

Sustainability Report 2019

Driving positive environmental and socio-economic impact



دانة غاز
DANAGAS

About this report

This is Dana Gas PJSC's fourth Sustainability Report, detailing our environmental and socio-economic performance for the 2019 calendar year.

The report is a Global Reporting Initiative Standards 'GRI-referenced' report, which includes sustainability disclosures from the most widely used sustainability reporting framework globally. In considering the content of this report, we have also taken account of the sustainability reporting guidelines of the International Petroleum Industry Environmental Conservation Association (IPIECA), and the recommended Environmental, Social and Governance (ESG) disclosure requirements of the Abu Dhabi Securities Exchange (ADX) and the London Stock Exchange (LSE).

Accordingly, we have structured the report into three main pillars to cover our most material environmental and socio-economic issues: Performing Responsibly, Safeguarding our Workforce and Assets, and Contributing to In-Country Value.

We welcome feedback from our stakeholders on the contents of this report and would be pleased to answer any questions on our sustainability performance. Please contact: mail@danagas.com



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Message from the CEO



Sustainability has long been at the forefront of how Dana Gas conducts its business and in 2019, we continued our commitment to the highest health, safety, security and environment (HSSE) and social standards in order to protect and benefit our employees, contractors, local communities and the environment in which we work.



17

different nationalities

This is our fourth Sustainability Report and this year, we have sought to further evolve our reporting and disclosure practices on environmental, social and economic performance in line with good practice standards and guidelines promoted by the oil & gas industry and investor community. We have chosen to structure this year's report around how we are endeavouring to perform responsibly, what we have done to safeguard our workforce and assets, and how we are contributing to in-country value in the areas that we operate.

We take pride in our diverse international workforce comprising over 17 different nationalities from around the world, whilst maintaining a strong commitment to building local skills and expertise. In 2019 our workforce in Egypt comprised of 100 per cent local talent, and 80 per cent in the Kurdistan Region of Iraq (KRI).

Ensuring the health, safety, security and well-being of everyone working on behalf of the company, including all staff and contractors, is a top priority. It was therefore pleasing that our Zora and Khor Mor gas plants achieved 4 years and 3 years, respectively, without any lost-time incidents. We observed a significant increase in the number of safety observations at our operational facilities, and thereby improved the percentage of close-out actions compared to previous years. This has resulted in an overall positive contribution to our safety culture and performance. Our HSE Management System remain certified to international standards and we were able to advance asset integrity and process safety management programmes across all sites. There were no major uncontrolled releases of gas or liquids during the year. There have been no significant spills for 5 years.



4 years

without lost time incidents
in Zora gas plant



5 years

no significant spills



80%

of energy required for
KRI's electricity generation
delivered through our plant

(achieving an average of
22 hours per day)



We recognise the growing interest from investors and other stakeholders in the role of oil & gas companies in the clean energy transition and the increasing transparency and disclosure expectations regarding climate change policy and performance. We have identified this as an emerging risk area for the Dana Gas business and will seek to further develop our position. This year, we have improved our Greenhouse Gas (GHG) emissions data collection and reporting to enable greater confidence, which has also allowed us to report on Scope 2 emissions and GHG Intensity for the first time.

In 2019, we published two studies conducted by Price Waterhouse Coopers (PwC), which assessed the Environmental, Social and Economic impacts of the Dana Gas projects in Egypt and the KRI. These also assessed our contribution to the United Nations Sustainable Development Goals (SDGs). The reports underpin the positive sustainable development impact we have had in those countries and can be accessed via the links shown later in this report.

It is worth highlighting that we deliver 80 per cent of the energy used for electricity generation in the KRI, achieving an average of 22 hours per day compared to 8 hours per day in 2006, in an area that faces power shortage challenges. This has provided an important stimulus to the KRI economy and delivered a cleaner source of energy compared with traditional diesel alternatives. This has also resulted in achieving significant GHG emissions savings and has had a positive operational impact on local employment through creation of 2,200 permanent jobs - 1,200 of which have been from direct employment, and the rest through local supply chain activities. In Egypt, we are contributing to the gas used to power 71 per cent of the energy

used for electricity generation in the country. The supply of clean burning natural gas has enabled the avoidance of more carbon emitting heavy oil for electricity generation and reduced reliance on more expensive imports of LNG. Approximately 1,000 full-time employees are engaged in day-to-day operations, creating a positive direct economic impact on local communities in the Nile Delta region.

We invest in a range of community projects to help deliver sustainable social, economic and environmental benefit for local communities. In the past year, Dana Gas spent USD 2.3 million (equity share) on community investment projects across Egypt, KRI and UAE. Social investment initiatives were developed with country/asset teams and targeted towards specific local community issues in those areas and were broadly based on four main themes: Education; Health; Energy and Infrastructure; Employment and Income Generation.

