

**DNO ASA**  
2022 Report

# Corporate Social Responsibility



## Corporate social responsibility vision and values

DNO's mission is to deliver superior returns to our shareholders by finding and producing oil and gas at low cost and with a focus on the Middle East, the North Sea and West Africa. We meet our commitments efficiently and transparently and expect the same of our host governments, partners, employees, contractors and local communities. We treat these stakeholders fairly and respectfully.

Corporate Social Responsibility (CSR) starts with identifying and addressing the needs of all key stakeholders. Wherever we operate, we make a concerted effort to create mutually beneficial relationships, balancing stakeholders' interests with our own as a 52-year old public company with some 16,000 shareholders. DNO, Norway's oldest oil and gas company, is today an international one, with about one-half of our shares owned by non-Norwegians and with a board of directors and senior management representing five nationalities. Even so, we proudly fly the Norwegian flag and carry our home country's best practises wherever we operate, including industry leading health and safety standards, a light environmental footprint, active engagement with local communities and zero tolerance for corruption.

DNO is characterized by a 'can do' attitude and culture. At DNO, anything is possible. We strive to be first, fair and firm. At DNO, we live our values, not check them at the door.

We are pioneers, seizing opportunities where few others venture. We are often among the first companies to explore and develop new frontiers. Our first-mover advantage allows us to quickly develop discoveries. DNO is a company of innovators and entrepreneurs – competent, decisive and visionary individuals who take bold initiatives.

We treat people with respect and integrity. We are committed to the health and safety of our people, to the development of our host communities and to responsible environmental practices. We adhere to high standards of corporate governance and business conduct. DNO is a company of collaborators. We foster an open, inclusive and diverse culture. We are responsive to employee needs.

We are resolute and confident and have our foot firmly on the accelerator. We are clearly focused on what we do and determined to do it well. DNO is a company of doers – individuals who execute using resources effectively and efficiently, always keeping in mind strategic priorities. We want to build on DNO's success story, and we also want to help our employees create their own success stories.

## People

People are DNO's most important resource. We are more than 1,400 individuals representing nearly 50 nationalities. We celebrate diversity in the DNO family in nationality, gender, race, culture, religion and age and do not discriminate in recruitment, advancement, remuneration or otherwise in the workplace.

In DNO we have honest, direct and challenging discussions to make responsible business decisions based on respect, tolerance and non-discrimination. We do not condone threatening or degrading conduct, nor do we tolerate any behavior which is disrespectful of our differences.

DNO continues to recruit and promote women who at yearend 2022 represented 12 percent of its overall workforce and 32 percent of employees in managerial, administrative and other non-field operational positions.

In the Erbil office, women represented 25 percent of all employees; the comparable figure in the Dubai office was 25 percent and 41 percent across the Oslo, Stavanger and Aberdeen offices combined.

Women comprised 50 percent of the DNO board of directors.

In Kurdistan region of Iraq, DNO had 1,140 employees at yearend 2022 of which 81 percent were local hires, many in managerial and leadership roles. DNO is the largest employer of Kurdish men and women among international oil and gas companies active in the region. We actively recruit from neighbouring communities and expect the same from our business partners. Also, DNO identifies and offers employment to top graduates from local universities each year. Through mentorship and formal training programs, we support the advancement of Kurdish nationals into more senior roles.

DNO's board of directors and senior management have a zero-tolerance approach to modern slavery and are committed to ensuring that there is no modern slavery or human trafficking in any part of our business, including our supply chain.

## Health and safety

As a Norwegian oil and gas company, DNO brings best in class Norwegian health and safety standards to its operations everywhere and encourages everyone to take responsibility. We set targets both at the parent company and the business unit levels to ensure we manage the integrity of our operations in a responsible, efficient and effective manner, measure our performance and pursue year-on-year improvements.

Incidents and near misses are reported, investigated and corrected. A key metric for assessing and benchmarking the Company's safety performance is the Total Recordable Injury Frequency (TRIF). In 2022, DNO had a TRIF of 1.44 in its operational activities, compared to 0.48 in 2021. The Company is not satisfied with its 2022 safety performance, which broke a long-term trend of year-on-year reductions in TRIF. In response, the Company has redoubled efforts with the aim to bring 2023 TRIF down to the International Association of Oil and Gas Producers (IOGP) industry average or better.

## Social impact

DNO contributes to the development of local communities in which we operate, mindful of cultural differences and the need to treat these communities with respect and dignity.

We create jobs, hire and train local staff. We partner with local companies for such services as civil works, maintenance, transportation, remediation, catering, health care, security and waste disposal, among others. We work to ensure that our service providers are not just competitive but competent and compliant with internationally recognized human rights protocols.

