any favourable or unfavourable treatment of employees during their employment.

Worker's Participation, Consultation and Training

Employees participate in developing, implementing and evaluating occupational health and safety management through CBA representatives of the location and the head office. Additionally, employees can intimate any issue regarding health and safety to the location In-charge and can provide input following defined procedures. The input is evaluated per the procedures, and if found beneficial for the health and safety of the employees, the procedures are updated.

The annual HSE training plan and on-site annual training plans aim to reinvigorate employees' understanding of best HSE practices and improve their skills for ongoing enhancement. Training programs at OGTI are conducted utilising internal resources. Additionally, our employees actively engage in external training programs hosted by reputable organizations. Furthermore, on-site emergency mock-up drills assess teams' preparedness for emergencies.

Major HSE Trainings

- Enterprise Risk & Crisis Management
- Emergency Preparedness & Response Systems
- Rules of Permit to Work (PTW) System & Right Use of PPE
- Pollution Elimination & Waste Management Methods
- Journey Management & Defensive Driving
- Ergonomics & Office Safety (Monitoring, Measurement & Compliance)
- Electrical Safety (Monitoring, Measurement & Compliance)
- Mechanical Safety (Monitoring, Measurement & Compliance)
- Process & Chemical Safety (Monitoring, Measurement & Compliance)
- Control of Service Companies, Suppliers and Contractors
- First Aid & CPR
- How to Conduct Effective Toolbox / Safety Talks
- Right Use of STOP Cards



Monitoring and Evaluation of HSE Performance

Our HSE policy and procedures ensure that we meet or exceed all applicable laws, regulations and standards. We establish objectives and targets to safeguard human lives and protect assets, environment and natural resources. We also ensure that contingency plans are in place for business continuity.

In line with our commitment to HSE, we work with contractors and service companies complying with high HSE standards. OGDCL's health and safety policy and procedures provide safety guidelines to ensure customers' health and safety during service provision. OGDCL supplies its products to midstream customers within the country, and it evaluates their health and safety impacts following relevant laws, regulations, and best practices.

We consistently assess HSE KPIs against targets, share performance for management review and take necessary actions to meet the objectives. We improve the HSE system by consistently focusing on leading indicators and sharing lessons learned from lagging indicators. Performance is evaluated through internal and third-party audits. Any shortcomings or improvement recommendations identified in audits are used to update the procedures.

The leading indicators report HSE performance to management and evaluate occupational health and safety performance.

- ISO 14001 & 45001 Certifications
- Management Walk Arounds (MWAs)
- Hazard Hunt Programs (HHPs)/STOP Intervention Tours
- Risk Registers Review
- Regulatory Requirements Matrices Review
- HSE Training Planner Development
- EMT-LMT Interactive Emergency Drills
- Internal HSE Audits/ Inspections and follow-up on Action Plan implementation
- Leak Detection and Repair (LDAR) Surveys
- HSE Reward & Recognition Programs
- HSE Awareness Events/ Health & Wellness Awareness Campaigns
- HSE Management Review Committee (MRC) Meetings

Health and Safety Performance	2024		2023	
	OGDCL	Contractor	OGDCL	Contractor
Fatality	Nil	3	Nil	Nil
Rate of fatalities	Nil	0.203	Nil	Nil
High-consequence work-related injuries	3	Nil	1	2
Rate of high-consequence work-related injuries	0.17	Nil	0.051	0.190
Recordable work-related injuries	10	8	4	4
Rate of recordable work-related injuries	0.61	0.47	0.22	0.38
Main type of work-related injuries	LTI 3	Fatality 3	LTI 1	LTI 2
	RWI 1	RWI 0	RWI 1	RWI 1
	MTCs 6	MTCs 5	MTCs 2	MTCs 1
Hours worked	17.88 million	15.95 million	17.57 million	11.83

During the year, a contractor worker lost his life during surface well testing when a pressure safety valve unexpectedly activated, causing him to suffer a fatal head injury. Despite immediate medical intervention, he succumbed to his injuries. Additionally, during seismic activity, an explosive detonated on the surface, resulting in the deaths of two contractor workers—a loader and a helper. A thorough investigation was conducted, involving interviews and establishing a timeline of events. Root causes, including failed barriers and design issues, were identified. An action plan was developed and rigorously implemented. Lessons learned were shared across teams to avoid future incidents.

OGDCL does not have records of work-related ill health fatalities and recordable work-related ill health cases. Work-related hazards include hazardous/stored energy, explosions, obstructions/collisions, falls and animal or insect bites. Determining, minimising, and eliminating hazards is an ongoing process within the risk management framework. The injury rates have been calculated using 1,000,000 hours.

Asset Integrity and Critical Incident Management

Our HSE policy manifests our commitment by setting objectives and targets to safeguard humans and assets and protect the environment and natural resources. The policy and procedures ensure that all operational sites, facilities, and plants are meticulously constructed, operated and decommissioned using appropriate materials. These processes are meticulously executed to effectively manage risks, guaranteeing the reliability and safety of individuals and the environment. The facilities are certified against the quality and environmental management system and comply with the best practices in the oil and gas sector.

Our risk management system provides control measures to mitigate the possible negative impacts of any incidents of asset failure. It also guides addressing actual negative consequences, including cooperation in their remediation through location-level preventive maintenance plans, safety monitoring plans, calibration plans and asset integrity monitoring by a third party, as per OEM recommendations.

The location and project In-charges are the custodians of the sites/projects and are responsible for managing the impacts. Performance is monitored by checking compliance with the preventive maintenance plan, management programs, third-party inspection findings and internal HSE and ISO audits. The findings are used to revise and improve the procedures. The lessons learned are shared through safety alerts. No significant spill was reported inside OGDCL operating facilities.

Digitalisation and Cyber Security

OGDCL is committed to embracing digitalisation and cybersecurity as a strategic imperative, leveraging innovative technologies to drive operational excellence and enhance efficiency, sustainability and eco-friendliness. We prioritise a proactive stance towards cybersecurity and digitalisation, emphasising regulatory compliance and extending to ensure the thorough safeguarding of our structured/unstructured data and digital assets. We ensure compliance with international standards, frameworks and relevant authoritative intergovernmental instruments related to digitisation and cybersecurity.

We take proactive measures to prevent or minimise potential negative impacts. This includes robust enforcement of data security protocols and comprehensive user training to reduce errors. We also provide responsive technical support to address any issues promptly. Additionally, we digitally secure network traffic using state-of-the-art next-generation internet and data centre firewalls, spam filters, end-to-end encrypted communication via SSL certificates, endpoint protection systems, regular vulnerability assessments, penetration testing and an employee cybersecurity awareness training program.

We swiftly address actual negative impacts by thoroughly analysing the root causes and implementing immediate solutions. We consider user feedback to improve our system and prevent future issues. The incident response team, overseen by the Chief Information Officer (CIO), manages these impacts.

Our approach focuses on effectively using digital tools and programs to improve operational efficiency and create value. This involves regularly evaluating system performance, identifying opportunities to automate more documents and processes, implementing updates and enhancements to improve efficiency and usability, providing comprehensive hands-on training and workshops to maximise user adoption and proficiency and collaborating with stakeholders to improve organizational outcomes by harnessing the systems' capabilities.

We have clearly defined goals, targets and indicators to evaluate our progress. We aim to improve efficiency, compliance, accessibility and collaboration while reducing costs and reliance on paper. We conduct regular assessments through log reviews, alerts, IT audits and penetration testing to assess the effectiveness of our actions and measure progress towards our goals. The findings and lessons learned are integrated into our operational policies and procedures to enhance our processes continuously.



4. Respecting Human Rights

*every person matters,
every human right counts!*

Material topics and sub-topics:

Labour practices, Conflict and security, Non-discrimination and equal opportunity, Forced labour and modern slavery and Freedom of association and collective bargaining

Striving to uphold the rights of all individuals involved in our operations and business endeavours, including employees, business partners, and local communities. Respecting human and fundamental work-related rights and taking proactive measures to protect and promote them to create a decent work environment and engage in business activities and relations that adhere to these principles.

Most relevant SDGs:

We are committed to upholding and promoting human and labour rights across our operations and supply chain. The code of conduct, DE&I policy and the recently released ESG policy are guiding pillars for managing our impacts on human and labour rights. We support international human and labour rights conventions, including ILO conventions and the UN Respect and Remedy framework.

The human resources department manages labour practices and human rights impacts. The supply chain department ensures fair labour and human rights practices at our supply chain partners by including compliance with laws and regulations in the terms and conditions of our contracts. We are revising our contracts' general terms and conditions to include compliance with international human and labour rights conventions and requiring commitment from supply chain partners to uphold labour and human rights in our business relationships. Refer to page 95.

Compliance with laws, regulations and policies is ensured through regular reporting mechanisms and performance against KPIs. The stakeholders can file grievances through formal corporate and site-level grievance mechanisms. The grievances are investigated by the formal committee established to resolve human rights issues. The dialogue is conducted with workers and unions regarding labour rights issues. These mechanisms ensure a fair resolution with relief for the affected stakeholders and necessary steps to avoid such incidents in the future. The results of the investigation are used to revise the policies to prevent such incidents.

Freedom of Association and Collective Bargaining

We support fair labour practices and comply with relevant labour laws that govern workers' right to form unions and work councils to enable communication, negotiation and representation through CBA. We regularly engage with CBA representatives to discuss the collective bargaining agreements. 79.71% of our workforce is represented under the CBA agreement.

Our operations involve relocating operational sites within assigned blocks and to other designated blocks in various areas. These movements require relocating workers and equipment. We promptly inform worker representatives about relocations. The decision-making process for operational changes varies depending on the specific situation, and prompt decisions are often necessary due to the nature of our business. The notice period is not mentioned in the CBA agreement.

Non-Discrimination and Equal Opportunity

Our Diversity, Equity, and Inclusion (DEI) policy reflects our commitment to maintaining a workplace free from discrimination and harassment. The policy clearly outlines prohibited actions and the procedures for reporting suspected violations, demonstrating our dedication to creating an inclusive environment free from discrimination and forced or compulsory labour. We have clear guidelines for resolving workplace disputes promptly and fairly. This involves supporting employees who experience harassment, bullying, or other workplace issues.

The company offers a well-established employee grievance forum for reporting alleged discrimination. A high-level committee regularly reviews claims and provides remedies under company policies. This mechanism ensures that employees can access a transparent and fair process for addressing grievances, with disciplinary action taken against those responsible.

Forty-two alleged discrimination grievances were filed, ten of which have been resolved following company policy. There is no discrimination in terms of pay or career progression for female employees or any other employee based on gender, religion, race or beliefs.

We encourage our supply chain partners to respect employees' rights, promote ethical practices and refrain from harmful employment practices. We also conduct due diligence assessments to verify supplier practices where significant risks arise. Throughout the year, we were unaware of any discrimination, forced labour, or violations of workers' rights to freedom of association and collective bargaining at suppliers.

