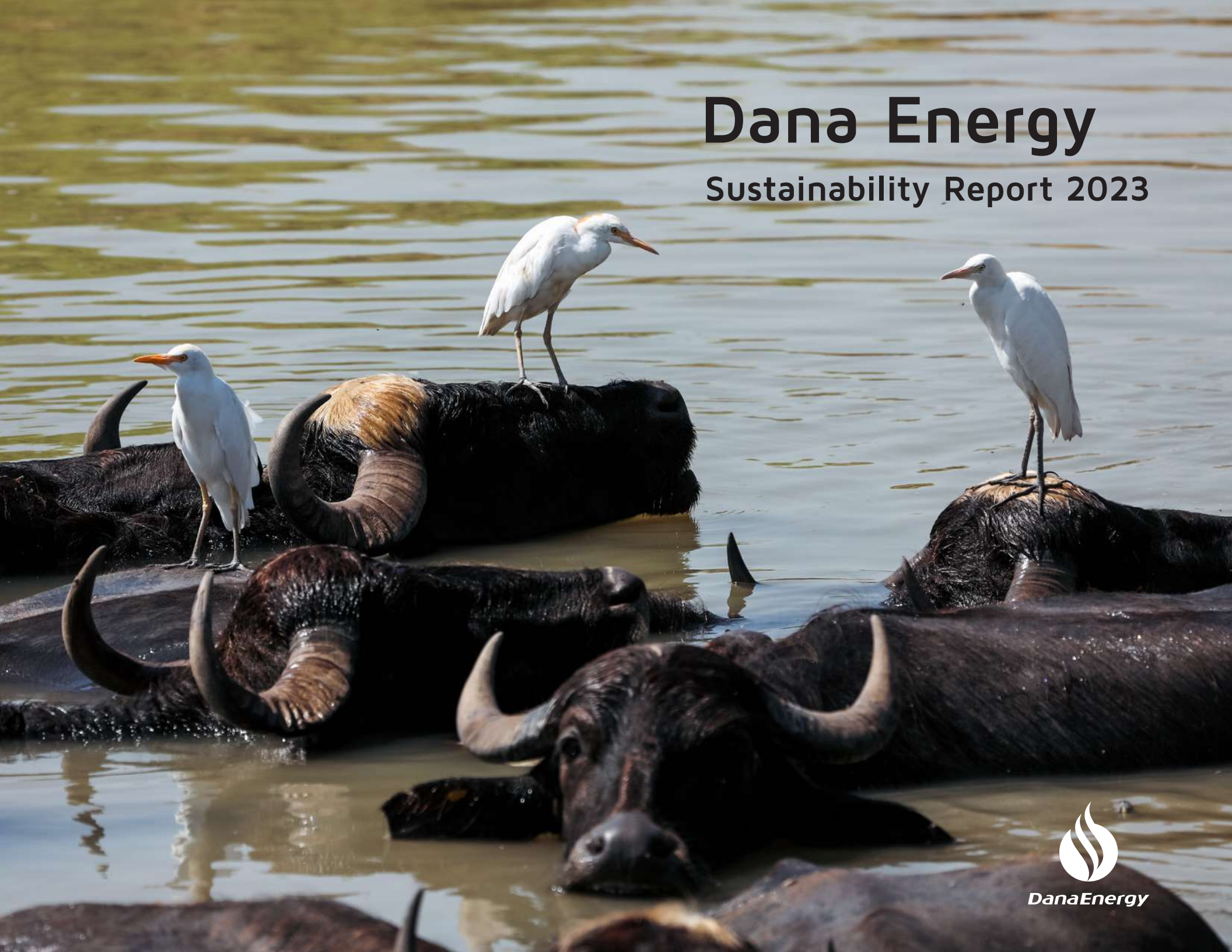


Dana Energy

Sustainability Report 2023



DanaEnergy

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Chairman's Letter

At Dana Energy, we understand the importance of balancing economic goals with environmental and social responsibilities. As the global energy landscape transforms to address climate change and energy security, we recognize our role in this transition. Our mission is to meet global energy demands sustainably by minimizing our environmental impact and positively contributing to communities.

This report highlights our commitment to integrating sustainability into our business. We aim to deliver value and high-quality services without compromising the environment, communities, or our workforce. We have made significant progress toward a sustainable future, aligned with our long-term vision to expand our business while fostering socio-economic prosperity.

Energy drives economic progress, improves living standards, and creates social opportunities. Dana Energy is well-positioned to make a positive impact by supplying necessary energy and services while leading in sustainability. We offer services to ensure safe operations and maximize profitability, production, and efficiency, while prioritizing environmental stewardship and social responsibility.

We harness resources responsibly through strategic partnerships and sustainable practices, aiming for a future where prosperity and nature coexist. Safety is a core value, and we achieve our goals without compromising the safety of our workforce or the environment, encouraging safety awareness across all activities.

Mohammad Irvani



Our Sustainability Achievements

We have fully embraced sustainability throughout our operations and are committed to upholding these principles. In the past year, Dana Energy has made remarkable progress in advancing our sustainability agenda, as highlighted below:

Pursuing a Strong Safety Culture:

Achieving a Lost-Time Incident Rate (LTIR) of 0 in 2023 across various sectors including Exploration and Production (E&P) activities, geophysical activities, snubbing unit operations, Belal (offshore) and Nargesi (onshore) drilling projects, as well as our Tehran offices. We have also maintained 0 fatalities across all businesses, operations and sectors in 2023.

Powering the Prosperity of Communities:

Contributing over \$152,000 towards socio-economic and philanthropic activities in support of improving quality of life and fostering prosperous communities. This amount represents an outstanding increase of 62 % compared to our social investments in 2022, reflecting our strengthened sustainability strategies and objectives. We remain committed to establishing positive relationships and making meaningful contributions to these communities.

Promoting Circular Economy:

Our drilling waste management services offer effective waste management solutions which have enabled a 45% reduction in freshwater consumption for drilling operations.

Sustaining Our Green Investments:

Continuing our investments in green technologies, including the solar farm near kourdeh, in Fars province, which produced more than 18 million kWh of clean electricity in 2023. Additionally, our continuous investment and close engagement with the Carbon Bared factory, a CO2 recovery facility, has led to a 31 % reduction in total CO2 flaring emissions of the Tehran Oil Refinery. These proactive investments stem from our vision of promoting and facilitating the development of green businesses for a better energy future.

While we are proud of our accomplishments, we are acutely aware of the challenges that lie ahead. The path to a sustainable future requires ongoing dedication, innovation, and collaboration. We strive to embed sustainability into our corporate culture, encouraging our employees to advocate for sustainable practices while enhancing our sustainability strategies and policies.

Our Pledge

At Dana Energy, we believe that sustainability is not just a goal but a continuous journey. We are dedicated to making responsible choices that will benefit both present and future generations. We will continue to work transparently, engage with our stakeholders, and drive positive change in the energy sector. Together, we can build a sustainable future: "Save Today, Sustain Tomorrow".

Strategic Priorities and Organization

Dana Energy is the pioneering private energy company in Iran with the purpose of powering prosperity in nations whilst enabling energy security for future generations. This is accompanied by our steadfast commitment to respecting the natural resources and the environment we have inherited from our ascendants along which comes the responsibility of planetary stewardship that will eventually be gifted to our descendants.

Dana Energy strives to provide excellence in Oilfield Services (OFS), delivering a wide range of well-engineered products and technology-based services associated with upstream oil and gas processes. Additionally, we are strategically making strides toward the vast world of Exploration and Production (E&P) activities, with the goal of optimizing our impact on the global community for the betterment of society and the energy industry. Our aim is to contribute to healthier, more prosperous, and happier communities while simultaneously promoting a revitalized and nurtured ecosystem with a positive footprint.

At Dana Energy, we endeavour to achieve these goals and meet the vital needs of society through evolving into a more sustainable business, fitting an ever-developing world. Our ability to adapt and innovate is the key to our continuous success and future victories, partnered with close engagement with our customers and stakeholders to create a shared value.

Curating sustainable solutions that enhance the standards of living and address the changing demands of society.



At Dana Energy, we have maintained our focus on four strategic priorities which guide us in the direction we are planning to proceed with the aim of supporting the Sustainable Development Goals and business continuity and profitability. We are striving to excel in our performance and provide high-quality services through delivering innovative and smart solutions. This is only achievable when coupled with paying respect to sustainability matters, the environment, natural resources, communities, and stakeholders for a sustained, successful, and profitable business.

As we move forward, we maintain our focus on the critical elements of business and sustainability strategy to become the key and preferred partner in the industry. This requires that we thoroughly leverage our competitive advantages, including our most valued resources—our people—by creating a nurturing environment where everyone continuously improves in all essential dimensions. The consequences of this and maintaining a strong culture enable the accomplishment of our business’s long-term objectives.

Dana Energy is also strategically aiming to become among the top three actors within the oil and gas sector with a significant increase in our oil production within the next five years. This is achievable through our E&P activities while we purposefully evolve and transform from a service company into an E&P company.

Chairman: “We strive to cultivate a competent workforce and a productive work environment that values and respects individual and cultural differences. We challenge our employees to contribute fully, exhibit conviction, and uphold the highest standards of excellence and integrity. We embrace learning, adaptability, and innovation to meet the evolving needs of society and outperform our competitors. We take pride in being a part of Dana Energy, where we work hard, enjoy challenges, and live by our values.”



Highlighting 2023 Performance

Workplace

- 53,483.5 manhours + 241 trainings + \$60,046 conducted for education and workforce development programmes.

Safety

- 0 fatalities with 7,573,201 manhours, across all business sectors and operations in 2023.
- 0 Lost Time Incident Rate (LTIR) across E&P activities, geophysical surveying, Belal (offshore) and Nargesi (onshore) drilling projects, snubbing unit operations, Tehran offices activities.

Community and human rights

- \$152,368 in social and philanthropic contributions to communities with a 62 % increase compared to 2022.