We use our operational presence and capability to provide support to nearby communities. Over DNO's 19 years of presence in Kurdistan, we have delivered various projects in the infrastructure, agriculture, health, education and youth and women development areas.

Examples include:

### Water supply and agriculture

To date in Kurdistan, DNO has delivered 24 water projects to local communities, including wells, storage tanks and distribution facilities. In 2022, DNO supported farmers by purchasing and gifting fertilizers in addition to funding multiple water supply projects.

### Building and renovating schools

DNO has built two schools and renovated 33 educational facilities since entry into Kurdistan. In 2022, DNO renovated one school in addition to building six classrooms.

### Public wellbeing

In 2022, DNO continued with its support for local communities and public health through sponsoring establishment of a public recreational park.

### Graduate fellowships

The Middle East-North Africa Graduate Fellowship Fund was created in 2014 with a USD one million gift from DNO to the Harvard University's Kennedy School of Government (HKS). Since 2014, this fellowship has enabled nine talented students – including four women – to complete their studies at Harvard University at the master's degree level in public policy and administration.

### Research partnerships

We partner with leading universities, including Princeton University and Harvard University, to share subsurface data in support of graduate research and conduct joint studies with faculties and students.

## Governance and anti-corruption

DNO's corporate governance policies are based on the Norwegian Code of Practice for Corporate Governance. The Articles of Association and the Norwegian Public Limited Liability Companies Act form the legal framework for DNO's business activities. DNO is also subject to, and complies with, the requirements of Norwegian securities legislation.

Risk management is key to successful execution of our business. We review our risk profile on a regular basis, incorporating industry-recognized risk identification, quantification and mitigation processes. Corporate and operational risks are reported to the board of directors through its Audit Committee and its Health, Safety, Security and Environment (HSSE) Committee at least on a quarterly basis.

Across the Company, managers have responsibility and accountability for assessing, reporting, controlling and mitigating compliance risks. In these tasks, they are supported by dedicated compliance and internal audit teams.

We take a bottom-up approach to identifying and mitigating risks, with the board of directors providing strategic input and oversight.

We respect fundamental human rights and are guided in our business conduct by the United Nations Global Compact. DNO does not engage in the political processes of host countries and does not make contributions to political parties or their representatives.

We have adopted an Anti-Corruption Policy that employees are required to follow. The policy is available on the "My DNO Compliance" intranet site which brings together all compliance policies, interactive training programs, business hospitality requests and conflict of interest registrations. We require company-wide training in topics related to business ethics, including anti-bribery and corruption, and will continue to provide such training.

DNO has a policy of zero tolerance for bribery, corruption, fraud and any other illegal business conduct.

DNO's Code of Conduct, available on our website, sets out the standards and principles by which we conduct our affairs and which we expect all our employees to follow. Failure to comply with the Code of Conduct will lead to disciplinary action.

Our Code of Conduct is built on six principles:

- Comply with laws and regulations
- Ensure a safe working environment
- Treat everyone with respect
- Act in DNO's best interest
- Ensure financial integrity
- Take responsibility

We encourage our personnel to raise concerns about unethical or illegal behaviour and breaches of DNO's Code of Conduct or other Company policies. The Company has a confidential channel for those who wish to raise such matters in strict privacy or anonymously.

We seek contractors and vendors who adhere to DNO's Code of Conduct in their dealings with us and are compliant with DNO's Business Partner Code of Conduct when they act on our behalf or provide a service to DNO.

## Environment

In DNO, we believe oil and gas operations can be conducted responsibly, safely and without threatening the environment or public health.

We work to reduce the intensity of greenhouse gas (GHG) emissions from our operations and to enhance the quantity and quality of our GHG emissions performance disclosures. We report both our GHG emissions and our water use performance annually to the CDP, a not-for-profit organization that runs a global disclosure system on environmental impacts. Our last annual climate change disclosure for 2021 was ranked B for the fourth consecutive year as we continued to enhance our environmental performance and disclosures. Our ranking compared favourably to an international average of C for all reporting oil and gas companies.

The Scope 1 and Scope 2 GHG intensity from our operated assets averaged 14.8 kilograms of CO<sub>2</sub> equivalent (kgCO<sub>2</sub>e) per barrel of oil equivalent (boe) produced in 2022, compared to 10.7 kgCO<sub>2</sub>e/boe in 2021. The year-on-year increase was driven by early stage oil production from the Baeshiqa license, which is accompanied by gas flaring during testing. Nevertheless, our performance compared favorably to the target set by a group of 12 of the world's largest oil and gas companies comprising the Oil and Gas Climate Initiative (OGCI) to reduce the average intensity of their upstream operations to 17 kgCO<sub>2</sub>e/boe by 2025 from a collective baseline of 23 kgCO<sub>2</sub>e/boe in 2017.

