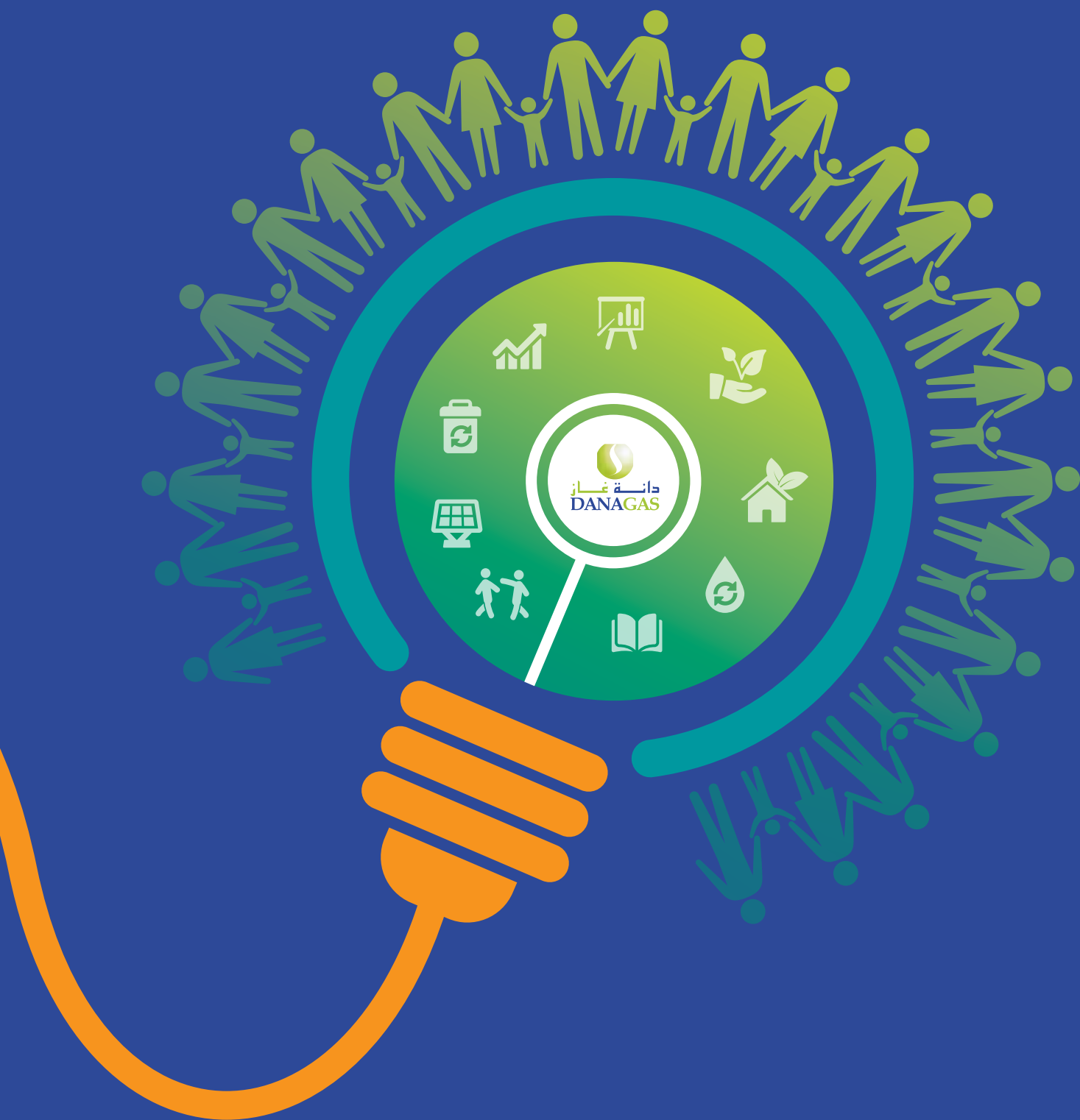


# 2017 SUSTAINABILITY REPORT

Promoting Sustainability Wherever We Operate



# About this Report

**Welcome to Dana Gas's second Sustainability Report for the calendar year 2017 prepared in accordance with the GRI Standards: Core Option. This report details the company performance in 2017, along with a review of the actions, progress made, and sustainability initiatives related to its economic, environmental and social performance, which made up our sustainability goals in the year.**

At Dana Gas, we focus on achieving commercial success that creates shared value, ethics compliance, and respects all stakeholders and the environment. We continued in the year to engage with stakeholders through public consultations and supported their economic growth and infrastructure improvements within our countries of operation.

Our inaugural sustainability report was in 2016 and marked a new milestone towards advancing our sustainability journey in the years ahead. As was stated in 2016, and continuing in 2017, we believe in integrating environmental, social and economic considerations into the business decisions and vision. 2017 demonstrated how we continued to improve the visibility of our sustainability progress and how our initiatives helped to build greater accountability and trust with our stakeholders.

The content of the 2017 report follows the GRI principles of stakeholder inclusiveness, materiality completeness and sustainability context specific to Dana Gas. We acknowledge the limitations of our

sustainability reporting baseline data for 2016, and in 2017 we made improvements on sustainability data reporting and recording. For 2018, we have established commitments to continue with developing social and environmental performance metrics. The reporting boundary for our topic-specific standards, management approach, initiatives and plans include our operations and Joint Ventures in which we have company interest. Data is included based on our equity share of 100% in the UAE and Egypt, and 35% in the Kurdistan Region of Iraq.

As we continued to advance in our sustainability journey in 2017, we had the opportunity to compare and also report against international frameworks such as the United Nations Global Compact (UNGC) and the International Petroleum Industry Environment Conservation Association (IPIECA).

To continue enhancing the transparency of our ongoing sustainability performance, the objective remains the same as it was in 2016, to issue our sustainability report on an annual basis.



**We invite our readers to read our sustainability report and welcome comments, feedback and questions at [sustainability@danagas.com](mailto:sustainability@danagas.com).**

# Table of Contents



**2017 KEY PERFORMANCE HIGHLIGHTS 04**

**CEO STATEMENT 05**

**ABOUT DANA GAS 06**

Our Presence at a Glance 08

Our Operations and Products 10

**OUR APPROACH TO SUSTAINABILITY 12**

Managing our Sustainability

Performance for the Long-run 14

DG's Sustainability Team 16

Engaging with Our Stakeholders 18

Working on Our Sustainability

Priorities 20



**SUSTAINABILITY GOVERNANCE 22**

Corporate Governance 24

Environmental, Social and

Governmental (ESG) Risk

Management 26

Socio-Economic Performance 28



**SOCIAL RESPONSIBILITIES 30**

Our People 32

Local Livelihood and Society 36



**OPERATIONAL EXCELLENCE 40**

Health and Safety 42

Environment 48



**APPENDICES 54**

Appendix (A) Acronyms and Glossary 54

Appendix (B) GRI Content Index 55

# 2017 Key Performance Highlights

## SOCIO-ECONOMIC PERFORMANCE



Continue to be ranked as one of the top 50 companies in the region, contributing to the social and economic development through strong business presence and mutual beneficial partnerships.



Secured low cost energy supply to 4 million citizens of Kurdistan.



Contributed to KRI's and Egypt's GDP growth in 2017.



Saved KRI's government USD 3.4 billion per annum in gas-for-diesel substitution.

## OUR PEOPLE



16 different nationalities, with 10 of them representing Executive Positions.



Maintained the formal and informal grievance procedure for raising regional issues and complaints.



63% of our trained university interns were female students.



17% female employees and 83% male employees.

## HEALTH & SAFETY



Ensured zero injuries and fatalities among our employees.



Maintained OHSAS 18001 certification for our Dana Gas Corporate Office in Sharjah.



Delivered fit-for-purpose HSE training and competency programs for employees and contractors across the group.



Dana Gas Egypt, Zora and Khor Mor operations maintained their HSEMS to ISO and OHSAS standards.

## ENVIRONMENT



No major hydrocarbon spills to the environment.



Total energy consumption amounted to 59,976 GJ.



49% of our hazardous waste was recycled by vendors.



Total water footprint of 49,630 m<sup>3</sup> sourced from wells and municipal sources.

# CEO Statement



**I am pleased to present Dana Gas's 2017 sustainability report to all our stakeholders. Giving due consideration to Corporate Social Responsibility and Sustainability issues has always been part of the way we carry out our business at Dana Gas. We realize the need for continuous improvement in relation to our efforts to implement our sustainability programs and to align them with our business strategy. This 2017 report is our first step towards monitoring our sustainability performance against that of the previous year and also clearly identifies our priorities and progress against our objectives as defined in our Sustainability Roadmap for 2020.**

In 2016 there was a difficult macroeconomic environment but the Company continued to achieve stable economic performance largely realized through focusing on efficiency and optimizing costs. During 2017 there was continued social, economic and geopolitical challenges in the region and some of the Company's areas of operations. Despite this the Company continued to deliver a strong financial and operational performance and we continue to prioritize and support local suppliers, create job opportunities,

build local staff capabilities and help communities improve their quality of life.

We continue to take pride in our diverse workforce and have built on the strengths from the experiences and skills of 16 nationalities representing the Middle East, Asia, North Africa, Europe and North America. We are committed to a "one-identity" work culture that encourages inclusiveness, diversity and open communication. In keeping with one of our 2017 core values of respecting and valuing everyone and embracing diversity, we remained committed to gender equality. However, we recognize that females are largely underrepresented in our workforce, which is a common issue faced by the Oil & Gas industry in the region. In 2017 we worked towards increasing the number of females employed in our company and industry. For example, we hosted a student internship program and field training for female Emirati students in the UAE and Egypt to support their career pursuits in several disciplines, including engineering, human resources, information technology and finance.

Our 2017 HSSE strategy and policies remain committed to the health and safety of our employees and the protection of the communities and the environment in which we operate. We are proud to share that our Zora gas plant operations achieved 2,000,000 man-hours and zero fatalities or recordable incidents in the year. We have multiple ISO and OHSAS certifications that reflect our robust HSSE policies, procedures and performance. Our structured HSSE processes and regular trainings provide the necessary environment for our employees to adhere to our HSSE policies and procedures and to continue to build an HSSE awareness culture.

Our stakeholders' wellbeing continues to be important to us and we remain committed to avoiding unethical labor

practices. In 2017 we completed the updating, finalization and successful roll out of a number of key policies including Code of Conduct, Anti-Bribery and Corruption, Anti-Money Laundering, Workplace Policies, the Company Delegation of Authorities Manual and Share Trading policies. The Company maintains both a formal and informal grievance procedure for raising issues and complaints, for both internal and external use, as part of our Stakeholder Engagement Plan (SEP). In addition, we support our stakeholders by focusing on fit-for-purpose and beneficial Corporate Social Responsibility activities that aim to create jobs and improve living standards. This is achieved through creating and maintaining partnerships with local communities and administrative bodies and working on business development opportunities, the provision of energy, healthcare and education services and water resource management.

We recognize the potential environmental impacts inherent in our exploration and production activities and seek to identify and minimize them. Our HSSE unit manages our Environmental Management System (EMS) and maintain our compliance with a comprehensive framework of legal requirements. In 2017, we made great efforts to ensure that there were no major hydrocarbon spills at any of our operations. As we committed to do in 2016, we worked in 2017 to improve our energy efficiency and reduce our GHG emissions related to gas flaring.

The 2017 sustainability report provides an account on the progress we are making on our sustainability journey and in responding to our stakeholder needs. We are committed to our Sustainability Roadmap for 2020, as we believe that it will enhance value for the Company and create benefits for all our stakeholders.

Thank you,  
**Patrick Allman-Ward**



# About Dana Gas

**Dana Gas is the first and largest private sector natural gas company in the Middle East. It was established in December 2005 with a public listing on the Abu Dhabi Securities Exchange (ADX).**

Our head office is located in the Emirate of Sharjah, United Arab Emirates, along with our regional presence in Egypt and the Kurdistan Region of Iraq (KRI).

## OUR VISION

*"To be the leading private sector natural gas company in the Middle East, North Africa and South Asia (MENASA) region generating sustainable value for our stakeholders."*

## OUR STRATEGY

- Focus on sustainable growth in the MENASA region across the natural gas value chain.
- Leverage strategic relationships to maintain competitive advantage.
- Continuously enhance technical and commercial skills to develop and operate assets safely and efficiently.





## OUR VALUES



- We set and apply the highest standards of conduct and accountability.
- We respect and value everyone and embrace diversity.
- We devise and implement innovative ways to improve our business and fulfill our commitments.
- We aim to provide a safe and environmentally friendly workplace for our employees and business partners, and to minimize the adverse effects of our operations on communities and the environment.

## DANA GAS IN 2017

**145**  
employees



**16**  
different  
nationalities



**450 Million USD**  
gross revenue



**1,132 Million Barrels of  
Oil Equivalent (mboe)**

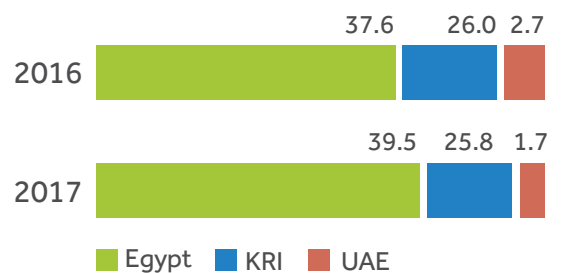
total proven plus  
probable (2P)  
reserves



**67,600 BOEPD**

average production output  
(barrels of oil equivalent per day)

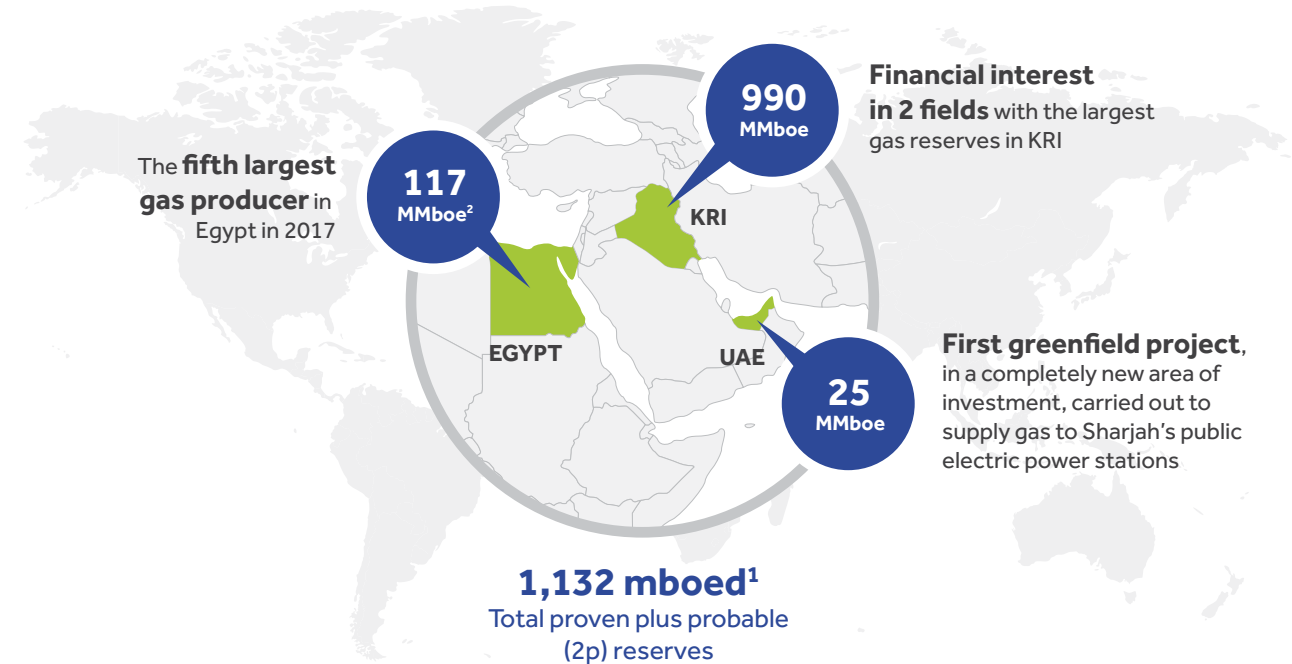
**2017: 1% increase from 2016**



# OUR PRESENCE AT A GLANCE

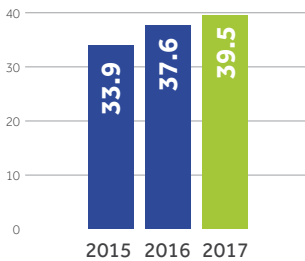
Our operations in 2017 includes oil and gas exploration and production assets in Egypt, KRI and the UAE, with plans to expand into new geographies in the Middle East, North Africa and South Asia (MENASA).