Environment

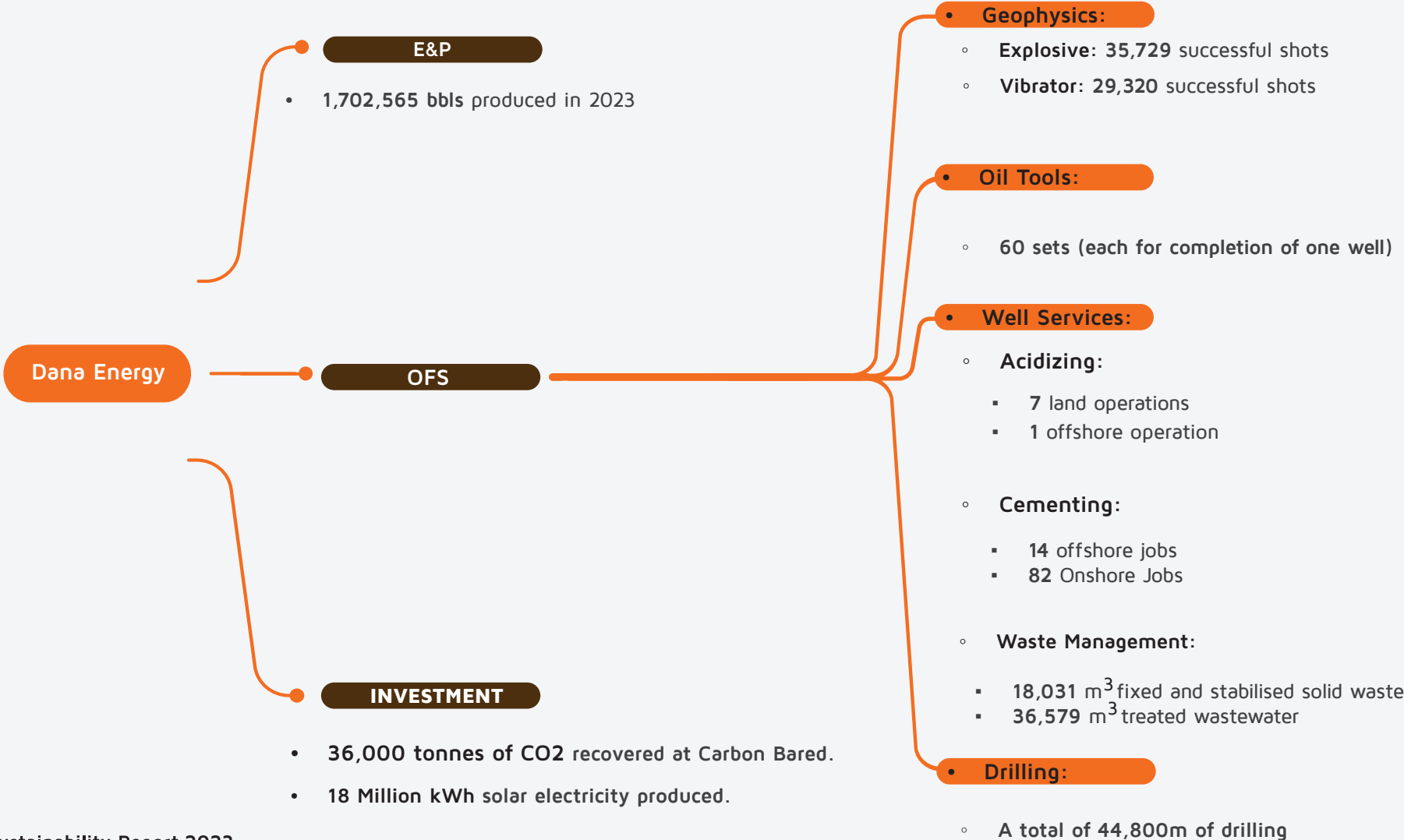
- 45% reduction in freshwater consumption for drilling operations with the establishment of our drilling waste management services.
- 31% reduction in total CO2 flaring emissions of Tehran Oil Refinery with Carbon Bared factory activities.
- 18 Million kWh of clean electricity produced in the solar farm in Fars province.
- 3670 and 300 trees were planted in the Haftkel and Rofayeh cities respectively with our partnership and financial contributions (in the Haftkel and Sohrab Projects).

Corporate Culture

- 2,630 manhours and 21 Culture Codes training sessions for employees with 86% participation rate.

Dana Energy National Operations 2023

Dana Energy operates seamlessly across three core business segments: Exploration and Production, Oilfield Services, and Investment. Our Oilfield Services thrives through a network of interconnected business units, encompassing Drilling Operations, Geophysical Services, Geotechnical Drilling, Well Services, Drill Bit and Downhole Tools, Oil Tools, Tubular Connections, and Rig Solutions. Together, these diverse units synergistically meld into a cohesive and integrated value chain, amplifying Dana Energy's operational capabilities. This unified value chain reinforces our holistic approach and delivers comprehensive value to customers and stakeholders.





Integrating Sustainability into What We Do

Our approach

In 2022, Dana Energy took the initiative of publishing its first sustainability report to disclose all activities encompassing the various aspects of sustainability such as environmental stewardship, safety and health performance, community engagement, and workforce development.

To evolve in line with a dynamic and changing world, Dana Energy has been advancing its portfolio to help fulfilling energy demands while also addressing potential impacts on the environment and society. We are aiming to enhance transparency and reinforce our relationship with stakeholders by improving our sustainability disclosures for more effective environmental protection and meeting the needs of society.

We are focusing on achieving sustainability with the collective efforts of our talented and committed workforce: "Save Today, Sustain Tomorrow".

Our Focus Areas

- **Our Approach to Sustainability**
- **Leadership**
- **Application**
- **Performance**



Our Approach to Sustainability

Dana Energy is committed to embedding sustainability within provided services and delivering solutions that help improve the quality of life and enable us to meet the modern needs of societies. We are committed to doing this in ways that safeguard the people, the environment, and the communities where we are operating.

Our competitive advantages accompanied by our expanded portfolio of services and assets, enable our business to successfully thrive in various conditions and situations. We have been maintaining our commitment to sustainable and innovative solutions for the proper and practical deployment of profitable and high-quality solutions to energy problems with the highest efficiency attainable.

As defined in our strategic priorities, we are planning to be a leading private company within the oil and gas industry regarding performance by making use of our top strengths built upon the expertise and skills of our people. We are committed to achieving our long-term business goals and sustainability objectives that will inevitably embed resilience into the foundation for our operations and business.

Sustainability Approach



Leadership

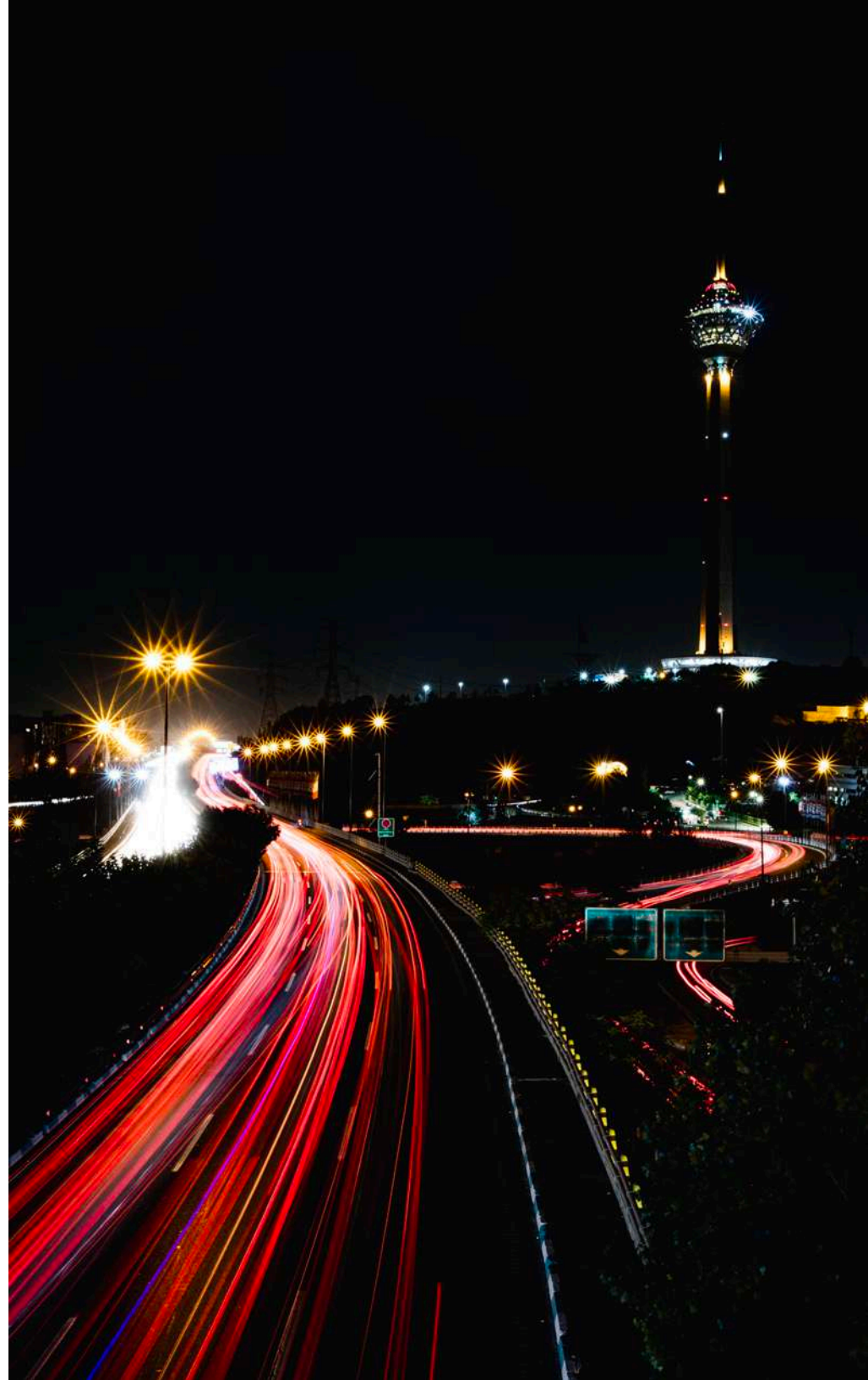
Our governance and business ethics form the foundation of our actions and behaviours. This internal leadership influences our policies, systems, expectations, and standards.

Execution

We leverage strategies, capital, innovation, and stakeholder engagement to direct our resources and formulate plans in areas that offer the greatest potential impact for both Dana Energy and the society.

Performance

Implementing plans, managing processes, and monitoring progress enable us to achieve our focus areas and foster continuous improvement.





Leadership

Dana Energy aims to become a leading private energy company by exceeding performance expectations, achieving strong financial results, and fostering a robust corporate culture grounded in ethical practices. We prioritize safety and strive to minimize our ecological footprint while maximizing energy efficiency. Our strategic priorities focus on leveraging our strengths and the expertise of our workforce to excel in the oil and gas industry. We are dedicated to achieving long-term business goals and sustainability objectives that will enhance the resilience of our operations.

Corporate Governance

Good corporate governance is essential for promoting business advancement and continuous development. This is attained through the oversight of the Board of Directors and the synergy between the relevant committees for the purpose of company management and business growth.

Ethics and Integrity

We uphold the highest ethical standards, reinforced throughout 2023. Our corporate culture team conducted 21 Culture Codes training sessions for over 800 employees, totaling 2,630 man-hours with an 86% participation rate. Dana Energy requires all employees, officers, directors, and those working on our behalf to comply with all applicable laws and regulations.

Employees are encouraged to voice concerns about any policy violations. To support this, we established new reporting mechanisms in 2023, including an Ethics Committee and a 24-hour anonymous hotline, complementing our open-door policy. These channels ensure confidentiality, subject to legal requirements, and accessibility. All concerns are reviewed and investigated under a strict non-retaliation policy.

Risk and Audit (R&A) Committee

Effective risk management is essential for strong corporate governance, and Dana Energy is dedicated to implementing a range of initiatives to foster a proactive risk management culture throughout the organization.

The integrated Risk & Audit approach at Dana Energy aims to establish a cohesive strategy aligning business risk management with COSO and ISO 31000. This approach is designed to promote consistent and comprehensive risk management practices within the organization. By implementing this approach, Dana Energy strives to ensure that there is a standard and holistic approach to risk management within the company. The main objectives of the Integrated Risk & Audit Approach are as follows:

- Ensuring uniform risk governance principles are applied organization-wide.
- Integrating risk management into core business operations.
- Establishing a common risk universe for all service lines within R&A.
- Promoting awareness and understanding of risk at all organizational levels.
- Cultivating a culture of risk management and ownership.
- Enhancing proactive risk and opportunity management processes to prevent major surprises and capitalize on business opportunities.
- Improving incident management, reducing losses, and minimizing risk management costs.
- Enhancing compliance with legislative, regulatory, and best practice requirements.
- Strengthening Dana Energy's internal control environment.
- Coordinating assurance activities across the three lines to enhance the control environment and risk management practices.

Performance and Initiatives

Dana Energy has established the Risk & Audit (R&A) Committee, which consists of five directors, two of whom are independent non-employees, and meets on a monthly basis. The main objective of creating the Risk and Audit committee is to assist in fulfilling the supervisory duties of the board of directors and enhancing them to ensure reasonable assurance in the following areas:

- Effectiveness of management system processes, risk management, internal controls, and internal audits.
- Reliability of financial reporting.
- Efficiency of internal audit.
- Independence of the independent auditor and the effectiveness of the independent audit.
- Adherence to laws, regulations, and requirements.



Our Board of Directors

The Board of Directors discusses and assesses the company's businesses and strategies, ensuring an effective oversight of corporate affairs and risk management. In collaboration with its pertinent committees, the Board carries out assessments and examinations of identified issues that necessitate appropriate actions and administration.

Additionally, the Board oversees the review and approval of the annual plan, with a specific focus on capital allocation investments. The continuous evaluation of safety, sustainability, project, and operational performance is also conducted to ensure consistent achievement of superior quality of services and successful outcomes.