Conflict and Security

Our security policy and procedures and our health, safety, and environmental policies guide our approach to managing conflicts and security. The security policy and procedures comply with the requirements of the applicable laws and regulations.

The policy explicitly states the importance of respecting the fundamental human rights of individuals and communities. We proactively approach conflict and security management using a risk-based, compliance-driven strategy. We identify and prioritize security risks to our people, contractors, and facilities, allocate resources to reduce high-impact risks and ensure compliance with security regulations and standards by implementing preventive measures and security controls.

Our operations often cover areas affected by conflict, so we prioritize open communication and mutual respect. We have set specific behaviour guidelines and provide our staff with hostile environment acclimatization and conflict resolution training. Our approach encourages employees to proactively report conflicts and follow defined processes, which may include mediation by a neutral third party. 100% of security personnel received training on specific security procedures and their application. OGDCL hires police, FC Baluchistan, FC KP and Rangers; these are government entities with their training system/schedules.

Moreover, these platoons/troops are regularly shifted from OGDCL locations to other locations by their headquarters. In addition, private security guards are also hired for security, and their respective security agencies train them. No training on human rights policies was provided during the year.

We mitigate the potential adverse effects of security and conflict by conducting regular risk assessments to identify weaknesses in our physical security systems. Our incident response plan guides us to detect, contain, and recover from security incidents promptly and effectively. Regular drills validate the effectiveness of our incident response plans and ensure that all stakeholders fully understand their roles. Grievance mechanisms exist at each location to enable individuals to voice their concerns and seek fair resolutions.

In cases of actual negative impacts, we conduct assessments and create a plan for financial compensation, environmental restoration and community development through our CSR interventions. We work closely with relevant authorities and stakeholders during the remediation process and maintain transparency by providing regular updates on our progress and engaging directly with impacted people. We monitor the effectiveness of remediation efforts, adjusting as necessary to ensure lasting positive change and evaluating long-term outcomes.

The Head of Security is ultimately responsible for overseeing security management at the head office and all field locations, working through respective field security officers. The security department regularly communicates with law enforcement agency (LEA) officials to remain informed about emerging security threats, ensure continuous operations, and formulate corresponding mitigation strategies.

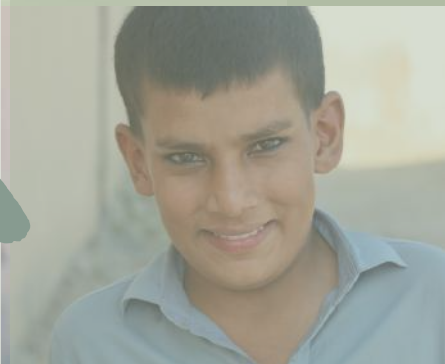
We consistently update our security protocol conduct security audits, and provide security training for employees. We track the effectiveness of our security measures using surveys, data analysis, and stakeholder engagement to stay informed about conflict and security status. We have specific security and conflict resolution goals and evaluate our effectiveness by measuring progress against these goals, such as reducing conflict incidents. We use insights gained from monitoring to update our operational policies and procedures.

List of Security/High-Risk Areas of Operation

	Baluchistan		Khyber Pakhtunkhwa		Punjab		Sindh
1	Gawadar	1	South Waziristan	1	Tribal areas of district Rajanpur	1	Kacha area of district Ghotki
2	Washuk	2	North Waziristan				
3	Awaran	3	Lakki Marwat				
4	Kohlu	4	Bannu				
5	Barkhan	5	Orakzai				
6	Kharan	6	Tirah/Khyber				
7	Turbat	7	Para Chinar				
8	Khuzdar	8	Dara Adam Khel				
9	Noshki	9	Khorram				
10	Chagai	10	Tank				
11	Panjgur	11	D.I.Khan				
12	Qila Abdullah	12	Hangu				
13	Dera Bugti						
14	Mastung						
15	Harnai						
16	Qalat						
17	Kech						
18	Lasbela						
19	Killa Saifullah						
20	Zhob						
21	Loralai						
22	Ziarat						
23	Pishin						



Communities



Our Approach 1.

OGDCL is committed to building positive relationships between the company and local communities and to empowering the communities. Our approach is focused on providing access to healthcare, education, clean water, sanitation, training and work on environmental initiatives, sports, women's empowerment, micro-financing, poverty alleviation and capacity-building programs.

OGDCL allocates a specific amount for social welfare in compliance with the PCA signed with the Government of Pakistan. The company also implements social welfare programs for local communities through voluntary CSR funds governed by its CSR policy. In addition to spending on production bonuses and allocating 10% of royalties to provincial governments, OGDCL allocates 1% of its pre-tax profit annually to CSR, including PCA.

OGDCL ensures that its operations contribute positively to society while minimising negative impacts through engaging with local communities and stakeholders to understand and address their concerns. In addition, OGDCL provides financial or material support to communities affected by natural calamities to help them recover from adverse effects and improve their resilience to future risks.

Before starting the projects, need assessment studies are conducted to identify and categorise stakeholders by influence. OGDCL engages stakeholders through dialogue and consultation to shape its CSR agenda based on key concerns and expectations, addressing pressing issues and priorities. Local and tribal leaders have top priority in project design, representing and overseeing the community. OGDCL's DE&I policy prioritises inclusivity within programs encompassing marginalised groups.

The Executive Director Services manages CSR initiatives and ensures alignment with the company's strategic goals. Regular meetings are held with key stakeholders to discuss and evaluate potential initiatives in line with the company's values and stakeholder expectations. Internal oversight mechanisms assess program effectiveness and identify areas for improvement, aligning impact management with corporate objectives.

*strengthening
foundations;
empowering
communities!*

Contributing to Communities

Material Topics and Sub-topics:

Local communities and Land and resource rights

Mitigating adverse impacts stemming from our operations and business activities and taking proactive measures to ensure a positive and beneficial engagement with communities through a range of CSR initiatives. We aim to create sustained mutual value and establish enduring relationships with communities while upholding the human rights and livelihoods of individuals affected by land acquisition activities.

Most relevant SDGs:



Corporate Social Responsibility is vital to OGDCL's business framework. We conduct business responsibly, acknowledging society as a pivotal stakeholder in our operations. As a leading public sector company in Pakistan, OGDCL is dedicated to achieving both business objectives and sustainable social goals, aiming to make a meaningful difference in the lives of our communities.

Our CSR programs aim to provide access to healthcare, education, and clean drinking water, create job opportunities and promote economic development. We support local communities by funding housing construction and providing clean drinking water through hand pumps, solar-powered water projects, filtration plants, and reverse osmosis plants. Additionally, our OGDCL Health Care Facilities offer quality healthcare services to local communities. During Ramadan, we provide free dry rations, and during natural disasters, we distribute hygiene kits and food hampers, focusing on supporting the female community.

The CSR interventions include education, health, water, infrastructure/civic amenities, micro-financing, women's empowerment, environment, skill development, sports, safety and disaster.

CSR Spend and Beneficiaries (FY 2024)

Investment for community welfare (PCA obligation and Voluntary CSR)	Rs. 2.61 billion
Total beneficiaries	3 million plus

Education

Overview

- **Total spend: Rs. 264 million**
 - **Total beneficiaries 25,000 individuals**
1. OGDCL-IBA Talent Hunt Program – 100 students selected with 34 fully funded scholarships
 2. OGDCL- Sukkur IBA Talent Hunt Program – scholarship provided to 240 students
 3. Rebuilding Government Boys Primary School, Iqbal Ahmed Burdhi (District Sanghar)
 4. Support for Aror University of Art, Architecture, Design, and Heritage
 5. Infrastructure improvements in Ghotki and Khairpur districts
 6. Non-formal school in village Chapri (Near Dakhni oil field)
 7. Support for Pakistan Sweet Home (PSH) school in Sukkur – Sponsorship provided to 100 students
 8. Scholarships in Dera Bugti, Balochistan – Scholarship provided to 242 newly enrolled students in playgroup, middle schools, and intermediate college
 9. Support to SOS Children's Village in Tharparkar
 10. Sponsorship to Kashmir Education Foundation (KEF)
 11. Infrastructure support for BUIITEMS, Quetta
 12. Infrastructure building for primary school in Jhal Magsi
 13. Infrastructure building for OGDCL-Mufti Abdul Shakoor Grammar School in Lakki Marwat
 14. Daily pick and drop facility for 764 students
 15. Provision of furniture, books, and bags for students and sponsoring educational events

Skill Development

Overview

- **Total spend: Rs.150 million**
 - **Total beneficiaries: 1,838 individuals**
1. OGDCL Vocational Center in Tando Alam Mari village has empowered women and girls with essential skills since 2005. In 2024, 76 trainees will be enrolled.
 2. OGDCL supports a Youth Skill Development Program, in collaboration with the Punjab Skill Development Fund (PSDF), to train 150 underprivileged students from Attock, Chakwal, and D.G. Khan.
 3. OGDCL partnered with Vision 21 to establish a non-formal school in Village Chapri to provide a speed education program and a six-month Skill Development Program for 180 students.
 4. 313 Technical scholarships are offered through NAVTTC.
 5. A one-year OGDCL CSR internship program is provided to 300 interns each year.

Healthcare

Overview

- **Total spend: Rs.568 million**
 - **Total beneficiaries: 850,000 individuals**
1. Supported the installation of a high-capacity radiation treatment machine at the Cancer Care Hospital & Research Centre (CCH&RC) in Lahore. This machine will treat 120 patients daily and an estimated 800,000 patients over its lifespan. In addition, OGDCL has sponsored 45 free mammography camps, providing services to 3,000 women in operational areas and promoting early cancer detection and treatment.
 2. OGDCL conducted thirty-five new surgical eye camps in collaboration with Al-Shifa Eye Trust. These camps provide essential eye care services, including cataract surgeries, treatment of minor ailments, and provision of spectacles, significantly enhancing the quality of life for marginalised communities.
 3. OGDCL has acquired 100 ambulances, six of which are dedicated to local communities in Sukkur, Hyderabad, Kohat, Multan, and Islamabad. Emphasizing centralized medicine supply and localized vehicle maintenance under this initiative ensures efficient healthcare, highlighting our commitment to corporate social responsibility and community health improvement.

4. Distributed 1,276 wheelchairs across Pakistan to support disabled patients.
5. OGDCL's 22 Community Health Care Facilities in Kunnar offer OPD, first aid, and ward facilities to an average of more than 68 patients daily and 390,456 patients annually for emergency treatment and primary health care services.
6. Constructed a Burn Unit in district Kohlu to provide high-quality healthcare in remote and security-sensitive regions for burn injuries from accidents and IED blasts.
7. Donated 300 anti-snake venom injections to the District Health Department, Dera Bugti, ensuring timely medical support and enhancing the safety and well-being of the local community.
8. OGDCL, in collaboration with the Taaleem Foundation, is establishing a multipurpose building that will include a school, mother-and-child health care centre (MNCH), and skill development centre.
9. OGDCL, in partnership with the Human Development Foundation (HDF), is constructing a modern Mother and Child Health Center in Khewari, Khairpur. The centre will provide 24/7 outpatient care, deliveries, diagnostics, vaccinations, and emergency services.
10. OGDCL, in collaboration with healthcare organizations, is establishing Maternity, Newborn, and Children's Hospitals in Jhal Magsi and Lakki Marwat to reduce maternal and child mortality rates.

