



Dana Energy

Sustainability Report
Highlights 2022

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Outlooks, projections, estimates, goals, descriptions of business and community plans, research efforts and other statements of future events or conditions in this report are forward-looking statements. Actual future results, including financial and operating performance and other areas of financial and operating performance, future global energy supply, demand growth and mix, future distributions, proved and other reserves, reserve and resource additions and recoveries, the future effectiveness of safety, health, environmental and other sustainability risk and impact management processes, efficiency gains, and the timing and impact of future technologies on capital efficiency, production and greenhouse gas emissions could differ materially due to factors, including:

- Changes in global or regional demand, supply and pricing for oil, natural gas, chemicals, feedstocks and other pricing factors affecting the oil, natural gas, petroleum and petrochemical industries such as regional or global supply and demand imbalances and differentials;
 - Political and regulatory factors, including war, security disturbances, national tax policies, trade policies, environmental policies and the impact of international accords and treaties;
 - Changes in population size, purchasing power and consumer preferences;
 - The timely completion of current exploration, development and construction projects;
 - Actions of competitors, including the development of competing product or emission technologies;
 - The outcome of current and future research efforts and the ability to bring new technologies to commercial scale on a cost-competitive basis;
 - Technical and operating factors; and;
 - Other factors discussed in the document.
- All forward-looking statements are based on management’s knowledge and reasonable expectations at the time of publication, and we assume no duty to update these statements as of any future date.

Addressing the United Nations Sustainable Development Goals



The United Nations has developed Sustainable Development Goals (SDGs) to accomplish improvements regarding the universal economic, social and environmental issues by 2030. These goals are developed to obligate the governments to take necessary actions. However, the role of the private sector cannot be dismissed in regards to promoting and supporting national and international plans. Dana Energy is committed to planning and acting in line with applicable aspects of all SDGs. In this report, we are attributing eight SDGs towards which Dana Energy is making notable contributions.

Chairman's Letter

At Dana Energy, we endeavour to deliver remarkable results through our various services in line with our deep-rooted belief of creating more prosperous communities, whilst enhancing energy security in response to the ever-rising demand for energy. Ultimately, the way these superior results are achieved is just as important and is immensely valued in our company. That is why we are strongly committed to conducting our business in a responsible and sustainable manner, providing high-quality services, implementing environmental impact assessments to minimize our operational footprints, and powering nations and communities where we live and work.

These efforts are reported in our sustainability report to showcase and reinforce our dedication towards a more sustainable business and world. Climate change is deemed as one of the most urgent societal challenges that requires immediate actions to address associated risks and issues. In line with sustainable development, Dana Energy strives to maintain

and increase the supply of energy as a vital aspect of economic growth whilst strongly demonstrating proactive corporate citizenship along with mitigating long-term environmental risks.

We are making assertive progress through various actions with respect to Sustainable Development Goals (SDGs) to facilitate a global movement with a holistic approach towards sustainability, incorporated across our business. To exhibit our unwavering commitment and corporate responsibility, we have made strategic investments in green technologies to create mindful partnerships harmonious with our sustainability ambitions and goals. Acquiring shares of a solar farm located in Fars province as well as investing in the Carbon Bared factory which recovers the flaring emissions of the Tehran Oil Refinery to produce pure CO₂ liquid for secondary industrial purposes, are among the activities representing our sustainable portfolio.

To maintain our sustainability vision and dedication to elevate positive societal and

environmental impacts whilst optimizing our operations and services along with enhancing economic growth and prosperity, we are proactively seeking opportunities and implementing strategies in support of SDGs and United Nations principles encompassing our entire business. We are planning to strengthen our adherence to this vision by engaging in initiatives and executing long-term plans by defining objectives that assist an effortless transition towards a more sustainable business. This is achieved through constant evaluation, monitoring and assessment of the effectiveness and efficiency of the various aspects of our business and operations to enforce and benefit economic development, environmental conservation and social equity.

We are embracing sustainability across our business and strive to perform accordingly. Some of our outstanding sustainability achievements include:

- An exceptional 78% reduction in Lost-Time Incident Frequency Rate (LTIFR) since 2018 despite working in extreme conditions such as performing 3D seismic surveying in minefields.
- Making financial contributions of more than \$94,000 to organisations and local communities in support of philanthropic activities, enhancing the quality of life and building more prosperous communities.
- Reinforcing circular economy by optimizing drilling waste management with plans to provide drilling waste management solutions in 2023 to facilitate circular economy for other businesses.
- Investing in green technologies and CO₂ recovery facilities to increasingly offset our carbon footprint in partnership with like-minded business associates.



Further detail regarding our approach and overall efforts towards sustainability matters are included in this report. I hope you find this report both useful and enlightening in providing a deeper understanding of Dana Energy's positive contribution to the society, environment and economy.

Thank you for your interest, and we welcome your feedback.

Sincerely,
Mohammed Iravani

Dana Energy and Sustainability

Dana Energy is pledging to continuously contribute to meeting national energy demands whilst leaving a net positive impact on people, the planet and local communities where we operate. This is embodied in our projects where necessary environmental protection measures and appropriate Corporate Social Responsibility (CSR) activities and initiatives are implemented. This report contains a summary of our activities concerning the main sustainability aspects at Dana Energy.