The committee structure of the Board is designed to establish a consistent and transparent framework for carrying out specific oversight functions. These committees include the Risk and Audit Committee, Strategic Committee, Structure and Nomination Committee, and CSR and Ethics Committee. They actively support the implementation of policies that align with Dana Energy's vision and goals.

Sustainability Governance

The sustainability governance we have adopted is the cornerstone of our long-term business viability with reinforced ethics and integrity behaviour, to support and facilitate the achievement of Sustainable Development Goals through our operations and activities within the communities.

Leadership Culture

Dana Energy has flourished for many years due to its robust culture. The foundation of our culture, defines our core values and the leadership standards essential for the company’s long-term success. This framework also emphasizes critical skills relevant to all employees. We are united by a commitment to excellence as we strive toward our shared objectives. Our standards guide the behaviour and development of our leaders to achieve business outcomes that not only meet but exceed our strategic goals. Our culture is reinforced by a strong emphasis on leadership and essential talent systems, including performance evaluations, practical experience, and formal training.

Our Core Values

 <p>Wisdom</p> <p>Acquisition, collection, application, and dissemination of knowledge</p> <p>Commitment to self-transcendence and progress</p> <p>Welcoming innovation</p> <p>Foresight planning</p>	 <p>Integrity</p> <p>Correctness and adherence to high ethical standards</p> <p>Honesty</p> <p>Transparency and steadfastness</p> <p>Fighting against lies, hypocrisy, lawlessness, and immorality</p>	 <p>Commitment</p> <p>Excellent performance</p> <p>Providing valuable and desirable services</p> <p>Planning, foresight, and risk analysis</p> <p>Creating value and opportunities</p>	 <p>Safety</p> <p>Safe, healthy, and environmentally friendly</p> <p>Identifying associated serious risks</p> <p>Preserving and protecting the environment</p> <p>Safety culture</p>	 <p>Respect</p> <p>Respecting clients, employees, stakeholders, and the community</p> <p>Respecting differences</p> <p>Respecting ethnicities, races, and cultures</p> <p>Non-discriminatory practices</p> <p>Fostering Inclusivity</p>
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Leadership Competencies

Leadership	Networking	Supervision and Control	Innovation	Business-oriented thinking	Decision making	Promoting education
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Application

Dana Energy has specified seven Focus Areas to illuminate the path towards sustainability advancement and expedite the process. To formulate these key areas, Dana Energy has evaluated and examined the environmental and social impacts, and business strategies, along with input assessments attained from close engagements with internal and external stakeholders.

Stakeholder Engagement

Dana Energy has been maintaining a close interaction with various stakeholder groups on topics related to sustainability to better comprehend their concerns, interests, and material issues. We have created multiple mechanisms and channels through which communities and stakeholders can liaise with us including open dialogues, in-person and one-on-one discussions, and online meetings. These communication approaches will facilitate engagement with a range of stakeholder groups that will result in identifying sustainability topics of common interest to be addressed, evaluated and, improved.

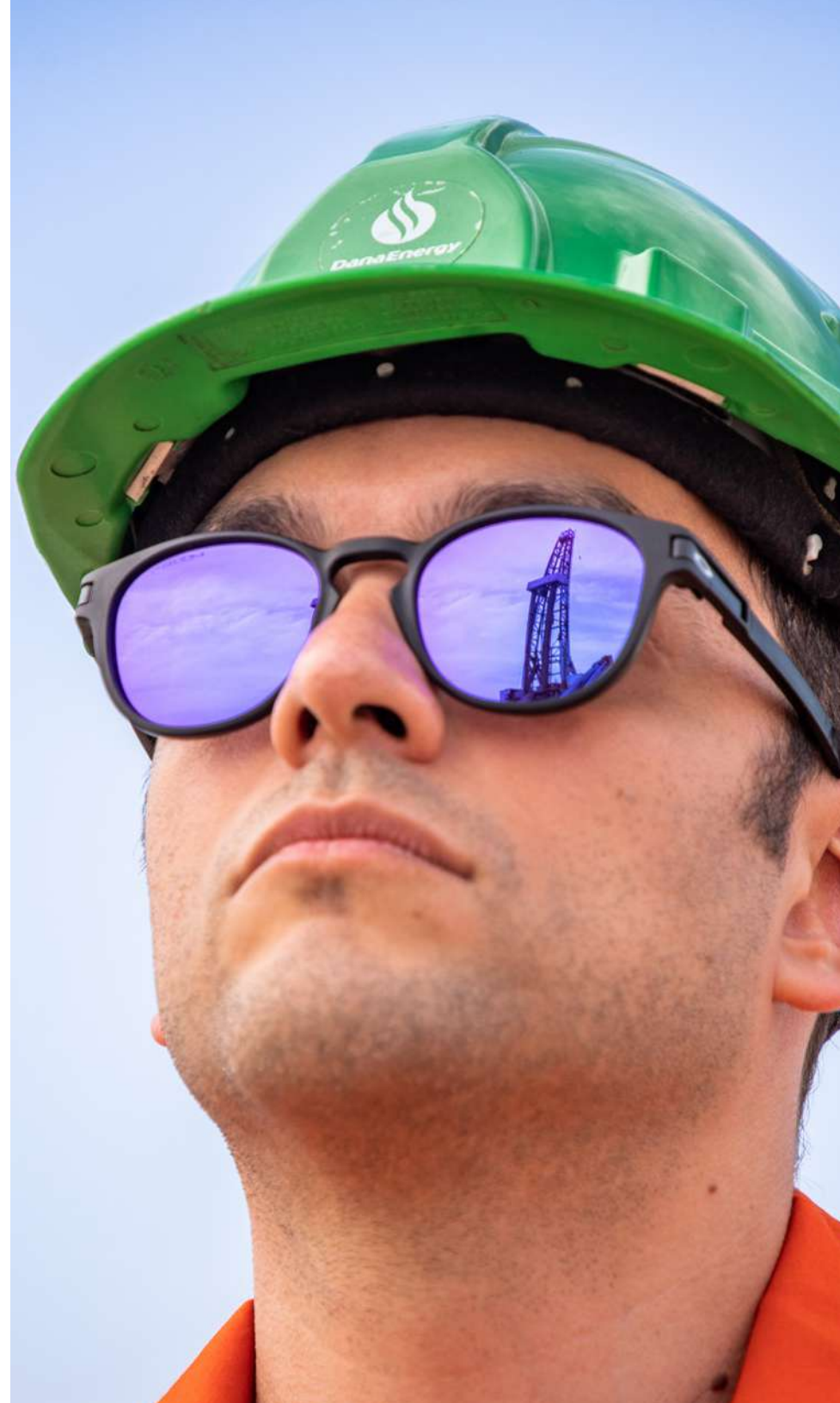
Some of our primary stakeholder groups include:

- **Communities**
- **Clients**
- **Employees**
- **Suppliers**
- **Governmental organizations**
- **Non-governmental organizations (NGOs)**

Our engagement approach can vary depending on the group of stakeholders we are encountering. The main goal is to obtain a mutual understanding of important topics and stakeholders' perspectives. These topics can relate to potential sustainability impacts, community concerns, safety matters, human rights, and environmental footprint associated with business activities.

Transparency in Payments to Government

We firmly believe that disclosing relevant governmental payments is a significant tool to promote transparency, reduce corruption, and improve government accountability, all of which contribute significantly to a sustainable economy. In order to further integrate transparency into our operations, Dana Energy not only adheres to national regulations and laws but also actively seeks opportunities to reinforce this commitment and adopt international practices.



Our Sustainability Focus Areas

Dana Energy has identified seven Focus Areas to articulate sustainability in the context of our business. These are the areas where we have the highest potential impact on both Dana Energy and society with respect to our business activities and operations. To develop and implement the necessary course of action for achieving the highest sustainability performance, we distribute resources and implement strategies to tackle risks and seize opportunities in every Focus Area.



Conserving Water Resources



Reducing Impacts to Land and Habitats



Reducing Operational Waste



Leading in Personnel Safety



Investing in People



Managing Socioeconomic Impacts



Respecting Human Rights





Performance

These defined Focus Areas have been serving as a guideline to implement plans, execute processes and track progress to aid in achieving Sustainable Development Goals (SDGs). We disclose our sustainability performance and progress within each Focus Area in this report.

Our sustainability objectives and strategies have been aligned with these focus areas to ensure a consistent approach across the company for more efficient advancement of sustainability priorities.

Supporting the United Nations

The Sustainable Development Goals (SDGs) were adopted by the United Nations with the aim of addressing global economic, social, and environmental challenges by 2030. While these goals primarily target governments, the private sector and civil society also have a crucial role to play in supporting these universal plans. Dana Energy is committed to assisting and maintaining an effort to achieve the SDGs.

One of our key objectives is to make a notable contribution to SDG 8, Decent Work and Economic Growth, with an emphasis on the importance of fostering inclusive economic growth and ensuring opportunities for all. As an oil and gas company committed to sustainability, we recognize our role in contributing to this goal through responsible business practices. We strive to provide safe and fulfilling employment opportunities, promote fair labour practices, and support economic growth in the communities where we operate. Through transparent reporting, continual improvement, and sustainability initiatives we aim to align our business objectives with the principles of SDG 8, thereby contributing to the advancement of a more equitable and prosperous future for all.

As we continue to help with economic advancements, we also support progress toward SDG 3, Good Health and Well-being, which underscores the fundamental right to health and the importance of promoting well-being for all individuals. Dana Energy recognizes the critical role we play in supporting this goal and is committed to prioritizing the health and safety of our employees, contractors, and surrounding communities through rigorous health and safety protocols, proactive risk management, and investments in health promotion initiatives. We strive to create a culture of well-being and resilience by integrating health considerations into our operations and supporting access to healthcare in the areas where we operate to enhance the overall well-being of society.

Dana Energy also supports SDG 15, Life on Land, emphasizing the need to protect, restore, and promote sustainable use of terrestrial ecosystems. We recognize our ecological footprint and the impacts imposed on the environment by our operations along with the importance of preserving biodiversity and ecosystem integrity. Hence, we are dedicated to minimizing our environmental footprint, including land use impacts, by adhering to environmental regulations, implementing best practices, and investing in conservation efforts. Through responsible land management, habitat restoration projects, and biodiversity conservation initiatives, we aim to mitigate our impacts on ecosystems and contribute to the preservation of biodiversity and the promotion of sustainable land use practices. By aligning our actions with the objectives of SDG 15, we are working towards a future where life on land thrives in harmony with human activities.



Progressing Environmental Initiatives

A large herd of water buffaloes is wading through a river, splashing water. The buffaloes are dark brown with prominent horns, and they are moving from the background towards the foreground. The water is turbulent and white with foam from the splashing. The background shows a muddy riverbank with some green vegetation.

Our Approach

Our diverse portfolio consists of projects located in remote and sensitive environments, such as regions with rich biodiversity.

Our operations are driven by a comprehensive understanding of the potential environmental and socioeconomic consequences, and a dedication to responsibly developing, maintaining, and executing projects. We adhere to appropriate standards that empower us to “Save Today, Sustain Tomorrow”.

Our Focus Areas

- **Managing Environmental Performance and Compliance**
- **Mitigating Impacts on Land and Ecosystem**
- **Conserving Water Resources**
- **Minimizing Operational Waste**
- **Green Investments**



Managing Environmental Performance and Compliance

We aim to establish ourselves as a frontrunner in environmental stewardship. We assess potential hazards at every phase of a venture in order to alleviate any adverse effects on the environment and society. Our corporate ethics policy mandates strict adherence to all relevant laws, regulations, and rules, and we implement protocols that are specifically designed to minimize environmental and societal risks in the absence of applicable laws and regulations.

“Save Today, Sustain Tomorrow” is our guiding principle which directs our focus towards balancing environmental stewardship with the economic and social well-being of our communities both now and in the future. This principle reflects the environmental standards and industry practices that influence our operations by prioritizing sustainability to minimize our environmental impacts while also supporting the long-term viability of our business. We strive to implement environmentally responsible practices that not only benefit the planet but also contribute to the resilience and prosperity of the communities we serve.