Women Empowerment

Overview

- **Total spend: Rs. 18 million**
- **Total beneficiaries: 819 women**

1. OGDCL partnered with the Institute of Development Studies and Practice (IDSP) to train 30 midwives in a community midwives training program in Dera Bugti, Baluchistan, to enhance maternal and infant health and reduce mortality in the region.
2. OGDCL collaborated with the Taaleem Foundation to provide vocational training for 89 women in Dera Bugti. The training equipped women with valuable technical and crafts skills, fostering economic independence and growth.
3. Distributed 120 sewing machines in Ghotki, Sukkur, and Khairpur, and 580 in Jhal Magsi, Kharan, and Toba Noukhani Zin to alleviate poverty and enhance economic self-sufficiency among women in these communities.

Renewable Energy and Environmental Initiatives

Overview

- **Total spend: Rs. 72 million**
 - **Total beneficiaries: 10,000 plus**
1. Solarized 30 houses in Gazboba Bettani, Tehsil Tajazai, and District Lakki Marwat.
 2. 2 KW solar system installed at high school village Sabal Arbani in district Ghotki to benefit 250 students.
 3. A 150 KW solar system with battery backup, ceiling fans, and LED lights was installed at Govt High School Ayub Lakhan, District Ghotki, to benefit 250 students.
 4. Installed solar water pumping systems at six communal places in Kharan and Noshki.
 5. Thirty solar lights were installed near the bus stand at Merozai, District Kohat, to enhance night time visibility and security for approximately 5,000 residents.
 6. Eight solar lights with battery backups have been installed in Kotlo Mirza, Taluka Dharki and District Ghotki to improve safety and reduce accidents and criminal activities.
 7. Provided 1,000 solar home kits across operational districts like Battani, Lakki Marwat, Khewari, Khairpur, and Kharan to illuminate homes and foster sustainable development.

Water Supply

Overview

- **Total spend: Rs. 300 million**
 - **Total beneficiaries: 400,000 plus**
1. Installed solar-powered water filtration systems and pressure pumps in Attock, Chakwal, Karak, and Kohat and established RO plants in several other districts, including Jhal Magsi, Ghotki, Gujar Khan, and Multan.
 2. Provided 1.4 million litres of water through tankers to the local communities around operational sites, benefiting approximately 290,000 beneficiaries.

Infrastructure

Overview

- **Total spend: Rs. 242 million**
 - **Total beneficiaries: 500,000 plus**
1. Building resilient houses—After the devastating floods in Jaffarabad, Balochistan, OGDCL is building thirty sturdy houses for vulnerable communities in partnership with the Strengthening Participatory Organization (SPO). These houses will provide safe, sustainable shelters with solar electricity and water bores for widows, the disabled, and minorities.
 2. Constructing 84 climate-resilient houses in Village Umaid Ali Rawtani, Jhal Magsi.
 3. To restore vital connectivity and support socio-economic development in Baluchistan, repairing the crucial Dera Bugti to Pirkoh road was completed.
 4. Completed the new 12.25-kilometre Kunnar road to facilitate travel for employees and locals in Hyderabad. Additionally, road repair projects in Garhi Village, Tehsil Jand, and Gujri Road in District Sanghar were completed to improve transportation and connectivity significantly.
 5. In Bela, a 4-kilometer road construction project completed to improve transportation for 20,000 residents. Street pavement projects in Chanda Khurram, District Karak, improved local infrastructure.
 6. A new school building for Government Boys Primary School, Iqbal Ahmed Burdhi, was completed to enhance the learning environment for over 100 students.

Poverty Alleviation

1. OGDCL has launched an Olive Plantation project in District Lakki Marwat, spanning 100 acres and aiming to cultivate 100 olive orchards. Inaugurated by the Prime Minister of Pakistan on July 25, 2023, the project aims to address poverty and unemployment while boosting the region's economic landscape with a total investment of Rs. 61.723 million.
2. OGDCL, in collaboration with the Insaf Honeybee Association Cooperative Society, is launching a state-of-the-art honey filtration plant in Takht-e-Nasrati, with a project cost of Rs. 12.7 million. This facility will process 6,000 tons of honey annually, benefiting 3,000 local farmers, reducing waste, and producing valuable by-products.

Plantation

1. Following the 2023 Greenhouse Gas Emission Policy, we started a nationwide Miyawaki Forest Plantation Campaign to plant 5,000 local saplings at 11 sites, including Quaid-i-Azam University, NUST, KUST, Khusal Khan Khattak University, Sindh Agriculture University, University of Sindh, Jamshoro, Akhuwat College for Women, Chakwal, Muhammad Nawaz Sharif University of Agriculture, Qila Kohan Qasim Bagh, Multan, BUIEMS and Balochistan University of Engineering and Technology (BUET), Khuzdar.

Sports

Overview

- **Total spend: Rs. 40 million**
 - **Total beneficiaries: 150,000 plus**
1. Rehabilitation of the Badminton Court in Tehsil Jand.
 2. Distributed 85 cricket and 85 volleyball kits to district teams and improved six sports grounds to enhance sports infrastructure and support nationwide.
 3. Sponsored multiple football and cricket tournaments, blind cricket, and the Jhal Magsi desert rally.

Disaster and Livelihood

Overview

- **Total Spend: Rs. 194 million**
 - **Total Beneficiaries: 150,000 plus**
1. Ramadan Ration Drive
 2. Interest-free loan through Akhuwat Foundation in district Lakki Marwat
 3. Flood relief activities in 11 districts

Economic Security Chair at IPRI

OGDCL has formed a strategic partnership with the Islamabad Policy Research Institute (IPRI) to advance economic security research in Pakistan. OGDCL is investing PKR 39 million in establishing the Economic security chair to support IPRI's mission. The collaboration aims to organise impactful conferences, build connections with think tanks, mentor emerging researchers, and provide valuable input to policymakers. The focus areas include economic security, debt sustainability, regional cooperation, food security, and allied topics. This initiative will enhance IPRI's research capabilities and influence economic security policies over the next three years.

Future Actions

OGDCL's CSR Buildings to Achieve Level 1 EDGE Certification

To demonstrate our commitment to sustainable development, all our new buildings under Corporate Social Responsibility initiatives will attain Level 1 EDGE certification, signifying our dedication to sustainable practices.

The EDGE (Excellence in Design for Greater Efficiencies) certification, administered by the International Finance Corporation (IFC), requires buildings to demonstrate a minimum 20% reduction in energy, water and embodied energy in materials compared to conventional buildings.

Land and Resource Rights

OGDCL acquires land for operational purposes under the Land Acquisition Act of 1894. The Land Management Section supports operational departments in land hiring, purchasing, and acquisition and determines and revises land compensation rates.

OGDCL ensures livelihoods and human rights at all sites by adhering to land acquisition procedures, including compensating for crops, land and trees and rehabilitating land and pits. Our activities foster positive relations with landowners, ensuring smooth operations for the company. During our operations, we carry out plantation campaigns in the field to promote forestation and reduce the negative environmental impacts of our activities. The C&ESS department routinely restores non-hazardous pits, while the drilling department restores hazardous pits according to the company's standard operating procedures and criteria for pit restoration and the return of the affected area to an acceptable state.

A dedicated Land Acquisition Committee guarantees sustainability, transparency, and efficiency. The committee comprises a Regional Coordinator, a Field Manager and a Party Chief. Its primary responsibility is to uphold and enforce policies to ensure the integrity of the process. Stakeholders are involved through meetings and informed about decisions and actions.

Remediation for communities affected by involuntary resettlement involves a structured process that includes assessing losses, establishing fair compensation for asset loss, and providing customised assistance to enhance or restore living standards and livelihoods in affected areas. It also entails comprehensive consultation with impacted individuals and communities to ensure effective addressing of their needs.

A regular audit is conducted to evaluate the implementation of procedures. Discrepancies found during the audit are utilised to enhance the processes and ensure smooth operations.

During the year, OGDCL acquired 24.50 Acres of land for Togh Plant and its associated facilities in district Kohat, KPK, under the provision of involuntary resettlement through Section 4 of the Land Acquisition Act 1894.



Generating Value



1. OUR APPROACH
2. ENERGY AND ECONOMIC SECURITY
3. ECONOMIC RETURNS
4. ETHICAL PRACTICES

Our Approach

OGDCL is steadfast in its commitment to driving economic growth and contributing to sustainable development. Recognising Pakistan's prevailing economic and social challenges, OGDCL is committed to promoting economic progress by tapping into domestic oil and gas reserves, achieving significant yields, minimising environmental impacts through efficiency measures, adopting the latest technologies and upholding ethical business practices.

Our business strategy, expressed in our vision and mission statements, aims to become the leading E&P company, delivering healthy returns to shareholders, including the government, reducing imports and promoting socio-economic development. Transitioning to a low-carbon economy and away from fossil fuels, as agreed by 198 nations at COP 28, poses a significant challenge to our business strategy. We are exploring alternatives to continue contributing to the country's economic and social development while also addressing these challenges and reducing the adverse impacts of our operations.

The Board of Directors approves the business strategy, annual plans, goals, and targets while the management executes business plans. The business plan includes yearly operational and financial KPIs. The business activities adhere to strict internal control procedures and budgetary controls to ensure consistent operational and economic performance. Performance is monitored and evaluated through management review and internal and external audits. The board reviews financial, operational performance, and strategic goals quarterly and advises on implementing necessary actions and adjustments to meet the objectives.

Energy and Economic Security

Most relevant SDGs:

Developing comprehensive business strategies aimed at enhancing both energy and economic security to make significant contributions to the socio-economic progress of Pakistan.



Pakistan is facing a complex energy crisis leading to economic and social instability. Reliable and affordable energy is crucial to supporting economic recovery and sustainable development. Access to cost-effective and dependable energy is vital for creating favourable conditions for decent work and economic growth. OGDCL plays a crucial role in supplying gas to power producers and gas distribution companies and oil to refineries to meet the needs of both domestic and commercial oil and gas consumers.


Pakistan is grappling with economic security challenges due to rising import bills, dwindling exports, decreasing foreign exchange reserves, and high business operational costs. OGDCL makes substantial contributions by focusing on exploring and exploiting indigenous oil and gas reserves. This not only helps reduce the need for imports but also plays a crucial role in bolstering the national exchequer through payment of government levies, corporate tax, dividends and royalties.