2022 National Operations Oilfield Services (OFS)

Drilling

- **27.663** kilometres of drilling
- Projects: Azadegan + Nargesi + Belal + West Paydar
- 7 well drillings + 2 well workovers

Geophysics

- **57,373** successful shoots in 2D and 3D seismic surveying
- **5,797** stations of 2D non-seismic data acquisition
- Projects: Tang-e-Bijar + Sialk + South Mianeh

Oil Tools

- **40 -35** sets
- Each set is for the completion of one well
- Planning to achieve 60 sets in future

Cementing and Stimulation

- **100** operations
- **100%** job satisfaction from clients
- Maximum non-productive time of 0.75 hours

E&P

- **1,825,000** barrels of oil - West Paydar Project
- Planning to produce >2,848,000 barrels of oil in 2023

Investment

Solar Farm

- **10 MWh** - Nominal capacity
- Located near Kourdeh in Fars Province

Carbon Bared

- **4 tonnes of CO₂/hour** - Nominal production of pure liquified CO₂
- Operating 24/7

Stakeholder Engagement

Dana Energy works to attain mutual comprehension of matters, respect, trust and collaboration with our various stakeholder groups to respond to sustainability issues and common areas of interest. Various ways through which we interact and engage with stakeholders include, in-person or digital community meetings, group and one-on-one conversations along with external and internal discussions. This engagement provides valuable insights into opportunities for raised concerns whilst communicating appropriate outlook and plans. The identified stakeholder groups, common areas of interest, and our engagement approach are consolidated below, indicating the importance of our environmental, social and governance performance to our stakeholders.

Stakeholder Groups	Common Areas of Interest		Engagement Approach
Communities	Community support and investment Operational impacts Environment and sustainability Social equity and inclusion Safety and security	Grievance management Health and wellness Infrastructure and social services Economic development Cultural and recreational activities	Close engagement of project managers with local authorities and community representatives. Designating relevant community liaison employees to hold direct conversations through group meetings to receive, assess, prioritize, track, and plan for necessary actions in response to potential local opportunities and concerns. Encouraging the speak-up mechanism through accessible and clear local communication channels such as the village chief, to receive concerns and feedback. Contributed more than \$50,000 to communities and an additional \$44,000 for philanthropic purposes.
Clients	Safety Environment responsibility Sustainability performance Transparency	Quality and reliability On-time delivery Performance and efficiency Corporate Social Responsibility	Holding regular meetings with clients to keep them informed of our progress and performance along with associated potential solutions to identified problems. Engage with clients through means of industry events, conferences, technical webinars and exhibitions.
Employees	Fair benefits Diversity and inclusion Health and wellness Job security and stability Work-life balance Professional skill development	Career growth and development Employee engagement and communication Employee empowerment and recognition Safety	Conducting trainings, campaigns and programmes related to social and professional aspects as well as mental and physical health. Corporate psychological security along with freedom of speech. Executing team-building activities to enhance employee relationships and strengthen the sense of belonging in the workplace through initiatives such as the Base Camp and other corporate clubs. Use social media platforms to enlighten employees of important information. Holding dialogues, maintaining interaction, and receiving feedback.
Governments	Energy supply and security Health and safety Environmental protection Resource management and conservation Risk management	Human rights Regulatory compliance Energy infrastructure development Employment opportunities Financial transparency	Sustaining the safety and security of operations with respect to human rights Indirectly engaging with government, regulators and legislators through the Exploration & Production Companies Association (E&PCA) to support the development of national oil and gas projects and infrastructures.
Nongovernmental organizations	Socioeconomic impact Environmental conservation Climate change Human rights	Health and wellness Economic development Preservation of Indigenous communities and cultures	Engaging in philanthropic activities in support of nongovernmental organizations and associations. Forming partnerships to improve health, education and socioeconomic matters in communities. Collaborating on a national and local level. Participating in events to exchange views, information and expertise.
Supplier	Local business opportunities Local supplier development Operational integrity Transparency and accountability	Expectations for suppliers Safety Relationship building and collaboration	Sharing our supplier and contractor expectations. Engaging and working with identified local suppliers. Directly or indirectly fostering stronger relationships built on trust and collaboration. Proactively addressing potential disruptions and mitigating risks.



Environment

Dana Energy's operations include work in remote and sensitive locations with high biodiversity

We incorporate an inclusive environmental management system through abiding by national environmental regulations and standards, as well as striving to leave a net positive impact on the environment where we operate. Moreover, the evaluation of our socioeconomic impacts is of importance for the enhancement and support of our commitment to sustainability.

Dana Energy 2022 Energy and Carbon Summary

Dana Energy is increasingly contributing to the ever-growing demand for affordable energy in a reliable manner in line with our vision of powering the momentum that thrives nations, EnergyWise. We are proactively making investments in technologies enabling an effortless transition towards a greener business. With the evolving population and need for energy which directly and indirectly influence living conditions and prosperity of nations, Dana Energy is playing an essential role both in meeting demands and implementing climate actions.

Lower-carbon Energy Future

Our business is committed to providing a more prosperous society by facilitating the production of oil and gas through our services as means of meeting the energy needs of the present and future generations. This is elevated by our dedication to supporting efforts to minimize and mitigate the risks of climate change. The pillars of Dana Energy's sustainability strategy are integrated as the following:

- Optimised oilfield services as well as oil and gas production to meet the energy needs of a growing world.
- Creating more prosperous communities and empowering people with socioeconomic activities.
- Strengthening progress reinforced by our core values with a focus on safety.
- Investments in green technology for an effortless energy transition.

Mitigating Emissions

Dana Energy has outlined a climate strategy entailing necessary actions to be implemented with the aim of reducing carbon emissions. We are planning to establish a carbon footprint baseline, accompanying sustainable initiatives to reduce and capture carbon in addition to making investments in green technologies.