Recognising the complex social environments that we operate in, we are re-positioning our Corporate Social Responsibility (CSR) endeavour towards a more holistic Social Performance (SP) approach, with the aim of better identifying and managing social risks and opportunities in support of the business and future growth of the company.

I present Dana Gas's 2019 sustainability report as a testament to our sustainability journey and invite you to engage with our commitment to improving our economic, social and environmental performance for the years to come.

Thank you.

Patrick Allman-Ward
CEO



Our environmental and socio-economic performance highlights 2019

PERFORMING RESPONSIBLY



Zero

significant spills for the past five years



Zero

complaints, issues, fines or penalties related to environmental non-compliance



ISO 14001

certified Environmental Management Systems in all UAE, KRI and Egypt operating sites



Asset Integrity Management System and improvement plans in place at all operational sites



Developed robust greenhouse gas (GHG) emissions data

monitoring mechanisms. Installed small-scale solar panels for lighting, navigation aids and communications at Zora offshore site



44% decrease in water discharges

SAFEGUARDING OUR WORKFORCE AND ASSETS



Improved incident/injury rates, **30% increase** in proactive safety observations, Zora gas plant and Khor Mor gas plant achieved 4-years and 3-years LTI-free, respectively



Zero

cases of reported human rights complaints, grievances or issues



Transition to **ISO 45001:2018** Health and Safety Management System in Zora gas plant



Routine programmes

for employee engagement, training and development, annual performance management reviews

CONTRIBUTING TO IN-COUNTRY VALUE



USD 459 million gross revenue



8 internships

to local female students in engineering, finance and IT



More than **USD 0.3 billion** worth of purchased goods and services from local suppliers since 2008



USD 2.3 million community investments

About us

Dana Gas is focused on sustainable growth in the region across the natural gas value chain.

Dana Gas is engaged in the exploration, production, processing and transport of natural gas. Founded in December 2005, we are the first and largest private-sector natural gas company in the Middle East, publicly listed on the Abu Dhabi Securities Exchange (ADX). Our head office is in the Emirate of Sharjah, United Arab Emirates (UAE), and our regional presence includes operations in Egypt and the KRI.



VISION

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



STRATEGY

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



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 fulfil our commitments
- We aim to provide a safe, healthy and environmentally friendly workplace for our employees and business partners and to minimise any adverse effects of our operations on communities and the environment



EMPLOYEES

**141**

Direct employees from
17 nationalities and
953 employees through
our ventures

Change from 2018: +1%

GROSS REVENUE

**459**

USD (million)

Change from 2018:
-2%

TOTAL PROVEN PLUS PROBABLE (2P)
RESERVES**1,160**

(mmboe)

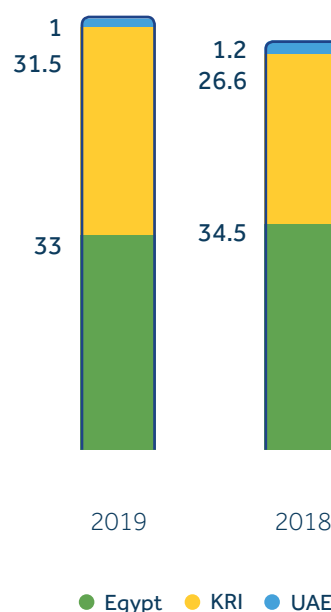
Change from 2018:
+8%

PRODUCTION

**66.2***

(kboe/d)

Change from 2018:
+5%

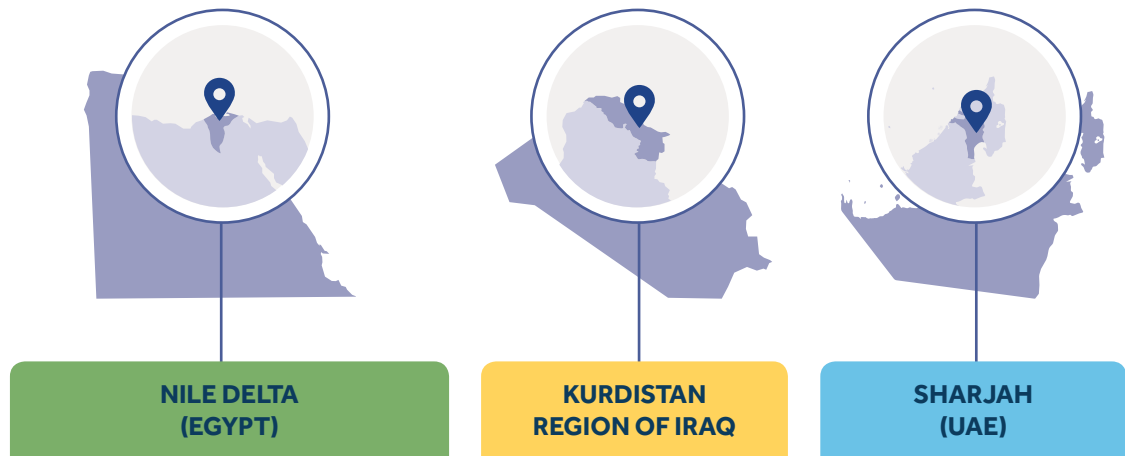


*The 66.2 includes EBGDCO's production, which is not reflected in the countries breakdown. Please refer to the annual report for more details on the company's interest shares.