We are committed to continuous exploration and resource development to enhance energy and economic security for socio-economic progress. We are also exploring new technologies and initiatives to mitigate the adverse impacts of our operations.

Energy Security	Energy Security	Economic Security	Economic Security
<p style="text-align: center; font-size: 24px; color: green;">62%</p> <p>of total gas production supplied to gas distribution companies for meeting energy needs of domestic and commercial consumers</p>	<p style="text-align: center; font-size: 24px; color: green;">37%</p> <p>of total gas production supplied to power producers for electricity generation</p>	<p style="text-align: center; font-size: 24px; color: green;">11,810 KBBL Oil</p> <p>Oil supplied to refineries as import substitution</p>	<p style="text-align: center; font-size: 24px; color: green;">PKR 84.81 billion</p> <p>Contributed to national exchequer in form of corporate tax</p> <p style="text-align: center; font-size: 24px; color: green;">US \$ 3.74 billion</p> <p>Foreign exchange saved by substituting imports</p>
<p style="text-align: center;">(2023 61%)</p>	<p style="text-align: center;">(2023 38%)</p>	<p style="text-align: center;">(2023 11,432 KBBL Oil)</p>	<p style="text-align: center;">(2023 PKR 159.15 billion) (US\$ 4.194 billion)</p>

3.

Economic Returns

Material Topic		Most relevant SDGs:
Economic Impacts	Generating and dispersing economic advantages to all stakeholders, nurturing a mutually beneficial environment for everyone involved	

OGDCL is committed to contributing to the country's economic development while creating and sharing value with all stakeholders. Being a state-owned commercial organization, we face dual challenges in meeting the government's socio-economic development agenda and strategically positioning the company to deliver healthy economic returns to shareholders, employees and business partners. To meet these objectives, we are dedicated to embracing innovative and environmentally friendly technologies, applying robust financial governance, enhancing operational efficiency, strictly adhering to applicable regulations and adopting industry best practices.

Our direct impacts include enhanced value creation, taxes to the government, dividends, payment to supply chain partners, employee remuneration and benefits, and community investments. Our indirect economic impacts strengthen local economies, facilitate socio-economic progress through community investment and development initiatives and enhance industry standards in health and safety and technical proficiency.

The business strategy, policies and procedures help manage the adverse impacts identified by the risk management system. We proactively manage potential adverse impacts by planning, allocating resources and embracing new technologies. Our performance is evaluated by establishing specific goals, targets and indicators, encompassing business objectives, production targets, financial metrics and community investments. We continuously monitor key performance indicators to evaluate the effectiveness of our policies and procedures. Based on these assessments, we revise and improve our policies and procedures to drive financial and operational performance improvement.

Economic Value Generated and Distributed

	2024	2023
Direct economic value generated	(Rs in million)	
Revenues	569,069	623,735
Economic value distributed		
Business partners	49,007	28,088
Employees	67,865	54,179
Capital providers	9,527	8,935
Government	233,930	299,416
Community	2,613	1,882
Economic value retained	206,127	231,235

OGDCL is a state-owned commercial organization. The government of Pakistan holds a significant shareholding of 85.02 % (inclusive of OEET shareholding of 10.05%) in the Company. The company is an independent E&P company that carries out exploration, development and production operations through self-generated funds.

Financial Implication of Climate Change

OGDCL recognises the pressing issue of climate change and remains resolute in its commitment to fostering the shift towards a low-carbon economy and advocating for sustainable energy practices. Our stance on climate change is harmonised with our institutional policies and overarching objectives.

Climate change poses significant risks and opportunities for our business in the medium to long term. These risks may result in decreased international fossil fuel prices, reduced revenues, impairment of assets, non-availability of technological resources for operating facility maintenance and damage to field infrastructure due to harsh wealth conditions. In this respect, insurable risks have been covered through insurance, while a contingent fund is maintained for uninsured damages. However, we do not have a mechanism to calculate the financial implications of climate-related risks and opportunities.



OGDCL remains resolute in its commitment to fostering the shift towards a low-carbon economy and advocating for sustainable energy practices.

*a sustainable
path towards a
net zero
journey!*

Climate-Related Risks

Physical Risk

Acute Risk - Increased Flooding and Rainfall

Climate change leads to increased heavy rainfall and flooding, damaging production facilities, pipelines, and transportation networks and suspending operations. The financial repercussions of these climate risks encompass potential revenue declines, escalated expenditure on repairs and recovery efforts and investment in resilient infrastructure. We conduct flood risk assessments to handle these risks, bolster infrastructure resilience and create emergency response plans.

Transition Risk

Technology, Market and Reputation Risks

Transitioning Away From Fossil Fuels and Moving Towards a Low-Carbon Economy

The agreement between nations at COP28 to phase away from fossil fuel and global demand to move towards a low-carbon economy are significant challenges. The technological advancement in clean energy and electric vehicles, reduced market for fossil fuel products, and reputation damage can result in reduced revenues, asset impairment and increased expenditures on emission reduction. OGDCL started building a GHG emission inventory covering Scope I and Scope II emissions this year to guide its strategic action to reduce GHG emissions through technological advancements and nature-based solutions. OGDCL is also exploring alternative energy and diversifying into low-carbon business ventures to manage these risks.

Climate-Related Opportunity

Product and Services

Transition to Renewable Energy

OGDCL has a substantial business opportunity to transition to low-carbon energy and the increasing share of renewable energy in the energy mix. Diversification into low-carbon and renewable businesses will increase revenue and facilitate a smooth, long-term transition. The company aims to broaden its portfolio in green energy and is actively assessing several potential avenues, such as geothermal and solar energy.

4.

Ethical Practices

Material Topics and sub-topics:

Anti-competitive Behaviour
 Anti-Corruption
 Public Policy
 Payments to Governments
 Supply Chain impacts

Adherence to ethical standards and compliance with relevant laws and regulations, active engagement in public policy formulation, and the advocacy of sustainable practices to our supply chain partners are integral in managing the impacts associated with our operational and business activities.

Most relevant SDGs:



OGDCL's prominent position in Pakistan's Exploration and Production sector, government ownership, and the consequential economic, environmental, and social impacts require exemplary and ethical conduct throughout its operations and business relationships. In 2024, we joined the UNGC Network to adopt, support, and promote ethical practices and the UNGC's "Ten Principles." OGDCL is committed to implementing the UNGC "Ten Principles" in its operations and supply chain to uphold an ethical business approach.

Ethics, Anti-Corruption and Anti-Competitive Behaviour

OGDCL's code of conduct guides ethical business behaviour, prohibits corrupt practices and requires compliance with laws and regulations. The code applies to all directors and employees who receive briefings during onboarding and regular awareness sessions. It unambiguously prohibits all forms of bribery and corruption. OGDCL maintains robust internal controls and effective oversight mechanisms to uphold transparency and accountability and mitigate the risks associated with corruption.

The MD/CEO is responsible for implementing and promoting ethical practices within the company and supply chain. Through comprehensive risk assessment and rigorous internal audit procedures, we meticulously analyse our business activities to identify and mitigate potential risks related to unethical conduct, corruption and violations of anti-competitive laws. We also have a whistle-blowing mechanism to ensure compliance with the code of conduct and rules. This allows anyone to report suspected fraudulent incidents involving employees or other stakeholders. Any identified risks or complaints are then sent to the Board Audit Committee for review, and appropriate actions are taken in compliance with OGDCL policies. OGDCL is committed to ethical conduct, reflected in its operations and partnerships through a thorough code of conduct.

adapting

'Ten Principles'

*... inspiring, guiding
 and catalyzing
 change!*

The company's policies are consistently distributed to all employees by the system administrator. However, there were no training sessions on the code of conduct or anti-corruption during the year. No incidents of corruption were reported during the year. Furthermore, no legal actions were taken or pending regarding anti-competitive behaviour or violating anti-trust and monopoly laws and regulations.

OGDCL consistently provides expertise and insights, actively collaborating in formulating Exploration and Production policies as a Pakistan Petroleum Exploration and Production Companies Association (PPEPCA) member. This industry association is pivotal in enabling the government to establish competitive policies and regulations against peer regimes. Additionally, PPEPCA facilitates the sector's growth and offers guidance on the primary challenges encountered by the industry. Where there is any variance between our lobbying position and proposed policies, we are committed to maintaining our corporate regulatory compliance strategy. We regularly interact with local, provincial and national regulators during our activities and ensure ethical conduct in our interaction with regulators. During the year, OGDCL did not make any political contribution.

OGDCL is a public listed company whose shareholding details can be found on its website. The company also engages in joint ventures to operate sites under JV agreements. The JV partners are reputable organizations in the sector whose shareholding details are available on their websites. Additionally, they are required to submit details of beneficial ownership to the regulators following applicable laws. Pakistan's exploration and production sector is subject to stringent regulations. Most commercial terms, such as pricing, product specifications, delivery point and payment terms, are predetermined in the Gas Sales and Purchase Agreements (GSPAs), and these contracts are not publicly disclosed.

Payment To The Governments

We are committed to supporting the national development agenda by paying taxes fairly and responsibly, promoting economic growth and participating in public sector development programs. OGDCL consistently fulfils its legal obligations through diligent tax risk assessment, implementing robust controls and processes to prevent and address tax compliance issues, reporting financial activities on time, and following applicable laws and regulations. We meticulously adhere to relevant tax laws and ensure frequent and open communication with tax authorities to resolve any tax-related issues collaboratively.

We actively engage with diverse stakeholders, including tax authorities, government entities and industry counterparts, to address tax-related issues that impact our sector and contribute insights tailored to advancing tax legislation that fosters industry development.

The CFO oversees tax matters, manages tax practices, and ensures compliance with tax regulations. Regular management reporting and external audits conducted by independent auditors uphold the effectiveness of controls and processes of tax matters. Continuous evaluation and external audits are pivotal in enhancing our tax management practices and financial governance. These processes uphold financial transparency and accountability, identify areas for improvement, address concerns, assess our actions' effectiveness and shape responsible tax management. During the fiscal year 2024, OGDCL paid Rs 119.56 billion as corporate taxes. For detailed information, refer to page 197 of the Annual Report 2024.

Supply Chain Impacts

Our supply chain comprises of many suppliers, including services, machinery, equipment and office supplies. The suppliers include large companies, SMEs and individual businesses based in diverse locations. PPRA rules and guidelines, our code of conduct and supply chain policies govern the procurement practices. Our supply chain policies require suppliers to abide by the applicable laws and regulations concerning health and safety, labour and human rights and ethical practices. We are committed to enriching our supply chain partners by promoting sustainable practices, leading to increased value creation for all stakeholders.

We adhere to a stringent screening process based on pre-qualification criteria for strategic suppliers to ensure our business engagements are conducted with responsible and reputable suppliers. We expect our suppliers to adhere to the legal and regulatory requirements that apply to us, along with our internal policies and ethical standards for conducting business. We terminate business relationships with suppliers if they fail to comply with our policies and do not take corrective action within the agreed timeframe.