Dana Energy is advancing the transition towards greener business by identifying and supporting efforts to promote sustainability. In line with this commitment, acquiring shares of Carbon Bared, a factory capturing gas flaring of the Tehran Oil Refinery, creates the potential of achieving zero flaring whilst offsetting the CO₂ emissions of Dana Energy. This factory recovers CO₂ flaring emissions of the Tehran Oil Refinery by collecting, purifying and liquifying CO₂ to be repurposed for various edible and industrial applications. Further information regarding Carbon Bared is provided in this report on page 35 (Case Study: Carbon Bared).





Investing in Green Energy

In order to unlock the significant potential of green energy harvesting in Iran, Dana Energy has strategically made investments to support the increase of the share of renewable energy in the overall energy mix of Iran whilst reinforcing SDGs in our business, harmonious with the transition towards a greener business.

Subsequent to performing technical and economic feasibility studies, Dana Energy has participated in making investments in the Kourdeh photovoltaic power plant with a nominal capacity of 10 MW located in Fars province, in collaboration with our reputable international partner. This power plant has been connected to the national power grid of Iran as of July 2019, generating clean electricity for an estimated period of 20 years relying on the Power Purchase Agreement (PPA) with the Ministry of Energy. This solar farm is constructed with more than 30,000 solar panels, capable of generating electricity output of about 50 MWh during sunny days.

This investment is a remarkable milestone achieved by Dana Energy, accomplishing our deep-rooted belief of powering nations in a sustainable manner, whilst enhancing energy diversification to improve energy security as well as bringing long-term values to communities.





Energic Innovation Centre

The “Energic Innovation Centre” project funded by Dana Energy, Pasargad Energy Development Co. (PEDC), Oil Industry Investment Company (OLIC), and established by Apadana VC in Amirkabir University of Technology (AUT), has been the heart of devising and developing technological innovations in Iran’s energy industry. As part of our commitment towards an effortless energy transition by investing in green technologies and optimising the various aspects of the energy industry, Dana Energy has officially made financial and moral contributions in support of the Energic Innovation Centre. This centre facilitates necessary enhancements to current technologies by providing innovative solutions to the problems pitched by industries in order to elevate efficiency which can directly and indirectly reduce related CO₂ emissions in a positive manner.

The dynamic, modern and friendly space at Energic curates the place for those in search of new answers to long-lasting problems in the energy industry, as well as creatives who have the courage and motivation to explore new paths for finding solutions, with the help of coaches and advisors from the industry, allowing the appropriate transfer of knowledge between industry experts and innovators. This interaction will equally benefit the energy industry and university graduates to create a place for those passionate about making a change as well as for the energy industry for secure, sustainable and affordable energy.

Drilling Waste Management

Dana Energy has an unwavering commitment to maintaining the state of the environment where we operate by striving to leave a net positive impact. In order to actively adhere to this, the waste management of our drilling operations is regarded as one of the major environmental criteria that we systematically manage. We are also planning to become a provider of drilling waste management services and solutions in 2023, to assist other businesses in meeting the set environmental goals in line with sustainability principles, without affecting drilling efficiency.

Dana Energy's approach towards waste management in drilling operations is maintained on the basis of implementing methods and strategies to minimize liquid and solid wastes whilst maximizing the recycling, recovering, and reusing of the said wastes, in compliance with regulatory Iranian Petroleum Standards (IPS). Regarding the circular economy and its principles, all classified wastes undergo necessary recycling and recovering processes to enable further minimization of waste and maximization of recycled materials for operational purposes. This is effectively enhanced by executing management systems and procedures to inhibit a holistic outlook on produced wastes.





Regardless of waste management practices, representative samples are collected to identify the concentration of constituents such as metals, salts, and hydrocarbons in order to categorize and separate wastes so that the necessary physical and chemical treatment methods are signified. For this purpose, additional attempts are considered to minimize the mixing of various wastes to optimize the time of treatment and the associated costs whilst enhancing recovery and recycling rates.

The preliminary waste classification is divided into two major phases of solid and liquid. The wastes are produced from one of the following sources, surface wastes, such as leaked hydrocarbons, and wastes produced during drilling operations, such as well cuttings. Subsequent to waste classification, appropriate treatments are implemented to restore the physical and chemical properties of the recycled materials up to a desired level to facilitate the highest levels of circularity.

The wastes that are not further treatable, recoverable, recyclable or reusable to be circulated, will be safely disposed of. In order to harmlessly do so, wastes need to be fixed and stabilized to be temporarily buried in allocated isolated disposal sites. These sites are identified in a manner to avoid negative environmental impacts whilst eliminating associated human health risks. This is also to establish safeguards against risks related to terrestrial, aquatic and aerial environments and the negative impacts on flora and fauna.



Social

At Dana Energy, we highly value the societal aspects of our business in line with our strong core values embedded in our distinctive roles as the chosen business partner, employer, neighbour and supplier.

Our holistic approach towards the health, safety and security of our employees and the public, alongside with fulfilling human rights aspects of our business, allows an effective management of social impacts throughout our operations. It is through the implementation of these measures that we bring our slogan of "Powering Nations, EnergyWise" to life.

Safety

Dana Energy aims for nothing short of a working environment with zero harm and injuries.

At Dana Energy safety is one of our core values and the foundation of our business. Due to the inherent risks associated with the nature of our business, safety has always been a top priority of ours. Our approach to safety towards our most valuable resources, the people, including our employees, contractors, clients and communities and their well-being consists of identification of possible risks and prevention of incidents by means of placing necessary safeguards and safety measures along with raising awareness regarding unsafe acts and conditions. This is embodied throughout the different stages of our projects at corporate and operational levels to satisfy our aim of achieving zero harm.