Looking ahead, DNO has set a GHG emissions intensity target well below the average of the global upstream industry.

DNO operates the first and only gas capture and injection project in Kurdistan. Commissioned in 2020 and at a cost of USD 110 million, the Peshkibir-to-Tawke gas project gathers, treats and transports associated gas over 80 kilometers from the Peshkibir field to the Tawke field for injection. A total of 8.8 billion cubic feet (bcf) of otherwise-flared gas was captured and injected in 2022 (up from 7.6 bcf in 2021), delivering a GHG saving of 533,968 tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e), up from 463,788 tCO<sub>2</sub>e in 2021.

In 2022, DNO delivered another significant project to materially reduce its GHG footprint with commissioning of the second phase of gas capture and injection in Kurdistan, bringing the total investment to over USD 135 million. DNO also debottlenecked the existing gas handling facilities to increase the injection capacity by 30 percent. Progress on smaller projects was also made which utilize otherwise-flared gas to reduce diesel and naphtha burn for electricity and process heat generation, in addition to installation of solar photovoltaic (PV) panels for electricity generation.

At the Baeshiqa license, DNO is actively working on plans for associated gas management solutions to reduce flaring and the associated GHG emissions.

In addition to its efforts to reduce CO<sub>2</sub> emissions, DNO focuses on reduction of methane emissions, a potent GHG. In 2022, DNO joined the Aiming for Zero Methane Emissions Initiative, an oil and gas industry pledge coordinated by the OGCI, to reach near zero methane emissions from its operated oil and gas assets by 2030 and actively work with its partners in its non-operated assets to achieve the same. DNO has put in place a Tawke license-wide Leak Detection and Repair (LDAR) project to discover, measure and mitigate fugitive methane emissions. While CO<sub>2</sub> emissions from oil and gas operations receive the greatest attention, methane emissions are a significant but underreported source of GHG emissions with an impact 25 times greater than CO<sub>2</sub> on a 100-year horizon.

In Norway, DNO has been a member of the LowEmission (SINTEF) center since 2021, through which it contributes to research and development efforts for improving environmental performance of the offshore oil and gas industry. This center, which is supported by the Norwegian government and universities as well as by industry, develops new technologies for offshore energy systems and integration with renewable power production technologies.

We investigate, rectify and report any leaks and spills. In 2022, a total of 92 barrels of oil and chemicals were spilled in three incidents during operations; the spillages were collected and disposed of as per applicable protocols. Historically, DNO has had a very low volume of oil and chemical spills and hydrocarbon leaks.

DNO is committed to responsible handling and management of waste consistent with local regulations and relevant international standards, including to ensure appropriate levels of waste segregation and, where possible, reuse. Drill cuttings represent the majority of hazardous waste generated in our Kurdistan operations and are stored onsite for periodic remediation. The majority of waste generated in our North Sea operations relate to material used and equipment and facilities removed during our ongoing decommissioning campaigns in Norway and the United Kingdom.

DNO draws water from rivers and aquifers in its Kurdistan operations and from the sea in its North Sea operations. While we have not experienced water limitations, as our requirements grow we have redoubled our efforts to treat and reuse water and utilize water efficient drilling practices. Our water security disclosure to CDP for 2021 was ranked B which was compared favourably to an international average of B- for all reporting oil and gas companies.

In addition to its mitigation efforts, DNO continues to improve its environmental monitoring and measurement systems to better report our performance and progress.

We have successfully sought to minimize any adverse impacts on biodiversity in our operational areas.

Offshore, the Norwegian and the United Kingdom continental shelves are mapped, analyzed and managed marine areas and assessing risks from oil and gas operations are mandatory.

For example, discharge permit applications are subject to public hearings as well as approval by environmental authorities.

Onshore in Kurdistan, we are actively engaged in clearance of wartime minefields to protect our staff and contractors; needless to say, some wildlife species are protected as a consequence.

At yearend 2022, DNO held interests in 68 licenses (16 operatorships) offshore Norway and seven licenses (no operatorships) offshore the United Kingdom. With a few exceptions, DNO's portfolio in Norway and the United Kingdom consists of fields and exploration licenses where DNO is a non-operating partner.