We have implemented SAP/Ariba to facilitate seamless procurement and vendor management, reduce the risk of losing records and documents and enable a paperless procurement process. Training sessions are conducted for both users and suppliers to ensure the smooth functioning of the procurement process. In line with the ESG journey, we are updating our supply chain policies to include environmental, social and governance considerations for a sustainable supply chain. The revisions are expected to be completed in 2025 following awareness sessions for supply chain partners for effective implementation of the framework. During the year, all suppliers were screened against existing criteria, which include HSEQ requirements for technical suppliers and compliance with applicable laws and regulations for general suppliers. No screening was carried out against environmental and social criteria. Until the development of sustainability criteria that incorporate environmental and social factors, the existing requirements will continue to be utilised for screening suppliers. The supply chain's significant adverse impacts are related to labour practices, human rights and environmental footprint.

The Executive Director of the supply chain department is responsible for managing the supply chain and its related impacts. Key Performance Indicators (KPIs) and monitoring mechanisms ensure supply chain policies and procedures are effectively implemented. Compliance with policies and PPRA rules is ensured based on the findings of internal and external audits. The outcomes of these processes play a critical role in informing the revision and updating of policies to ensure alignment with current standards and best practices.

Local procurement not only bolsters the local supply chain but also satisfies the expectations of local communities by fostering job creation and macroeconomic development in our operational areas. Our objective is to forge robust and sustainable business ties with the local community through the advocacy of local procurement. Out of the total payments made to supply chain partners in 2024, 34% were made to local suppliers, and 66% were made to international supply chain partners.



Environmental . Social . Governance

Annexures



1. EXTERNAL ASSURANCE STATEMENT
2. GRI CONTENT INDEX
3. SDGs INDEX
4. PSX SDGs INDEX
5. ACRONYMS



Independent Assurance Statement

For the Oil and Gas Development Company Limited ESG Report 2024

FERSO ESG performed an independent review of the Oil and Gas Development Company Limited (OGDCL) ESG Report 2024 (the report), referring to the period from July 1, 2023, to June 30, 2024. The report was prepared in accordance with the Global Reporting Initiative's (GRI) Standards 2021 and the GRI 11 Oil and Gas Sector Standard 2021. Furthermore, the report considered guidance from the Sustainability Accounting Standards Board (SASB) Standard for the Oil and Gas – Exploration and Production industry and the “ESG Reporting Guidance for the Oil and Gas Industry” developed by Ipieca, API, and IOGP. The objective of the critical review is to provide OGDCL's stakeholders with an independent opinion about the quality of the report and the adherence to the AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact and to corroborate its accordance with the GRI Standards.

Independence

We work independently and ensure that none of FERSO ESG staff members maintained or maintains business ties with OGDCL.

Our Qualification

FERSO ESG is a firm specialized in sustainability advisory and report assurance and is licensed as an assurance provider by AccountAbility under license number 000-845. The review process was conducted by a professional with experience in independent assurance and ESG Reporting.

Responsibilities of OGDCL and FERSO ESG

The management of OGDCL has prepared the ESG Report 2024 and is responsible for all its content. FERSO ESG was responsible for the independent review and expressed an independent conclusion on the ESG Report. We do not accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance placed on the report by any third party is entirely at its own risk.

Scope of Assurance

The scope of our work covers all information included in the OGDCL's ESG Report 2024, referring to the period from July 2023 through June 30, 2024, and considered the requirements of the International Standard on Assurance Engagement (ISAE) 3000-Revised (Assurance Engagements other than audits or reviews of historical financial information), being co-reviewed by Nadeem Safdar and Co., Chartered Accountants.

FERSO ESG was asked to express an opinion about the review scope, which includes the following aspects:

- Review of qualitative and quantitative information reported and referenced in the report.
- Evaluation of the disclosed information in the report to check adherence to the GRI 2021 Standards and the GRI 11 Oil and Gas Sector Standard 2021.
- Adherence to the GRI principles for ESG Reporting laid out in the GRI1 standard.
- Adherence to the AA1000APS-Principles of Inclusivity, Materiality, Responsiveness, and Impact.
- Adherence of the review process to the International Standard on Assurance Engagement (ISAE) 3000 (Revised), “Assurance Engagements other than audits or reviews of historical financial information” to provide limited assurance on performance data within the ESG Report.
- Review of the Sustainable Development Goals (SDGs) linkage with GRI Standards reported in the SDG Index.

Limitation and exclusions

- The verification of financial figures and sustainability performance data was not the objective of FERSO ESG's work, and the review of the Annual Report, which is referenced in the ESG Report 2024, was not in the scope of the engagement.

Methodology

The methodology applied was a desk review of the report drafts as well as the final report and review of provided evidence for selected data items. The following procedures were developed during the review process:

- Critical review of the OGDCL's ESG Report 2024 final draft versions and the respective Content Index to check consistency with the provided content.
- Evaluation of the adherence of the OGDCL's ESG Report 2024 to the GRI Standards 2021 and the GRI 11 Oil and Gas Sector Standard 2021
- Collection of sample evidence to verify selected data points.
- Analysis of the report content against AccountAbility's Principles of Inclusivity, Materiality, Responsiveness, and Impact.
- Adjustments reports and final review of the report.
- Elaboration of the Independent Review Statement.
- Elaboration of an internal recommendation report.

The work was planned and carried out to provide a level of limited assurance, and we believe that the review process of the OGDCL's ESG Report 2024 completed by FERSO ESG provides an appropriate basis for our conclusions.

Statement of Conclusions**Use of Disclosure Standards**

OGDCL declares the report to be in accordance with the GRI Standards 2021. FERSO ESG reviewed the use of the GRI Standards GRI1, 2, and 3, as well as the GRI11 Oil and Gas Sector Standard 2021. After analysis against the necessary GRI criteria, we can confirm that the report is in accordance with the requirements of the GRI Standards 2021, with some smaller adjustments recommended by FERSO to be implemented in the next version of the report.

Main Conclusions

Based on the analysis of evidence carried out to verify selected indicators, we briefly present the following main conclusions:

- FERSO ESG solicited evidence for and verified the following selected items: GRI 2-8, GRI 2-22, GRI 2-23, GRI 2-29, GRI 303-4, GRI 304-2, GRI 306-5, GRI 401-3, GRI 403-9 as well as management items related to the material topics GHG Emissions, Employment Practices and Waste Management.
- Reviewing the provided evidence, we found that the information related to these indicators and topics was collected consistently within the organization and corresponded to the requirements of the relevant standards. Additional evidence, if necessary to corroborate data and textual information, was timely provided by the company.
- FERSO ESG requested data and textual adjustments to the draft versions of the report, which were implemented by the reporting company. These adjustments were mainly intended to provide more transparency on critical issues, and some of the suggested improvements in data disclosure will be addressed by the company to be included in next year's report.

- The company has initiated its sustainability journey recently and publishes its first ESG Report based on a formal materiality process resulting in 17 material issues. The report covers all issues and delivers a baseline to monitor the progress over the coming years in a systematic way and following international reporting standards.
- While issues related to H&S and operational impacts have been covered by certified management systems, the major challenge and impact – recognized as such by the company – resides in the theme of Climate Change and GHG and air emissions. OGDCL has signed the Oil & Gas Decarbonization Charter issued at COP28 and developed a carbon reduction strategy in 2023, but with the first emission inventory according to the GHG Protocol, the company will be able to monitor its footprint and corroborate the efficiency of its strategy on further reports.
- The company has developed and supports a broad range of social investment programs that directly impact positively the targets of SDGs 1, 2, 3, 4, 5, 6, 11, and 16. The numbers show a wider positive impact than currently disclosed against the PSX Minimum SDGs requirement, mainly in social targets related to poverty alleviation, diversity and inclusion, access to water, health services, and renewable energy, beyond infrastructural improvements.
- The main recommendations for the next report include monitoring and disclosing more data on the management of the large population of third-party service providers, progress monitoring, and target definitions for the GHG reduction action plan.

Final Considerations

OGDCL has delivered its ESG Report 2024 in compliance with GRI Standard 2021 GRI1. Based on the scope of our work and the review procedures we performed using the ISAE 3000 (Revised) “Assurance Engagements Other than Audits or Reviews of Historical Financial Information,” we conclude that nothing has come to our attention that causes us to believe that the information in OGDCL’s ESG Report 2024 is not fairly stated in all material aspects.

São Paulo, November 01, 2024



Beat Grüninger
Assurance Provider
FERSO ESG



Islamabad, November 01, 2024



Nadeem Safdar, FCA
Managing Partner, Nadeem Safdar & Co;
Chartered Accountants
ICAP Membership No: 2396

GRI content index

Statement of use	OGDCL has reported in accordance with the GRI Standards for the period 1 July 2023 to 30 June 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI sector standard	GRI 11: Oil and Gas Sector 2021

GRI standard/other source	Disclosure	Location	Requirement(s) omitted/reason
GRI 2: General Disclosures 2021	The organisation and its reporting practices		
	2-1 Organizational details	17	
	2-2 Entities included in the organization's sustainability reporting	7	
	2-3 Reporting period, frequency and contact point	7	
	2-4 Restatements of information	7	
	2-5 External assurance	7	
	Activities and workers		
	2-6 Activities, value chain and other business relationships	17	
	2-7 Employees	56	
	2-8 Workers who are not employees	55	2-8 Information not available as per GRI Standards Requirement
	Governance		
2-9 Governance structure and composition	23		
2-10 Nomination and selection of the highest governance body	23		
2-11 Chair of the highest governance body	23		

GRI standard/other source	Disclosure	Location	Requirement(s) omitted/reason
	2-12 Role of the highest governance body in overseeing the management of impacts	23-24	
	2-13 Delegation of responsibility for managing impacts	24	
	2-14 Role of the highest governance body in sustainability reporting	23-24	
	2-15 Conflicts of interest	25	
	2-16 Communication of critical concerns	25	
	2-17 Collective knowledge of the highest governance body	24	
	2-18 Evaluation of the performance of the highest governance body	24	
	2-19 Remuneration policies	24	
	2-20 Process to determine remuneration	24	
	2-21 Annual total compensation ratio	25	2-21 a, b Confidentiality constraint – Sensitive information
	Strategy, policies, and practices		
	2-22 Statement on sustainable development strategy	11-13	
	2-23 Policy commitments	26	
	2-24 Embedding policy commitments	26	
	2-25 Processes to remediate negative impacts	26	
	2-26 Mechanisms for seeking advice and raising concerns	25-26	
	2-27 Compliance with laws and regulations	36,94	
	2-28 Membership associations	94	
	Stakeholder engagement		
	2-29 Approach to stakeholder engagement	30	
	2-30 Collective bargaining agreements	71	