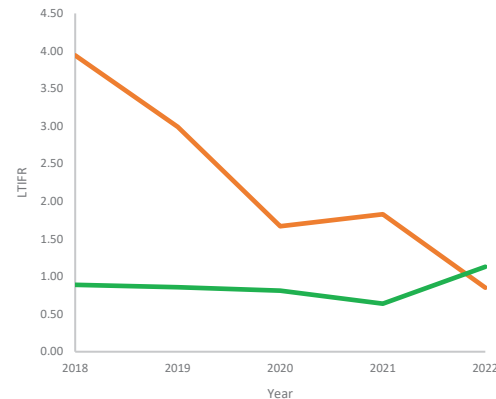
At Dana Energy, we firmly believe that the safety culture can only be achieved as a team and by working together, where each employee acts as a safety ambassador, where everyone is mutually safe.

Personnel Safety

The Lost-Time Incident Frequency Rate (LTIFR) in our operational activities, including drilling and seismic surveying, is reflective of the implemented measures throughout the past 5 years to close the gap between Dana Energy and benchmarks to achieve a descending trend. In this regard, our operations during 2022 have outperformed their respective industry benchmark, with 2,348,159 hours of work with zero recorded Restricted Workday Cases (RWDC) and zero recorded Fatality Accidents (FTL). Our continued improvements towards safety have resulted in improving LTIFR trends with an approximate decrease rate of about 78% in 2022 compared to its respective value in 2018.

Lost Time Incident Frequency Rate (LTIFR)*

Incidents per 1,000,000 work hours



Dana Energy's 2022 total workforce Lost-Time Incident Frequency Rate per 1,000,000 work hours was 0.85 which is lower than our respective Industry benchmark.

*The safety data are based on the information available at the time of publication.



Dana Energy has successfully executed projects in harsh and difficult conditions with outstanding results from the safety point of view. During the Tang-e-Bijar 3D seismic surveying project at the beginning of 2022, parts of the surveying areas were located in a minefield as the remnants of war, requiring mine clearance prior to operations. This part of the project with all of its inherent safety risks and severe consequences in the instance of an undesired event was completed with zero injuries, truly showcasing our safety performance. On another hand, during the Sialk seismic project, from beginning to completion, the operations were executed with zero Medical Treatment Cases (MTC) and Lost Workdays (LWD), indicating the improvements in safety measures and practices as the outcome of investing in implementing relevant HSE trainings for operational activities.

Process Safety

Dana Energy has a firm commitment to the main pillars of sustainability by protecting the people and communities we engage with, as well as preserving and protecting the planet we reside on. To achieve this, an ongoing identification of risks inherent to our business is required to be further evaluated in order to enable the correct implementation of necessary safeguards and action plans.

Our Integrated Management System (IMS) is the foundation and framework for our process safety management, serving as a guideline for the process safety expectations in the entirety of our management systems. The IMS integrates the process safety risk management system throughout the lifecycle of the project, established from prior to operations up to the final demobilization stages. Furthermore, the necessary safeguards put in place with respect to IMS are constantly validated and are strictly maintained and monitored to prevent and mitigate the consequences associated with process safety incidents.





Emergency Preparedness

Dana Energy has maintained its focus on safety as the core of its business with enforcements through preventive safeguards to eliminate and reduce the severity of incidents, along with preparing and training responder teams to tackle upcoming emergency events including natural disasters, pandemics and operational incidents. More specifically, Dana Energy has allocated Emergency Response Plan (ERP) and Emergency Response Team (ERT) staff at all operations, to appropriately react and respond to events regardless of their size, severity or cause. This is to mitigate risks and avoid missing the golden period of saving lives. Moreover, at operations, the employees are trained and educated in regard to associated risks and are well-prepared should an emergency event occur. This is practiced by performing emergency response drills at Dana Energy operations, facilities and offices.

During 2022, in our drilling operations only, including the West Azadegan, Belal and West Paydar projects, a total of 10,831.5 manhours of trainings were conducted to maintain and elevate the preparedness of the workforce in case of the occurrence of an emergency event. In line with this, there have been 66 completed drills during the Azadegan and Belal projects in the past year. This is all to achieve the highest levels of preparedness of the operators to ensure minimal consequences in case of undesired events.

Healthy and Engaged Workforce

Health and Wellness

The productivity and progression of our business are strengthened with an increase in the quality of life and health of employees. The success of our business and operations are also heavily dependent on the well-being of a competent workforce. At Dana Energy, various programs and campaigns have been implemented for the enhancement of the physical and mental health of employees. In this regard, "It's Up to You" campaign promoting the overall well-being of employees was accomplished by providing platforms for enhancement of physical health and psychological safety with relevant events, activities and incentives. On the other hand, for elevating the social well-being of our employees, certain social clubs, including Momentum, Parenthesis and Meydan, have been created to facilitate the amplification of well-being program effectiveness.

This approach is inclusive of health measures for the well-being of the workforce in operational projects which can be greatly impacted by the harsh environments and local conditions. Therefore, the health risks of the workplace associated with the nature of our business are identified and mitigated through the deployment of appropriate programmes and initiatives.



Diversity and Inclusion

Dana Energy values and respects diversity and inclusion of thoughts, perspectives, ideas and culture as means of enriching our business in many aspects whilst assuring business success through enabling the making of wiser decisions and more effective solutions. We are firm believers that our differences are what make us stronger and more unique. Achieving our corporate objectives is bound to the inclusion and diversity of individuals which directly and indirectly influence our performance in operations executed in remote areas with rich and multi-cultural indigenous people. This holds for the recruitment of employees on the foundation of a competency-based approach. To show our commitment we also support local employment, promote career development, and lifelong learning for our employees.