Through continuous improvement and innovation, we seek to find creative solutions that address both present-day challenges and future needs, to leave a positive legacy for generations to come. Furthermore, we recognize the interconnectedness of social and environmental issues, understanding that our actions have far-reaching implications. Therefore, we engage with stakeholders, collaborate with local organizations, and support initiatives that promote sustainability and community well-being.



Performance and Initiatives

Dana Energy's Oilfield Services (OFS) adheres to environmental regulations such as ISO 14001. With ISO 14001 certification, Dana Energy ensures that environmental impacts are managed and compliance obligations are fulfilled.

Effective project implementation necessitates a thorough understanding of the environmental and socioeconomic attributes of the regions in which we are active. For significant capital ventures, we conduct Social, Environmental, and Health Impact Assessments, which are utilized to pinpoint and assess environmental and socioeconomic hazards and effects during the entire lifespan of the project. Subsequently, we formulate strategies to prevent, minimize, or manage identified issues. We also include input from stakeholders, such as local communities and other interested parties, in our evaluations to effectively develop a pragmatic and appropriate strategy for environmental and social performance management.

Managing Environmental Impacts in the Sohrab Project

The Sohrab Project, a monumental collaboration between Dana Energy and the National Iranian Oil Company, aims to unlock the immense potential of the Sohrab oilfield. At the core of this project lies a commitment to sustainability, reflected in its comprehensive Environmental and Social Impact Assessments with a strong emphasis on environmental preservation and sustainability. Over a span of twenty years, the project aims to extract 160 million barrels of oil from the Hour-AI-Azim Wetland in the Khuzestan province. Throughout this process, the project is dedicated to implementing eco-conscious practices and empowering local communities.

To minimize the environmental impact on the Hour-AI-Azim wetland, where the oilfield is situated, the well pads have been strategically designed to be consolidated and placed along the existing access road on the dyke. This approach ensures that the project acquires the minimum amount of land within the wetland. As a result, our environmental footprint is significantly reduced compared to the initial technical proposal. Specifically, there is a 65% decrease in wetland land acquisition and a 27% decrease in the length of the collection and transport pipelines that need to be laid. By adopting a proactive approach, the Sohrab Project aims to mitigate any adverse effects on the environment and local communities, while promising long-term sustainability and responsible resource management.



Mitigating Impacts on Land and Ecosystem

The preservation and conservation of land and habitats, along with their influence on biodiversity, hold immense significance in the communities and environments in which we operate. Dana Energy strives to minimize any potential negative effects on ecosystems and recognizes the importance of the services these ecosystems offer. In both existing operations and upcoming projects, we are committed to incorporating tailored protective measures based on the specific location and scale of our activities while reinforcing our environmental management plans.

Dana Energy employs a thorough procedure to analyze the correlation between our operations and the surrounding environment. We work in diverse areas with varying environmental and socioeconomic circumstances, employing a strong environmental management system to recognize, evaluate, alleviate, and oversee environmental impacts, including potential effects on biodiversity and the significance of specific ecosystems.

For major projects, we implement necessary environmental, social, and health Impact Assessment processes to pinpoint and assess associated hazards and risks. Additionally, we utilize planning and management strategies to identify, evaluate, and implement environmental solutions, such as potential mitigation measures, throughout the lifespan of the asset.

Managing Environmental Impacts on the Sohrab E&P Project

The Sohrab project has prioritized environmental stewardship by conducting a thorough Environmental Impact Assessment (EIA) before starting, leading to technical modifications and the integration of sustainability into the project's DNA. Preventive and corrective measures have been implemented to minimize our ecological footprint. The region's environmental sensitivity and rich biodiversity have been researched and will be integrated into operational strategies throughout the project's 20-year span.

Biodiversity in the Sohrab Oil Field

Biodiversity within the Sohrab oil field is a subject of field studies that have been under extensive research. The impact of the oil field's activities extends to various types of land, where rainfed and irrigated fields make up over 47% of the study area, while barren lands account for approximately 20%.

Wetlands constitute around 16% of the area affected by the Sohrab oil field. The dominant type of pastures in the region consists of sparse and semi-dense vegetation, showing a negative trend. It is worth noting that a significant portion of the Sohrab oil field is situated within the Hour-Al-Azim wetland protected area.

Hour-Al-Azim serves as a crucial habitat for wintering and hatching of migratory waterfowl and waterside birds, acting as a border between three international migration routes for birds. Overall, the area is home to at least 31 species of mammals, 96 species of birds, and 17 species of reptiles and amphibians.

Biodiversity Index

The biodiversity index of the wetland refers to the variety of species present. Based on the studies, in the Hour-Al-Azim wetland ecosystem, certain species have been identified as indicators of species diversity, and the annual census will calculate and monitor the presence of these indicator species in comparison to others. The Mesopotamian smooth-coated otter represents indicator species of mammals, while the marbled duck represents indicator species of birds in the Hour-Al-Azim wetland ecosystem.



Biodiversity Management Plan

To effectively manage biodiversity in the project area, the comprehensive Environmental Management and Monitoring Plan (EMMP) for the Sohrab oil field development and operation plan has outlined two distinct stages:

1) Design Stage and Pre-Development Measures

Efforts during this stage focused on minimizing habitat destruction and reducing the project's environmental footprint to protect the natural area and ensure habitat safety and quality. Measures taken include:

- Well pad design was optimized to prioritize habitat preservation over the ideal technical and economic model, reducing wetland acquisition by 65% and preventing dispersion in the wetlands.
- Drilling multiple wells in a single well pad to reduce the overall required area for drilling while effectively minimizing the impact on habitat destruction to the lowest extent possible.
- Integrating Rotary Steering System (RSS) technology allows resource extraction from multiple reservoir layers with a single well, reducing the need for more wells, and lowering the usage of water, energy, and drilling mud while cutting waste generation.
- Using a three-phase transmission method with Multi-Phase Pumping (MPP) stations, eliminates the need for injection wells and other facilities including processing, separation, and measurement units in the Hour-AI-Azim protected area, thus maximizing habitat preservation.
- In-well pumps are used to boost oil extraction and reservoir pressurization, eliminating the need for side facilities and gas injection pipelines, thereby reducing additional infrastructure.
- Residential camps, construction operations, workshops, and the Multi-Phase Pumping (MPP) station were all relocated to outside of the Hour-AI-Azim wetland protected area to preserve the habitat.
- Deploying 6-inch Reinforced Thermoplastic Pipe (RTP) has enabled reducing soil destruction, land exploitation, resource consumption, and pollutant production.

These preventive measures aim to mitigate biodiversity impacts and ensure sustainable development of the Sohrab oil field from early stages. To further enhance these measures with a corrective approach, for the second stage the following actions have been identified:

2) The Development Stage (Construction and Operation)

During the development stage encompassing the construction and operation, any measures taken to control and reduce the risk of pollutants being released and leaked will impact the preservation and quality of the habitat, ultimately reducing threats to biodiversity. In the Sohrab oil field, key actions to preserve biodiversity include:

- Implementing a comprehensive waste management plan.
- Developing mud pits with a coral system on each well pad for common waste stabilization and dewatering, followed by the transfer to a designated landfill. Enhanced by prompt emptying of mud pits after drilling operations.
- Selecting an optimal landfill location and use of Mobile Oil Treatment (MOT) or Mobile Oil Separation (MOS) to reduce burn pit emissions.
- Mandating the use of non-synthetic water-based drilling mud and a Zero Discharge waste management process.
- Enhancing soil stability and promoting native vegetation through a compensation plan.
- Implementing a noise management plan to reduce noise pollution, particularly during bird migration seasons.
- Fencing off the well pad to prevent the entry of animal species.
- Preserve adjacent surface water resources and habitats to prevent pollution.
- Minimizing light and noise pollution at night, especially in the wetland area.
- Implementing controls for water and sewage pollution.
- Emptying mud pits promptly and transferring waste to the landfill.
- Reporting potential incidents and wildlife casualties immediately.
- Collaborating with the General Department of Environmental Protection of Khuzestan and community representatives to enhance habitat quality.

The comprehensive measures at both stages have been carefully reviewed to ensure sustainability and effectiveness. We are committed to safeguarding the environment during operations and avoiding irreversible harm for operational or financial gains. Our balanced approach considers business continuity, profitability, and project progress while minimizing our environmental footprint.

Haftkel 3D-Seismic Surveying Project

In 2023, Dana Energy commenced the Haftkel project, which is one of our notable ventures in 3D seismic data acquisition. This project covers an extensive area of 2,250 km in the Khuzestan province. Its primary objective is to obtain supplementary 3D seismic data for the Haftkel field and establish the correlation between Haftkel, Naft Sefid, and other potential fields. The project entails challenges such as the presence of protected environmental zones and residential areas. However, these obstacles have been effectively addressed through proficient collaboration and joint efforts.

To ensure the preservation of the highly diverse habitats of flora and fauna, Dana Energy has implemented a schedule that conducts operations outside of the local habitat mating and breeding seasons. This precautionary measure aims to minimize any negative impacts on the habitats. Additionally, the layout of the seismic operation lines has been modified in these areas to reduce environmental influence and minimize any potential impacts.

Furthermore, in all our corporate geophysical activities, we have established a dedicated team known as the Green Team. This team is responsible for ensuring that after the completion of operations, the land and habitats are restored to their original state whenever possible. Alternatively, any additional features and structures are repurposed for the benefit of local communities and the preservation of living habitats. This approach is tailored to each specific case and activity, allowing for the proper implementation of sustainability practices.





Conserving Water Resources

Water is widely recognized as an essential asset for the advancement of humanity and the conservation of the global ecosystem. Dana Energy is dedicated to effectively managing water resources in our activities to ensure the protection of human health and the environment. Our goal is to take the lead in conserving water resources, by comprehending water stress at a community level and assessing the potential impacts of our operations. Furthermore, we aim to integrate this knowledge into our project planning and operational procedures.

Dana Energy is committed to reducing the potential impact of our operations, particularly in regions where water scarcity is a concern. When sourcing water for our operations, we take the necessary steps to identify and address risks related to supply and quality. We regularly assess our water consumption and actively pursue opportunities to enhance water efficiency.

Drilling Waste Management Services

The main drilling activities carried out by Dana Energy are conducted in water-scarce regions, presenting a growing national concern. This situation poses challenges in responsibly sourcing water for domestic and operational needs, emphasizing the importance of sustainability commitments. Consequently, Dana Energy has taken steps to decrease water consumption in drilling operations by introducing the drilling waste management service in 2023, aiming to offer sustainable solutions for the drilling industry.

This service provides solutions for separating the liquid and solid phases of drilling fluid waste. The separation methods involve various pieces of equipment, such as the dewatering unit and filtration, to remove solids from wastewater. The treated wastewater is processed to meet specific quality standards in terms of pH, hardness, and other necessary criteria before being used to make drilling fluid. The solid waste is efficiently stabilized for disposal in designated isolated landfill areas using the solidification method, minimizing environmental impacts to the greatest extent possible.

In 2023, as a result of our preventive and corrective measures, over 36000 cubic meters of treated and circulated wastewater were accumulated, along with more than 18,000 cubic meters of solid waste that were fixed and stabilized for safe disposal. Subsequently, the water consumption in drilling operations has been notably reduced, with an average decrease of 45% in freshwater supply for drilling operations through reusing treated wastewater. This will directly address national water scarcity issues and establish sustainable solutions for current challenges while safeguarding the future.





Reducing Operational Waste

Everyone at Dana Energy contributes to the reduction of operational waste. Our waste management strategy focuses on prioritizing waste prevention whenever possible. In cases where waste cannot be avoided, we strive to minimize, recover, or repurpose it whenever feasible.

We aim to consistently seek opportunities and deploy innovative solutions to reduce waste by implementing strategies such as modifying processes, altering raw materials, improving material handling, storage, and transportation, and ensuring proper treatment and disposal of any remaining waste in accordance with relevant regulations.