**MARKET PRESENCE:** ● Operation Areas ● Proven Reserves



<b>LOCATION:</b> Nile Delta	<b>NATURE OF ACTIVITIES:</b> Well Development  Hydrocarbon Exploration
-----------------------------	--

## PRODUCTION (MBOED):



## PRODUCTION ASSETS:

**100%** operator of 14 Development leases onshore

**50%** non-operated interest in El Matariya

Operator of **2** concession areas with 100% equity interest (North El Salhiya & North El Arish)

<sup>1</sup> Mboed is Million Barrels Oil Equivalent per Day  
<sup>2</sup> MMboe is Million Barrels of Oil Equivalent





## MILESTONES FOR 2017

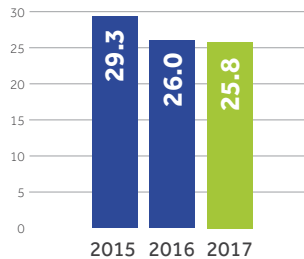
- Dana Gas temporarily shut-down the El Wastani gas plant for planned maintenance. The repair and maintenance work lasted for nine days and was carried-out successfully, on time and on budget, with an outstanding HSSE record of no incidents and no environmental spills.
- Dana Gas concluded three successful condensate cargo sales of approximately 150,000 barrels for a total of circa \$21 million in direct payments from international traders purchasing the product.



**LOCATION:** Kurdistan Region of Iraq

**NATURE OF ACTIVITIES:**  Well Development  Production

**PRODUCTION (MBOED):**



**MILESTONES FOR 2017**

- DG continued to achieve uninterrupted production despite the ongoing security risks in KRI
- DG, including affiliates, provided USD 1.1 billion investments to date for the Khor Mor and Chemchemical Fields
- KRG arbitration resolved and settlement agreement achieved with Pearl Petroleum Co. Ltd in August 2017

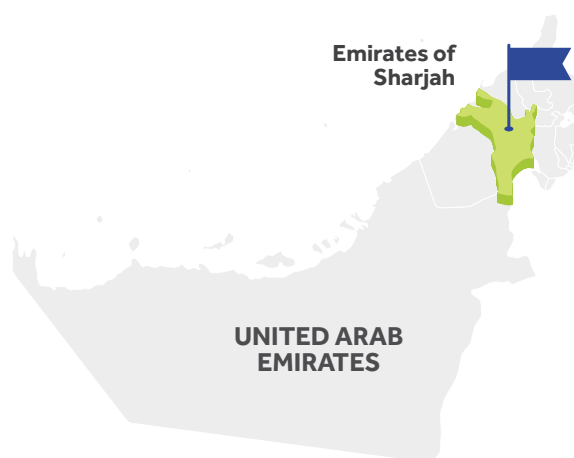
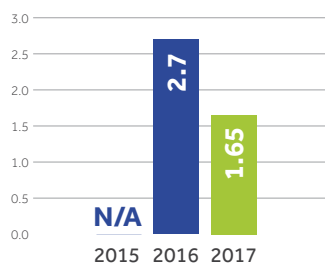
**PRODUCTION ASSETS:**

**35%** ownership in Pearl Petroleum Company Ltd, which has the right to appraise and develop Khor Mor and Chemchemical Fields

**LOCATION:** Emirates of Sharjah

**NATURE OF ACTIVITIES:**  Well Development  Production

**PRODUCTION (MBOED):**



**MILESTONES FOR 2017**

- Production continued in 2017 with no interruptions from DG's first offshore upstream project which started up in February 2016
- 2 million man-hours of injury free work achieved in 2017

**PRODUCTION ASSETS:**

**100%** operator of the Sharjah Western Offshore Concession (Zora Field)

**100%** operator of SajGas Processing Plant

Our 2017 Annual Report, available on our website, provides details on our geographical operations and activities.

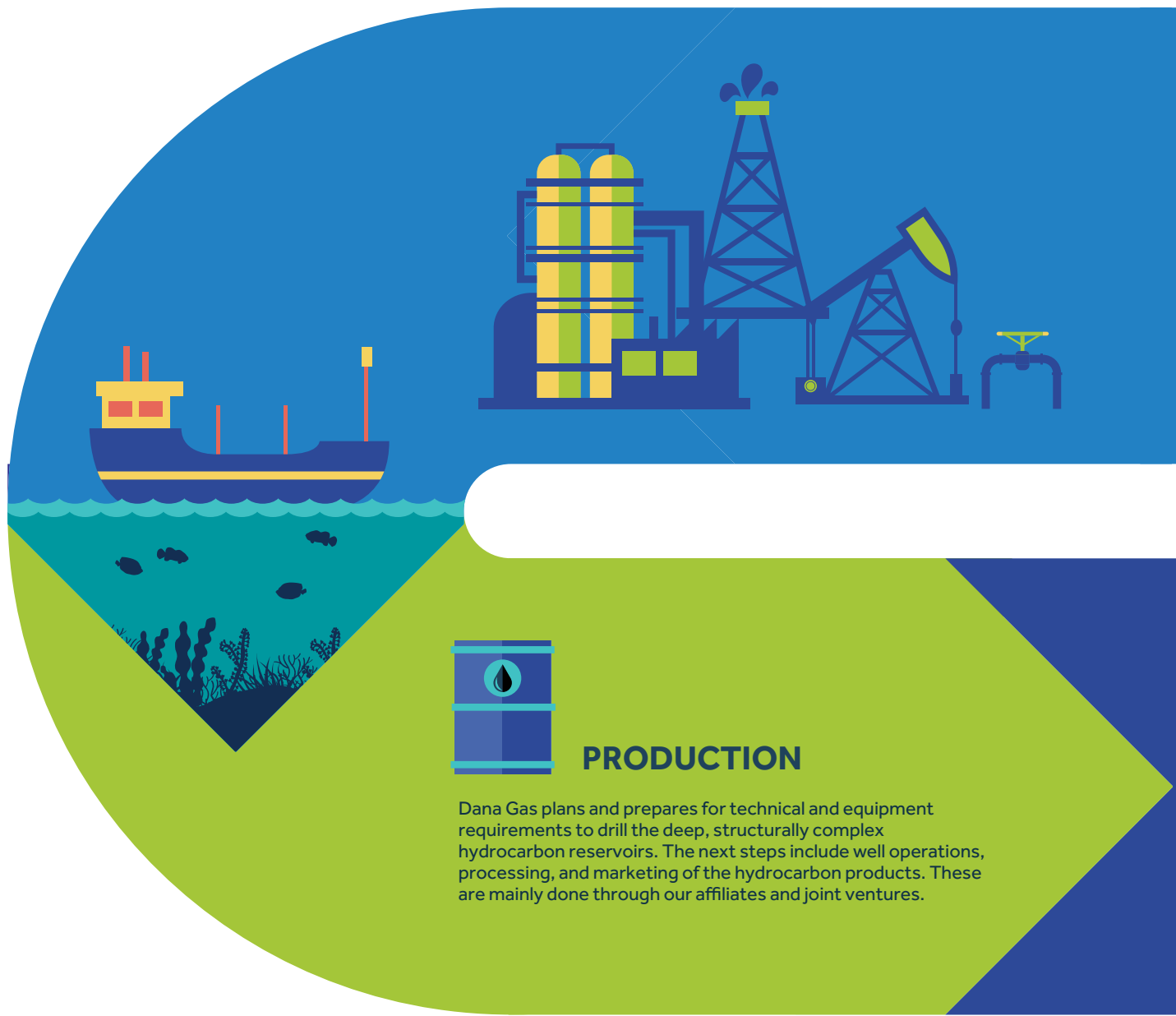
# OUR OPERATIONS & PRODUCTS

Dana Gas is an upstream business specialized in exploring and producing oil and gas fields in the MENA region. Our activities start from identifying a commercial market for the hydrocarbon reserves, searching for potential natural gas fields, drilling exploratory wells and operating them to bring hydrocarbon resources to the surface. To achieve our activities across the value chain, we work with resource owners, contractors from engineering and construction, and joint ventures.



## EXPLORATION

Once Dana Gas identifies a target market for hydrocarbons, the onshore and offshore exploration begins.



## PRODUCTION

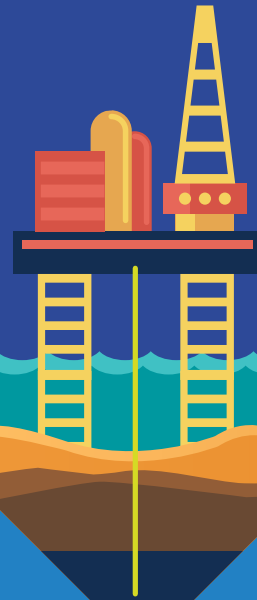
Dana Gas plans and prepares for technical and equipment requirements to drill the deep, structurally complex hydrocarbon reservoirs. The next steps include well operations, processing, and marketing of the hydrocarbon products. These are mainly done through our affiliates and joint ventures.

**STEP  
01**



**Hydrocarbon  
Exploration**

Seismic and acquisition programs help in gathering and interpreting data that is required for estimating the hydrocarbon reservoirs.

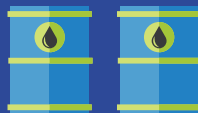
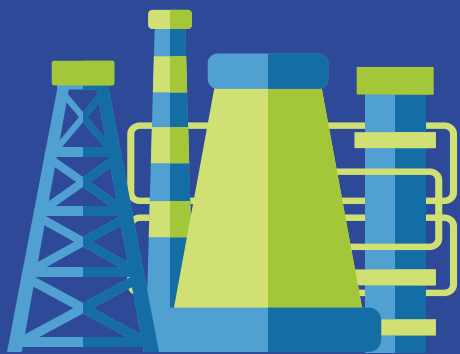


**Drilling  
Exploration**



If the hydrocarbon reservoir is commercially viable, Dana Gas conducts drilling explorations to determine the method of extraction and number of wells needed for production.

**STEP  
02**





# Our Approach to Sustainability



Our commitment to sustainability is at the core of the Dana Gas values, which underpin everything we do. Since our early beginnings, we have conducted Environmental and Social Impact Assessments (ESIA) for our projects to address our stakeholders' concerns in each community where business is undertaken. To meet our stakeholders' needs, we focus our efforts mainly on the support of local healthcare and educational services and help create job and business opportunities for local communities and businesses.

# 01











# MANAGING OUR SUSTAINABILITY PERFORMANCE FOR THE LONG-RUN

Advancing our sustainability journey continues to be very relevant and with increased importance as the past couple of years saw difficult economic conditions in the O&G sector and growth recovery has been slow.

In 2017 we focused on improving our resource efficiency for the long-term, safeguarding our assets' and employees' integrity and balancing the long-term interests of our stakeholders with stability and incremental growth. Throughout 2017 we paid close attention to managing environmental risks and minimizing impacts from the operations.

In 2016, we developed a sustainability roadmap and launched our inaugural sustainability report to help us




structure our sustainability initiatives, measure and enhance our sustainability performance whilst meeting our stakeholders' expectations. During 2017 we worked on the objectives of the sustainability roadmap, aimed at achieving DG's vision of creating shared prosperity for all stakeholders. We monitored and tracked the progress of our commitments over the period of 2017 and this will continue onward to 2020 through our annual sustainability reports.



## DANA GAS'S SUSTAINABILITY VISION: "To Create Shared Prosperity"

### Sustainability Governance

To effectively manage the integration of sustainability related incentives, KPIs and targets, and implement an appropriate sustainability governance mechanism.

-  Develop a sustainability governance structure
-  Develop corporate sustainability metrics
-  Expand the current risk management system to include ESG risks



### Social Responsibility

To understand our stakeholders' needs and effectively respond to them through community engagement programs and training.

-  Develop a stakeholder engagement and community strategy
-  Develop local people development programs
-  Roll out community training programs



### Operational Excellence

To achieve operational excellence through optimum use of our assets, whilst taking environmental and social responsibility throughout our supply chain.

-  Manage the asset integrity program
-  Develop a GHG emissions management system
-  Develop a responsible supply chain management system
-  Reduce flared gas



### CREATING SHARED PROSPERITY FOR:

- |  |   |  |
|--|---|--|
| <ul style="list-style-type: none"> <li>● Governments and Regulators</li> <li>● Joint Ventures</li> <li>● Investors</li> <li>● Clients and Customers</li> </ul> | <ul style="list-style-type: none"> <li>● Employees</li> <li>● Local Communities</li> <li>● Contractors</li> </ul> | <ul style="list-style-type: none"> <li>● The Environment</li> <li>● Employees and Contractors</li> <li>● Joint Ventures</li> <li>● Governments and Regulators</li> </ul> |
|--|---|--|

### COMMUNICATING ON OUR SUSTAINABILITY COMMITMENTS AND PROGRESS IN:

<a href="#">Corporate Governance</a>	24	<a href="#">Our People</a>	32	<a href="#">Health and Safety</a>	42
<a href="#">ESG Risk Management</a>	26	<a href="#">Local Livelihood and Society</a>	36	<a href="#">Environment</a>	48
<a href="#">Socio-Economic Performance</a>	28				



# DG'S SUSTAINABILITY TEAM

Dana Gas has a dedicated team with representatives from various departments (HSSE, CSR, Investor and Government Affairs and Country Representatives) to engage with DG's stakeholders, and to monitor the company's sustainability performance.

## SUSTAINABILITY STORY



### My Sustainability Story

by Muhammad Gondal - HSSE Lead

Having an athletic background from my school and university days, I was heavily involved with my kids to encourage, coach and train them for running, cycling, swimming and other physical activities outside and inside their school during 2017.

My main challenge was to motivate my elder son to be interested in and start physical activities. It was difficult to change his direction and interests from electronic games to physical games. However, gradually by taking him to different sporting events, to beaches, playgrounds and swimming pools, he started to show his interest in short distance running, football, swimming and cycling events.

To help further motivate and encourage him I started to give little prizes for his initial achievements which gave him more satisfaction and further motivated him to work hard and achieve more and more.

At the end of 2017 he participated in his school's annual running race event and he won the "Excellence Award of the Year". This was a real proud moment for me, a terrific motivation for him and positive encouragement for my younger kids since they started following him. All of my kids are now very optimistic to continue this journey as part of their routine daily physical activities.





## Running, Cycling and Swimming – Year of Giving (2017)

by Bob Sehmi - Corporate Internal Controls and Risk Manager

Throughout 2017 my family and I participated in a number of running, cycling and swimming events with a key aim to remain healthy but also to raise money for worthy causes within the UAE. There are however 4 events that stand out each with a special theme:



### Dubai Marathon

January 2017

10km run by my wife and equal opportunities for all in running

In keeping to the 'spirit and action' of the Year of Giving 2017 – my wife Meera entered the Dubai marathon 10km run. In 2015 she could hardly run 100m but started small with 1km/2km runs and had then in 2016 completed the Dubai Women's 5km Run. Her target for 2017 was 10km. The golden opportunity came at the very start of the year! She completed the 10km in 1hr 15mins running full distance - and the joy of completing the run can be seen in this photo. In November 2017 she completed the 21km run in Dubai – far exceeding her targets in less than 12 months. A great start to the Year of Giving.