Employee Recruitment and Retention

Dana Energy collaborates with top national higher education institutes and universities to attract and retain exceptional talents with a career-oriented approach through the BAVAR scheme. This scheme creates a talent pipeline underpinned by our trust in capabilities, passion and knowledge of fresh graduates that can be cherished and flourished at Dana Energy. Certain initiatives have also been put in place to prioritize and advance job meaningfulness as well as the development of employees. This is reflected in the average length of service of 4.5 years at Dana Energy. This approach will construct a platform for progress and facilitate the creation of next generation leaders from within the company.

Dana Energy makes investments in human resources for a purposeful long-term career. Our business thrives on people development through which employees can acquire the vital competencies and skills to undertake higher levels of duties and job complexities. Dana Energy has invested \$100,325 on training and educational purposes during 2022, consisting of 255 online or in-person courses and trainings making up a total of 34,595.5 hours spent on elevating the skills and knowledge of our employees which directly reinforces the success of our business.

On the other hand, an Initiative called the “Base Camp”, where employees less likely to require visiting operational sites in person, get a chance to familiarize themselves with drilling and rig operations in person to obtain a broader and more specific vision of our business and their direct and indirect impacts and contributions on the performance and continuation of our business.





Human Rights

At Dana Energy, we believe that everyone has the right to be treated with fairness, respect and dignity. Valuing and integrating the universal human rights standards across all of our activities is not only our commitment but also a part of our identity and the way we do business. This is clearly reflected and represented in our governance and policies processes with the support of the CEO and the Board of Directors, as well as being promoted through engagements and trainings on human rights agenda.

Human Rights in the Supply Chain

We seek to build and maintain a qualified and globally competitive supply chain wherever we operate. Our goal is to nurture entrepreneurship and foster competitive businesses capable of contributing to the sustainable economic progress of our country and the regions we operate in. Dana Energy works with a range of stakeholders, including non-governmental organizations and local communities to develop local vendors for the supply of goods and services. A competitive advantage that we have is that our business partners share our philosophy and are familiar with human rights standards and act in accordance with them. We know the success of our operations and reputation is based on a responsible value chain, hence, our criteria for selecting suppliers and contractors are not only economical in nature. We also assess existing and new supply relationships in terms of compliance, environmental protection, safety, and adherence to social standards. Moreover, the supply chain performance is enhanced through optimizing procurement processes, reducing lead times, and streamlining operations.



Security and Human Rights

Dana Energy takes an integrated approach towards security in regards to personnel, information and physical aspects. The necessary measures are implemented in all business units, facilities, and operations to ensure proper security is provided for personnel with respect to human rights. This approach takes advantage of the synergy between human rights and security under law, which can create a convergence between the two matters in order to prevent human rights violations in the name of security.

However, in occasions where human rights are not abided by, certain guidance and frameworks are put in place to systematically report on allegations of human rights abuse. This is inclusive of both private and public security personnel in case of incidents breaching business conduct relating to human rights such as an improper physical force applied by the security staff. These incidents or allegations are correctly reported to the relevant internal departments or external governmental bodies to be further looked into and investigated for necessary actions to be taken.

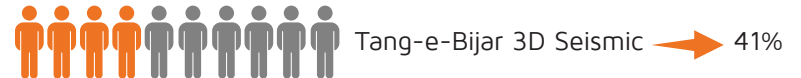
Community Investment

Dana Energy proactively and closely interacts with local authorities and communities to support the identified needs in agreement with our sustainability strategy and adherence to promoting local economic growth. We communicate with local stakeholders to invest in initiatives and programmes underpinned by our commitment to powering the prosperity of nations.

Local Economic Growth and Development

Dana Energy strives to leave a positive footprint where we operate. To achieve this, certain project-specific actions and strategies are identified and implemented to support local improvements and economic value creation through recruiting and training local personnel. Dana Energy develops programmes and trainings curated for local employees to improve their relevant technical and vocational skills applicable to operations, health, safety, environment as well as business conduct. This is directly in line with our sustainability strategy and its core values through which the communities and their employability skills are increased and sustained for years to come after the completion of our projects. The socioeconomic impacts of our business positively enhance the livelihoods of the communities we engage and interact with.

Employees Locally Hired in 2022



*This number is representative of the lack of job demands in the Sialk area despite Dana Energy's efforts to emphasize on local hiring of employees





Dana Energy actively attempts to locally recruit employees for its projects to establish a more positive socioeconomic impact and enhance the livelihoods of these communities. In 2022, this was reflected during the Tang-e-Bijar 3D Seismic project, during which 41% of employees were locally hired. To further reinforce our contribution towards the local communities and broaden their skills for a more prosperous community with higher employability skills, Dana Energy has invested \$156,077 for holding 126 trainings and educational courses regarding operational matters including HSE, drilling well control, emergency preparedness, defensive driving, data management and other relevant materials with the participation of 335 employees. These investments will firmly enable maintaining and strengthening necessary skillsets for a sustainable and successful business along with enhancing community prosperity.

Social Investments

Dana Energy's commitment to creating a more prosperous community is not limited to local employment and economic growth but encompasses a broader area of living condition improvements such as investments in education and infrastructural facilities, providing water sanitation, access to health care, as well as engaging and investing in philanthropic activities along with responding to key needs raised by local stakeholders.