In 2019, DNO assumed operatorship and working interest in three end-of-life fields whose decommissioning had been deferred by the previous operator. As a prudent operator and consistent with our environmental remediation commitments, DNO commenced decommissioning of the production facilities and plugging and abandonment (P&A) of the wells of the Schooner and Ketch fields on the United Kingdom continental shelf and of the Oselvar field on the Norwegian continental shelf.

The Oselvar campaign was concluded in 2022 with the removal of the subsea infrastructure, following P&A of three subsea wells in 2021. The P&A of 12 wells in the Schooner field was completed in 2022, following the P&A of nine wells in the Ketch field in 2021. The Ketch platform was removed in 2022 and removal of the Schooner platform is planned for 2023. The bulk of the recovered facilities and platforms are recycled.

The cost of these decommissioning campaigns is estimated at USD 227 million net to DNO's interest.

In 2022, the Company completed a transaction agreement pursuant to which RAK Petroleum plc transferred its ownership of Mondoil Enterprises LLC to DNO. Post this transaction, DNO holds an indirect 33.33 percent interest in Foxtrot International LDC which has operatorship and stakes in a production block (CI-27) and an exploration block (CI-12) offshore Côte d'Ivoire. Block CI-27 accounts for over 90 percent of the country's gas production and is dedicated primarily for electricity generation, a fundamental enabler for the socio-economic growth of Côte d'Ivoire in the last three decades. In 2022, production from this block fueled two-thirds of the national electricity generation.

# Appendix

People <sup>1</sup>			
Indicator	2022	2021	2020
<b>People</b>			
Total number of employees <sup>2</sup>	1,449	1,327	1,257
Employee turnover <sup>3</sup>	8%	10%	20%
Leavers	113	138	254
New hire rate	16%	16%	18%
New joiners	235	208	220
<b>Gender diversity</b>			
Number of men	1,271	1,168	1,109
Number of women	178	160	148
<b>Women in workforce</b>	12%	12%	12%
Women in senior management	30%	13%	20%
Women in board of directors	50%	40%	40%
<b>Employees by age groups</b>			
< 30 years	27%	23%	26%
30 - 50 years	56%	59%	59%
> 50 years	17%	17%	16%
<b>Number of nationalities</b>			
DNO ASA (corporate head office in Oslo, Norway)	17	16	16
DNO Iraq AS (Kurdistan region of Iraq)	32	24	24
DNO Norge AS (Stavanger, Norway)	21	17	14
DNO North Sea plc (United Kingdom)	1	1	1
DNO Technical Services (United Arab Emirates)	24	21	23
Total number of nationalities	48	43	43
<b>Sickness absence</b>	1.2%	1.4%	1.1%

1 All data in the appendix are based on DNO operated assets (100%) except emissions fees which are based on DNO equity share of both operated and non-operated assets.

2 The headcount includes employees and full-time consultants.

3 The relatively high turnover in 2020 was primarily due to COVID-19 pandemic related downsizing in Q2 2020.

## Health and Safety

Indicator	2022	2021	2020
<b>Health and safety</b>			
<b>Fatalities</b>			
Employees	0	0	0
Contractors	1	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>Lost time injuries</b>			
Employees	0	1	0
Contractors	7	2	1
<b>Total</b>	<b>7</b>	<b>3</b>	<b>1</b>
<b>Restricted work injuries</b>			
Employees	1	0	1
Contractors	1	0	1
<b>Total</b>	<b>2</b>	<b>0</b>	<b>2</b>
<b>Medical treatment injuries</b>			
Employees	1	0	0
Contractors	3	0	0
<b>Total</b>	<b>4</b>	<b>0</b>	<b>0</b>
<b>High potential incidents</b>	10	2	1
<b>Driving</b>			
Serious vehicle accidents	0	0	1
Distance driven (million km)	4.49	2.57	2.41
Recordable injuries from vehicle accidents	0	0	0
<b>Lost time injury rate</b>			
Employees (per million hours worked)	0	0.40	0.00
Contractors (per million hours worked)	1.23	0.53	0.35
<b>Total (per million hours worked)</b>	<b>0.72</b>	<b>0.48</b>	<b>0.21</b>
<b>Medical treatment injury rate</b>			
Employees (per million hours worked)	0.25	0.00	0.00
Contractors (per million hours worked)	0.53	0.00	0.00
<b>Total (per million hours worked)</b>	<b>0.41</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Recordable Injury Frequency (TRIF)<sup>4</sup></b>			
Employees (per million hours worked)	0.50	0.40	0.49
Contractors (per million hours worked)	2.11	0.53	0.71
<b>Total (per million hours worked)</b>	<b>1.44</b>	<b>0.48</b>	<b>0.62</b>
<b>Exposure hours</b>			
Employees (thousand hours)	4,020	2,484	2,046
Contractors (thousand hours)	5,689	3,797	2,814
<b>Total (thousand hours)</b>	<b>9,709</b>	<b>6,281</b>	<b>4,860</b>

<sup>4</sup> Defined as number of fatalities, lost time injuries, substitute work and other injuries requiring treatment by a medical professional per million hours worked. Total Recordable Injury Frequency (TRIF) and Total Recordable Injury Rate (TRIR) are used interchangeably in the industry.