Our operations and market presence

Dana Gas has exploration and production assets in Egypt, KRI and the UAE and we continue to monitor opportunities to expand into new geographies in the Middle East, North Africa and South Asia (MENASA). In 2019, we had an average equity share production of 66,200 barrels of oil equivalent per day (boepd), a 5 per cent increase compared to last year.

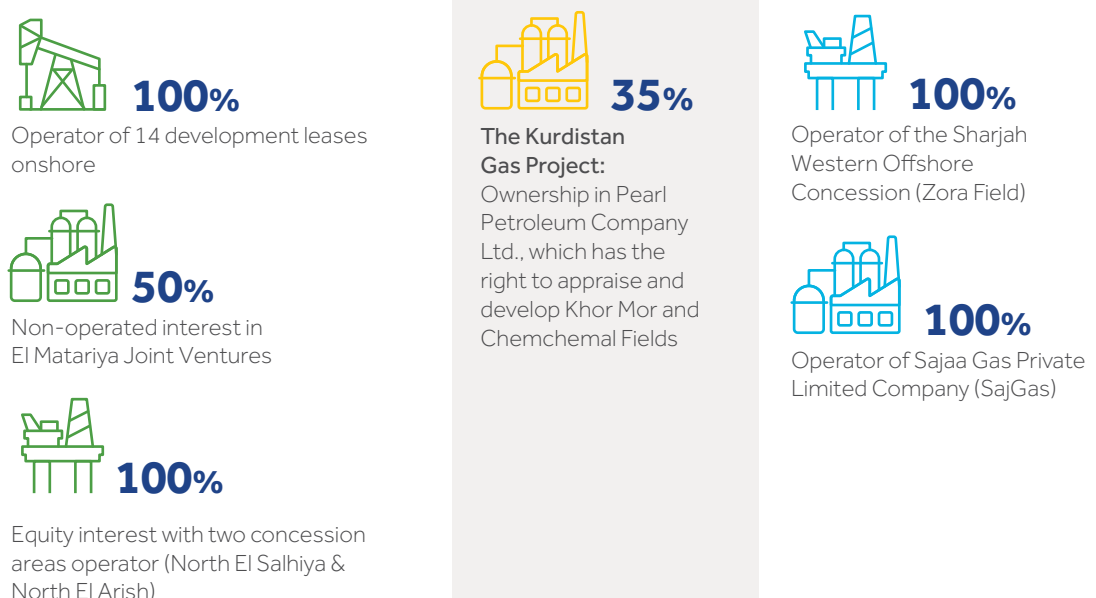
Our operations and market presence are summarised below. For more details on our geographical operations, activities, subsidiaries, joint operations and ventures, please refer to our Annual Report & Accounts for 2019.



NATURE OF ACTIVITIES



PRODUCTION ASSETS



2019 MILESTONE

Production

33,000

(boepd)

2018: 34,500

Completed drilling operations at Merak-1 well (a deep water exploration well in more than 700 m water depth).

Three independent prospects with resource potential more than 20 Tcf in Block 6 part of Eastern Mediterranean Basin.

Production

31,500

(boepd)

2018: 26,650

10% increase in the share of the proven plus probable (2P) hydrocarbon reserves at Pearl Petroleum Company's Khor Mor and Chemchemal Fields in the Kurdistan Region of Iraq.

Production

1,000

(boepd)

2018: 1,200

Zora onshore and offshore operations ceased in September 2019.

EGYPT

IRAQ

UAE

Our approach

A responsible approach to sustainability performance

“We recognise the growing demand for greater transparency and disclosure of ESG risks and are adapting our Dana Gas reporting approach accordingly.”

Managing our sustainability performance

Pursuing our sustainability roadmap

We strive to deliver value in a safe, secure and environmentally and socially responsible manner for all our stakeholders. Our core values aim to apply the highest standards of conduct, accountability and fairness in everything that we do.

Our approach is built on an integrated corporate governance framework¹ with clear accountability channels, transparency requirements and independence thresholds. The Dana Gas Board of Directors and three permanent Board Committees oversee the strategies, plans and policies of the company.

We monitor and report our health, safety and environmental (HSE) performance to the Board. Whilst there

is no dedicated HSE and Sustainability Committee at the Board level, these topics are included in Board Committee meetings and Executive Management discussions, as required.

An Enterprise Risk Management (ERM) framework provides a robust risk management process that details our HSE risks amongst other business risks. The management of those risks are delegated to the Executive Team and Senior Management with oversight from the Board of Directors and its Committees.