Snubbing Unit

Dana Energy successfully implemented its inaugural 460k snubbing unit in 2023 with the primary objectives of enhancing efficiency, reducing operational costs, and improving operational flexibility. This versatile unit is capable of conducting both offshore and onshore well workover and drilling operations. Its employment offers a competitive edge by minimizing operational expenses and optimizing the management of waste, positioning us as the first Iranian company to own a brand new operational 460K snubbing workover unit in the Persian Gulf offshore fields.

Notably, the workover operations conducted by the use of the snubbing unit rely on the utilization of seawater or salt water. This innovative approach significantly mitigates operational waste and its associated environmental impacts. The importance of this cannot be overstated, particularly for offshore operations, as it contributes to the preservation of the ecosystem, prevents water pollution, and mitigates risks to habitats as well as optimizing the efficiency and cost of operations.





The Art of Upcycling

To promote and strengthen the culture of waste management and reduction, Dana Energy has taken a creative approach by collaborating with an artist to create a sculpture using waste materials. This sculpture is proudly displayed at our newly established Ahwaz Base, showcasing our dedication to upcycling and cherishing our commitment to waste management practices and circularity principles.

The sculpture, depicting two employees engaged in drilling operations, symbolizes the integration of oil production activities with waste management practices and circularity principles to achieve operational excellence and positive environmental outcomes. This project aligns with our goal of supporting Sustainable Development Goals (SDGs) and encouraging a culture of sustainability within our business operations.



You Have the Solution Campaign

In honour of the "International Plastic Bag Free Day" in July, Dana Energy took the initiative of launching a campaign called "You Have the Solution." The main objective of this campaign was to encourage a culture of responsible consumption, specifically with the replacement of single-use plastic bags with more sustainable tote bags that were gifted to the employees. To prioritize sustainability, we have sourced these reusable tote bags from a local business that employs and supports underprivileged women, empowering them while also boosting their household income.

Throughout this campaign, employers have been educated about the statistics regarding the usage of single-use plastic items, the challenges posed by associated waste, and the detrimental effects on the environment, flora and fauna, as well as health implications on humans and the ecosystem. This initiative aimed to foster sustainability by challenging employees to take action and create a collective positive impact for a better future.

YOU
have
the
Solution

Green Investment

Solar Farm

Dana Energy has strategically invested in green energy projects to tap into the vast potential of renewable energy in Iran. Our investments are aimed at increasing the proportion of renewable energy in Iran's overall energy mix, while also aligning with the Sustainable Development Goals (SDGs) and transitioning towards a sustainable business model.

One noteworthy investment made by Dana Energy is our collaboration with an esteemed international partner for the solar farm, located near Kourdeh in Fars province. This solar power plant has been successfully connected to Iran's national power grid since July 2019 and has been operating successfully. Through continuous investment, Dana Energy has facilitated the production of 18 million kWh of clean electricity in 2023, meeting the energy needs of local communities and promoting the growth of renewable and green energy in Iran for an estimated period of 20 years, as per the Power Purchase Agreement (PPA) with the Ministry of Energy.

This solar farm comprises 30,000 solar panels, capable of generating approximately 50 MWh of electricity on sunny days. This investment represents a significant milestone for Dana Energy, showcasing our commitment to sustainable nation-building through clean energy. Moreover, it contributes to energy diversification, enhances energy security, and creates long-term value for communities.



Carbon Bared

Dana Energy is dedicated to upholding sustainability by investing in technologies that support climate-positive actions and help offset the carbon footprint of our operations. Through strategic investment in the Carbon Bared Factory, we are making significant progress towards our sustainability objectives.

Established in 2003, the Carbon Bared Factory is situated on the eastern side of the Tehran Oil Refinery. It directly captures CO₂ emissions to produce pure liquid CO₂ for industrial and food-grade applications. As the first plant in the country to utilize a recovery method for producing pure liquid carbon dioxide, this factory plays a crucial role in enabling the Tehran Oil Refinery to achieve zero flaring and reduce overall CO₂ emissions. Acknowledging the environmental advantages offered by this factory, Dana Energy has actively supported and invested in Carbon Bared as part of its commitment to sustainable development.

This partnership has led to the successful recovery of 36,000 tonnes of CO₂ from the Tehran Oil Refinery in 2023, equivalent to 37% of the refinery's annual flaring emissions. By actively preventing a substantial portion of flaring emissions from being released into the atmosphere and causing environmental pollution, we are making a positive impact.

Looking ahead, the long-term strategy of the Carbon Bared Factory, in collaboration with Dana Energy, aims to capture and recover all CO₂ flares from the Tehran Oil Refinery with the aim of attaining zero flaring. This will not only increase carbon offsets for Dana Energy but also enhance our sustainability efforts.





Engaging Communities and Our Supply Chain

Our Approach:

Dana Energy is devoted to upholding its responsibilities as a responsible corporate entity across all the locations where we conduct our operations.

Our primary focus is on ensuring the well-being and safety of our employees and the general public, while also managing our social impacts in a responsible manner. Additionally, we are committed to upholding human rights in all aspects of our operations. At Dana Energy, we continuously strive to build strong partnerships with our stakeholders, including our workforce, suppliers, clients, and the communities in which we operate.

Our Focus Areas:

- **Respecting Human Rights**
- **Our Communities**
- **Our Supply Chains**



Respecting Human Rights

Dana Energy upholds a strong commitment to establishing human rights, which is deeply ingrained in our corporate policies, practices, and expectations. Our actions are guided by universally acknowledged human rights principles, and we adopt an integrated approach to recognize and rectify any potential human rights impacts that may arise from our operations.

We are dedicated to making a positive impact on our employees and the communities in which we operate. Dana Energy firmly condemns any violations of human rights and actively communicates this stance to the stakeholders where our affiliates are present. We strictly prohibit the use of forced or compulsory labour and forbid the employment of children within our workforce.

Integrated into our Policies and Practices

Dana Energy firmly believes that every individual deserves to be treated with fairness, respect, and dignity. We are dedicated to incorporating and upholding universal human rights standards in all aspects of our operations. This commitment is deeply ingrained in our corporate identity and guides our business practices. This is reflected and represented in our governance, policies, and processes with the support of the CEO and the Board of Directors.

Furthermore, we demonstrate our commitment to the human rights of our workforce through our focus on their development, safety, security, and well-being. We have established effective procedures for addressing complaints and promoting open-door communication. In 2023, Dana Energy established a Hotline to provide employees with a platform to anonymously raise concerns and report any violations of human rights or the Business Code of Conduct.



Our Communities

Dana Energy's dedication to environmental sustainability forms the basis of our endeavours. Our actions are guided by a comprehensive understanding of the environmental impacts of our operations, as well as an awareness of the social and economic needs of the communities in which we operate.

We strive to contribute to the social and economic advancement and prosperity of these communities and firmly believe that upholding human rights, managing our impacts on communities, and making meaningful social investments are crucial to the success of our business.

Managing Socioeconomic Impacts

Our comprehensive approach to socioeconomic management facilitates the timely recognition of potential socioeconomic consequences and prospects, encompassing human rights considerations, along with the thorough organization and successful execution of actions and advancements that prevent, diminish, or rectify risks stemming from our activities.

The fundamental socioeconomic components of our holistic strategy involve the identification and evaluation of potential consequences, community engagement and grievance management, community well-being and safety, local economic growth, cultural heritage, and Indigenous communities. These components are frequently interconnected and are most effectively handled in an integrated manner to devise efficient strategies for addressing risks and opportunities in diverse settings.



Impact Identification and Assessment

Dana Energy strives to provide socioeconomic benefits through its projects and operations, both within and beyond the communities in which it operates. Despite the inherent risks associated with development and operation, our commitment lies in preventing, mitigating, minimizing, or addressing these risks to ensure they are at an acceptable level.

We employ systematic approaches to identify, evaluate, control, and monitor environmental and socioeconomic risks and opportunities throughout the life cycles of our assets. This includes conducting environmental, socioeconomic, and health impact assessments, as well as implementing comprehensive management plans.

We actively engage with local communities and stakeholders to incorporate their feedback, scientific knowledge, and other necessary due diligence into our processes to ensure safe and responsible operations. We regularly update these assessments to account for any changes in operational complexity or socioeconomic considerations, adjusting management plans accordingly.



Community Well-Being, Safety and Security

We ensure that our impact evaluations are inclusive of community health, safety, and security aspects as a fundamental part of our socioeconomic management strategy. Our environmental, socioeconomic, and health management plans encompass community health, safety, and security plans where suitable.

For instance, in the case of the Sohrab Project spanning two decades, our Social Impact Assessment will thoroughly detail recognized risks, as well as strategies for mitigation and management, and provide recommendations. Ongoing planning and monitoring will be conducted to evaluate the effectiveness of these strategies in addressing risks related to social and economic impacts, cultural influences, road traffic hazards, and other relevant issues, drawing from comprehensive field studies and active involvement with communities.



Community Engagement and Grievance Management

Dana Energy actively collaborates and maintains transparent relationships with local communities to foster positive and enduring connections. We regularly consult with local societies and individuals, ensuring that the concerns and interests of our stakeholders are effectively represented during discussions and decision-making processes.

Our approach to engagement is customized to suit the specific needs of each community, providing accessible and culturally appropriate channels for the exchange of information and proactive identification of issues or concerns. Our engagement activities encompass a range of initiatives, including community gatherings and one-on-one interactions.

By incorporating the outcomes of these discussions into our decision-making, we strive to prevent or minimize potential impacts on communities, maximize benefits, streamline efficient investments, avoid delays, and address local issues effectively. Our ongoing community engagement also includes a comprehensive grievance management system, which offers diverse platforms for individuals or communities to raise concerns. These platforms encompass direct and in-person engagement. We have dedicated personnel who are responsible for mapping, tracking, analyzing, responding to, and resolving community grievances promptly, with a strong emphasis on maintaining confidentiality and non-retaliation.



Local Economic Growth

Dana Energy collaborates extensively with local communities to comprehend the distinct requirements of the regions in which we conduct business, and to recognize and support long-lasting, beneficial local economic and social progress. Our strategy for local economic advancement involves incorporating local content throughout project preparation, implementation, and operations.

Local Content:

Hiring locally enables us to meet staffing requirements while promoting local economic development and education. We are committed to enhancing the long-term capabilities of the local workforce through comprehensive recruitment, training, and succession planning for employees. Our strategy involves hiring local individuals and equipping them with technical and leadership skills that will benefit them throughout their careers, whether with Dana Energy or other future employers. Our development program includes training in relevant technical and vocational skills, health and safety, environmental protection, management skills, and business conduct.

We recognize the importance of cultivating and maintaining a qualified and competitive supply chain where we operate. Our approach to local supplier development and utilization involves purchasing goods and services from local suppliers and enhancing their capabilities to establish a competitive local industrial base.

We collaborate with various stakeholders, including governmental and non-governmental organizations, along with local communities, to support the development of local vendors. To qualify as a supplier for Dana Energy, local vendors must meet our safety, technical, and environmental standards. Whenever possible, we engage with businesses owned by local individuals, women, and members of historically disadvantaged communities, aiding them in becoming competitive vendors who contribute to our business and the long-term economic progress of their communities.

Local Workforce Development:

Our commitment to maximizing the economic and social benefits associated with our activities includes providing opportunities for local hiring and workforce development. Our strategy encompasses recruiting and nurturing staff who can contribute effectively to our local activities, while also focusing on building a talent pool capable of meeting our future business requirements in various locations. This approach is beneficial for our business and communities which ensures a skilled workforce for the future needs of the industry.

To ensure effective workforce development, we utilize established training curriculums, industry best practices, and continuous progress monitoring for program enhancements and future plans.

The breakdown of the percentage of locally hired employees in 2023 drilling, seismic and E&P projects is detailed below, showcasing our dedication and efforts towards local workforce employment and development.