As part of our commitment to Corporate Citizenship and a deep-rooted belief in fostering prosperity within our communities, Dana Energy seeks and engages in civic and social activities. For instance, we have been continuously funding the Iran Autism Association (IAA) with monthly financial contributions with an overall amount of \$44,000 in 2022 with the aim of supporting the less privileged families affected by autism.

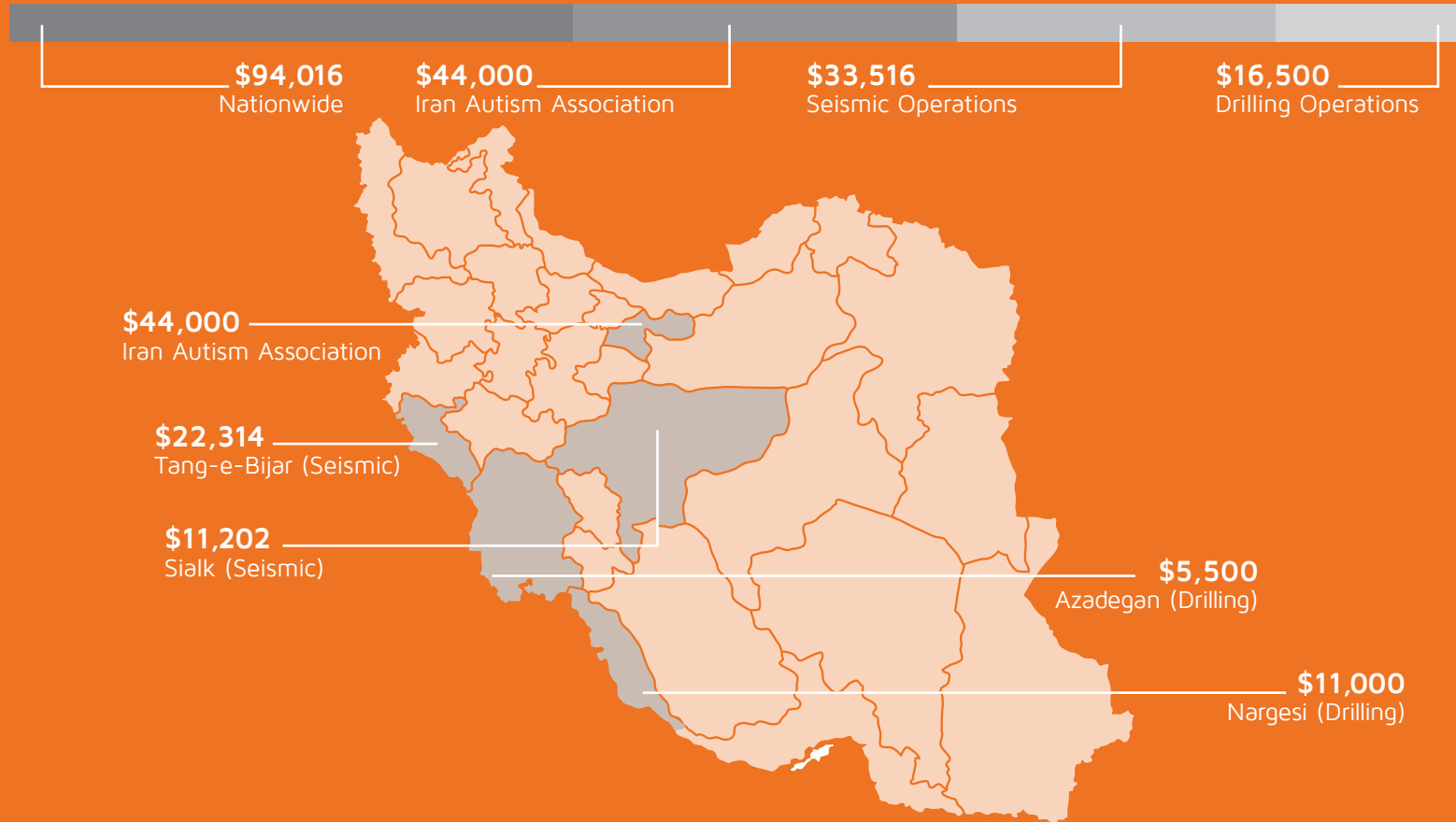
More specifically, during operational projects, designated employees are responsible for assessing the opportunities for Corporate Social Responsibility (CSR) activities through

close interactions and engagements with local communities and organizations, to identify and prioritize programmes to be executed in pursuit of positive socioeconomic impacts and prosperity enrichment.

Some of the activities through which Dana Energy has made notable social contributions include, planting more than 500 trees, providing healthcare and medical aids, supplying clean water and sanitation, constructing troughs for fauna and roads for nomads and villagers, providing educational and social facilities with the necessary equipment, contributing in putting out wildland fires, as well as donating fire extinguisher equipment to local natural resources organizations, among responding to other particular concerns and needs raised by local communities. In 2022, the total social investments and financial contributions had reached more than \$50,000, in support of social and environmental aspects of sustainability



2022 Community Investment





Governance

A sustainable and continuous economic growth demands good corporate governance.

Dana Energy has executed practices and policies to endorse high ethical standards with transparency. This is amplified by the commitment of the Board of Directors to strategically supervise our business affairs.

Governance

The foundation of our business is directly related to the way our corporate is governed to clarify the distribution of roles, responsibilities, accountability and rights of our leaders, employees, partners and stakeholders. Our corporate governance works as a common ground for our partners and a moral code for our employees, ensuring long-term investments and sustainable economic growth.