Exploration, production, transmission and processing of natural gas carries significant inherent risks relating to health, safety, security, the environment and local communities that need to be

managed. Stringent compliance with applicable regulations and standards in the UAE, KRI and Egypt is an integral part of our daily operations.

Our sustainability roadmap for 2020 aims to create shared prosperity for our stakeholders through our vision of a robust sustainability governance, social responsibility and operational excellence.

We view this as a journey that we shall continue to work on beyond 2020. Our efforts include improving our environmental, social and socio-economic reporting mechanisms and disclosures in line with international good practice.

OUR SUSTAINABILITY ROADMAP FOR 2020

Sustainability governance



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

Social responsibility



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

Operational excellence



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

¹ For more details on our corporate governance structure for the Board of Directors and Board Committees, please refer to our comprehensive 2019 Corporate Governance Report and Annual Report available at our website.

Frameworks and standards

In recognising the greater demand for transparency on environmental and socio-economic issues, we focused this year on improving our reporting approach and disclosures to better align with the industry best practice, ADX and LSE ESG guidance and the SDGs.

We conducted an ESG disclosure maturity assessment against Oil and Gas (O&G) leading peers and stock exchange expectations, which concluded in over 50 per cent alignment with a broad suite of 46 ESG disclosures reported, and confirmation of an appropriate focus on those that are the most material for the sector generally, and for the company specifically. This assessment helped

provide a holistic view of our current ESG maturity state, industry best practices and set out commitments for future improvements for disclosures.

Our ESG framework covers Dana Gas's material topics divided into three distinct pillars: performing responsibly, safeguarding our workforce and assets, and contributing to in-country value.

DANA GAS ESG FRAMEWORK



Performing responsibly

Achieving sustainable environmental performance through operational excellence and climate risk mitigation by:

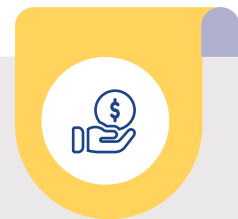
- Improving energy consumption and GHG emissions
- Minimising water use, waste and spills



Safeguarding our workforce and assets

Becoming the employer of choice and ensuring a safe working environment by:

- Attracting, retaining and developing our workforce
- Safeguarding human rights
- Protecting our workforce health and safety
- Maintaining asset integrity and process safety management



Contributing to in-country value

Contributing to the socio-economic development of our countries of operations and achieving economic prosperity by:

- Improving our local content
- Focusing on our socio-economic impact
- Engaging and investing in our country



Working with our stakeholders

We place great importance on listening to and responding to our stakeholders' interests and employ a range of engagement approaches. We continue to build and strengthen relationships with those affected by, or interested in, our operations and projects based on

the principles of respect, transparency, trust and collaboration.

Each of our countries of operation have locally specific Stakeholder Engagement Plans (SEPs), which are regularly reviewed and updated.

In addition, we develop project specific SEPs for major new project developments to help us identify stakeholder concerns, understand risks, identify mitigation actions and foster effective communication during project execution.

OBJECTIVES OF OUR STAKEHOLDER ENGAGEMENT PLAN



STAKEHOLDERS	MEANS OF ENGAGEMENT	INTEREST
GOVERNMENT 	<ul style="list-style-type: none"> • Senior management meetings • Public reports; including corporate governance reports • Company website 	<ul style="list-style-type: none"> • Economic performance • Payments to governments • In-country value contribution • Ethics and prevention of corruption • Compliance with regulations • Human rights • Nationalisation • Sustainability governance
EMPLOYEES 	<ul style="list-style-type: none"> • Performance appraisal • Recognition and awards • Regular employee meetings • Town halls • Corporate events • Public reports 	<ul style="list-style-type: none"> • Human rights • Workforce health and safety • Diversity and equal opportunity • Workforce management practices • Learning and development • Nationalisation
SHAREHOLDERS & STAKEHOLDERS 	<ul style="list-style-type: none"> • Public reports • Company website • Investor relations and corporate communication • Press releases 	<ul style="list-style-type: none"> • Economic performance • Total reserves • Climate change risk management • Energy and GHG emission • In-country value contribution • Ethics and prevention of corruption • Workforce management practices • Fleet fuel efficiency • Spill performance • Compliance with regulations
LOCAL COMMUNITIES 	<ul style="list-style-type: none"> • Community liaison officer • Public consultation • Community programmes • Charitable events • Public reports 	<ul style="list-style-type: none"> • Employment opportunities • Access to energy • Local community development and engagement • Education and healthcare • Human rights • Job creation
CONTRACTORS 	<ul style="list-style-type: none"> • Vendor relations • Tendering process • Audits and inspections • Public reports • Company website 	<ul style="list-style-type: none"> • Procurement practices • Economic performance • Compliance with regulations • In-country value contribution

Prioritising our material 2019 ESG topics

As part of our continuous improvement efforts, we have refreshed our ESG materiality assessment for 2019. This included a review of best practices adopted by peer O&G companies, IPIECA, the GRI Standards and the ESG reporting guidelines for ADX and LSE listed companies.