Sohrab: 71%



West Paydar: 10%



Haftkel: 93%



South Azadegan: 70%





Cultural Heritage

Dana Energy is dedicated to safeguarding cultural heritage and reducing the impact of our activities on local communities. We recognize the significance of honouring cultural traditions and values, and we incorporate this awareness into all aspects of our operations. Starting from the initial project planning to ongoing activities, we take into account cultural and spiritual aspects, heritage sites, biodiversity conservation, traditional knowledge, and resource efficiency. We deeply appreciate and respect the diverse cultural histories of the regions where we operate.

In order to protect cultural heritage, we have established procedures to identify culturally significant sites. We maintain close relationships with communities and contribute to the preservation of our national cultural heritage in the regions where we are active. We further emphasize knowledge sharing within our team by utilizing relevant research and providing training to our staff, which equips them to effectively recognize and preserve various forms of cultural heritage in our operational areas. These measures have been implemented through financial and in-kind contributions in the commemoration of local and cultural values as conducted in projects such as the Haftkel 3D seismic project.



Indigenous Communities

In regions where Indigenous peoples have a historical presence, we work closely with these communities to honour and preserve their cultures and traditions. Dana Energy prioritizes understanding Indigenous perspectives through transparent consultations and values their input at every stage of our projects, from planning and design to execution and ongoing operations. We actively support local employment initiatives and cultural heritage programs by nurturing local talent.

Dana Energy is committed to conducting meaningful consultations with Indigenous peoples, incorporating their traditional knowledge and land use information into our plans, and promoting community engagement programs that respect their traditions and cultures. Ensuring meaningful engagement is a key aspect of Free, Prior, and Informed Consent, a right recognized by the United Nations Declaration on the Rights of Indigenous Peoples and specifically applicable to Indigenous communities.

One of our primary objectives is to determine the preferred methods of engagement for Indigenous peoples. Communities have the autonomy to decide whether they would like us to meet with elected leaders, community elders, or other representatives, and whether these engagements should take place in a public forum, formally or informally. We empower communities to establish their preferences regarding the frequency and duration of meetings with Dana Energy representatives, and to designate individuals who will convey and represent their viewpoints.

In areas where Indigenous peoples have lived or have a historical presence, we collaborate closely with these communities to honor and preserve their cultures and traditions. Dana Energy actively seeks to comprehend the perspectives of Indigenous peoples through transparent consultations, and we value their input in every stage of our projects, from planning and design to execution and ongoing operations.



Social Contributions and Philanthropy

Dana Energy aims to address key local priorities in regions where we operate through our community contributions. We collaborate with government, businesses, and NGOs to assist local communities and society at large in various areas such as economic development, healthcare, and environmental conservation. Dana Energy funds a variety of initiatives with a focus on enhancing the prosperity and welfare of communities as well as promoting Sustainable Development Goals (SDGs) within societies.

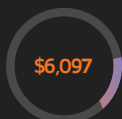
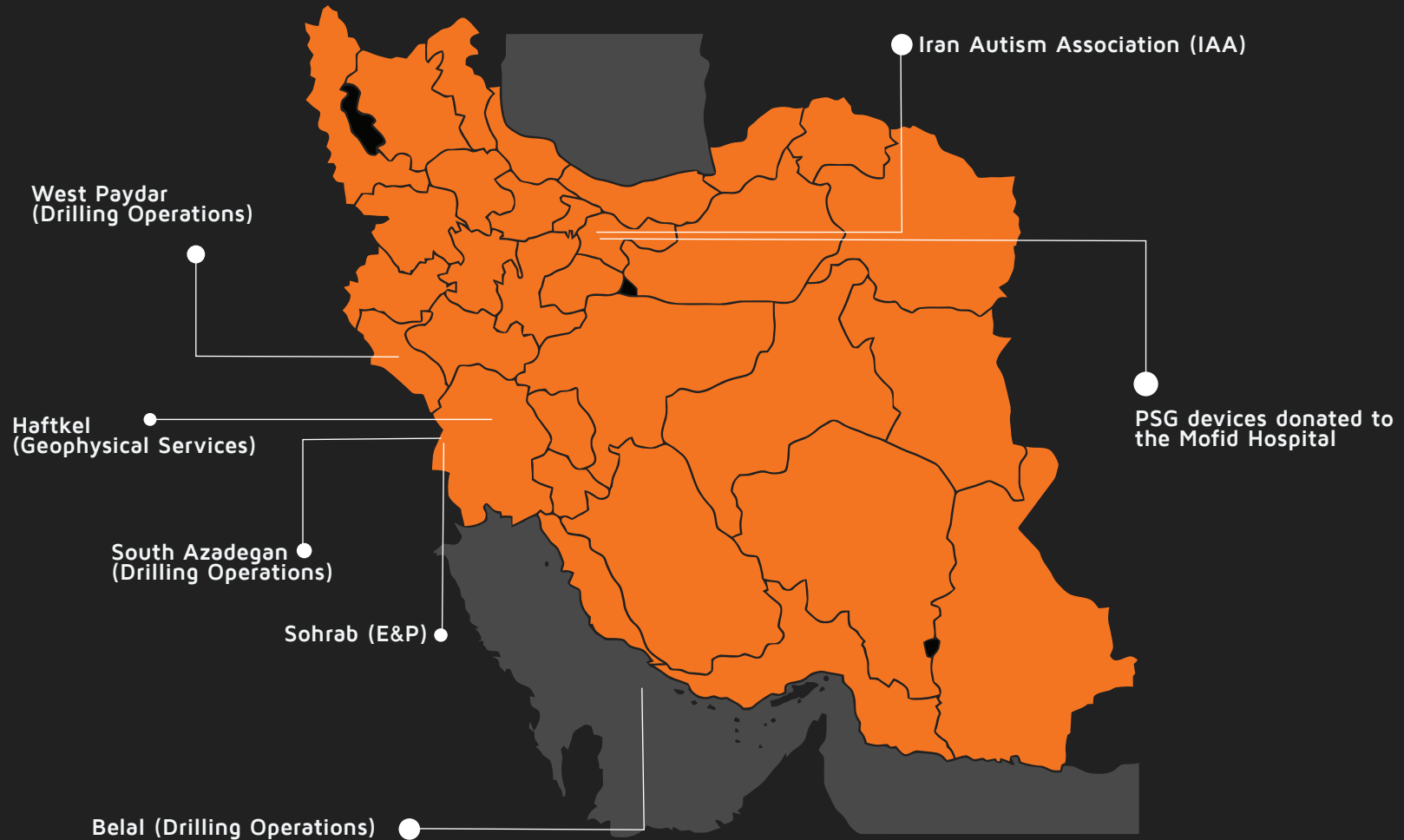
Performance and Initiatives

In 2023, our social contributions rose by 62% in comparison to 2022 with a total amount of \$152,368. This significant growth is a direct outcome of our continuous dedication to being a responsible member of society and integrating sustainability into our business practices. Our objective is to promote prosperity, drive economic development, and elevate living standards within communities while achieving ongoing business success through strategic and meaningful social and financial contributions. Some examples of these contributions include:

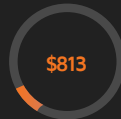
- Acquiring an auctioned painting that depicts autism, which allowed for granting \$9170 that will contribute towards furnishing a new centre in Tehran, dedicated to supporting the less privileged families affected by autism.
- Providing free of charge healthcare and treatment services to the local and indigenous people in the Haftkel and South Azadegan projects.

- Providing financial support for medical and food supplies to local communities in the Haftkel project.
- Reconstruction of tribal roads in the villages of Gazin and Shajirat, in addition to the renovation of the 13th Aban School in the Haftkel project.
- Providing financial assistant for the development of cultural and sports facilities and activities in Nomreh Yek Village and Ramhormoz City in the Haftkel project.
- Purchasing and donating 2 GPS tracking collars for monitoring and therefore protection purposes of the Persian fallow deer in the Khuzestan region.
- Cleaning the Neysan River and the path leading to Hour-Al-Azim in Sohrab project multiple times.
- Preparing a feasibility study for the relocation of the main oil transmission pipelines and their relocation from agricultural lands in the Sohrab project.
- Construction of a large waste pit for the first time in the region in compliance with environmental standards to prevent the penetration of chemicals into the water tables in the West Paydar project.

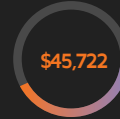
2023 National Community Contributions



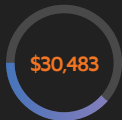
South Azadegan (Drilling Operations)



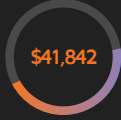
Belal (Drilling Operations)



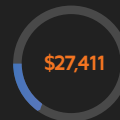
Sohrab (E&P)



West Paydar (Drilling Operations)



Haftkel (Geophysical Services)



Philanthropy (Iran Autism Association & PSG devices donated to the Mofid Hospital)



Total

Powering Prosperity

Dana Energy is dedicated to not only contributing to the social and economic growth of the local communities across all of our business activities but also to their broader prosperity and sustainability goals. Understanding and addressing the needs of these communities is crucial for our long-term business success. Our approach to engaging with them and responsibly managing our socioeconomic impacts, while also making valuable social investments, allows us to establish and maintain productive relationships that benefit both parties. We provide support through financial contributions, donations of goods and services, and volunteer projects.

Additionally, we make significant efforts to promote local employment and economic growth while improving living conditions through investments in enhancing education, local infrastructure development, providing water sanitation, supplying access to healthcare, and engaging in philanthropic activities. We also respond to the key needs raised by local stakeholders and provide humanitarian assistance during times of crisis.

All of these efforts are driven by our commitment to empower nations and contribute to their prosperity. To ensure the success of our Corporate Social Responsibility (CSR) activities, we assign employees to actively and closely collaborate with local authorities and communities. Together, we identify and assess opportunities that align with our sustainability strategy and dedication to promoting local economic growth. We then prioritize and execute programs that aim to create positive socioeconomic impacts and enrich prosperity.





Our Network of Suppliers

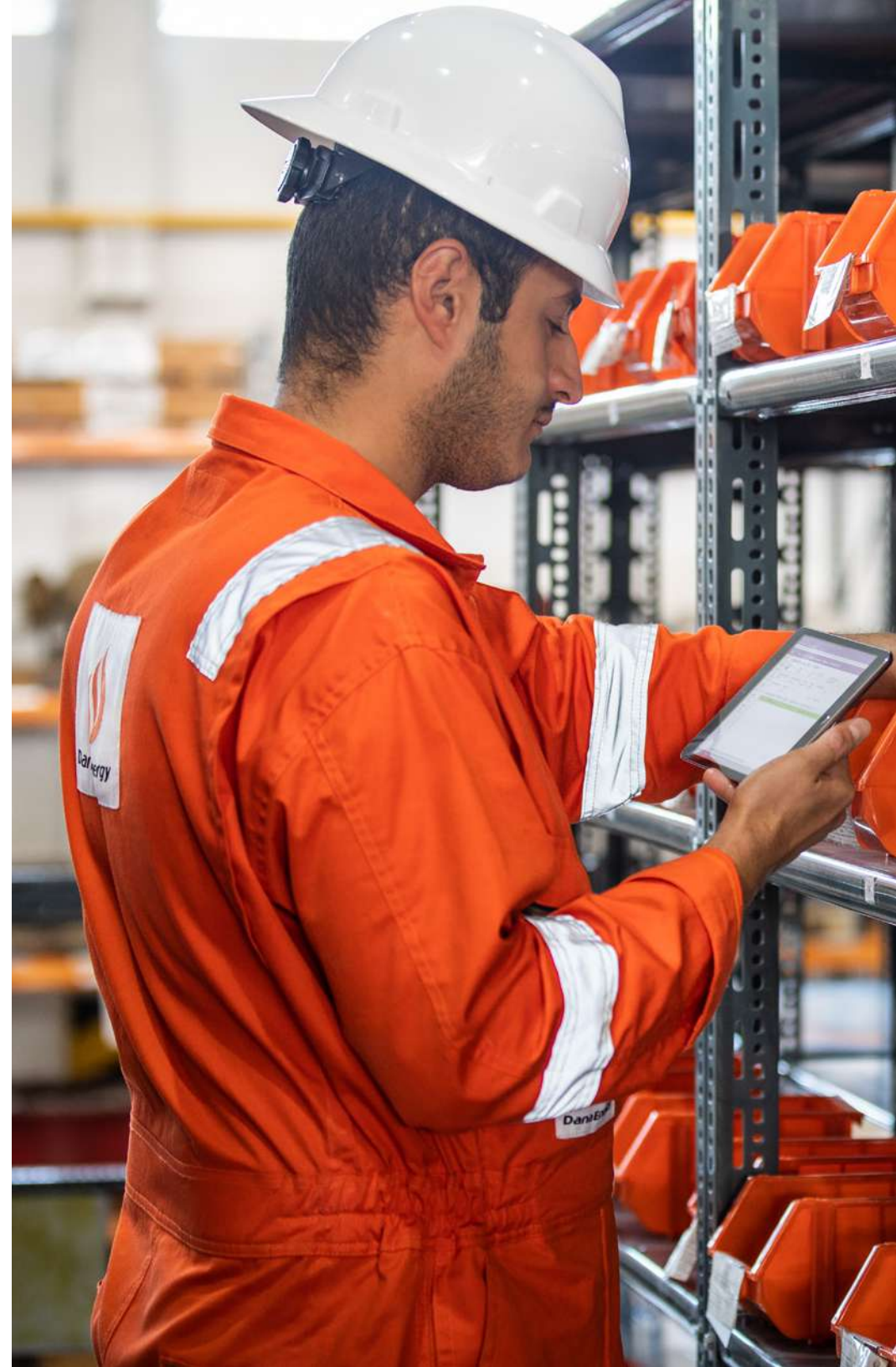
Dana Energy is dedicated to fostering inclusive sourcing, upholding human rights, prioritizing safety, and striving to mitigate environmental impacts within our supply chain. We aim to collaborate with suppliers who align with our steadfast dedication and comply with social standards. By setting high ethical and operational standards, we strive to build a sustainable and responsible supply chain. Our commitment to transparency and accountability ensures that every partner upholds our shared values.