### Dubai Cares Walk for Education

February 2017

It is the spirit that counts to participate and not the location!

The Dubai Cares Walk for Education took place in February 2017. Only problem was that the date clashed with a wedding we had to attend in London! A quick few calls with the Organizers of Dubai Cares Foundation and plan was that the family would walk an equal distance in London of 3km to be in the spirit of having participated and giving. Change the pleasant winter February weather with a freezing London temperatures! Enjoyed with great enthusiasm by the family! Note the Dubai Cares T-shirts and the smiles which is all that matters.



### Wings for Life

May 2017

Global Charity for Spinal Cord Injury, running for those who can't.

'Theme you cannot change if you are not challenged'.

The 'Wings for Life' annual World Run is an exceptional event as 100% of the money raised globally goes to the foundation. The run is unique in that firstly it is a simultaneous start globally in over 50 countries in May of each year at exactly 11am UTC. This means that the run would be at 7am in New York, 8pm in Australia and Dubai gets the shortest straw 3pm with temperatures usually reaching 42-45°C!

Secondly there is no fixed distance as the finish line chases you! The runners start at 3pm precisely, and thirty minutes later the 'Catcher' car starts following the same route as the runners - as soon as the car catches up with you, your race finishes. So you could cover 2.5km before you are caught and then there are the ultra-distance runners who cover over 70km. I managed close to 10km and aiming for better results at the next race.



### Sharjah Al Mamzar Lake Triathlon

December 2017

Greatest satisfaction is passing your skills and knowledge in building the next generation.

The Triathlon is held 3 times a year at the Mamzar lagoon. The event covers swimming, cycling and running to be carried out one after the other either individually or you can enter as team. There are different lengths for each event depending on your level of fitness. I decided not to take part personally but encouraged two of my children and one of their school friends (all under 12 years old) to enter the 'super sprint' event that includes a 375m swim, 8km cycle and 2.5km run. I motivated and helped manage the transitions and equipment and the boys finished in podium position in the teams sections.

**Onwards to 2018 and fresh challenges!**





# ENGAGING WITH OUR STAKEHOLDERS

Throughout 2017 DG valued open dialogue with our stakeholders to further build relationships with them based on transparency, trust and collaboration.

The inputs we receive from our stakeholder engagements, whether as feedback or concerns, help us identify and prioritize the sustainability topics of greatest importance for our operations. This helped us to develop the strategy and programs for the years ahead in the areas where we conduct business.

We consider different platforms to understand and manage their expectations. These include public consultation meetings, site visits, presentations to local communities, participation in regional forums and joint business groups, formal and informal grievance procedures and periodic internal meetings.

The seven-category chart below presents DG's main stakeholders.

## Dana Gas Stakeholders



In 2017, we continued with steps towards engaging all those affected by or interested in our operations and projects to ensure their inclusion in the engagement process with identifying the material, economic, environmental

and social aspects relevant to our business and stakeholders. The Stakeholder Engagement Planning (SEP) process was used to engage with local communities on the impacts of planned projects and operations.

The stakeholder engagement plan is a 'live' document, which is reviewed and updated regularly to suit our activity requirements.

## Objectives of Our Stakeholder Engagement Plan





# WORKING ON OUR SUSTAINABILITY PRIORITIES

In 2016, as part of the Sustainability Roadmap to 2020, we conducted our first materiality assessment process to identify the significant economic, environmental and social impacts that influence the assessments and decisions of our stakeholders.

In doing so, we followed a robust approach of engaging our internal stakeholders from different business department. Throughout 2017 we focused on the key aspects and priorities of the materiality assessment findings.

Moving forward in 2017, we managed the material topics' performance as well as set commitments to enhance our impact in the areas that matter most to our business and our stakeholders.

The main steps of our assessment process included the following:

01

## Selecting the proposed sustainability topics



We compiled a list of 23 proposed material topics through reviewing the GRI Standards, GRI Oil and Gas Sector Supplement as well as reports for national and international peer companies.

02

## Prioritizing topics through a stakeholder engagement workshop



- We organized a stakeholder engagement workshop that was attended by 10 employees representing each of our business units from Health, Safety, Security and Environment (HSSE), Finance, Investor and Government Relationship, HR, Procurement, Country Representatives and the CEO.
- After explaining the materiality process to our employees, each of our participants completed an online questionnaire that rated the importance of each aspect, as it relates to our internal business procedures on a scale from 1 to 10.
- To cover the most material topics for our external stakeholders, we benchmarked the covered material topics covered by five of our regional O&G peers.

03

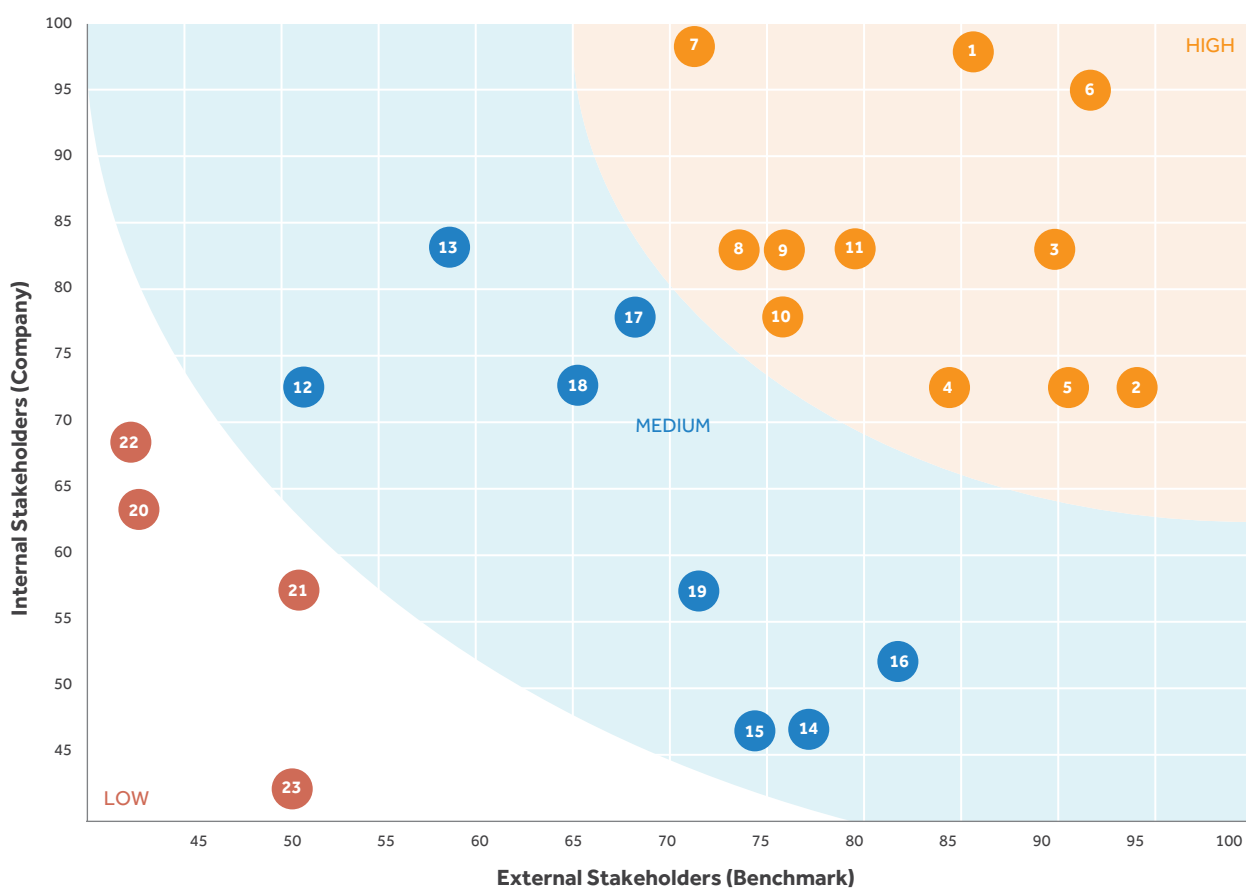
## Consolidating and validating the results in a materiality matrix



We consolidated the results and presented them during the workshop for validation by our CEO. The third quadrant in the materiality matrix presents our most material topics while the first quadrant presents our areas of least focus for 2016.



## Materiality Matrix



## Sustainability Roadmap 2016 - 2020 Material Topics

No.	List of Material Topics	Internal Stakeholders (Company)	External Stakeholders (Benchmark)	Covered in Page No.
1	Occupational safety	High	High	45
2	Process safety and asset integrity	High	High	47
3	Emergency preparedness	High	High	46
4	Compliance with regulations	High	High	25-27
5	Anti-corruption and bribery	High	High	25-27
6	Spills to the environment	High	High	52
7	Workforce health	High	High	47
8	Financing and investor relations	High	High	28
9	Greenhouse Gas (GHG) emissions	High	High	51
10	Flared gas	High	High	52
11	Energy efficiency	High	High	50
12	Energy use	Medium	High	50
13	Water use	Medium	High	53
14	Human rights of employees and contractors	Medium	Medium	33, 35
15	Biodiversity and the marine environment	Medium	Medium	49
16	Training and education of the employees	Medium	Medium	34
17	Local community development and engagement	Medium	High	19
18	Procurement practices to support local suppliers	Medium	High	29
19	Diversity, women's empowerment and equal opportunities	Medium	Medium	33
20	Nationalization and job creation	Low	Low	33
21	Research, development and innovation	Low	Low	34
22	Waste management	Low	Low	53
23	Grievance mechanisms	Low	Low	35

# Sustainability Governance



Our corporate governance reinforces our adherence to the highest standards of accountability, integrity and fairness across our business. It also ensures we involve our stakeholders in our key business decisions to maintain strong relationships with them, based on transparency and trust. Our 2017 Annual Report, available on our website, articulates our commitment to transparent communication and provides a detailed account on our corporate governance framework.

# 02







# CORPORATE GOVERNANCE

**At Dana Gas, corporate governance reinforces our adherence to the highest standards of accountability, integrity and fairness across the business.**

It also ensures we involve each stakeholder in our key business decisions to maintain strong relationships with them, based on transparency and trust. The 2017 Annual Report, available on our website, indicates our commitment to transparent communication and

provides a detailed account on our corporate governance framework.

Our governance framework is guided by the Company's Articles of Association, which are in line with the provisions of the UAE's Ministerial Resolution concerning Governance Rules and Corporate Discipline Standards. The Dana Gas Board and Senior Management provides robust oversight, we updated our governance practices in 2016 into a comprehensive framework that integrates our Organizational Structure, Risk and Internal Controls, and, Audit and Assurance. Dana Gas

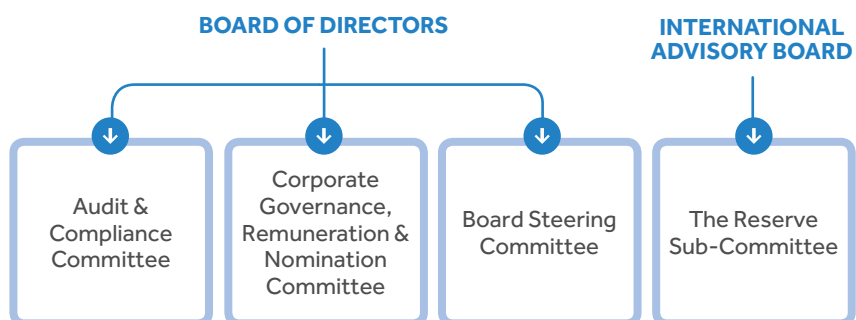
continually reviews and assesses its governance framework in view of the business performance, changes in legislations and best practices.



## Our Governance Structure

The Board of Directors have the highest authority over the company's risk management and stewardship on all related economic, environmental and social policies and decisions. The three permanent Board Committees are responsible for overseeing the strategies, plans and policies as well as monitoring the company's integrity and compliance in the areas of Audit & Compliance, Corporate Governance, Remuneration & Nominations and the Board Steering Committee.

### Dana Gas's 2017 Governance Structure





## The Board of Directors

The Board is independent from the management and is comprised of leading businesspersons from the GCC countries with technical and financial experience. From the 11 members

of the Board, eight are Independent Directors, three are Non-Executives and one is an Executive Director. At all times, we ensure that at least one-third of the directors are independent

and the majority are in non-executive positions. The Board is elected by the General Assembly every three years. In 2015, Mr. Hamid Jafar was elected as the Chairman of the Board.



**H.H. Sheikh Ahmed Bin Sultan Al-Qasimi**  
Honorary Chairman



**Mr. Hamid Dhiya Jafar**  
Chairman



**Mr. Rashid Saif Al-Jarwan**  
Vice Chairman and Chair for the Board Steering Committee



**H.H. Sheikh Sultan Bin Ahmed Al-Qasimi**  
Director



**Mr. Majid Hamid Jafar**  
Director of the Board



**Mr. Varouj Nerguizian**  
Director & Chair of Audit and Compliance Committee



**Mr. Said Arrata**  
Director & Chair of Reserves Committee



**Mr. Abdulla Al-Majdouie**  
Director & Chair of CGR&N Committee



**Mr. Ziad Galadari**  
Director



**Mr. Nasser Al-Nowais**  
Director



**Mr. Hani Hussain**  
Director



**Ms. Fatima Al-Jaber**  
Director

## The Board Committees in 2017

The board has three permanent committees, each having a written charter setting out their respective scope and responsibilities:

### Audit and Compliance Committee (A&CC):



The principal duties of the A&CC are monitoring the integrity of the company's financial statements, reviewing the financial and accounting policies and procedures of the Company and ensuring the independence of the Company's external auditor. It is also responsible for evaluating the integrity of the Company's risk management and all the duties stated in the Ministerial Resolution 518/2009 and 7/R.M./2016.

### Corporate Governance, Remuneration, and Nomination Committee:



The CGR&NC oversees the compliance of the Company, the General Assembly, the Board of Directors and executive management with the established corporate governance standards. The Committee assists the Board with the appointment of senior executives, appraisal of management performance, succession planning and remuneration policies as well as the nominations and election of the Board of Directors' membership.

### Board Steering Committee (BSC)



The BSC is responsible for setting the strategic direction of the company, and supporting activities in budgeting, planning, business performance, exploration and development. They facilitate the decision making process of the Board by submitting matters for consideration.

## International Advisory Board

Dana Gas has adopted the concept of the International Advisory Board (IAB). The purpose of this Board is to provide strategic advice to the Board of Directors and the management, as well as to identify specific business opportunities and build relationships worldwide.

## Whistleblowing Mechanism

Dana Gas has an established whistleblowing mechanism whereby employees can anonymously raise complaints regarding weak administration, fraud or corruption. We have a dedicated Compliance Officer, leading the Business Ethics

Sub-Committee, who is responsible for addressing the complaints raised. All financial complaints are addressed to the Internal Controls & Risk Manager and promptly communicated to the Audit & Compliance Committee.

# ENVIRONMENTAL, SOCIAL & GOVERNMENTAL (ESG) RISK MANAGEMENT

The Oil and Gas industry has witnessed price volatility and uncertainty globally, with prices falling from USD 108 per oil barrel (bbl) in June 2014 to USD 60/bbl in 2017.

Our region of operations faces geopolitical instability and falling revenues due to the recent oil price slump. In these challenging circumstances, we find it critical to develop and adapt our ESG Risk Management to current scenarios for continued business growth and profitability.