We have highlighted 18 topics, prioritising the most significant economic, social and environmental impacts relevant to Dana Gas's business objectives and which represent the primary interests of our stakeholders.

The outcomes of our corporate ESG materiality assessment are displayed in the matrix below. These are ranked as

'high materiality, medium materiality, and material'. Presentation of an issue as 'material' does not mean it is not important to Dana Gas or that it is not being managed, but only that it is not of sufficient significance to be addressed in detail in this report. The corporate materiality assessment will, however, be revised annually.

DANA GAS MATERIALITY MATRIX

DANA GAS MATERIAL ISSUES (2019)

HIGH MATERIALITY

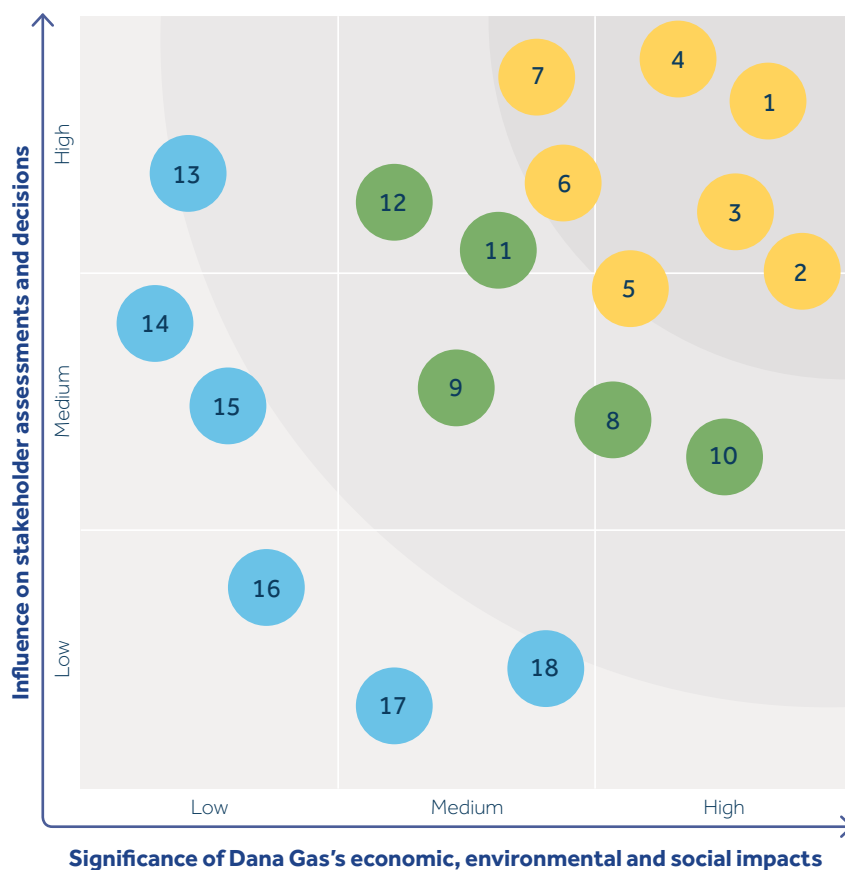
- 1 Climate change, energy and GHG
- 2 Human rights
- 3 Asset integrity
- 4 Local community development and engagement
- 5 Economic performance
- 6 Workforce health and safety
- 7 In-country value contribution

MEDIUM MATERIALITY

- 8 Diversity and equal opportunities
- 9 Payments to governments
- 10 Procurement practices
- 11 Nationalisation
- 12 Water, waste and spills management

MATERIAL

- 13 Workforce management practices
- 14 Total reserves
- 15 Compliance with regulations
- 16 Ethics and prevention of corruption
- 17 Learning and development
- 18 Sustainability governance







Performing responsibly

"We recognise the growing importance of minimising our environmental footprint and seek to apply good practice to mitigate our GHG emissions."

Climate change impacts and risk mitigation

The global energy industry is undergoing a transition towards lower-carbon energy in response to the need to reduce GHG emissions.

We recognise the growing interest from investors and other stakeholders in the role of O&G companies in the clean energy transition and the increasing transparency and disclosure expectations regarding climate change

policy and performance. We have identified this as an emerging risk area for the Dana Gas business and will seek to further develop our position and response in 2020.

Supporting the energy transition - Impact assessment studies in the KRI and Egypt

Based on recent studies conducted by PwC on behalf of Dana Gas on the Environmental, Social and Economic impacts of our Egypt and Kurdistan Region of Iraq (KRI) projects, significant GHG emission reductions have been achieved through our supply of natural gas to both host governments, further supporting those countries in their transition to a lower carbon economy.