Managing Our Supply Chain

We aim to establish and uphold a competent and competitive supply chain where we operate. Our objective is to support entrepreneurship and promote competitive enterprises that can contribute to the sustainable economic development of our country and the areas where we are present. Dana Energy collaborates with various stakeholders, including local communities, to cultivate local suppliers for goods and services. One of our competitive advantages is that our business associates share our values and adhere to human rights principles. We understand that the success of our operations and reputation hinges on a responsible value chain, which is why our supplier and contractor selection criteria go beyond just economic considerations. We evaluate both existing and new supply relationships based on compliance, environmental sustainability, safety, and adherence to social standards.

Furthermore, to safeguard workplace rights, we employ a risk-based due diligence approach that leverages our current practices and systems to identify, assess, and mitigate any potential human rights risks within our supply chain.

This approach is integrated into our operational processes and corporate supply management. In our procurement of goods and services for our operations, we first implement a pre-qualification process to ensure sustainable sourcing, with a focus on safety, quality assurance, and environmental factors, thereby excluding suppliers who do not meet our business standards. We also promote partnerships with local suppliers who meet our pre-qualification criteria to support our commitment to local economic development.





Caring For our Workforce

Our Approach

The people at Dana Energy embody our most vital advantage in the competitive landscape.

Our achievements, both current and forthcoming, hinge on the abilities, ingenuity, innovation, hard work, and commitment of our staff, fueled by a profound sense of pride in our mission and principles.

Acquiring exceptional talent is a pivotal element in our success. Cultivating our workforce and upholding a robust organizational culture are fundamental strategic priorities necessary for achieving our overarching objectives.

Our Focus Areas

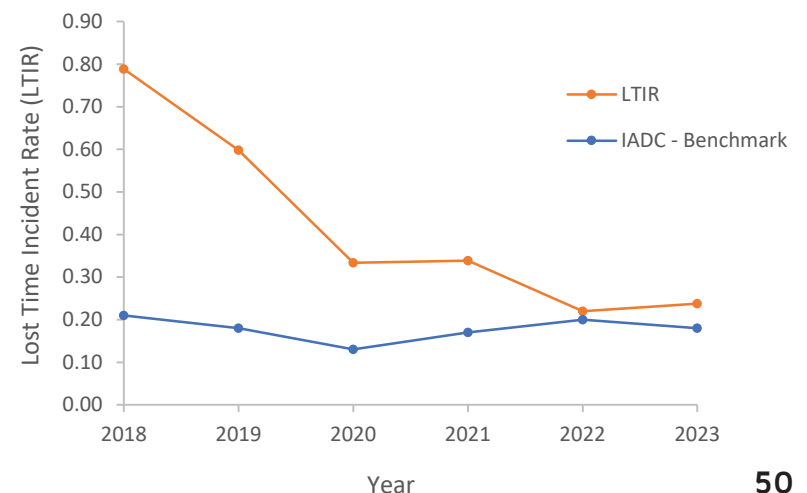
- **Leading in Personnel Safety**
- **Investing in People**



Leading in Personnel Safety

At Dana Energy, our people are the cornerstone of our business success and the driving force behind our advancements. Safety is deeply ingrained in our company culture as one of our core values. Through safety leadership, standards, practices, and gained experience, we cultivate a unified culture of safety. Our focus is on a comprehensive framework of systems, processes, tools, and behaviours that aim to prevent injuries and fatalities. Our goal is to create a workplace where no one gets hurt. In 2023, we achieved a Lost Time Incident Rate (LTIR) of 0.24 per 200,000 work hours and completed 7,573,201 manhours of work without any fatalities.

Dana Energy is dedicated to protecting the safety, well-being, security, and welfare of our staff, contractors, and all individuals associated with our activities, including our valued clients and the general public.



Mine and Unexploded Ordnance Clearance in the Sohrab Project

Prior to commencing any operations and construction activities in the Hur-al-Azim area, where the Sohrab Project is located, it was essential to clear the remaining minefields from previous regional conflicts. Hence, the clearance of mines and Unexploded Explosive Ordnance (UXO) was carried out with the utmost emphasis on safety. Despite the inherent risks and potentially severe consequences, this operation was successfully completed without any harm to humans, the environment, or equipment, demonstrating exceptional safety performance.

Throughout this meticulous process, total areas of 2,072,279 m² and 1,331,842 m² underwent shallow and deep searches, respectively, with zero fatalities or injuries reported. This extensive clearance was not only a critical prerequisite for our project but also significantly enhanced the safety of local communities that traverse these areas. It is noteworthy to mention that the operation was a complementary clearance in addition to humanitarian clearance conducted in these areas.

The successful completion of this clearance underscores our commitment to safety and responsible operations. It has provided a safer environment for both our workforce and the local population, ensuring that the Hur-al-Azim area is secure for future development and community activities. This achievement highlights Dana Energy's dedication to maintaining the highest safety standards while contributing positively to the regions in which we operate.



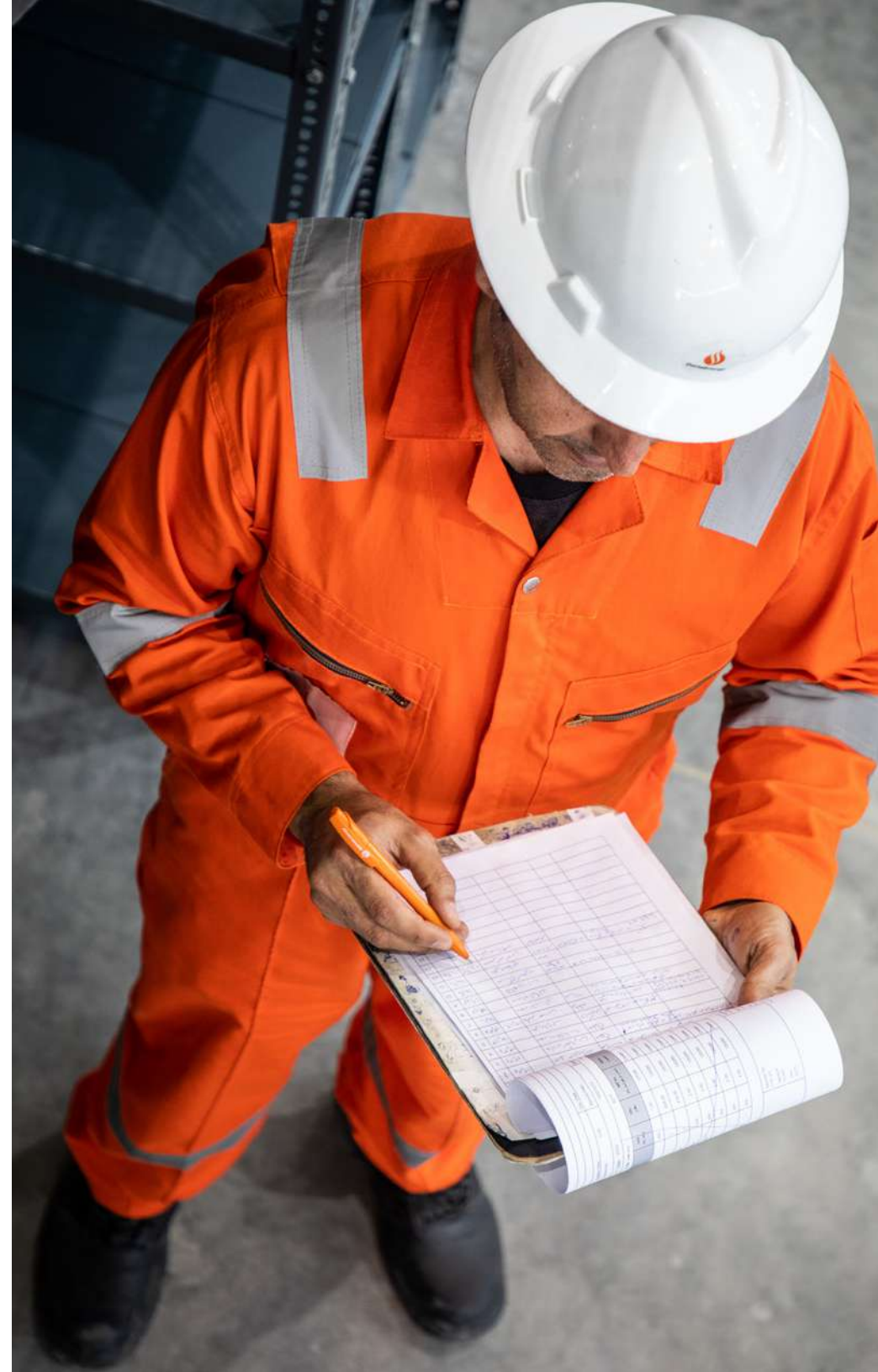
Healthy and Engaged Workforce

At Dana Energy, we value our people as our greatest asset, recognizing that their well-being and engagement are key to our success and sustainability. As a leading private oil and gas company, we understand that a healthy, motivated workforce boosts operational efficiency and reinforces our commitment to responsible corporate citizenship.

We prioritize our employees' physical health and safety through stringent standards and a robust Health, Safety, and Environment (HSE) program, including regular training, risk assessments, and advanced safety technologies. This proactive approach has significantly reduced workplace incidents and fostered a culture of shared safety responsibility.

To further support our workforce's mental and physical well-being, we've implemented initiatives across all business sectors, such as mass flu vaccination, physical challenges, and ergonomic office practices. In 2023, our Momentum Club's cardio challenge encouraged employees to cover a cumulative distance of 5,800 km through engagement in various physical activities, highlighting strong participation. Additionally, to further enhance the well-being of our desk-bound employees, we offer office exercises to reduce physical strain and elevate vitality.

These efforts ensure a healthy, engaged, and productive workforce, reinforcing our commitment to employee well-being and the sustainability of our operations.