The key ESG risks that we currently manage include:



**HSSE**

01

Our ESG risk assessment highlights the importance of HSSE and our assets' integrity to our business performance. We actively manage the risk to prevent the occurrence of any major Health, Safety, Environmental or Security incident that can lead to fatalities, closure of facilities and/or loss of production. HSSE incidents can negatively affect the balance sheet, profits and our corporate reputation. Most of all, the safety of our employees and contractors is a priority. We strive to ensure that our cost optimization strategy does not compromise our HSSE measures.



**Corporate Governance**

02

We have an Integrated Governance Framework with clear accountability channels, transparency requirements and independence thresholds. Our Board, Audit and Compliance Committee review key strategic risks on a quarterly basis. The country general managers and the respective functional heads are accountable for identifying and managing these risks. Furthermore, the Executive Committee oversees their activities to make sure that risk management is an integral part of our day-to-day activities.



### Corporate Social Responsibility & Alignment with Stakeholders' Interests

03

Our CSR focus is to improve healthcare standards and offer educational development for individuals in rural areas where the Company's concessions are located. We also conduct various stakeholder engagement activities such as public consultation meetings and offer formal and informal grievance procedure for raising issues and complaints.



### Succession Planning & Talent Management

04

We actively manage our staff value proposition so that we retain our talents and support their succession planning preemptively. We have developed numerous retention strategies such as finding the balance between work and family and promoting talent development and competency assurance. We welcome open communication and feedback from our employees.



### Compliance With Environmental Laws & Regulations

05

Stringent compliance with applicable environmental regulations and legislation in the UAE, KRI and Egypt is an integral part of our daily operations. The HSSE Unit maintains a database of all legislation relevant to DG's business activities and ensure we operate in accordance with the environmental operating permits granted by the governments.

# SOCIO-ECONOMIC PERFORMANCE



**USD 450 million**  
Direct economic value  
Generated  
2016: 392 million | 15% ↑



**USD 52 million**  
Operating cost  
same as 2016



**USD 0.012 million**  
Profit per share  
(USD 83 million  
reported net profit)



**USD 75 million**  
decline from USD 122  
million capital  
expenditure in 2016

## Supporting KRI's Access to Affordable Fuel

Over the past 5 years, Dana Gas and its partner, Crescent Petroleum continued to make a positive contribution to the social and economic wellbeing of the KRI. There continues to be substantial contribution towards KRI's social and economic development, mainly by helping KRI offset the use of expensive and high emission diesel fuel to natural gas as an affordable, clean and reliable fuel for supplying two of KRI's major gas power plants, Erbil and Chemchemical.



*"Dana Gas plays a significant role in supporting economies and meeting social demands of local communities in the countries of operation through development of hydrocarbon production and sales."*

**CHRIS HEARNE**  
Chief Financial Officer



## EMPLOYING LOCAL BUSINESSES IN KRI



DG in 2017 continued to provide energy to the surrounding villages and towns in its Kurdistan operations area, supplying electricity back into the grid and benefitting the communities with reliable energy to give a better standard of living. The Khor Mor village generates its own electricity and is committed to providing uninterrupted supply of electricity to residents in the nearest village.

In 2017, our Khor Mor site utilized up to 70 tanker trucks to transport LPG, and as many as 70 trucks to transport condensate (NGL). Most of these truckers are independent and live in the immediate area of Khor Mor where their incomes support their families and the local economy. Over the past 9 or so years, through the direction of our JV, we provided CSR support to the local people with provision of enhanced services for transport, health care and education.

## Dana Gas's Benefits in KRI



Growth in **GDP** estimated to be between **USD 6.2-15.5 billion** since 2006



**Created 40,000 jobs** as a result of the direct, indirect or induced impacts of the Dana Gas and Crescent Petroleum operations



**Increased the reliability of electricity to 22 hours per day**, from 8 hours per day in 2006



Secured low cost energy supply to **4 million Iraqis**



**Saved KRI's government USD 3.4 billion per annum** in gas-for-diesel substitution



**Avoided greenhouse gas emissions amounts to USD 1.43 billion** due to the switch from diesel to gas since 2008



## Prioritizing Local Procurement

In 2017 we continued to work with local suppliers in Egypt, the UAE and KRI. We play an integral part in the economic development of the countries of our operations by doing business with local suppliers, creating job opportunities and building their capabilities.



## Generating Stable Economic Returns

The longevity of our operations and market presence depends on our ability to grow a profitable business that meets our shareholders' expectations. This remained to be a high priority in 2017 in the business outlook alongside securing financial liquidity, which requires ongoing collection of cash and outstanding receivables from our beneficiaries.

Despite the difficult macroeconomic backdrop and the continued geopolitical challenges in the region, we managed to achieve growth in the overall group production and maintained a healthy cash balance for all our shareholders. In 2017, our revenue was USD 450 Million, which is 15% higher than 2016 primarily due to higher annual realized prices of

liquids that reached USD 40 per barrel of oil equivalent (boe) in 2017 compared to USD 33 per boe in 2016.

In line with our prudent spending commitment set in 2017, we operated our assets as efficiently as possible, maintaining our operational cost and general overheads the same as 2016. These efforts helped us achieve stable performance throughout the year.

For 2018, we will put emphasis on profit, EBITDA, collections and financing. In addition, we are planning some operational efficiency projects, particularly with gas compression in Egypt and debottlenecking of the plant in KRI.

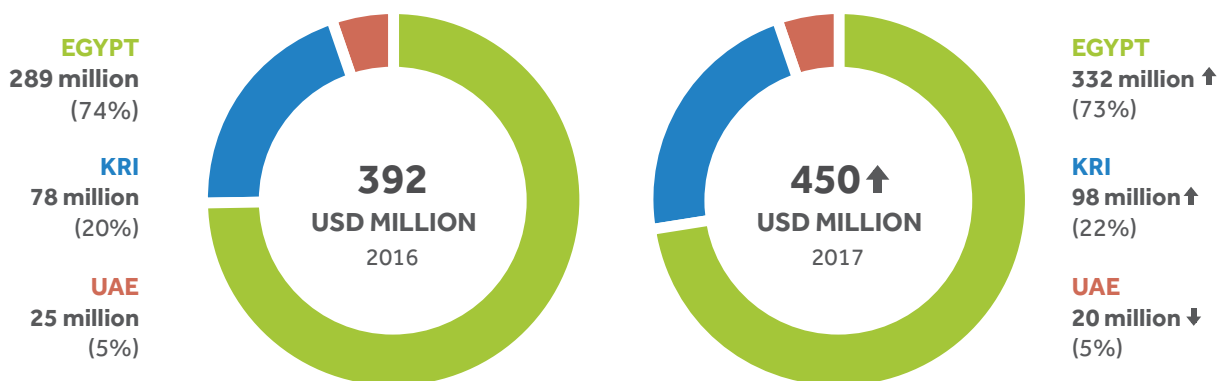


*"The benefits of our projects in 2017 continued to extend beyond the direct economic benefits created, providing shared prosperity to our stakeholders across our value chain, in the form of job opportunities to nationals and local businesses as well as improved healthcare standards and educational development."*

**AZFAR ABOOBAKAR**  
Head of Financial Control and Reporting



### Gross Revenue (Million USD)



### Underlying EBITDA (Million USD)



Our 2017 Annual Report includes details on our management approach, policies and procedures related to our financial reporting disclosures.

# Social Responsibilities



The business success in 2017 is a result of our employees' competence, dedication and contribution. As in 2016, we maintained our high performance work culture in 2017 by attracting and retaining the best talent through competitive employment packages, career development programs, and providing MENA regional project experience. At Dana Gas we promote an inclusive environment that accepts and encourages cultural diversity.



# 03



## 2017 PEOPLE HIGHLIGHTS

**145 employees**

2016: 27% ↓

**17%**

female employees

2016: 1% ↑

**83%**

male employees

2016: 1% ↓

**16 nationalities**

10 of them holding  
Executive Positions

**87% trained  
university interns**

were female

### **Corporate Code of Conduct & Workplace Policies Rolled out**

Employee awareness sessions  
were conducted

### **Implemented HR & Payroll System**

for Dana Gas UAE & Egypt

**423 learning person days**

achieved significant improvement  
on learning and development

### **Executive Leader Workshop Programs conducted**

Safety leadership workshop, Team working workshop, awareness sessions on corporate policies. Functional training related to the business.



# OUR PEOPLE



**145 employees**  
17% Female | 83% Male  
2016: 27% ↓



**16 nationalities**  
(10 of them holding  
Executive Positions)



**87% trained  
university interns  
were female**



**Corporate Code of  
Conduct & Workplace  
Policies rolled out**  
Employees awareness  
sessions were conducted

By end of 2017, our team was comprised of 145 employees with the majority, 66%, located in Egypt followed by 32% in the UAE and 2% in KRI.

Our overall workforce had a 27% decline from 2016 mainly due to optimization and rightsizing, as well as voluntary attritions. We continued to hire new staff as required in 2017 to support our operations, including four new employees of which two are female.

Dana Gas is partners in several Joint Ventures in our upstream operations, either in the form of financial or operational shares. In that case, we

report on our equity share of employees on Full Time Equivalent (FTE) units in our official reports.

In our 2017 sustainability reporting boundary for 'Our People' we only include our Dana Gas employees, and exclude our equity share employees as they are not covered under our recruitment, performance management, training, and other HR policies.



*"Dana Gas is an equal opportunity employer and provides for an inclusive environment where everyone can participate, contribute and develop equally. We value our people and the company continues to maintain a culturally diverse and motivated workforce."*

**RAMGANESH SRINIVASAN**  
Head of Human Resources



## Our Commitments for 2018



Continue to focus on hiring of UAE national candidates.



Continue revising the corporate human resource processes and policies.



Improvements to the Annual Employee Performance Management process.



More effort and focus on employee learning and development in line with business requirement and individual development plans.





## Diversity and Equal Opportunities

Our culturally rich workforce represents 16 nationalities from North America, Europe, North Africa, the Middle East and Asia with 10 different nationalities represented at the executive level. We believe that this special combination of skills and experiences has further established an innovative and high performing work environment as well as for complete strategy planning and objective decision making.

Our policies, practices and code of conduct, reinforce our inclusive work environment and our drive for zero tolerance towards discrimination. In 2017 there were no incidents of discrimination reported. The Human Resources team encourages open communication and equality, where employees' concerns are addressed.

All our permanent employees are entitled to health care, parental leave, long-term financial and non-financial incentives, children's education support

and annual travel benefits. In 2017, all five of our employees who were entitled to parental leave returned to our workplace.

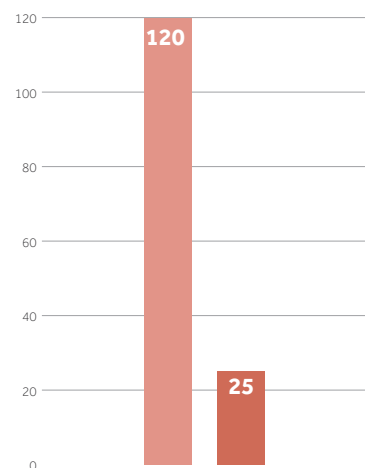
The O&G sector has one of the lowest women representations among all other industry sectors and continues to be challenged in reaching an improved level of gender balance, globally and regionally. With women accounting for 17% of our total workforce in 2017 at Dana Gas, we face similar employment challenges due to our location in high-risk geopolitical territories, particularly in KRI and Egypt, and the nature of our operations related to exploration and production of hydrocarbons.

In an effort to build a strong UAE female workforce in the O&G sector, in 2017 we provided internship and field training opportunities to 15 university students, of which 13 were female students. In Egypt there was a total of 5 female intern students. In 2017 we successfully

hired one Emirati female for a role in human resources in the UAE office. We continue to focus on including women in DG's leadership positions in the next few years.

### Gender Breakdown of Our 145 Long-term Employees

■ Male ■ Female





## Training and Development

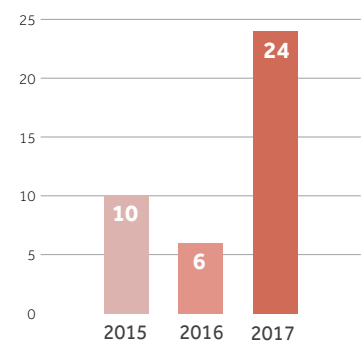
Our business success depends on our employees' ability to achieve their full potential. We encourage them to enroll in various learning and development opportunities within our well-rounded capacity building model.

In 2016, our employees received an average of 6 hours of training per employee, while in 2017 the number of training hours per employee increased to 24 hours, as a result of placing higher emphasis on business and technical skill training and development related to individual performance planning.

In 2017, 90% of the HSSE training programs were conducted by internal HSSE leaders. This reduced our dependence on external services and allowed us to conduct most of our HSSE courses in-house, wherever applicable and achievable, in light of prudent budget spending.

**In 2017, all our employees received regular performance and career development reviews.**

Average Hours of Formal Training per Year per Employee



### List of Training Programmes for Employees and JV's



Safety Leadership Workshop



Team Working Workshop



Awareness Sessions on Corporate Policies



Functional Training related to the business

## Employee Engagement in 2017

Having an open two-way dialogue with our employees provides an opportunity to receive their feedback, which ultimately improves openness and ownership. We conduct regular staff Town Hall events in Sharjah and Cairo where we share our HSE, CSR, operational and financial results as well as provide updates on changes and progress that affect them and the company.

Towards the preparation for our 2017 sustainability report, we started capturing the attrition statistics, both voluntary and involuntary, in a comprehensive manner.

### Our Employee Engagement Initiatives Support Our HR Objectives Towards:

-  Equality, tolerance, and development
-  Talent attraction and employee retention strategies
-  A collaborative workplace where there is cultural diversity
-  Talent development and competency assurance
-  Improve operational and behaviour changes
-  Sharing of ideas and opinions
-  Encouraging the right balance between work and family
-  Working safely and respecting the environment
-  Programs for performance management and evaluation
-  Employee engagement, open communication and feedback
-  A work environment that invites everyone's 'right to question'

## Grievance Mechanisms

In 2017 we continued to foster a culture that encourages transparency and integrity of our employees and local communities. Our formal and informal grievance procedures for raising issues and complaints within our Stakeholder Engagement Plan (SEP) is applied in our areas of operations. In 2017 any issues raised by the communities were handled according to the engagement plan procedures. Typical issues raised by the communities are requests for improved water resources, road maintenance, electric power supply, and improved

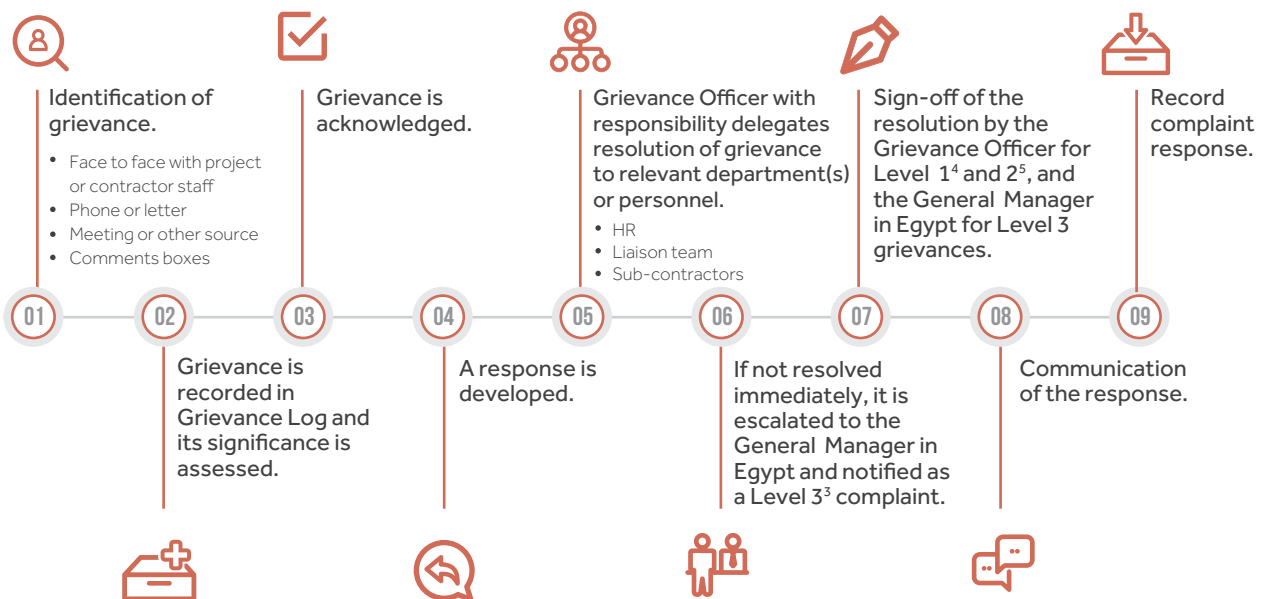
education and healthcare. No major grievances against the operations, including the exploration and production activities were identified in 2017 from any of our key stakeholders.