GRI standard/other source	Disclosure	Location	Requirement(s) omitted/reason	
Management of material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	32		
	3-2 List of material topics	32-33		
	3-3 Management of material topics	Throughout the report in relevant sections		
Material topics				
GRI standard/other source	Disclosure	Location	Requirement(s) omitted/reason	GRI sector standard ref.
GHG & air emissions				
11.1 GHG emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	36,38		11.1.1
GRI 302: Energy 2016	302 -1 Energy consumption within the organization	40		11.1.2
	302 -2 Energy consumption outside of the organization	40	a-c - The information is not available as per GRI requirement.	11.1.3
	302 -3 Energy intensity	40		11.1.4
GRI 305: Emissions 2016	305 -1 Direct (Scope 1) GHG emissions	39		11.1.5
	305 -2 Energy indirect (Scope 2) GHG emissions	39		11.1.6
	305 -3 Other indirect (Scope 3) GHG emissions	39	a-g - The information is not available as per GRI requirement.	11.1.7
	305 -4 GHG emissions intensity	39		11.1.8

GRI standard/other source	Disclosure	Location	Requirement(s) omitted/reason	GRI sector standard ref.
11.3 Air emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	36		11.3.1
GRI 305: Emissions 2016	305 -7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	39	a-e. The information not available as per GRI requirement.	11.3.2
GRI 416: Customer Health and Safety 2016	416 -1 Assessment of the health and safety impacts of product and service categories	66		11.3.3
Climate adaptation, resilience and transition				
11.2 Climate adaptation, resilience, and transition				
GRI 3: Material Topics 2021	3-3 Management of material topics	36, 38		11.2. 1
GRI 201: Economic Performance 2016	201 -2 Financial implications and other risks and opportunities due to climate change	90, 92		11.2.2
GRI 305: Emissions 2016	305 -5 Reduction of GHG emissions	-	a-e –Information not available as per GRI requirement.	11.2. 3
Additional sector disclosure	Public policy development and lobbying on climate change	38, 94		11.2.4
Biodiversity				
11.4 Biodiversity				
GRI 3: Material Topics 2021	3-3 Management of material topics	36, 42		11.4.1
GRI 304: Biodiversity 2016	304 -1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	42- 44		11.4.2
	304 -2 Significant impacts of activities, products and services on biodiversity	44		11.4.3
	304 -3 Habitats protected or restored	44		11.4.4

GRI standard/other source	Disclosure	Location	Requirement(s) omitted/reason	GRI sector standard ref.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	43		11.4.5
11.7 Closure and rehabilitation				
GRI 3: Material Topics 2021	3-3 Management of material topics	36, 42		11.7.1
GRI 402: Labor/Management Relations 2016	402 -1 Minimum notice periods regarding operational changes	71		11.7.2
GRI 404: Training and Education 2016	404 -2 Programs for upgrading employee skills and transition assistance programs	58		11.7.3
Additional sector disclosures	List the operational sites with closure plans, closed and in process	-	Information not available as per GRI requirement.	11.7.4
	Decommissioned structures left in place and rationale for leaving	-	Information not available as per GRI requirement.	11.7.5
	Total monetary value of financial provisions for closure and rehabilitation	-	Information not available as per GRI requirement.	11.7.6
Waste				
11.5 Waste				
GRI 3: Material Topics 2021	3-3 Management of material topics	36, 50		11.5.1
GRI 306: Waste 2020	306 -1 Waste generation and significant waste - related impacts	50		11.5.2
	306 -2 Management of significant waste - related impacts	50		11.5.3
	306 -3 Waste generated	51		11.5.4
	306 -4 Waste diverted from disposal	51		11.5.5
	306 -5 Waste directed to disposal	51		11.5.6

GRI standard/other source	Disclosure	Location	Requirement(s) omitted/reason	GRI sector standard ref.
Water and effluents				
11.6 Water and effluents				
GRI 3: Material Topics 2021	3-3 Management of material topics	36, 46		11.6.1
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	46		11.6.2
	303-2 Management of water discharge-related impacts	46		11.6.3
	303-3 Water withdrawal	47		11.6.4
	303-4 Water discharge	48	303-4 Information not available as per GRI requirement.	11.6.5
	303-5 Water consumption	47		11.6.6
Health and safety				
11.9 Occupational health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	54,64		11.9.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	64		11.9.2
	403-2 Hazard identification, risk assessment, and incident investigation	65		11.9.3
	403-3 Occupational health services	65		11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	66		11.9.5
	403-5 Worker training on occupational health and safety	66		11.9.6
	403-6 Promotion of worker health	65		11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	65-66		11.9.8
	403-8 Workers covered by an occupational health and safety management system	64		11.9.9
	403-9 Work-related injuries	67		11.9.10
	403-10 Work-related ill health	67		11.9.11

GRI standard/other source	Disclosure	Location	Requirement(s) omitted/reason	GRI sector standard ref.
11.8 Asset integrity and critical incident management				
GRI 3: Material Topics 2021	3-3 Management of material topics	36, 67-68		11.8.1
GRI 306: Effluents and Waste 2016	306-3 Significant spills	68		11.8.2
Additional sector disclosures	Total number of Tier 1 and Tier 2 process safety events by business activity	-	Information not available as per GRI requirement.	11.8.3
	Additional sector disclosures are for organizations with oil sands mining operations	N/A	Not applicable OGDCL has no oil sands mining operations	11.8.4
Digitalization and cyber security				
GRI 3: Material Topics 2021	3-3 Management of material topics	68		-
Employment practices				
11.10 Employment practices				
GRI 3: Material Topics 2021	3-3 Management of material topics	54-55		11.10.1
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	57		11.10.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	58		11.10.3
	401-3 Parental leave	58	d and e - Information not available/Incomplete	11.10.4
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	71		11.10.5
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	59		11.10.6
	404-2 Programs for upgrading employee skills and transition assistance programs	58		11.10.7
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	95		11.10.8
	414-2 Negative social impacts in the supply chain and actions taken	95	b, d and e - Information not available/Incomplete	11.10.9







GRI standard/other source	Disclosure	Location	Requirement(s) omitted/reason	GRI sector standard ref.
Diversity & Inclusion and work life balance				
GRI 3: Material Topics 2021	3-3 Management of material topics	54, 60		-
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	62		11.11.5
	405-2 Ratio of basic salary and remuneration of women to men	58		11.11.6
Human rights				
11.11 Non-discrimination and equal opportunity				
GRI 3: Material Topics 2021	3-3 Management of material topics	70		11.11.1
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	55		11.11.2
GRI 401: Employment 2016	401-3 Parental leave	58	d and e - Information not available/Incomplete	11.11.3
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	59		11.11.4
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	62		11.11.5
	405-2 Ratio of basic salary and remuneration	58		11.11.6
GRI 406: Non discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	71		11.11.7
11.12 Forced labour and modern slavery				
GRI 3: Material Topics 2021	3-3 Management of material topics	70		11.12.1
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	70		11.12.2
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	95		11.12.3









GRI standard/other source	Disclosure	Location	Requirement(s) omitted/reason	GRI sector standard ref.
11.13 Freedom of association and collective bargaining				
GRI 3: Material Topics 2021	3-3 Management of material topics	70		11.13.1
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	70-71		11.13.2
11.18 Conflict and security				
GRI 3: Material Topics 2021	3-3 Management of material topics	70,71-72		11.18.1
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	72		11.18.2
Economic impacts				
11.14 Economic impacts				
GRI 3: Material Topics 2021	3-3 Management of material topics	86, 89		11.14.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	90		11.14.2
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	55		11.14.3
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	77-82		11.14.4
	203-2 Significant indirect economic impacts	77-82,89		11.14.5
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	95		11.14.6




GRI standard/other source	Disclosure	Location	Requirement(s) omitted/reason	GRI sector standard ref.
Local communities				
11.15 Local communities				
GRI 3: Material Topics 2021	3-3 Management of material topics	76		11.15.1
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	77-82		11.15.2
	413-2 Operations with significant actual and potential negative impacts on local communities	-	a (i) (ii)- Information not available/incomplete	11.15.3
Additional sector disclosures	Number and type of grievances from local communities	25	Information not available/incomplete	11.15.4
11.16 Land and Resource Rights				
GRI 3: Material Topics 2021	3-3 Management of material topics	84		11.16.1
Additional sector disclosures	Locations of operations that caused or contributed to involuntary resettlement	84		11.16.2
Ethics and transparency				
11.19 Anti-competitive behaviour				
GRI 3: Material Topics 2021	3-3 Management of material topics	93		11.19.1
GRI 206: Anticompetitive Behavior 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	94		11.19.2
11.20 Anti-corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics	93		11.20.1
GRI 205: Anticorruption 2016	205-1 Operations assessed for risks related to corruption	93		11.20.2
	205-2 Communication and training about anti-corruption policies and procedures	94		11.20.3
	205-3 Confirmed incidents of corruption and actions taken	94		11.20.4
Additional sector disclosures	Approach to contract transparency	94		11.20.5
	List of beneficial owners	94		11.20.6

GRI standard/other source	Disclosure	Location	Requirement(s) omitted/reason	GRI sector standard ref.
11. 21 Payments to governments				
GRI 3: Material Topics 2021	3-3 Management of material topics	94		11.21.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	90		11.21.2
	201-4 Financial assistance received from government	91		11.21.3
GRI 207: Tax 2019	207-1 Approach to tax	94		11.21.4
	207-2 Tax governance, control, and risk management	94		11.21.5
	207-3 Stakeholder engagement and management of concerns related to tax	94		11.21.6
	207-4 Country-by-country reporting	94		11.21.7
Additional sector disclosures	Details of oil and gas purchased from the state	-	OGDCL does not purchase oil and gas from government.	11.21.8
11.22 Public policy				
GRI 3: Material Topics 2021	3-3 Management of material topics	94		11.22.1
GRI 415: Public Policy 2016	415-1 Political contributions	94		11.22.2
Supply chain impacts				
GRI 3: Material Topics 2021	3-3 Management of material topics	95		-
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	95		-
	308-2 Negative environmental impacts in the supply chain and actions taken	95	b, d and e - Information not available/Incomplete	-
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	95		11.10.8
	414-2 Negative social impacts in the supply chain and actions taken	95	b, d and e - Information not available/Incomplete	11.10.9
Topics from Sector Standard not reported				
Rights of indigenous peoples		-	No indigenous people exist nearby OGDCL operational sites.	-

SDGs index


SDGs		Page	GRI standards disclosure
	End poverty in all its forms everywhere	25,77-82,89	203-1 203-2, 413-2, 11.15.4
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	77-82,89,90	201-1, 203-1, 203-2, 413-2
	Ensure healthy lives and promote well-being for all at all ages	39,50,51, 64,67,77-82,89	203-2, 305-1, 305-2, 305-3, 305-7, 306-1, 306-2, 306-3, 306-4, 403-8, 403-9, 403-10
	Ensure inclusive and quality education for all and promote lifelong learning	24,59	2-17, 404-1
	Achieve gender equality and empower all women and girls	23,57,58,59,62, 71,77-82,90,95	2-9, 2-10, 201-1, 203-1, 401-1, 401-3, 404-1, 405-1, 405-2, 406-1, 414-1, 414-2
	Ensure access to water and sanitation for all	47,48,50,51	303-3, 303-4, 303-5, 306-1, 306-2, 306-3, 306-4, 306-5