Ethics & Integrity

Dana Energy strongly endeavours to endorse high ethical standards encompassing the entirety of our business aspects. Compliance with our Code of Conduct adopted and administrated by the Board of Directors are obligatory to uphold transparency and fairness of our business by tackling ethical violations such as bribery and corruption. It also indicates ways in which we operate with high ethical and social standards by setting expectations for our company and subsidiaries to perform beyond the regulations. This standard acts as a guideline for the company, employees, partners, suppliers, and other stakeholders in order to embed integrity and ethics at the highest levels regarding business matters and assigned responsibilities. These principles consider issues and challenges related but not limited to anti-corruption, anti-bribery, diversity and inclusion whilst proactively being reviewed to enhance transparency and sincerity.





Dana Energy incorporates the Code of Conduct principles, values, vision and culture, during the onboarding sessions to ease the integration of the newly hired employees into the company, through introducing corporate ethical standards whilst setting expectations related to employee behaviour at work. Ultimately, the managers are responsible for ensuring that the Code of Conduct is communicated to employees and relevant external parties to promote broader knowledge and use of the guidelines.

Dana Energy encourages all employees to act as ambassadors of the business conduct compliance and establishment through voicing their concerns in case of allegations of breach of the company's policies and Code of Conduct. These concerns can be raised directly to relevant managers utilizing open-door communication or HR associates for further investigation. The confidentiality of such matters is respected and non-retaliation policies are implemented to uphold compliance with corporate ethics and transparency.

Risk and Audit

Effective risk management is fundamental to good corporate governance, and Dana Energy remains committed to undertaking various measures and activities to embed a proactive risk management culture across the organization. The purpose of the integrated Risk & Audit management is to create a coordinated approach to effectively and efficiently discharge duties with respect to the three Lines of Assurance regarding matters including, Management and Business, Enterprise Risk Management, Fraud Risk Management, Business Continuity Management, Compliance and Ethics, Internal and External Audit, as well as proactive and reactive Forensics aligned with COSO and ISO 31000 standards.

This is to entail a holistic approach that satisfies the main objectives of the Integrated Risk & Audit management system within our business. The application of this approach across Dana Energy is aimed at embedding principles of risk governance throughout the organization, instilling the culture of risk management and risk ownership,

exploiting business opportunities, improving incident management and internal control measures to reduce losses and costs, as well as elevating the awareness and understanding of risks at all levels of the organization.

Furthermore, Dana Energy has established the Risk & Audit (R&A) Committee, comprising five directors out of which 2 are independent non-employee who meet on a monthly basis. The purpose of forming this committee was to help fulfil the supervisory responsibility of the Board of Directors and to obtain reasonable assurance towards the effectiveness of management system processes, risk management and internal controls, as well as independent and internal audit. This committee also maintains the independency of independent auditors, reliability of financial reporting, as well as compliance with laws, regulations and requirements.





Board Leadership

Dana Energy is a two-tier corporate chaired by Mohammad Irvani. The Board of Directors and Executive Committee meet regularly to discuss reviews and reports on the businesses and strategies of the company. Our Board of Directors provide oversight of the corporate affairs through regular and systematic committee meetings, where issues and assessments by Dana Energy's four committees are evaluated and reviewed. Board's committee structure is designed to be a consistent and clear framework to carry out certain oversight functions on behalf of the Board which comprises four committees, including, Risk and Audit Committee, Strategic Committee, Compensation Committee, and CSR and Ethics Committee. Each of these committees is chaired by one of the relevant directors of the Board to maintain the business strategies, achievements, and reputation of the company along with supporting the policies in place to meet the visions and goals of Dana Energy.



Engaging with Government

Transparency in Payments to Government

Dana Energy acknowledges the significance of disclosing governmental payments to enhance transparency which naturally leads to diminishing corruption and creating better government accountability whilst making significant contributions to a sustainable economy. To further embed transparency in our business, Dana Energy not only complies with national regulations and laws, but also proactively seeks ways in which we can strengthen this belief and implement international practices. Hence, Dana Energy has taken the voluntary initiative to establish the International Financial Reporting Standards (IFRS) within our upcoming reporting approach.

Iran Lobbying

Through the expansion of Dana Energy activities into the Exploration & Production (E&P) sector along with obtaining official membership of the Exploration & Production Companies Association (E&PCA) as well as the Iran Drilling Association (IDA), Dana Energy has acquired the position to enable indirect lobbying to enhance and reform energy regulations and policies in Iran. This contribution has the potential to greatly impact the improvement of the oil and gas industries and supply of energy demands in Iran for a more prosperous and sustainable future.



Case Study: Carbon Bared



Case Study: Carbon Bared

Dana Energy strives to maintain adherence towards sustainability by investing in and engaging with technologies that promote climate-positive actions and enable offsetting the carbon footprint of our operations. With this vision and commitment, strategic investment in the Carbon Bared Factory provided means of making progress towards our sustainability goals.

History of Carbon Bared

Carbon Bared Factory was established in 2003, located on the eastern side of the Tehran Oil Refinery, where it directly collects CO₂ emissions to produce pure liquid CO₂ for industrial and food-grade applications. This factory is the very first plant in the country which produces pure liquid carbon dioxide by performing a recovery method, unlocking the possibility of enabling the Tehran Oil Refinery to achieve zero flaring and reduce its overall CO₂ emissions. Therefore, the potential in the essence of the activities of this factory and the significant positive environmental impacts it entails, arose the interest of Dana Energy, resulting in engagements in support of Carbon Bared.