Our grievance procedures help us proactively identify and manage potential risks, by assessing our project operations and identifying anticipated impacts. This ensures we take appropriate actions and resolutions beforehand.

For our operations in Egypt, we

nominated our HR and Community Liaison Officers as our Grievance Officers, based at the South El-Manzala station and El-Wastani Plant, and HR based in Cairo. In Kurdistan there is a full time CSR team that handles the issues raised by the communities. In the UAE these issues are handled by the Public Relations team. All grievances raised are channeled through the country teams before reaching the relevant person. In 2017 Dana Gas did not receive any complaints related to unethical labor practices in Egypt, Kurdistan or the UAE.

### Grievance Mechanisms



<sup>3</sup> A level 3 complaint is a one-off complaint that results in a serious breach of DGE's policies or national law.

<sup>4</sup> A level 1 complaint includes issues that do not require compensation and that can be resolved through face-to-face meetings.

<sup>5</sup> A level 2 complaint includes widespread and repeated issues that are already being addressed proactively and where resolution is readily achievable.





# LOCAL LIVELIHOOD & SOCIETY



Significant improvement on learning and development



423 learning person days



Executive Leadership Workshop programs conducted

Throughout 2017 we made sure that we gave back to the people, contributed to local economies and transported our products safely.

The basic and first step of our Corporate Social Responsibility (CSR) activities every year is stakeholder engagement, such as our field assessment trips that assess community needs and inform

our project focus. CSR has been part of our community engagement strategy since our beginnings in 2005 and this holds steadfast in our social license to operate. Sustainability is integrated within our business, not an extra thing that operates as a silo.

Our community efforts are aimed at improving healthcare and education standards in rural areas of our concessions, both financially and non-financially. We organize staff

visits to communities during which we conduct knowledge sessions with educational institutes, hospitals and local entrepreneurs to increase their awareness about the environment, health, safety and wellness. Sometimes the activities are large scale but often it is as modest as arranging a fun day with orphanages and disabled children's centres. In 2017, we spent USD 205,000 to continue running our local communities programs in the KRI and Egypt.



**"Dana Gas, as a priority established several years ago, continued to be fully focused on delivering long-term sustainability to its stakeholders. Our goal is to make positive contributions to the communities which we consider as key partners."**

**BRUCE BASARABA**  
Head of HSSE and Sustainability



## Our Commitments for 2018



Road safety awareness campaigns around children's seatbelts.



Environmental and waste recycling initiatives and partnerships.



Knowledge transfer and training and awareness sessions about the oil and gas industry at schools.



Improved public health, safety, security and environment awareness and practices.

## Our CSR Activities

### Sharing knowledge and improving education in our communities

#### Egypt CSR Activities

---

We have made a financial contribution to the development of improved public education services.



Azoline Health Unit



CSR Assessment Trip



El Rest School



Ezbet Al Bat School



HSSE Training Sessions



Om Ratiba Health Unit



San El Hagar Qebliia & Bahria Health Unit



Shehata Khafagy School



Sherbeen Hospital

#### KRI CSR Activities

---

We support schools by providing school buses, stationery and financing renovation works.



Chemchemical Taekwondo Team



Students transported from remote villages to school in Qadir Karam posing to Camera



Training Course in Qadir Karam: seamstress



Chemchemical Maternity Hospital



Training Course in Qadir Karam: computer skills



School supplies and stationaries to Qadir Karam Schools



## UAE CSR Activities

We have a partnership with the American University of Sharjah and the Sharjah Higher Colleges of Technology for Women to develop youth through internships and design projects.

### Amar Foundation

In 2017 we were proud to provide financial support to the Amar Foundation, a notable charity organization in the UK that is focused on care and support of disadvantaged people. The Amar foundation has significant presence in Kurdistan and northern Iraq where they work with

global agencies and government to provide safe refuge for displaced people and refugees suffering from the ravishes of terrorism and wars. Dana Gas and Crescent Petroleum provide substantial funds to support the healthcare, medical services and education services for the Khanke

Camp in north Kurdistan. Over 18,000 displaced people are in the Khanke Camp and Dana Gas has helped to improve the lives of countless people over the year. This support will continue into 2018 and 2019.



Amar Foundation – Support of the Khanke Displaced Person’s Camp





### Providing Support to Our Local Economies and Stakeholders

We have partnerships with local and nationwide associations that have created jobs and improved lives by:

- Providing entrepreneurs with micro finance opportunities to support local businesses and employment growth
- Supplying Qadir Karam town and 5 villages with electrical power
- Providing fuel for generators to villages that are not linked to electricity lines
- Providing access to clean potable water supplies for villages
- Funding the draught projects in Qadir Karam

### Supporting Social and Healthcare Infrastructure in Our Communities in 2017

Across the three countries of our operations, we have made financial contributions towards:

- The temporary youth employment arrangement in Kurdistan
- Providing machinery/equipment as requested by nearby communities in Egypt and Kurdistan
- Supporting orphaned children programs in Egypt
- Providing supplies to mosque and shrines in Kurdistan
- Maintaining local access to roads in Egypt and Kurdistan
- Sponsoring local sports teams in Egypt and Kurdistan
- Supporting the Municipality and Community in Qadir Karam, Kurdistan
- Arranging "Meet the Zora Gas plant neighbors" in Sharjah, UAE
- Creating mutual cooperation with Sharjah civil defense
- Supporting hospitals in Erbil, Qadir Karam and Chamchamal, and in three Governorates of Egypt

In 2018, we will continue to support the communities we operate in. In addition to the above, we are planning to provide several in-kind contributions such as internship and training opportunities for students in local universities. In Kurdistan we will continue to support communities with additional supply of electric power and potable water. In Egypt in 2018 the focus will be on health and medical care, safety awareness, youth development, support for disadvantaged women, and support for orphans.

# Operational Excellence



Dana Gas, as part of the world's gas sector, manages health and safety risks associated with the daily routine of handling hydrocarbons and hazardous materials, physically demanding jobs, harsh work conditions and exposure to other hazards such as vibration and noise. Our operations in the UAE, Egypt and KRI expose our employees, contractors and assets to additional risks associated with extreme temperatures, dust and humidity.

# 04







# 2017 HSSE HIGHLIGHTS

## ZERO

injuries and fatalities

## 2,000,000 man-hours

achieved in Zora Gas Plant

## HSE Training & Competency Programs

for employees and contractors across the group

## OHSAS 18001 Certification

for DANA GAS Corporate Office in Sharjah

## 0.22 TRIF achieved

with 2 LTI's in the year, both with contractor employees (lowest LTI in history of the Company)

## 400 Injury free days

achieved in the Khor Mor operations in Kurdistan

## Maintained Certification to OHSAS 18001 & ISO 14001 standards

(Dana Gas Egypt, Zora Gas and Khor Mor operations)

## No major hydrocarbon spills

in the environment

## 49%

hazardous waste recycled by vendors

## 59,976 GJ

total energy consumption

## 49,630 m<sup>3</sup>

total water footprint sourced from wells and municipal sources



# HEALTH & SAFETY



**HSE Training & Competency Programs** for employees and contractors



**Maintained OHSAS 18001** for Dana Gas Corporate Office in Sharjah



**Maintained ISO & OHSAS standards** for Dana Gas Egypt, Zora and Khor Mor operations



**ZERO** injuries and fatalities achieved amongst Dana Gas employees



**0.22 TRIF** achieved with 2 LTI's in the year, both with contractor employees



**2,000,000 man-hours and zero LTI** achieved in Zora Gas Plant



**400 Injury free days** achieved in the Khor Mor operations in Kurdistan

In 2017 safeguarding our contractors and employees' health, safety and security was a priority in our business strategy and paramount in everything we did.

Our ambition continues to ensure a secure and safe working environment, which guarantees zero incidents and zero loss of primary containment across all our operations. This is equally

important for our operational continuity, the safety of our communities, adhering to regulatory compliance and respected business reputation.

## Our Commitments for 2018



Improve our contractors' HSE performance and results.



Achieve zero security incidents.



Continue with the Behavioral Based Safety (BBS) programs in Egypt, Kurdistan and the UAE.



Achieve zero uncontrolled spills.



Improve on the fit-for-purpose HSSE and Asset Integrity KPIs across all countries of operation.



Maintain the UAE SajGas Processing Plant as per the preservation standards we have established.

**OCCUPATIONAL SAFETY**

"2017 was a year of improved safety performance for Dana Gas Egypt and Wasco. This is a result of having effective management controls and committed senior and middle management leadership and making safety as the critical factor in managing risks."

**KHALED FARID**  
HSSE Manager, Dana Gas,  
Egypt Office

**PROCESS SAFETY & ASSET INTEGRITY**

"The objective of our asset integrity system in 2017 was to ensure that our assets continued to be reliable, safe and achieved acceptable integrity standards over the whole lifecycle of the asset."

**MERVYN CHASE**  
UAE Operations Manager



**EMERGENCY PREPAREDNESS**

"In 2017 we had no major emergency situation occurrence. This is mostly due to our people following the required operational and safety procedures and ensuring key personnel are competent in their work. We don't plan to have emergencies, but if something does get out of hand, our people are ready to respond."

**BRUCE BASARABA**  
Head of HSSE and Sustainability

**WORKFORCE HEALTH**

"There is nothing as important as the health and wellbeing of our employees. And in 2017 we strived to ensure all employees came to work healthy and we provided good working conditions and implemented several excellent motivational programs for the staff."

**FATIMA AL OBAIDL**  
External Affairs Manager & Investor  
Relations Officer

**CONDUCTING A MAJOR MAINTENANCE SHUTDOWN IN EGYPT AT THE EL WASTANI GAS PLANT WITH ZERO INJURIES**



In line with our asset integrity and operational effectiveness and performance objectives for 2017, we conducted a major maintenance shutdown of the El Wastani Gas Processing plant to increase efficiency and improved operational performance and reduce risks from process equipment and piping.

Throughout the shutdown activities over 1300 contractor employees were on the plant site, working on shifts over 10 days, and during the Ramadan period. With over one year advanced pre-shutdown planning, the DGE and Wasco teams at the plant prepared for over 100 major work projects. The main contractors worked

safely throughout the shutdown schedule, in challenging conditions, and successfully completed all tasks ahead of schedule, on budget and without any injuries. Over 130,000 man-hours were recorded during the shutdown period. The teamwork and commitment to safety was clearly evident and in the end the plant today is performing safely, more efficiently and with less risks. Dana Gas focused on upholding high HSE performance and results. Our no major injuries record demonstrates this commitment throughout the year, and the successful and safe shutdown is a testament to everyone having the right safety attitude and work practices.

We follow a comprehensive HSE Management Framework with reference to our Corporate Health, Safety and Environmental policy<sup>6</sup>. Our HSE framework includes an Operating Risk Management System Framework (ORMS), operating practices and HSSE standards, keeping us well positioned to maintain a low as reasonably practicable (ALARP) risks across our operations. In 2017 we successfully maintained the international recognized OHSAS 18001 certification of the Dana Gas Corporate

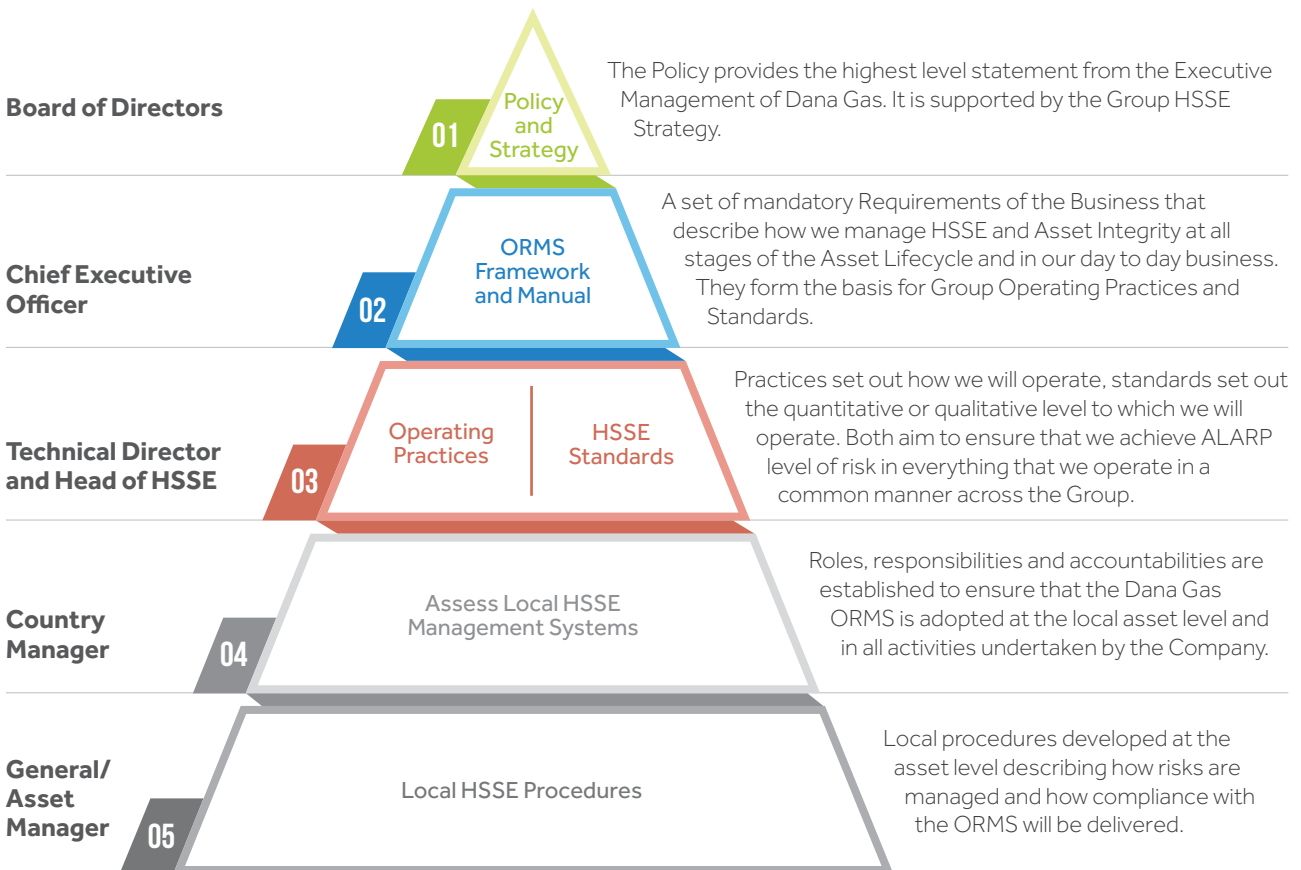
Safety Management System (SMS). The SMS provides the required safety management policies and procedures to manage and control the safety risks and controls for a safe operation. We complement these efforts with awareness programs and HSE trainings to support our employees in adhering to our safety policies and procedures.