In Egypt, our gas has displaced heavy fuel oil and imported Liquefied Natural Gas (LNG) in local power stations. While LNG has similar GHG emissions to natural gas when burned, the environmental costs avoided from transporting and treating it has helped reduce the overall GHG footprint by an estimated 21 million tonnes of avoided CO₂e emissions from 2007 to 2018.

In KRI, our gas provides 80 per cent of the energy used for the KRI's

electricity generation needs. Our supply to the local government's power stations has helped displace diesel and avoided a cumulative 29 million tonnes of CO₂e emissions from 2008 to 2017. The avoided emissions resulted in a lower social cost of carbon (SCC)².

For more information on our impact assessment studies, please refer to our website.



² The SCC is a measure of the economic harm from the impact of CO₂ emissions, expressed by assigning a monetary value to the total damages from emitting one metric tonne of carbon dioxide into the atmosphere.

Energy consumption and efficiency



In 2019, our direct (own use) energy consumption represented 99 per cent of our total energy needs. This consisted primarily of fuel gas used at production sites and diesel in power generators, firefighting and water pumps. While our energy consumption across operations has been similar in the past three years, there was a slight energy use drop in 2019 due to the Zora Gas Plant shutdown in September.

We introduced several energy-saving programmes and initiatives throughout the year. In Egypt, halogen and fluorescent lights were replaced with LED lights, and motion sensors were installed to reduce power consumption in offices and buildings.

Hot oil heaters and power generation sets were upgraded at Khor Mor in the KRI and replaced with more energy-efficient units. We also conducted an engineering feasibility study to identify further potential energy consumption reduction opportunities for next year.

Following shutdown of the Zora production facilities in the UAE, we replaced primary power from diesel generators with solar on the offshore platform. Small-scale solar panel units were installed for lighting, navigation aids and communications, pending decommissioning and handover of the platform to the UAE authorities. We are committed to using renewable energy, when available and practicable, especially in remote locations.

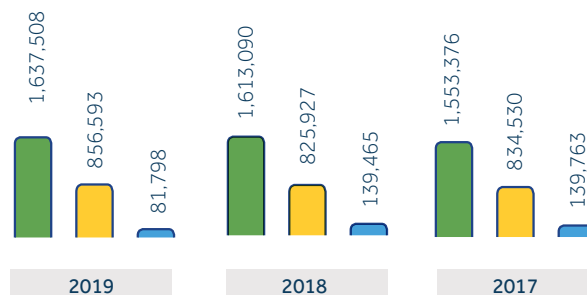
Energy consumption by source (GJ)³

● Egypt ● KRI⁴ ● UAE

Total energy consumption



Total energy consumption by country

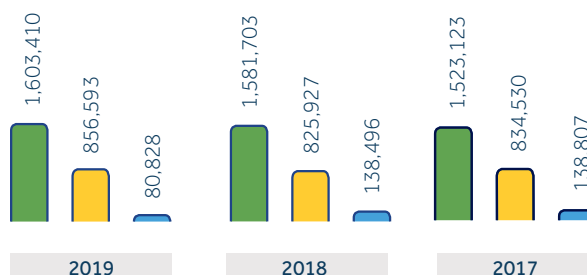


Total direct energy consumption

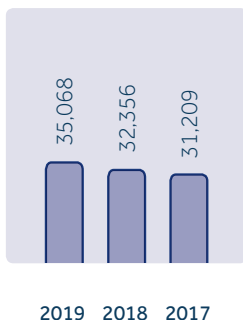


Direct energy

(Natural fuel gas and diesel)

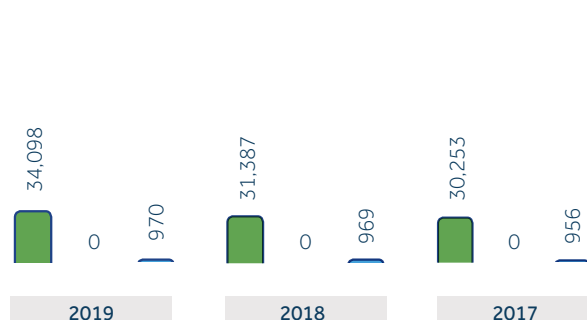


Total indirect energy consumption



Indirect energy

(Electricity)



³ In 2019, we improved the way in which we calculate our direct and indirect energy consumption across our operations. This resulted in a significant increase in previously reported energy consumption figures.

⁴ For KRI, all energy and emissions-related data has been calculated and reported on a 35 per cent net equity share basis.

Greenhouse gas emissions



Our GHG emissions include carbon dioxide (CO₂) from fuel gas combustion and flaring, as well as methane (CH₄) from leakage and fugitive releases.