SDGs		Page	GRI standards disclosure
	Ensure access to affordable, reliable, sustainable, and modern energy for all	40,77-82,90	201-1, 203-1, 302-1, 302-2, 302-3
	Promote inclusive and sustainable economic growth, employment, and decent work for all	40,47,55,56,57,58,59,62,64,67,70,71,77-82,89,90,95	2-7, 2-8, 2-30, 201-1, 203-2, 302-1, 302-2, 302-3, 303-5, 401-1, 401-2, 401-3, 402-1, 403-8, 403-9, 403-10, 404-1, 404-2, 405-1, 405-2, 407-1, 409-1, 414-1, 414-2
	Build resilient infrastructure, promote sustainable industrialization, and foster innovation	77-82,90	201-1, 203-1
	Reduce inequality within and among countries	58,77-82,89	203-2, 405-2
	Make cities inclusive, safe, resilient, and sustainable	77-82	203-1
	Ensure sustainable consumption and production patterns	39,40,50,51,95	204-1, 302-1, 302-2, 302-3, 305-1, 305-2, 305-3, 305-7, 306-1, 306-2, 306-3, 306-4
	Take urgent action to combat climate change and its impacts	39,40,90,92	201-2, 302-1, 302-2, 302-3, 305-1, 305-2, 305-3, 305-4
	Conserve and sustainably use the oceans, seas, and marine resources	39,50,51	305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-3, 306-5





SDGs		Page	GRI standards disclosure
	Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	39,50,51	305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-3, 306-5
	Promote just, peaceful, and inclusive societies	23,24,25,26, 36,71,93,94,95	2-9, 2-10, ,2-11, 2-12, 2-15, 2-20, 2-23, 2-26, 2-27, 205-1, 205-2, 205-3, 406-1, 414-1, 414-2
	Strengthen the means of implementation and revitalize the global partnership for sustainable development	-	Not applicable


PSX SDGs index



Our activities and the related material topics affect almost all Sustainable Development Goals (SDGs). The SDGs report meets the PSX minimum SDG requirements for listed companies. Our governance systems guide the alignment of our strategy and actions supporting SDGs. The approach to managing the impact of our activities on SDGs is being discussed in relevant sections of our report, which also show our performance and contribution to SDGs. This section contains specific information against PSX minimum SDGs. Detailed information about policies, practices, and performance details are available on referred pages in relevant sections of the report.




 Refer to pages 23-25,32-33,36,54 and 75 for alignment with material topics, governance, and management approach for SDGs.

SDG and target	Company performance target	Performance indicator	Status (2024)	Status (2023)	Status (2022)	Business action	Future business action
 Target 5.1 End all forms of discrimination against women and girls everywhere	-	Existence of policies to promote, enforce and monitor equality and non-discrimination on the basis of gender	OGDCL has established policies designed to advocate for, uphold, and oversee gender-based non-discrimination.			Promote, enforce, and monitor non-discrimination.	Promote, enforce, and monitor non-discrimination.
			Refer to pages 54,70 and page 71 to read details about the management approach and performance				
Target 5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation	-	Existence of sexual harassment, physical harassment, psychological harassment policies and grievance solving mechanism relevant to sexual, physical, and psychological violence	Policies and grievance mechanisms exist to combat sexual harassment, physical harassment, psychological harassment and sexual, physical, and psychological violence.			Enforce policies and grievance solving mechanism relevant to prevent sexual, physical, and psychological violence	Enforce policies and grievance solving mechanisms relevant to prevent sexual, physical, and psychological violence

SDG and target	Company performance target	Performance indicator	Status (2024)	Status (2023)	Status (2022)	Business action	Future business action
		Proportion of female employees at your company aged 15 years and older subjected to physical, sexual, or psychological violence	OGDCL does not employ female workers under 15 and has no reported violence complaints.  Refer to pages 54,70 and 71 to read details about the management approach and performance			Prevent sexual, physical, and psychological violence by enforcing policies and grievances mechanism.	Prevent sexual, physical, and psychological violence by enforcing policies and grievances mechanism.
 Target 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity		Fresh water consumption ML per KBOE	Fresh water consumption	Fresh water consumption	Fresh water consumption	Increasing water-use efficiency and recycling to reduce water withdrawal and related impacts.	Increasing water-use efficiency and recycling to reduce water withdrawal and related impacts.
			0.07	0.06	-		
 Target 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalization of growth micro/small/medium size enterprises including access to financial services		Proportion of informal (contract, casual and daily wage) employment in non-agriculture areas at company	OGDCL adheres to pertinent employment laws and international conventions and does not engage in informal employment practices.  Refer to pages 55-56 to read details about the management approach and performance			Compliance with applicable laws and adherence to international charters.	Compliance with applicable laws and adherence to international charters.

SDG and target	Company performance target	formance indicator	Status (2024)	Status (2023)	Status (2022)	Business action	Future business action					
Target 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	-	Average hourly earnings of managerial and non-managerial employees, by gender (Based on Average Basic Pay Scale) M = Manager NM = Non-management	2024		2023		2022		Compliance with applicable laws.	Compliance with applicable laws.		
				Male	Female		Male	Female				Male
		M	1,357	1,125	M	1,164	962	M	1,035	827		
		NM	370	336	NM	339	295	NM	281	218		
		Average hourly earnings of managerial and non-managerial employees with disabilities, by gender M = Manager S = Staff	2024		2023		2022		Compliance with applicable laws.	Compliance with applicable laws.		
			Same as above The wage disparity between male and female employees is attributable to female employees being predominantly stationed at head office and regional offices. In contrast, most male employees are deployed in the field or remote locations. Consequently, the observed wage differential does not stem from gender-based compensation disparities but from disparate work locations.									
Minimum wage of employees	2024		2023		2022		Compliance with applicable laws.	Compliance with applicable laws.				
	37,000		32,000		25,000							
Number of net new jobs created at your company, by gender and persons with disabilities	2024		2023		2022		Compliance with applicable laws.	Compliance with applicable laws.				
	OGDCL is an equal-opportunity employer, and all qualified individuals are encouraged to apply for open positions. However, due to the challenging nature of exploration, development, and production roles, individuals with disabilities are not considered for field positions.  Refer to pages 54-57 to read details about hiring and attrition details.											
Proportion of your employees with disabilities	2024		2023		2022		Compliance with applicable laws.	Compliance with applicable laws.				
	OGDCL is a publicly listed company and an equal-opportunity employer. The provincial quota is followed as per the government of Pakistan's announcements. Due to the technical nature of the organization, there are											

SDG and target	Company performance target	Performance indicator	Status (2024)	Status (2023)	Status (2022)	Business action	Future business action
			limitations on appointing disabled persons, but they are considered for office-based jobs where possible.				
Target 8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	-	Frequency rates of fatal and non-fatal occupational injuries at your company, by gender and migrant status	 Refer to pages 66-67 to read details about performance			Promote health and safety and ensure secure working conditions for all workers.	Promote health and safety and ensure secure working conditions for all workers.
		Compliance with labour rights based on national and provincial legislation	OGDCL complies with labour rights according to national and provincial laws, as well as international charters.			Ensure compliance of applicable laws and commitments.	Ensure compliance of applicable laws and commitments.
 Target 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities		MeT CO _{2e} emissions per KBOE	2024	2023	2022	Upgradation of existing facilities and adoption of cleaner technologies to reduce the environmental footprint.	Upgradation of existing facilities and adoption of cleaner technologies to reduce the environmental footprint.
			26	-	-		

SDG and target	Company performance target	Performance indicator	Status (2024)	Status (2023)	Status (2022)	Business action	Future business action
 Target 12.4 By 2020, achieve the environmentally sound management of chemicals and all waste throughout their lifecycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in-order to minimize their adverse impacts on human health and environment	-	Quantity of hazardous waste generated and treated Does OGDCL treat its hazardous waste in accordance with the international multilateral agreements signed by the Government of Pakistan?	 Refer to pages 50-51 to read details about our management approach and waste data.			Ensure compliance with applicable laws for handling and treatment of hazardous waste.	Ensure compliance with applicable laws for handling and treatment of hazardous waste.
Target 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	-	Quantity of waste material generated and recycled	 Refer to page 51 to read details about waste data.			Reduce waste generation through prevention, recycling, and reuse.	Reduce waste generation through prevention, recycling, and reuse.
Target 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability reporting in their reporting cycle	-	1. Does OGDCL publish a sustainability report? 2. Does OGDCL report on SDG?	OGDCL started to publish an annual ESG report this year. The report also contains details about OGDCL's impact on SDGs.			Embrace sustainability practices to manage and report the impacts.	Embrace sustainability practices to manage and report the impacts.