The Health, Safety, Security and Environment (HSSE) Unit is entrusted with the responsibility of ensuring all

employees are trained and competent with company safety policies and procedures. The HSSE Unit develops and monitors annual HSE plans and programs, inclusive of standards and targets. These are shared across our departments to support company-level efforts towards building a safe workplace. All our employees are responsible for improving our HSSE performance and adhering to the corporation's safety related procedures as a minimum standard.

## Our HSE Management Framework

### DELEGATION AUTHORITY:



Our 2017 Annual Report includes details on our HSSE risks and the measures we have taken to reduce them.

<sup>6</sup> DG's HSE policy is accessible at: <http://www.danagas.com/en-us/HSSE/Dana%20Gas%20HSE%20Policy%20-2016.pdf>



## Occupational Safety

During 2017, we focused our efforts on reducing safety risks across the operations and processes, with a lot of focus on contractors, in particular with drilling and operation's service providers. We achieved this through increasing our number of safety observations, HSE inductions and training, risk assessments and audits, management site visits and the efficiency and timely close out of actions from incident investigations.

By end of 2017, we maintained zero recordable injuries and fatalities among our employees and reduced the number of high potential incidents by 50% with our proactive incident investigation and prevention. With strong effort and support from employees and contractors, our Group Total Recordable Injuries Frequency (TRIF) in 2017 decreased from 0.36 to 0.22 due to the continued priority on safety procedures and culture improvement on behaviors, attitudes and practices in Egypt and KRI.

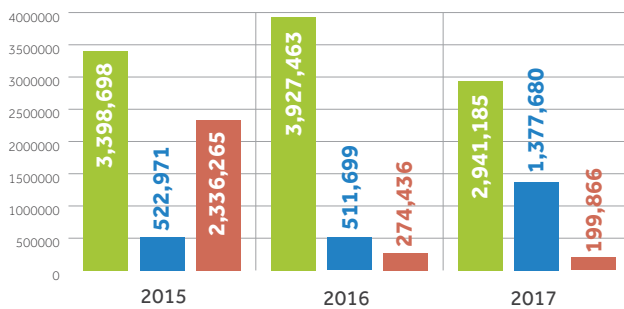
We aim to focus on safe behavior and intervention in 2018. Some of the initiatives taken:

- Identify project requirements for HSSE standards and procedures
- Monitoring the contractors' compliance with our Journey Management Procedures
- Requiring HSSE Competency for the contractors' employees

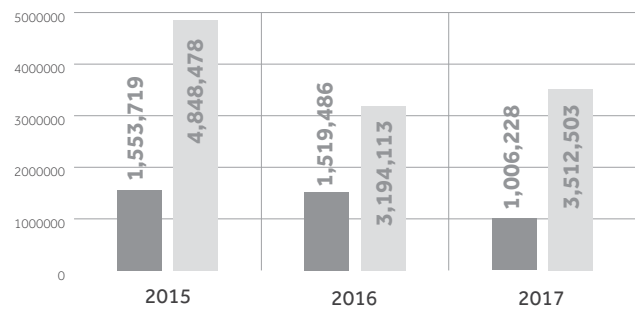
### Occupational Safety

■ Egypt ■ KRI ■ UAE ■ Employees ■ Contractors

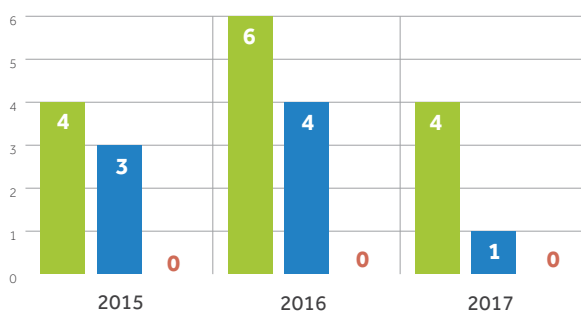
MAN-HOURS<sup>7</sup> BY LOCATION



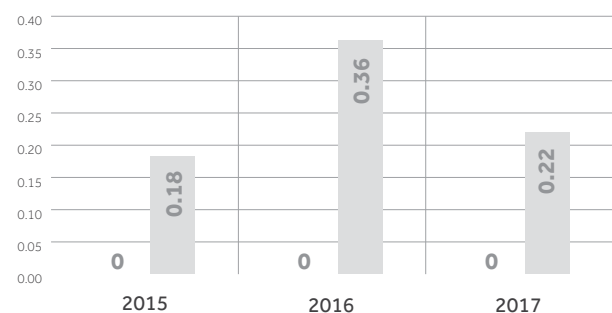
MAN-HOURS BREAKDOWN BY WORK GROUP



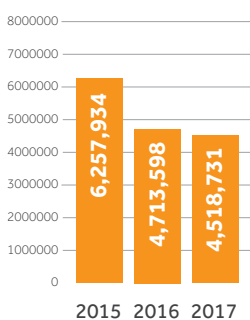
RECORDABLE INJURIES



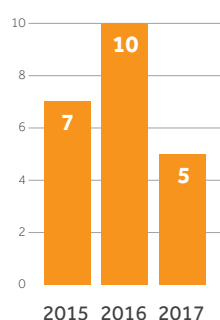
TOTAL RECORDABLE INJURIES FREQUENCY (TRIF<sup>8</sup>)



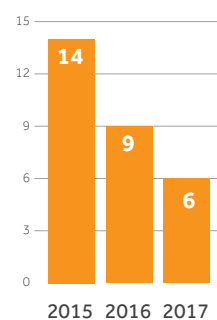
TOTAL MAN-HOURS



TOTAL RECORDABLE INJURIES



HIGH POTENTIAL INCIDENTS



FATALITIES



<sup>7</sup> The Man-hours worked covers 100% of operations in Egypt and the UAE and 35% coverage for KRI based on our equity share approach

<sup>8</sup> TRIF is calculated based on the number of recordable injuries per 200,000 man-hours worked

## DG's 2017 Update on OHSAS 18001 and ISO 14001 Certifications

### UAE

- In 2016 Dana Gas Corporate Office in Sharjah received OHSAS 18001 certification for the Corporate Safety Management System. The objective in 2017 was to maintain certification and ensure the management system was meeting all the requirements as set out. Re-certification was achieved and all requirements were tested by an approved third party.
- Exterran, the Operation and Maintenance contractor for the Zora Gas Plant, received OHSAS 18001, ISO 14001 and ISO 9001 standards in 2016 for HSEQ Management System. In 2017 they successfully re-certified their management systems according to the certification process established by Exterran and an approved third party.

### Egypt

- In 2017 Dana Gas Egypt passed the mandatory compliance audit of OHSAS 18001 and ISO 14001 standards for the HSE Management Systems.
- WASCO, our operator of El Wastani assets in Egypt, maintained their certification to OHSAS 18001 and ISO 14001 standards for their HSE Management System.

## Controlling Safety and Security While Driving on Roads

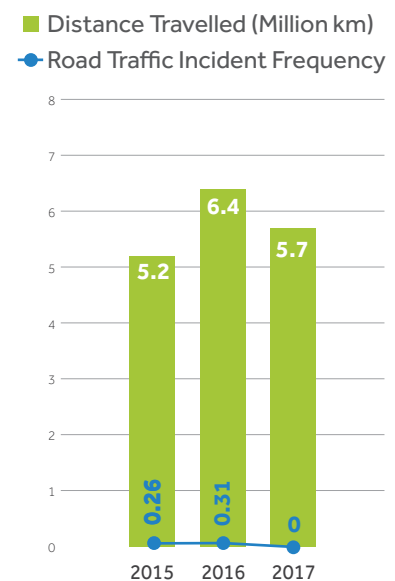
Integrating security measures into our HSSE management system is critical, as security risks remain high to extreme in the region, particularly when our assets are located in areas where there is less security poor road conditions, remote destinations and with unstable socio-political conditions. Dana Gas has a strong and effective Journey Management Plan to minimize all possible risks resulting from road journeys in Egypt. It outlines the approval process, procedures required to organize trips from offices to field sites, all possible hazard scenarios and ways to mitigate them.

These efforts are supported with a car tracking system as well as personal tracking devices for our employees.

There is a Journey Management system in the UAE for the SajGas operation, with focus on the pipeline patrol that are conducted daily. Credan, our operating partner in KRI, has maintained a strong Journey Management system in Kurdistan since the beginning of the project there.

All employees are required to follow the Dana Gas Journey Management System for their site visits. We are also working towards reducing our contractors' road incidents by ensuring they similarly follow our Journey Management Procedures. There is a "no night driving" policy strictly enforced at our operations in Egypt.

### The Distance Travelled and Road Traffic Incident Frequency for 2015 - 2017



## Emergency Preparedness

Each of our countries of operation has an Emergency Response Plan. This includes El Wastani Plant in Egypt, which is under the direction of WASCO, our operator in Egypt, and Zora Gas Plant which is under the control of Exterran, our operator in the UAE. In KRI, Khor Mor Plant has a full emergency response plan controlled by the Plant's HSE and Security unit.

We conduct regular drills and practices as well as regular training sessions with management. The Civil Defense team is included in some of the drills, in particular at Zora with the Sharjah and Hamriya Civil Defense. In Egypt for El Wastani plant, the local police and military are also included in the process as well as fire and medical aid teams in the Governorate. In Kurdistan,

the civil defense authorities are active participants to the emergency response plans and drills for the Khor Mor operations and pipelines.

## Initiatives for Continuous Improvement of Process Safety and Asset Integrity

Overlooking how critical the management of asset integrity for critical process equipment will lead to weaknesses in hydrocarbon containment, causing uncontrolled release of gas or liquids, which increases employees' and assets' exposure to incidents across the production lifecycle. In 2017 several of the ten top risks are linked with asset integrity management. These include asset performance, succession planning, corporate reputation, access to new gas markets and HSSE performance. Therefore, the

need to extend the life of our existing assets has become more relevant and important when considering our production continuity and growth.

In 2017, we continued with the development and mature growth of Asset Integrity Management Systems for Kurdistan, Egypt and the UAE. This was comprised of the following:

- Fully integrated asset integrity framework for Zora Gas Plant in the UAE operations.

- Early development of the framework for asset integrity management at the WASCO operations in Egypt.
- Development and implementation of a formal asset integrity management system for the Khor Mor operations focused on the reliability of rotating equipment and corrosion management.
- Establishing fit-for-purpose Group HSSE and asset integrity KPIs that were included in DG's 2017 scorecard.

### DG's Asset Integrity Framework



## Workforce Health and Welfare

Dana Gas in 2017 continued to make great effort to secure a healthy working environment in our workplace to keep our employees motivated and productive. We have put "people first" and do care about health and welfare. People are encouraged to participate in positive lifestyle events and programs, and we do hold workshops on health and lifestyle, including stress management, nutrition and diets and the merits of physical activities.

In 2017, we conducted a series of health awareness campaigns throughout the Group to sustain an optimal health status for our workforce. These include:

- In KRI the focus was on hygiene and sanitation, shiftwork tips and personal wellbeing
- In the UAE the focus was on personal wellbeing and fitness, and stress management
- In Egypt:
  - Medical check-up available for all staff

- Conducted HSE training campaigns to improve safety awareness and culture. For example, pinch point, hand injury, on-job safety coach program, drops, among others
- Identified all potential health risks for facility workers through blood tests, including Mercury traces
- Conducted a hygiene and sanitation audits
- Communicating health tips to employees



# ENVIRONMENT



**No major hydrocarbon spills** to the environment



**49%** Hazardous waste recycled by vendors



**56,976 GJ** Total energy consumption



**49,630 m<sup>3</sup>** Total water footprint sourced from wells and municipal sources

There are certain environmental impacts inherent in our exploration and production activities and we proactively take necessary measures to identify and minimize them.

Our impacts on the environment include, but are not limited to, water extraction and handling, effluents and waste from drill cuttings and drilling mud, noise generated from plant equipment and vehicles, and emissions released to atmosphere from venting, combustion and flaring. To the greatest extent possible, we mitigate impact under our direct control and within our sphere of influence. We managed

in 2017 to reduce the number of loss of primary containment incidents as compared to 2016. All spills were minor and involving technical and wastewater where unplanned minor uncontrolled releases occurring at several well sites in the El Wastani field. Each of these water spills was contained and no damage to public property. Measures were taken to prevent reoccurrence of these types of losses.

## Our Commitments for 2018



Conduct emissions sampling and monitoring on a random basis in higher sensitive areas of the operations in Egypt and Kurdistan. To be part of the EIA and QRA studies planned for the year.



Continue to look for ways to reduce energy consumption at our facilities.



Continued improvement for methods to reduce wastes that are produced at the operations.



Develop a wastewater treatment facility in KRI's site.



Based on successes in 2017, continue in 2018 to find ways to reduce emissions at the gas processing plants.



Align our Environmental & Social Impact Assessment (ESIA) processes with international requirements and governmental requirements in UAE, Egypt and KRI.



Continue with public consultation meetings for new planned projects in Egypt and KRI.



Further improvements to prevent unplanned loss of primary containment through asset integrity methods such as corrosion controls, use of inhibitors, sand removal, and condition based monitoring.

**ACCIDENTAL SPILLS TO THE ENVIRONMENT**

"We continue on the journey of developing a stronger environmental awareness culture that supports a 'zero hydrocarbon spill' objective within our operations through the asset integrity system and set of proactive measures to prevent any losses."

**MICHAEL PYSZKA**  
GM Dana Gas Egypt

**FLARED GAS**

"Flaring contributes to GHG emissions. We have taken steps in 2017 to reduce flaring emissions by optimizing our operational and process activities and improving maintenance of process equipment through the asset integrity system."

**MERVYN CHASE**  
UAE Operations Manager



**GREENHOUSE GAS EMISSIONS (GHG)**

"Efforts to reduce our GHG emissions continues to be our goal in order to have less impact from the operations on global climate change."

**PATRICK ALLMAN-WARD**  
CEO

**ENERGY CONSUMPTION**

"We continue to find ways to reduce energy consumption both within the operations and facilities. Employees and contractors are instructed to be more conscious of how they can reduce the amount of energy consumed throughout the business."

**IMAN HILL**  
Technical Director, and GM UAE Operations

**Environmental Management Approach**

As part of the corporate and business unit's HSSE Management System, the projects, drilling operations and technical teams, with support and guidance from the HSSE units are responsible for our environmental management system (EMS). We work together to determine and evaluate the environmental impacts of our activities by conducting environmental impact assessment studies for our projects followed by ongoing monitoring and evaluation of impacts. Our EMS in the UAE and Egypt are in line with the ISO 14001

requirements and include environmental performance plans, procedures and documentation controls. EIA requirements in 2017 were met for each new drill site location in Egypt or where a permanent asset was constructed.

Acknowledging the need to proactively measure and improve the tracking of our environmental performance, we set a commitment for 2018 to increase our environmental KPIs and to further reduce emissions and loss targets.