For 2019, we have improved our GHG data collection and reporting, which has led to a restatement of Scope 1 emission figures quoted in previous Dana Gas Sustainability Reports and enabled us to report on Scope 2 emissions and GHG Intensity for the first time. This is a starting point, we intend to undertake peer benchmarking in the upcoming reporting cycle to further improve the completeness and accuracy of GHG emission monitoring and reporting, to reduce inconsistencies, enable greater confidence and allow better benchmarking of performance. We have started to collect Scope 3 emissions data, but this is not yet sufficiently mature to be reported.

Our total Scope 1 direct GHG emissions from fuel gas, diesel and flaring from our operations in 2019 was 159,900 tonnes of CO₂e (based on a Dana Gas equity share basis), representing a 4 per cent increase from 2018.

Our annual GHG emissions are heavily dependent on the level of operational activity during the year, including the testing and commissioning of new wells. The ability to reduce emissions in our existing assets is somewhat constrained by the original design of those plants,

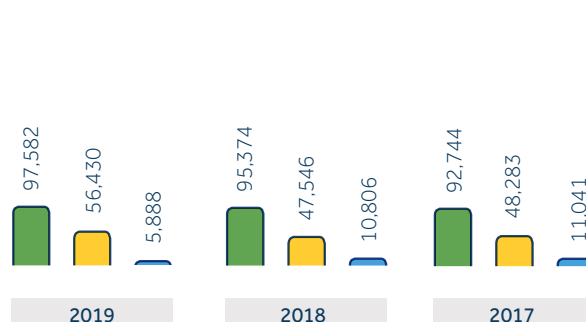
Direct and indirect emissions (tCO₂e)

● Egypt ● KRI ● UAE

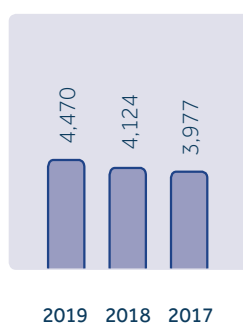
Total direct GHG emission



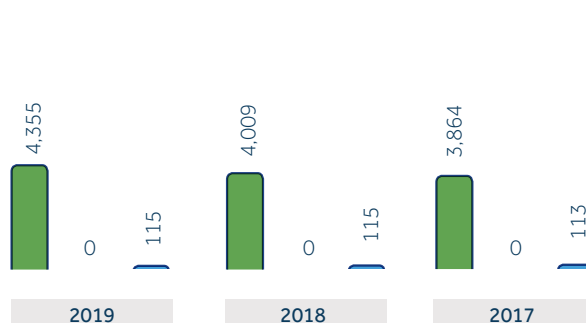
Scope 1 (Direct) GHG emissions



Total indirect GHG emission



Scope 2 (Indirect) GHG emissions



Note: The emissions calculations for all three countries have been calculated based on Dana Gas's net equity share basis.

however, we have undertaken various initiatives during the year to improve operational practices, replacing equipment more prone to leakage and improving the asset integrity of ageing plants. A slight decrease in Scope 1 emissions was observed for the UAE during 2019 due to the Zora plant operations shutting down in September 2019.

Our Scope 1 carbon emissions intensity in 2019 relative to production was 6.71 kg CO₂e per BOE produced, a slight improvement on 2018.

Scope 1 carbon emissions intensity (kg CO₂e per BOE)



Flaring is the primary contributor to our GHG emissions and is an essential safety practice in oil and gas facilities to assure a safe and controlled release of pressure from equipment, pipes and valves and to mitigate risks associated with fires and explosions in our wells or plants. We endeavour to ensure minimum flow to plant flare headers and flare pilots to ensure safety and conserve gas.

In 2019, the amount of flared gas was 7,739,982 m³, a 70 per cent increase from 2018, largely due to well testing in our KRI operations and production growth at Khor Mor. The venture has an aspired "Zero Flaring" objective, through identifying potential routine flare reduction measures, improved metering and measurement, and incorporation of best-available emission reduction technology in the new facility designs for the Khor Mor project expansion in the KRI. This will commence in 2020.

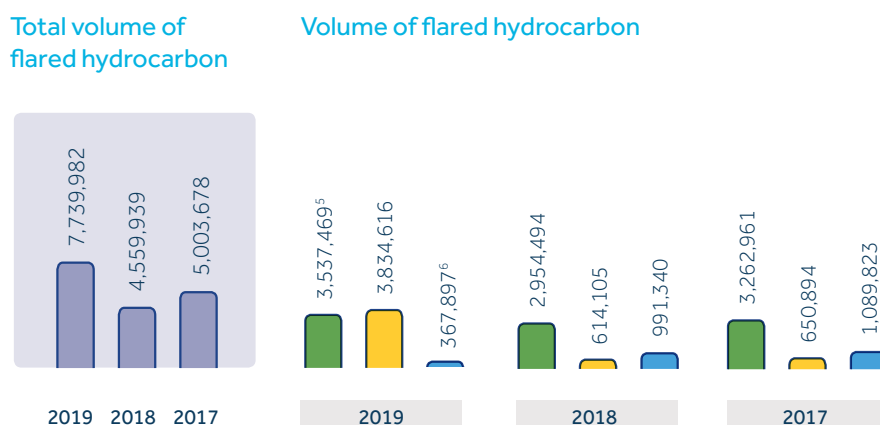
Indirect (Scope 2) emissions generated through the consumption of purchased electricity, heat or steam was 4,469 tonnes of CO₂e, an increase of 8 per cent from 2018. We intend to initiate an assessment on the approach and boundary to be considered for Scope 3 emissions resulting from activities such as transport, business travel and use of our sold products in future.