Emergency Preparedness

Dana Energy is equipped to handle a diverse range of emergency events, including natural disasters, pandemics, and operational incidents. Each Dana Energy facility is supported by trained responders and well-stocked resources. Our centralized and cross-functional teams develop and regularly practice emergency response strategies through incident management teams and emergency support groups, including the presence of our Emergency Response Team (ERT) and emergency equipment in the location of operations in conjunction with our strong Emergency Response Plan (ERP). This rigorous preparation allows us to deliver a robust response during emergencies, safeguarding our employees, the environment, and the communities we serve.

Additionally, our comprehensive emergency preparedness program incorporates continuous improvement practices, ensuring our response plans evolve with emerging threats and best practices. We conduct regular drills and simulations to keep our teams prepared and enhance our coordination with local authorities and stakeholders. By investing in advanced technologies and training, Dana Energy remains at the forefront of emergency management, dedicated to minimizing risks and ensuring the safety and resilience of our operations and surrounding areas.





Workplace security

Dana Energy has established comprehensive security measures designed to safeguard our personnel, including senior executives, and facilities from various threats. Our risk-based security programs adhere to regulations and are adaptable to the diverse environments in which we operate.

To address potential threats, we conduct regular security assessments of our facilities. These assessments take into account factors such as geographic location, community relationships, and the current political climate. We continuously monitor local conditions and maintain detailed security preparedness plans, including evacuation and intruder response strategies.

Our security personnel are dedicated to improving our risk management methodologies, threat assessment capabilities, and technical security management processes through regular drills, and training programs. These proactive measures ensure that Dana Energy remains prepared and resilient in the face of potential security threats, effectively protecting our workforce and assets while maintaining operational continuity.

Cybersecurity in Oil and Gas

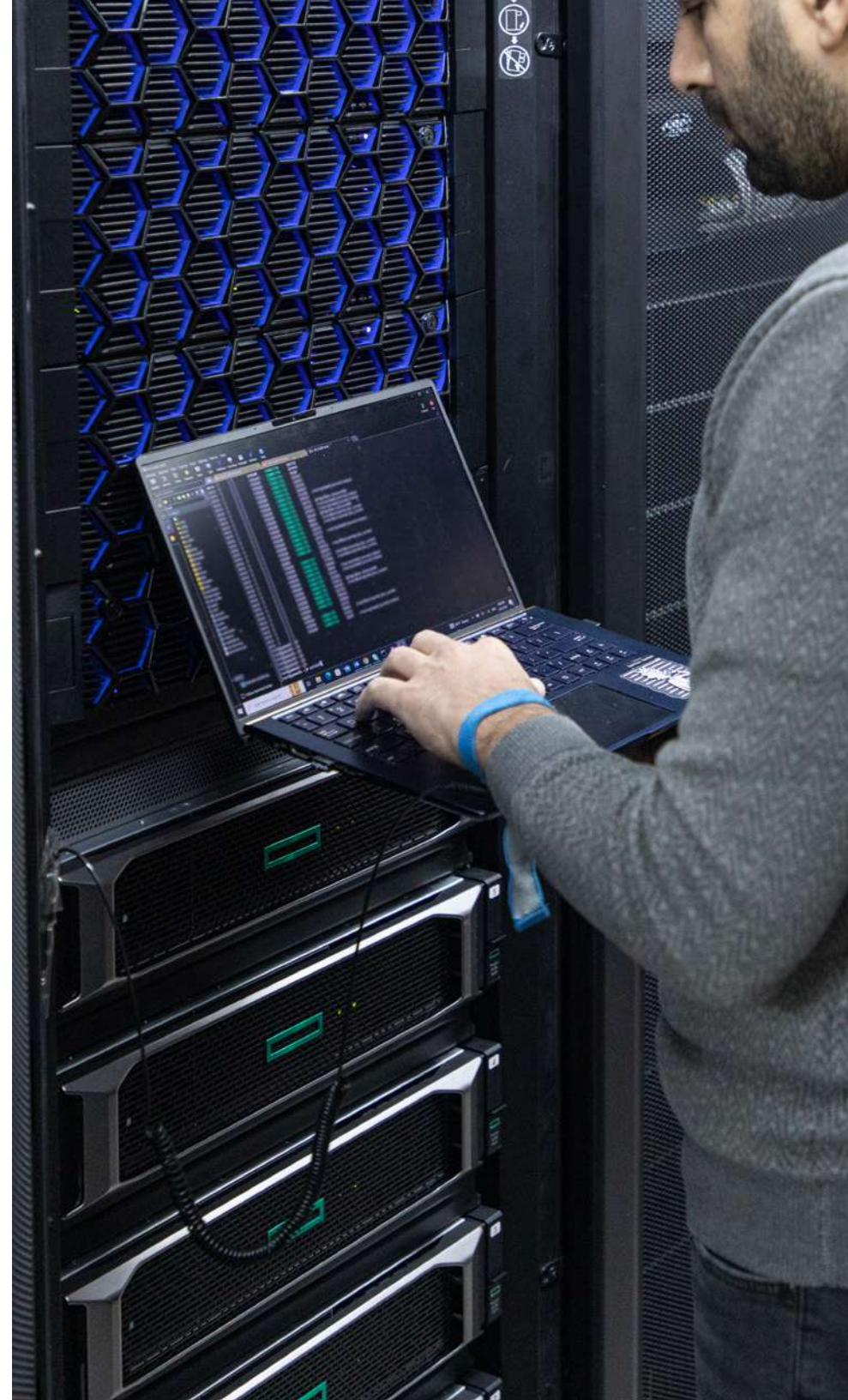
The oil and gas industry is a prime target for cybersecurity threats due to its critical infrastructure and valuable assets. Cyber-attacks can disrupt operations, cause financial losses, breach confidentiality, and pose safety risks. Sophisticated threats like ransomware, phishing, and advanced persistent threats (APTs) target both IT and OT systems, making robust cybersecurity measures essential.

User Awareness

User education and awareness are key to combating cyber threats. Employees are trained to recognize and respond to potential risks, with onboarding sessions covering cybersecurity principles. Regular CSCU training, simulated phishing attacks, and clear incident reporting channels help reduce human error and foster a security-aware culture.

Cybersecurity Infrastructure

A strong cybersecurity infrastructure is crucial for protecting sensitive data and ensuring operational continuity. This involves implementing secure networks, adhering to CIS and ISO/IEC 27001 standards, and regularly updating systems. Identifying and addressing vulnerabilities are key to mitigating cyber risks and safeguarding assets. Equally important is having a solid Business Continuity Plan (BCP), which minimizes downtime and ensures a swift recovery after a cyber-attack. A well-developed BCP integrates data backup, recovery procedures, communication protocols, and defined roles, collectively enhancing organizational resilience against cyber threats.



Investing in People

Dana Energy's greatest asset and the cornerstone of our competitive advantage is our workforce. Our success, both now and in the future, is built on the exceptional abilities, dedication, and resourcefulness of our employees, who take pride in our mission and values. Nurturing talent and cultivating a rich organizational culture are key strategic priorities that drive our long-term goals.

We are committed to creating a harmonious work-life blend for our diverse, multigenerational team through competitive compensation, comprehensive benefits, and a strong emphasis on career development, safety, and well-being. Our dynamic and vibrant environment continuously adapts to meet the evolving needs of our employees, our most valuable assets.

Our goal is to create a diverse and productive workforce that values individuality and cultural diversity, motivating each person to reach and perform at their utmost potential. We offer unmatched opportunities for personal and professional growth. This commitment extends across all our operations. We implement strategies that support local improvements and economic value by recruiting and training local personnel. Our programs focus on enhancing technical and vocational skills, particularly in operations, health, safety, and the environment, while promoting ethical business practices.

Aligned with our sustainability strategy and core values, we ensure communities benefit from increased employability skills that extend beyond our projects. Dana Energy is dedicated to sustainable development, leaving positive socio-economic impacts, and supporting the United Nations Sustainable Development Goals (SDGs).



2023 Highlights

A Place to Thrive:

- Promoting the mental wellness of employees in managerial positions and enhancing their well-being through the implementation of targeted workshops and facilitating access to therapy and mental health support services.
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Attract and Retain the Best Talent:

- Establishing a talent pipeline through the Bavar program in partnership with the Amirkabir University of Technology (AUT) to strengthen ties between industry and academia by offering employment and internship opportunities for fresh graduates in relevant academic disciplines.
 - According to the 2023 report of IranTalent, our company has been ranked as the third most satisfying workplace among oil and gas, as well as power and construction companies.
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Enable Employees to Reach Their Full Potential:

- 241 training sessions were conducted, totaling 53,483 manhours invested in employee development during the year 2023.
 - The Forward program was utilized to establish an internal talent pool through the identification, evaluation, and development of employees, providing them with opportunities for promotion while maximizing their potential.
 - The Neshan Program based on Objectives and Key Results (OKR) framework was put into practice to facilitate a goal-oriented approach and track progress effectively by setting and monitoring key objectives on the path to goal achievement.
 - The E-learning platform was developed in-house in order to enrich the evolving educational demands of our organization.
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Develop Future Leaders:

- Implementing the reWise program to enhance leadership development through utilizing tools like 360-degree feedback, interviews, and assessment centres to curate Individual Development Plans (IDPs). These IDPs are designed to set goals, identify strengths and weaknesses, and are periodically reviewed to monitor progress.
- 100% of all executives, office managers, and operations managers have actively participated in the review sessions for the IDPS.
- Deploying the Forward program has further enabled effective succession planning within our company.

About the Sustainability Report



Our Approach

The Sustainability Report outlines Dana Energy's strategy for overseeing our operations and describes our performance.

The results of our topic selection helped determine the key topics discussed in the report. To explore all the important topics related to Dana Energy, please visit our website. This report covers Dana Energy's operations primarily from January 2023 ,1, through December 2023 ,31, unless stated otherwise. This publication was issued in August 2024.

Cautionary Note on Forward-Looking Statements

Statements of future ambitions, goals, events or conditions, descriptions of business and community plans, and research efforts, including sustainability focus areas, projections, expectations, estimates, and the development of future technologies, are forward-looking statements.

We do not undertake to provide any updates or changes to any data or forward-looking statements in this report. Neither future distribution of this material nor the continued availability of this material in archive form on our website should be deemed to constitute an update or re-affirmation of these figures or statements as of any future date. Any future updates will be provided only through a public disclosure indicating that fact.

This report is not intended to communicate any material investment information and represents a good faith effort by the Company to address our commitments to diverse topics broadly defined as sustainability efforts. In addition, historical, current, and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future, including future rule-making.

Third-party scenarios discussed in this report reflect the modelling assumptions and outputs of their respective authors, not Dana Energy, and their use or inclusion herein is not an endorsement by Dana Energy of their underlying assumptions, likelihood or probability. Investment decisions are made on the basis of Dana Energy's separate planning process but may be secondarily tested for robustness or resiliency against different assumptions, including against various scenarios.

Any reference to Dana Energy's support of, work with, or collaboration with a third-party organization within this report does not constitute or imply an endorsement by Dana Energy of any or all of the positions or activities of such organization. References to projects or opportunities may not reflect investment decisions made by the corporation or its affiliates. Individual projects or opportunities may advance based on a number of factors, including the availability of supportive policy, technology for cost-effective abatement, company planning process, and alignment with our partners and other stakeholders.

All forward-looking statements are based on management's knowledge and reasonable expectations at the time of publication. We do not undertake to provide any updates or changes to any data or forward-looking statements.

Abbreviated references describing global or regional operational organizations, and global or regional business lines are sometimes used for convenience and simplicity. Nothing contained herein is intended to override the corporate separateness of affiliated companies. Dana Energy Corporation's goals do not guarantee any action or future performance by its affiliates or Dana Energy Corporation's responsibility for those affiliates' actions and future performance, each affiliate of which manages its affairs.

Similarly, Dana Energy has business relationships with thousands of customers, suppliers, governments and others. For convenience and simplicity, words like venture, joint venture, partnership, co-venturer and partner are used to indicate business relationships involving common activities and interests, and those words may not indicate precise legal relationships.