**"During the year we evaluated and improved our environmental management approach through specific management controls and using elements of the asset integrity management system to ensure we deliver reliable, affordable and clean fuel with minimum risks and impact on the environment."**

**BRUCE BASARABA**  
Head of HSSE and Sustainability



**Compliance with Environmental Legislation**

We comply with the applicable environmental laws and regulations in the UAE, KRI and Egypt by consolidating and monitoring our operations against a comprehensive framework of legal requirements. In cases where

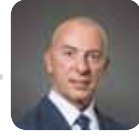
environmental grievances are raised, we commission third party studies to test their validity, and we plan mitigation actions, if required. EIA studies are required in Egypt by the government environmental regulators for all new

drilling locations or where permanent assets for production will be built. DGE conducted a number of EIA studies that were approved by the government before any drilling activities were started in 2017.

## Energy Consumption

During 2017 our primary form of energy consumption is from direct energy sources (diesel and natural gas). Natural gas is combusted for plant process requirements whereas diesel is used for onsite and offshore diesel generators, remote water pumps and some company/contractor vehicles. Indirect energy refers to electricity imported to our operations and offices from a local utility provider.

In 2017, our total energy consumption amounted to 56,976 as compared to 80,968 GJ in 2016. In 2016 there was a significant amount of drilling activities in Egypt having a large consumption of diesel fuel. In 2017 there was a significant reduction in drilling activities in Egypt.



*"Efforts were made in 2017 to utilize solar energy in remote well sites in Egypt, as well as for the offshore facility in the UAE. This included solar energy for communications, instruments, controls and lighting."*

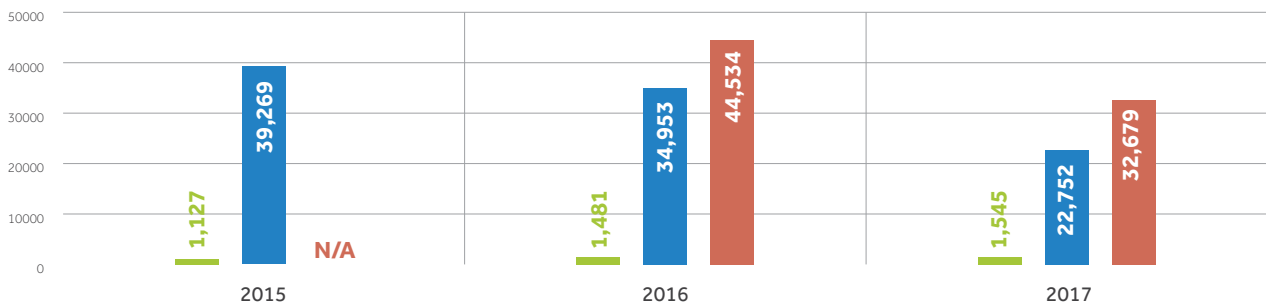
**BRUCE BASARABA**  
Head of HSSE and Sustainability



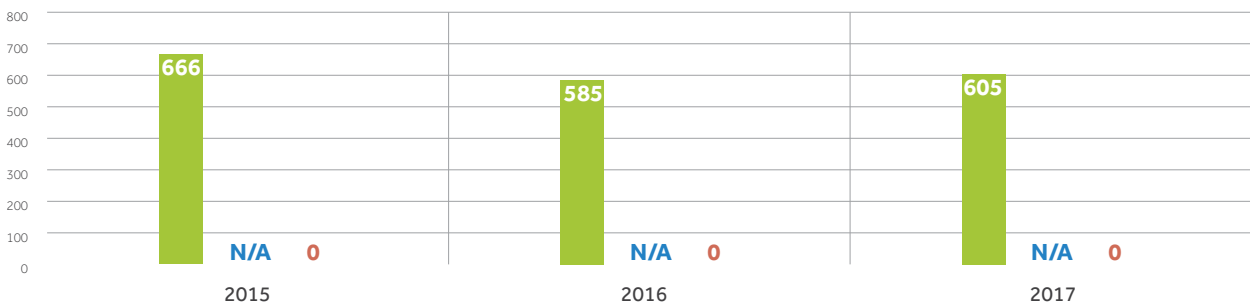
### Energy Consumption (GJ)

■ Egypt ■ KRI ■ UAE

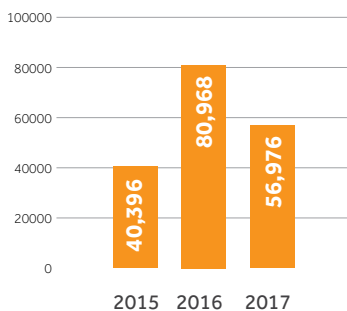
#### DIRECT ENERGY CONSUMPTION FROM NON-RENEWABLE SOURCES (DIESEL & NATURAL GAS)



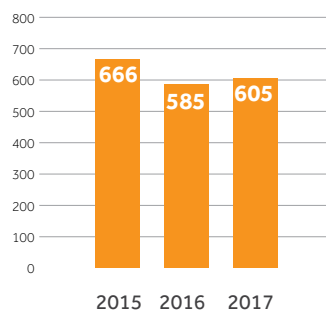
#### INDIRECT ENERGY FROM IMPORTED ELECTRICITY



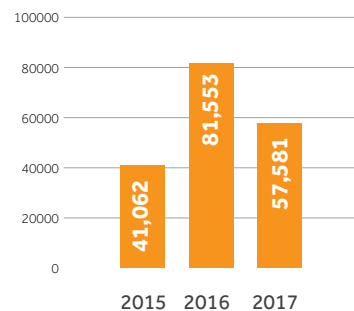
#### TOTAL DIRECT ENERGY CONSUMPTION (GJ)



#### TOTAL INDIRECT ENERGY CONSUMPTION (GJ)



#### TOTAL ENERGY CONSUMPTION WITHIN OUR ORGANIZATION (GJ)





## Greenhouse Gas Emissions (GHG)

GHG emissions continued to have impact on the global climate and environment. As part of our 2017 commitments on climate change, we monitored, tracked and reduced our emissions. Our GHG emissions include carbon dioxide (CO<sub>2</sub>) from fossil fuel combustion and flaring, as well as

methane (CH<sub>4</sub>) from leakage, fugitive emissions and venting.

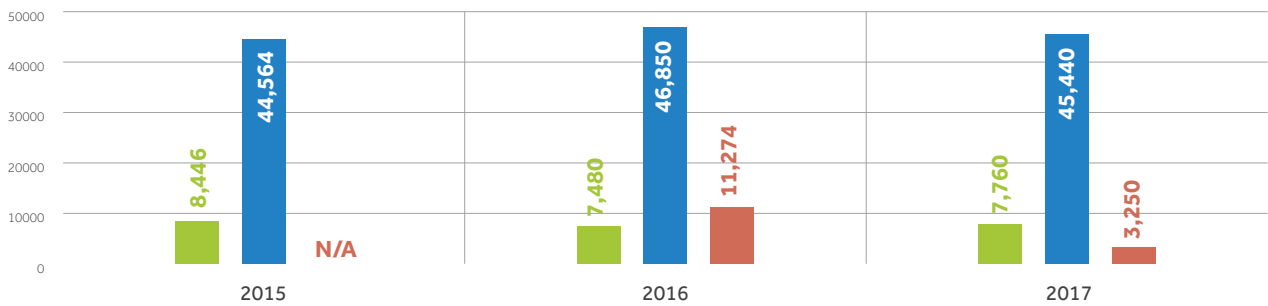
Gas flaring is the highest contributor to our GHG emissions due to testing and commissioning of new wells and plants where large volumes of gas are flared. We see a great reduction in daily

flared gas once operations commence and seek to adopt a few additional steps towards reducing them further. These include improving our monitoring devices on site and installing new technological solutions.

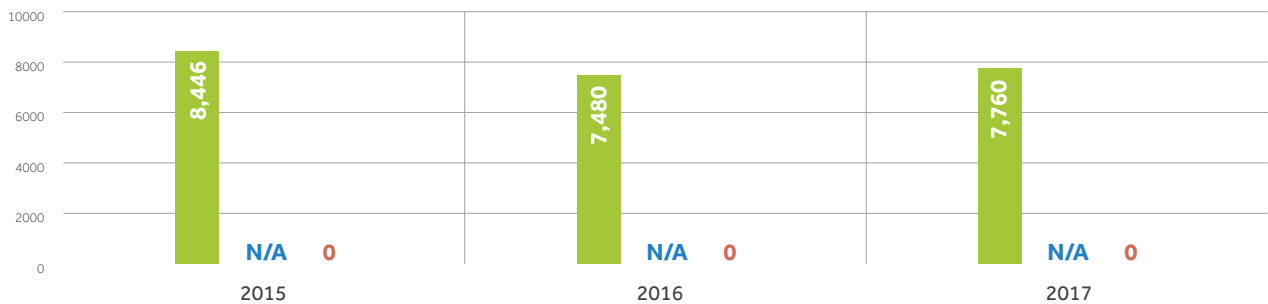
### GHG Emissions (Tonnes CO<sub>2</sub>e)

■ Egypt ■ KRI ■ UAE

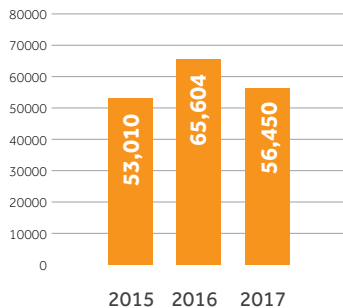
#### DIRECT GHG EMISSIONS (SCOPE 1)



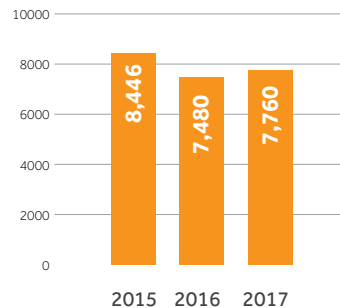
#### INDIRECT GHG EMISSIONS (SCOPE 2)



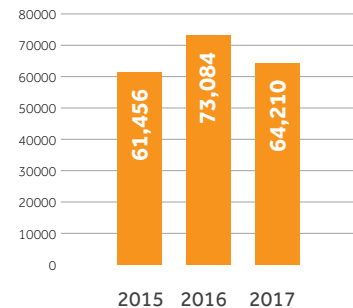
#### TOTAL DIRECT GHG (Tonnes CO<sub>2</sub>e)



#### TOTAL INDIRECT GHG (Tonnes CO<sub>2</sub>e)



#### TOTAL GHG EMISSIONS



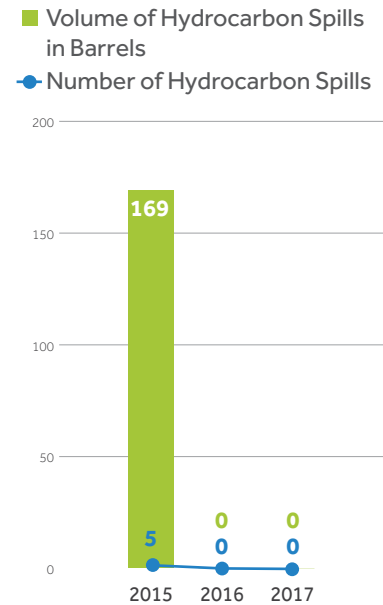
## Prevention of Spills to the Environment

Dana Gas and its contractors have made good progress in 2017 to reduce the number of hydrocarbon and technical water leaks at the operation sites. Also considered in the mitigation efforts in 2017 was reducing leaks at any of the new exploratory projects, where leaks can occur from vehicles, generators, storage tanks and refueling areas. In operations, leakage can occur from accidental damages, aging facilities and human error. These leaks are better managed now with the integrated asset integrity management system in each of the operations.

Dana Gas is committed to minimizing the number and volume of hydrocarbon spills as low as reasonably practicable. Our hydrocarbon spillage risks have a small to medium potential impact on the nearby soil and environment. We mitigate these risks by implementing spill mitigation plans and maintaining good behavior and housekeeping on site.

In 2017, we continued to make strong improvements as we did in 2016 to reduce hydrocarbon spills and leaks, particularly in Egypt where most of them were occurring as pin hole leaks of 10 mm or less. As a result, we achieved a reduced number of pin hole leaks and with equipment and piping seeps, weeps and drips, as part of the asset integrity campaign conducted jointly by DGE and Wasco to minimize these fluid and gas losses. Over 50% of the leaks in 2017 reported in the Egypt operations came from temporary well site production equipment rented from various contractors. Efforts in late 2017 to improve the performance of the contractor rental production equipment was made, and further efforts are planned for 2018.

Number of Hydrocarbon Spills and Volume in Barrels



## Flared Gas

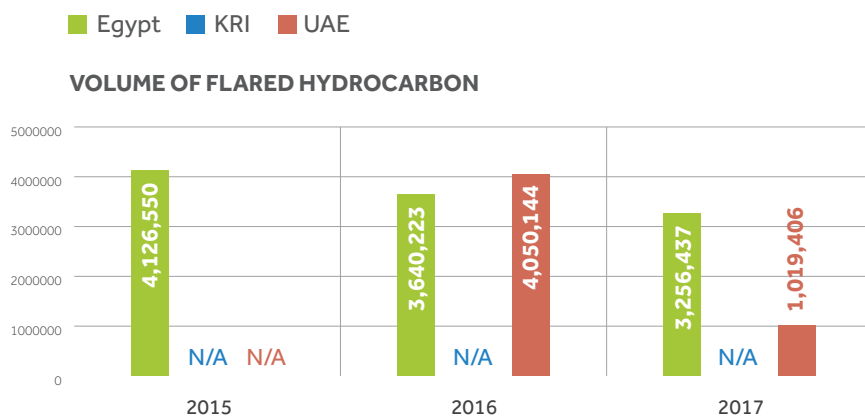
Gas flaring is part of the 24 hour gas processing operation and is an important safety practice during start-up, commissioning, emergency situations and emergency shutdowns. Flaring safely releases the gas pressure from equipment, pipes and valves as well as mitigates risks associated with fires and explosions in our wells or plants. From an air quality perspective, we capture and burn the

flared gas as opposed to venting it, which is considered a safer approach for the environment.

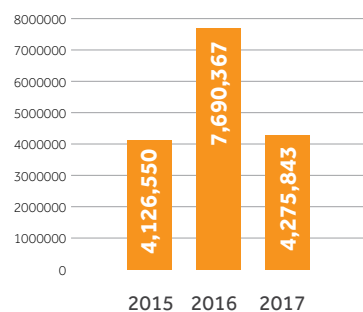
We recognize the environmental concerns associated with burning the flared gas and explored cost effective and efficient technologies to reduce flaring in 2017. The maintenance shutdown at the El Wastani plant in 2017 undertook several improvements

at the flare stack and equipment to reduce the emissions discharged. We will continue improving our operating systems, and consideration for installing advanced flare gas recovery systems to reuse flared gas in fuel or feedstock and limiting our gas flaring to emergency releases and planned maintenance only as we go forward in the next five years.