Governance and Anti-Corruption			
Indicator	2022	2021	2020
<b>Confirmed incidents of corruption</b>			
Number of incidents <sup>5</sup>	0	0	0
Impact on employees	0	0	0
Impact on contractor relations	0	0	0
<b>Compliance</b>			
<b>Significant fines<sup>6</sup></b>			
Number	0	0	0
Value (USD)	0	0	0
<b>Environmental fines</b>			
Number	0	0	0
Value (USD)	0	0	0
<b>Non-monetary sanctions</b>			
Number	0	0	0
<b>Environmental non-monetary sanctions</b>			
Number	0	0	0
<b>Government revenue from DNO's licenses in Kurdistan</b>			
Value of profit oil entitlements (USD million)	2,014	1,340	606
Value of royalties (USD million)	335	226	117
<b>Total (USD million)</b>	<b>2,349</b>	<b>1,566</b>	<b>722</b>

<sup>5</sup> Incidents which have led to formal legal actions.

<sup>6</sup> Significant fines are defined as individual fines exceeding USD 10,000.

Environment			
Indicator	2022	2021	2020
<b>Unplanned releases to sea or land</b>			
Oil spills <sup>7</sup>			
Number	3	6	14
Volume (bbl)	92	32	4
Chemical spills <sup>8</sup>			
Number	2	0	9
Volume (bbl)	2	0	2
<b>Water use in operations</b>			
Freshwater withdrawal <sup>9</sup> (thousand m <sup>3</sup> )	532	430	296
<b>Water discharge</b>			
Produced water discharged to sea (m <sup>3</sup> )	0	0	0
Produced water discharged to land (m <sup>3</sup> )	0	0	0
<b>Waste</b>			
Hazardous waste generated (tonnes)	6,993	7,169	3,378
Hazardous waste recovered (tonnes)	0	5,958	13
Non-hazardous waste generated <sup>10</sup> (tonnes)	12,894	3,854	1,784
Non-hazardous waste recovered (tonnes)	7,433	2,125	44
<b>Energy consumption</b>			
Electricity purchased (MWh)	1,408	1,202	989
Energy consumption from renewables (MWh)	0	0	0
<b>GHG emissions<sup>11</sup></b>			
Emission intensity <sup>12</sup> (kgCO <sub>2e</sub> /boe)	14.8	10.7	10.3
Scope 1 GHG emissions <sup>13</sup> (tCO <sub>2e</sub> )	580,636	424,040	416,231
Scope 2 GHG emissions (tCO <sub>2e</sub> )	370	342	662
Scope 3 GHG emissions (tCO <sub>2e</sub> )	4,475	1,726	5,750
<b>Gas flaring GHG emissions</b>			
Kurdistan licenses (tCO <sub>2e</sub> )	379,152	268,361	305,093
<b>GHG emissions avoided through gas injection</b>			
Tawke license (tCO <sub>2e</sub> )	533,968	463,788	162,983
<b>Emissions fees (DNO equity share)</b>			
North Sea <sup>14</sup> (million NOK)	147	99	90

7 Category includes oil and diesel spills above one barrels.

8 Category includes chemical spills above one barrels.

9 Category includes only field operations and excludes office water use.

10 The relatively large number reflects the platforms and subsea facilities removed during the decommissioning campaigns in the North Sea, most of which are recycled.

11 The GHG reporting is consolidated and presented in accordance with the requirements of the GHG Protocol Corporate Accounting and Reporting Standard. Scope 1 emissions are based on IPCC 2006 emission factors. Scope 2 emissions are based on estimated GHG intensity of the electricity grid in the corresponding countries. Scope 3 emissions cover only estimated emissions from air business travel.

12 Emission intensity calculated based on Scope 1 and Scope 2 GHG emissions from operated production.

13 Scope 1 accounts for all direct GHG emissions from operated assets and includes emissions from all drilling rigs.

14 Category includes equity share of fees paid under the CO<sub>2</sub> tax regime in Norway and costs of buying emissions quotas under European Union's Emissions Trading System (EU ETS) and the United Kingdom's ETS across its portfolio in Norway and the United Kingdom (estimated).

# Disclaimer

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