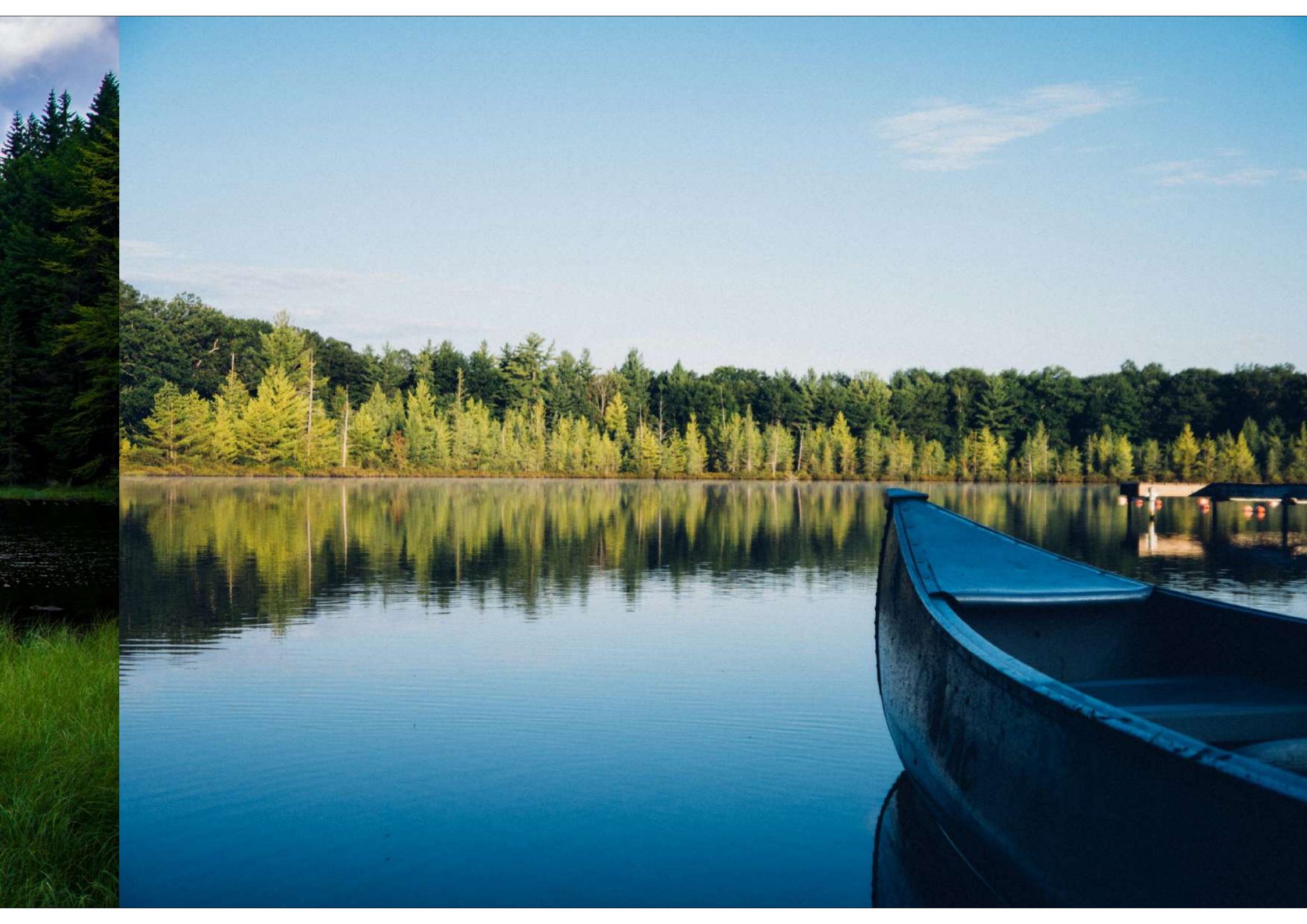
Acronyms

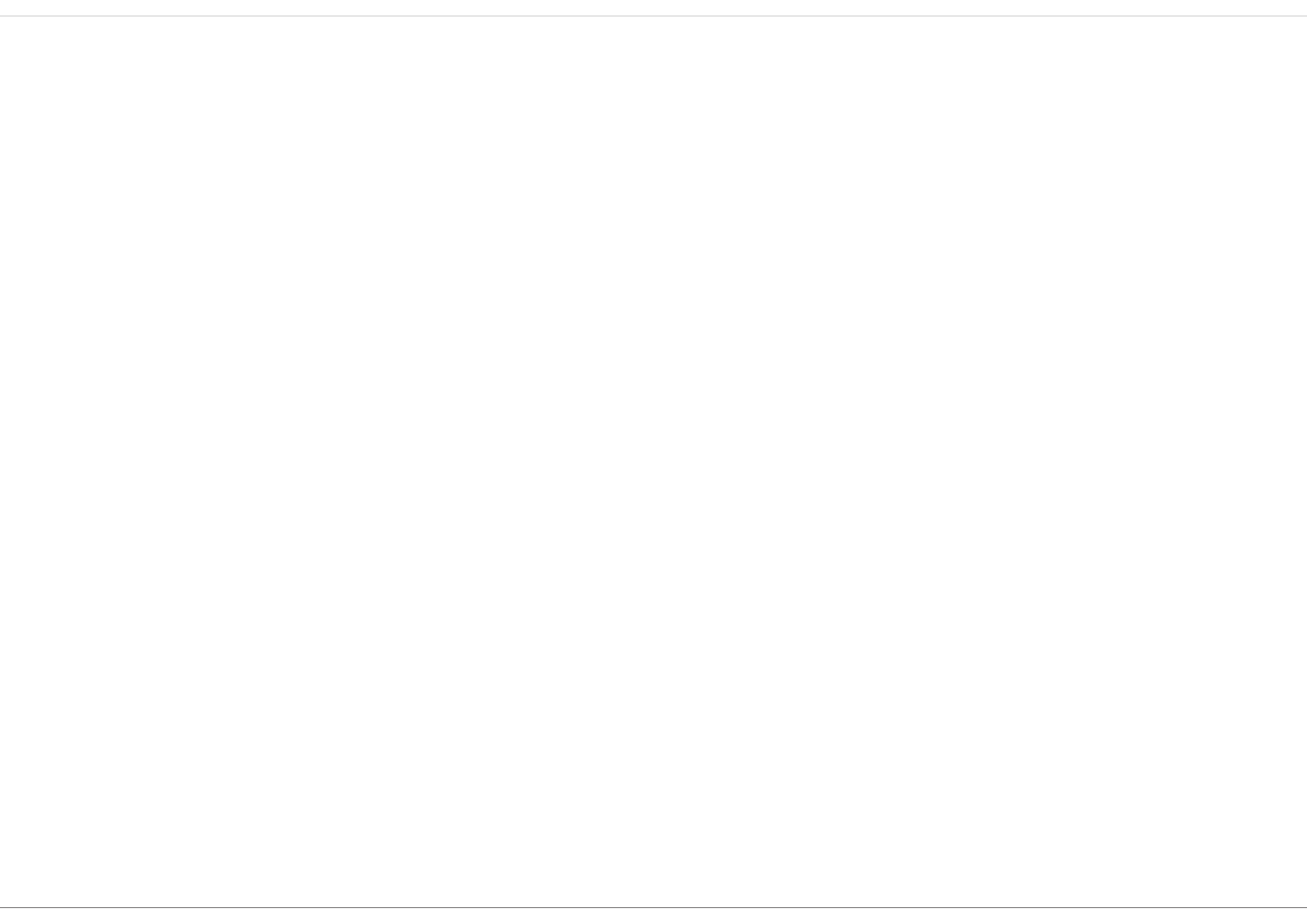
AGM	Annual General Meeting
API	American Petroleum Institute
CBA	Collective Bargaining Agent
CCS	Carbon Capture Storage
CCUS	Carbon Capture Utilization and Storage
D&P	Development and Production
EIA	Environmental Impact Assessment
EPA	Environmental Protection Agency
GHG	Greenhouse Gasses
IEE	Initial Environmental Examination
ILO	International Labor Organization
IOGP	The International Association of Oil & Gas Producers
Ipieca	International Petroleum Industry Environmental Conservation Association
ISAE	International Standards on Assurance Engagements
KBOE	Kilo Barrels of Oil Equivalent
LEA	Law Enforcement Agency
MT	Metric Ton
NAVTTCC	National Vocational and Technical Training Commission
NEQS	National Environmental Quality Standards
OGTI	Oil and Gas Training Institute
PCA	Petroleum Concession Agreement

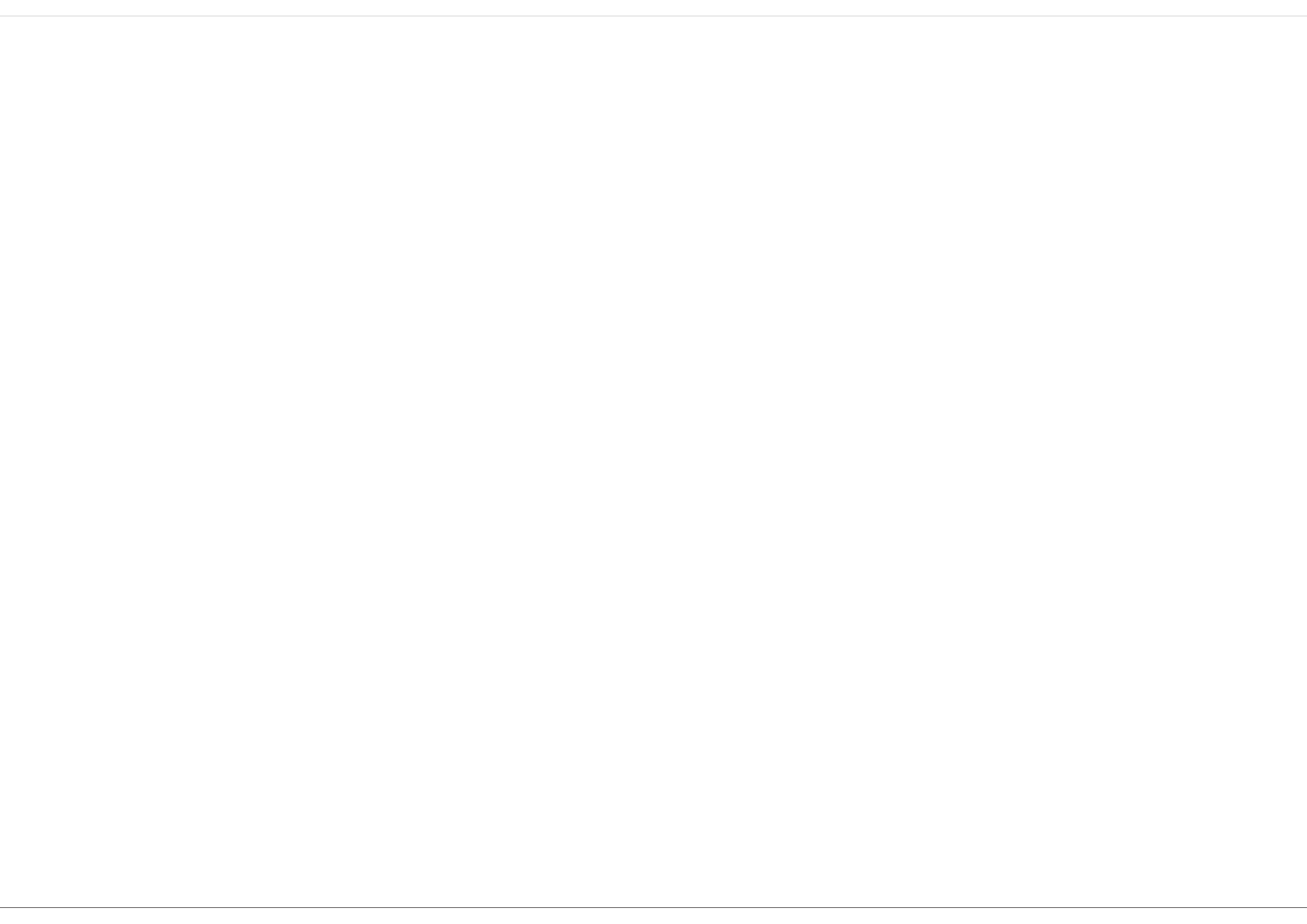
PPE	Personal Protective Equipment
PPEPCA	Pakistan Petroleum Exploration & Production Companies Association
PPRA	Public Procurement Regulatory Authority
SASB	Sustainability Accounting Standards Board
SDGs	Sustainable Development Goals
TOE	Tones of Oil Equivalent
UNFCCC	The United Nations Framework Convention on Climate Change
UNGC	United Nations Global Compact



Gilgit-Baltistan, Pakistan.









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