Flared Gas (m<sup>3</sup>)



TOTAL VOLUME OF FLARED HYCROCARBON



## Waste Management

We adhere to the applicable regulatory laws' provisions on waste management and promote for environmentally sound plans for waste reduction and disposal. Waste management plans are developed for each site, which outline the steps required to collect, handle and dispose hazardous, non-hazardous and recyclable waste. Our local operations and HSE team monitors and audits our operational procedures to ensure compliance with all laws and plans. In Kurdistan, we have an onsite landfill and a sewerage treatment plant that removes contaminants from waste

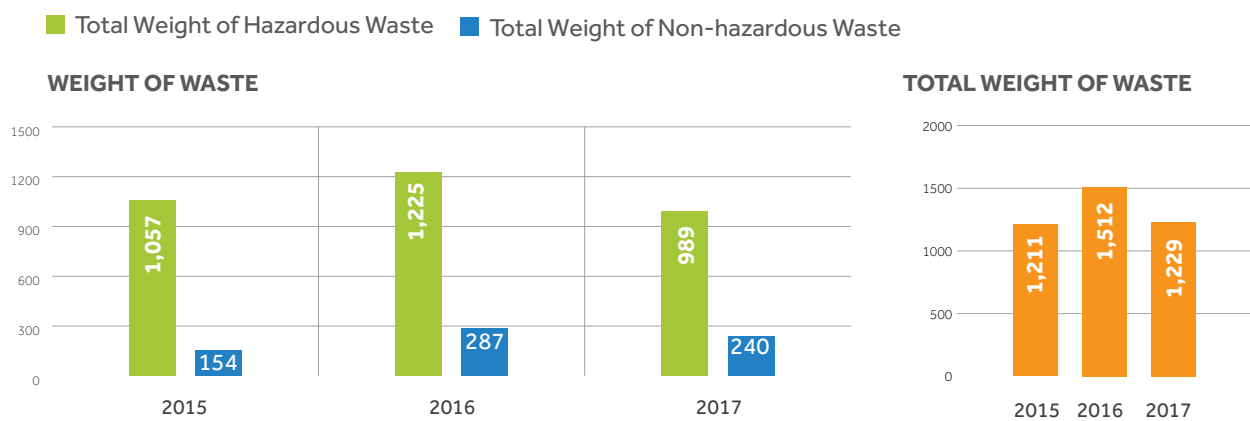
streams using physical, chemical, and biological processes before being disposed or recycled. In the UAE and Egypt, we contract a third party to dispose of hazardous waste within designated sites and dispose the non-hazardous waste at the municipality landfill. As for recycling, we segregate and contract a number of companies to collect recyclable items, such as plastic bottles, paper and tins.

Our non-hazardous waste is mainly comprised of drilling fluids and cuttings from drilling operations using water

based mud, as well as cardboard and electrical goods that are temporarily stored onsite and then collected by a local waste vendor for reuse or recycling. There was a significant reduction of non-hazardous waste in the year due to far less drilling activities than in 2016. The small portion of hazardous waste produced in 2017 is comprised of empty metal barrels, used oil, filters, expired chemicals and empty plastic barrels.

**49% of our hazardous waste was recycled by vendors in 2017**

### Total Weight of Waste (Tonnes)



## Water Consumption

Effective water management is important to our operations given our water intensive activities and when we operate in countries where freshwater is limited, such as the UAE, KRI and Egypt. We use water for production and cooling purposes as well as municipal water for our offices and accommodation camps. In 2017, we extracted 49,630 m<sup>3</sup> as compared to 56,983 m<sup>3</sup> in 2016 of water from wells and municipal sources to support our operations. This reduction was in part due to less drilling activity in the year, thus reducing the amount of fresh water requirements.

For 2018, we have made a commitment to make better use of our produced water from our well operations by treating and reusing it for technical and operational purposes. Dana Gas entered into a research project, with the American University of Sharjah, to determine an engineering design for the best produced wastewater management approach for the handling and treatment of the Zora produced water. The university students presented several options they developed for treatment methods of the water. Due to the small volume of

daily produced water coming from the Zora gas well, which is approximately 450 Bbl/day or less, and the higher salinity amounts, the technical water is disposed of at the approved Sharjah Municipality wastewater facility. The technical water is classified as non-hazardous as it contains only trace amounts of hydrocarbons, but is high in salinity and sand.



# APPENDIX (A)

## ACRONYMS & GLOSSARY

<b>A&amp;CC</b>	Audit and Compliance Committee	<b>HR</b>	Human Recourse
<b>ADX</b>	Abu Dhabi Securities Exchange	<b>HRMS</b>	Human Resources Management System
<b>ALARP</b>	A Low As Reasonably Practicable	<b>HSE</b>	Health, Safety and Environment
<b>AUS</b>	American University of Sharjah	<b>HSSE</b>	Health, Safety, Security and Environment
<b>BBS</b>	Behavioral Based Safety	<b>IAB</b>	International Advisory Board
<b>bn</b>	Billion	<b>IFC</b>	International Finance Corporation
<b>boe</b>	Barrel of Oil Equivalent	<b>IPIECA</b>	International Petroleum Industry Environment Conservation Association
<b>boepd</b>	Barrels of Oil Equivalent Per Day	<b>ISO</b>	International Organization for Standardization
<b>BSC</b>	Board Steering Committee	<b>KPI</b>	Key Performance Indicators
<b>CEO</b>	Chief Executive Officer	<b>KRI</b>	Kurdistan Region of Iraq
<b>CGE&amp;N</b>	Corporate Governance, Remuneration, and Nomination	<b>LPG</b>	Liquefied Petroleum Gas
<b>CH<sub>4</sub></b>	Methane	<b>m<sup>3</sup></b>	Cubic meter
<b>CO<sub>2</sub></b>	Carbon Dioxide	<b>MENA</b>	Middle East and North Africa Region
<b>CO<sub>2</sub>e</b>	Carbon Dioxide Equivalent	<b>MENASA</b>	Middle East, North Africa and South Asia Region
<b>CSR</b>	Corporate Social Responsibility	<b>Mmboe</b>	Million Barrels Oil Equivalent
<b>DG</b>	Dana Gas	<b>N/A</b>	Not Applicable
<b>EBITDA</b>	Earnings Before Interest, Taxes, Depreciation and Amortization	<b>NGL</b>	Natural Gas liquids
<b>EBRD</b>	European Bank for Reconstruction and Development	<b>O&amp;G</b>	Oil and Gas
<b>EMS</b>	Environmental Management System	<b>OHSAS</b>	Occupational Health and Safety
<b>ERP</b>	Emergency Response Plan	<b>ORMS</b>	Operating Risk Management System Framework
<b>ESG</b>	Environmental, Social and Governance	<b>QRA</b>	Quantitative Risk Assessment
<b>ESIA</b>	Environmental Social Impact Assessment	<b>SCA</b>	Securities and Commodities Authority
<b>FTE</b>	Full Time Equivalent	<b>SEP</b>	Stakeholder Engagement Plan
<b>GCC</b>	Cooperation Council for the Arab States of the Gulf	<b>ToT</b>	Train of the Trainers
<b>GDP</b>	Gross Domestic Product	<b>TRIF</b>	Total Recordable Injuries Frequency
<b>GHG</b>	Greenhouse Gas	<b>UAE</b>	United Arab Emirates
<b>GJ</b>	Gigajoules	<b>UNGC</b>	United Nations Global Compact
<b>GPEA</b>	Gas Processing Enhancement Agreement	<b>USD</b>	US Dollar
<b>GRI</b>	Global Reporting Initiative	<b>2P</b>	Proven Plus Probable
<b>HAZOP</b>	Hazard and Operability		

# APPENDIX (B)

## GRI CONTENT INDEX

GRI CONTENT INDEX			
GRI Standard Disclosure	Disclosure	Page number(s) and/or URL(s)	Omission
<b>General Disclosures</b>			
<b>GRI 102:</b> General Disclosures 2017	<b>Organizational Profile</b>		
	102-1 Name of the organization	Dana Gas	
	102-2 Activities, brands, products, and services	6	
	102-3 Location of headquarters	Sharjah, UAE	
	102-4 Location of operations	6, 8-9	
	102-5 Ownership and legal form	6	
	102-6 Markets served	2	
	102-7 Scale of the organization	7-9	
	102-8 Information on employees and other workers	4, 7, 31-35	
	102-9 Supply chain	10-11	
	102-10 Significant changes to the organization and its supply chain	No major changes to the organization or supply chain in 2017.	
	102-11 Precautionary principle or approach	Our risk management approach covered in page (26).	
	102-12 External initiatives	14, 36-39	
	102-13 Membership of associations	25	
	<b>Strategy</b>		
	102-14 Statement from senior decision-maker	5	
	<b>Ethics and Integrity</b>		
	102-16 Values, principles, standards, and norms of behavior	6	
	<b>Governance</b>		
	102-18 Governance structure	22-25	
	<b>Stakeholder Engagement</b>		
	102-40 List of stakeholder groups	20	
	102-41 Collective bargaining agreements	Collective bargaining is illegal in the UAE.	
	102-42 Identifying and selecting stakeholders	18, 20	
	102-43 Approach to stakeholder engagement	19	
	102-44 Key topics and concerns raised	19	
	<b>Reporting Practice</b>		
102-45 Entities included in the consolidated financial statements	2		
102-46 Defining report content and topic boundaries	2		
102-47 List of material topics	21		

## GRI CONTENT INDEX

GRI Standard Disclosure	Disclosure	Page number(s) and/or URL(s)	Omission
	102-48 Restatements of information	Not Applicable in 2017	
	102-49 Changes in reporting	No changes in reporting in 2017	
	102-50 Reporting period	2	
	102-51 Date of most recent report	2	
	102-52 Reporting cycle	2	
	102-53 Contact point for questions regarding the report	2	
	102-54 Claims of reporting in accordance with the GRI Standards	2	
	102-55 GRI content index	55-59	
	102-56 External assurance	This report has not been externally assured. However, we may seek for external assurance in the future.	

## Materiality Topics

### Occupational Safety and Workforce Health

<b>GRI 103:</b> Management Approach 2017	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	42-47	
	103-3 Evaluation of the management approach	42-47	
<b>GRI 403:</b> Occupational Health and Safety 2017	403-1 Workers representation in formal joint management-worker health and safety committees	Partially covered in our HSE Management Framework mentioned in page (44).	
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	45-46	

### Process Safety and Asset Integrity

<b>GRI 103:</b> Management Approach 2017	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	46-47	
	103-3 Evaluation of the management approach	46-47	

### Emergency Preparedness

<b>GRI 103:</b> Management Approach 2017	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	47	
	103-3 Evaluation of the management approach	47	

### Compliance with Regulations

<b>GRI 103:</b> Management Approach 2017	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	49	
	103-3 Evaluation of the management approach	49	
<b>GRI 307:</b> Environmental Compliance	307-1: Non-compliance with environmental laws and regulations	49	



## GRI CONTENT INDEX

GRI Standard Disclosure	Disclosure	Page number(s) and/or URL(s)	Omission
<b>Anti-corruption and Bribery</b>			
<b>GRI 103:</b> Management Approach 2017	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	25	
	103-3 Evaluation of the management approach	25	
<b>GRI 205:</b> Anti-corruption	205-1 Operations assessed for risks related to corruption	All our operations are assessed (100%).	
	205-2 Communication and training about anti-corruption policies and procedures	25	
	205-3 Confirmed incidents of corruption and actions taken	None	
<b>Spills to the Environment</b>			
<b>GRI 103:</b> Management Approach 2017	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	49-50	
	103-3 Evaluation of the management approach	50	
<b>GRI 306:</b> Effluent and Waste 2017	306-1 Water discharge by quality and destination	53	
	306-2 Waste by type and disposal method	53	
	306-3 Significant Spills	48, 50	
<b>Financing and Investor Relations</b>			
<b>GRI 103:</b> Management Approach 2017	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	28-29	
	103-3 Evaluation of the management approach	28-29	
<b>GRI 201:</b> Economic Performance 2017	201-1 Direct economic value generated and distributed	9, 29	
<b>GRI 203:</b> Indirect Economic Impact 2017	Disclosure 203-1 Infrastructure investments and services supported	28-29	
	203-2 Significant indirect economic impacts	28-29	
<b>Greenhouse Gas (GHG) Emission</b>			
<b>GRI 103:</b> Management Approach 2017	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	49, 51	
	103-3 Evaluation of the management approach	51	
<b>GRI 305:</b> Emissions 2017	305-1 Direct (Scope 1) GHG emissions	51	
	305-2 Energy indirect (Scope 2) GHG emissions	51	
<b>Flared Gas</b>			
<b>GRI 103:</b> Management Approach 2017	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	49, 51	
	103-3 Evaluation of the management approach	51	
<b>Flared Gas</b>	OG6: Flared gas	51	
<b>Energy</b>			
<b>GRI 103:</b> Management Approach 2017	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	49-50	
	103-3 Evaluation of the management approach	50	
<b>GRI 302:</b> Energy	302-1 Energy consumption within the organization	50	
	302-4 Reduction of energy consumption	50	

## GRI CONTENT INDEX

GRI Standard Disclosure	Disclosure	Page number(s) and/or URL(s)	Omission
<b>Water</b>			
<b>GRI 103:</b> Management Approach 2017	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	49, 53	
	103-3 Evaluation of the management approach	53	
<b>GRI 303:</b> Water	303-1 Water withdrawal by source	53	
<b>Hydrocarbon Reserves</b>	OG1: Volume and type of estimated proved reserves and production	53	
<b>Human Rights of Employees and Contractors</b>			
<b>GRI 103:</b> Management Approach 2017	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	32-33	
	103-3 Evaluation of the management approach	32-33	
<b>GRI 401:</b> Employment	401-1 New employee hires and employee turnover	32-33	
<b>Biodiversity and the Marine Environment</b>			
<b>GRI 103:</b> Management Approach 2017	103-1 Explanation of the material topic and its boundaries	Partially covered in page 27	
	103-2 The management approach and its components	Partially covered in page 27	
	103-3 Evaluation of the management approach	Partially covered in page 27	
<b>Biodiversity Assessment</b>	OG4: Significant operating sites in which biodiversity risk has been assessed and monitored	Partially covered in pages 26-27	
<b>Training and Education of the Employees</b>			
<b>GRI 103:</b> Management Approach 2017	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	34-35	
	103-3 Evaluation of the management approach	34-35	
<b>GRI 404:</b> Training and Education 2017	404-1 Average hours of training per year per employee	34	
	404-3 Percentage of employees receiving regular performance and career development reviews	34	
<b>Diversity and Equal Opportunities</b>			
<b>GRI 103:</b> Management Approach 2017	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	32-33	
	103-3 Evaluation of the management approach	32-33	
<b>GRI 405:</b> Diversity and Equal Opportunities 2017	405-1 Diversity of governance bodies and employees	32	

## GRI CONTENT INDEX

GRI Standard Disclosure	Disclosure	Page number(s) and/or URL(s)	Omission
<b>Local Community Development and Engagement</b>			
<b>GRI 103:</b> Management Approach 2017	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	28, 37-39	
	103-3 Evaluation of the management approach	28, 37-39	
<b>GRI 202:</b> Market Places 2017	202-2 Proportion of senior management hired from the local community	Senior management in the operating business units of Kurdistan and Egypt is predominantly from the local region in 2017.	
<b>Procurement Practices to Support Local Suppliers</b>			
<b>GRI 103:</b> Management Approach 2017	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	29, 37-39	
	103-3 Evaluation of the management approach	29	
<b>GRI 204:</b> Procurement Practices 2017	204-1 Proportion of spending on local suppliers	29	
<b>Diversity, Women's Empowerment and Equal Opportunities</b>			
<b>GRI 103:</b> Management Approach 2017	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	33-34	
	103-3 Evaluation of the management approach	33-34	
<b>GRI 401:</b> Employment	401-3 Parental leave	32	
<b>Nationalization and Job Creation</b>			
<b>GRI 103:</b> Management Approach 2017	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	33-34	
	103-3 Evaluation of the management approach	33	
<b>Research, Development and Innovation</b>			
<b>GRI 103:</b> Management Approach 2017	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	53	
	103-3 Evaluation of the management approach	53	
<b>Waste Management</b>			
<b>GRI 103:</b> Management Approach 2017	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	53	
	103-3 Evaluation of the management approach	53	
<b>Grievance Mechanisms</b>			
<b>GRI 103:</b> Management Approach 2017	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	36	
	103-3 Evaluation of the management approach	36	





**Dana Gas PJSC**  
P.O. Box 2011, Sharjah  
United Arab Emirates



T: +971 6 556 9444  
F: +971 6 556 6522



[mail@danagas.com](mailto:mail@danagas.com)  
[www.danagas.com](http://www.danagas.com)