Unfortunately, prior to Dana Energy's investment in Carbon Bared, this company had suffered from technical problems and a lack of licenses to reach nominal production capacity for several years, and despite all the efforts, was unable to recover the CO₂ of the refinery plant. However, succeeding the investment and active participation of Dana Energy, a

revolutionary change happened within Carbon Bared. This was achieved through executing necessary actions, including CEO replacement and changing the head of the technical team, which in less than 9 months led to sustainable operations and productions, as well as reaching an outstanding increase in production rates of about 10 times higher (80% of nominal capacity) compared to years before Dana Energy's involvement.



Case Study: Carbon Bared



Liquified CO₂ Production

Prior to the emergence of Carbon Bared activities, Tehran Oil Refinery emitted all of its flaring pollutants into the atmosphere, exacerbating local air pollution with a negative impact on the environment. However, subsequent to the start of the Carbon Bared operations, out of the 270 tonnes of gas flaring emissions, 85 tonnes are now directly fed into Carbon Bared through a pipeline with a length of 1.5 km. This procedure allows for a 31% reduction in CO₂ flaring emissions of the refinery, which reinforces our pledge towards a more sustainable future.

The production unit consists of extensive purification processes through which CO₂ is purified up to the highest levels achievable of about 99.9%. The purified CO₂ is compressed and chilled to be liquified and stored in appropriate storage tanks for distribution. There are currently about 18 industries that utilize CO₂ in their applications and productions such as coolant, disinfectant, pharmaceutical, edible, welding, fire extinguisher, fertilization and automotive industries.

Case Study: Carbon Bared



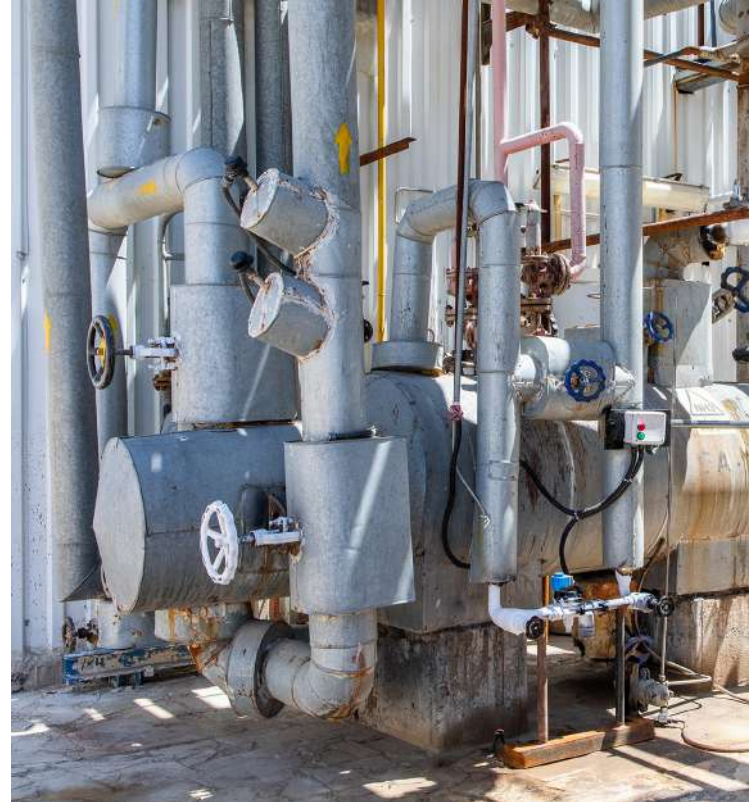
Production Capacity of Carbon Bared

The current nominal production capacity of Carbon Bared is 100 tonnes of liquid CO₂ per day with the actual production rate of 80-75 tonnes of liquid CO₂ per day, with an efficiency of about 80-75%, running 24/7 with no days off. In addition, the vision and plans of Carbon Bared shareholders, in line with Dana Energy's policy towards supporting and investing in green technologies, encompasses the expansion of the facility with enhancements of equipment to escalate actual CO₂ recovery rates from 75 tonnes of liquid CO₂ per day up to 150 tonnes per day. There are also forthcoming plans for broadening production items to other secondary products such as dry ice. Ultimately, the long-term strategy of this factory accompanied by close collaborations with Dana Energy, envisions the capturing and recovery of the entire CO₂ flares of the Tehran Oil Refinery to increase carbon offsets of Dana Energy further, whilst strengthening our sustainability strategy.

Case Study: Carbon Bared

Environmental Impact of Carbon Bared

Based on the data provided by EcoTree and European Environment Agency (EEA), various types of trees with different maturity levels can absorb about 10 to 40 kg of CO₂ per year on average. Whereas, this number is approximately 22 kg of CO₂ per year for a typical mature tree. Therefore, to put the Carbon Bared activities into perspective, the amount of CO₂ recovered from the refinery in one year, which amounts to 27,375 tonnes of CO₂, is equivalent to the amount of carbon captured by 1,244,318 mature trees in one year that on a rough estimate is comparable to planting trees in an approximated area of 34 million square meters. This demonstrates the amount of CO₂ that has been offset in a year, which significantly contributes to our commitment towards positive climate actions in support of green technology investments.



About the Sustainability Report Highlights

The Sustainability Report Highlights summarizes Dana Energy's approach to managing our operations and describes our environmental, social and governance performance.

This report uses qualitative descriptions and quantitative metrics to describe our policies, programs, practices and performance. Many of the standards and metrics used in preparing this report continue to evolve and are based on management assumptions believed to be reasonable at the time of preparation, but should not be considered guarantees.



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