Other air emissions monitored in connection with our activities, include sulphur oxides (SO_x), nitrogen oxides (NO_x) and volatile organic compounds (VOCs). We are working towards developing more robust and consistent reporting mechanisms for these parameters and will aim to report on these emissions in upcoming reporting cycles.

COUNTRY BREAKDOWN FOR OVERALL FLARED HYDROCARBONS:

Flared gas (m³)

● Egypt ● KRI ● UAE



Water, waste and spills management

Dana Gas is committed to implementing sound environmental practices in compliance with local regulatory requirements and international good practices. We actively monitor our environmental performance, in line with our corporate HSSE Policy and work towards reducing waste, emissions, effluents and discharges.

All operating sites are certified against the ISO 14001 international environmental management system standard. We also conduct Environmental and Social Impact Assessments (ESIA) prior to all new projects.

Conducting ESIs for new activities and expansion projects

We completed five ESIs in Egypt, covering seismic surveys for Block-6 and the drilling of new wells, including Ganat/Daffodil in 2019. All were completed against both local regulatory and international standards and were approved by the Egyptian Environmental Affairs Agency (EEAA).

A comprehensive Environment and Social baseline study was undertaken during the year for the Khor Mor and Chemchamal facility expansion projects. The full ESIA is due for completion in 2020 and is being prepared to meet international standards, including those of the US International Development Finance Corporation (DFC).

⁵ Flared hydrocarbon volumes are mainly a result of minimum flow gas to plant's flare headers and flare pilots.

⁶ Flaring only from Zora Gas plant.

Water management



We use water for drilling, production and cooling purposes, as well as for domestic use in offices and accommodation camps. Water sources include groundwater wells and municipal supply. The Zora gas plant has its own desalinated water unit.

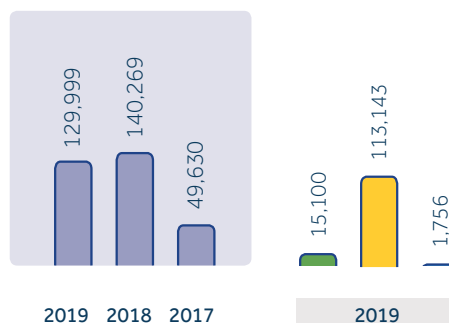
In 2019, we used 129,999 m³ of water, a 7 per cent decrease compared to 2018. Various water conservation initiatives have been introduced, including replacement of water taps with spray-water nozzles, eliminating daily car-washing activities, and re-using wastewater where possible.

All produced water generated from our operations is routed to collection or evaporation ponds, from where it is collected by specialist waste contractors for off-site treatment and disposal, as per local regulations. Other wastewater streams, such as sewage effluent, is disposed off through the local municipal water treatment systems.

Water consumed (m³)

● Egypt ● KRI ● UAE

Total water consumed Breakdown by country⁷



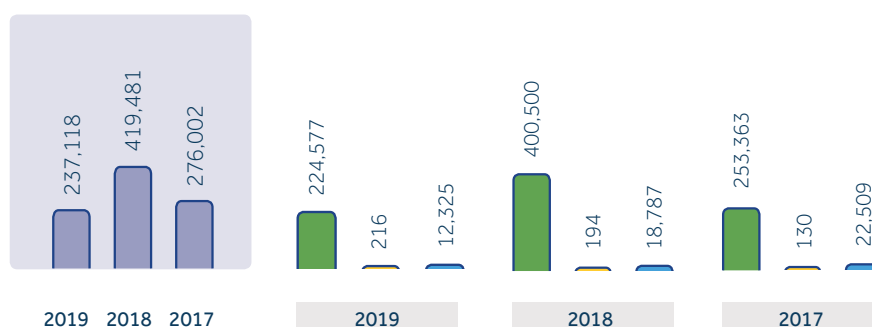
WATER DISCHARGED AND/OR RECLAIMED:

Water discharge (m³)

● Egypt ● KRI ● UAE

Disposal by contractor/third-party or to a sewerage network

Total water discharged Breakdown by country



⁷ The breakdown for the total water consumed by country is only available for the 2019 figures.



Waste management

We take considerable effort to minimise the amount of waste generated and to ensure this is managed safely and disposed off responsibly, or recycled where possible, in line with industry good practice. All hazardous and non-hazardous waste is collected by specialised third-party contractors and disposed to licensed disposal sites/treatment facilities.

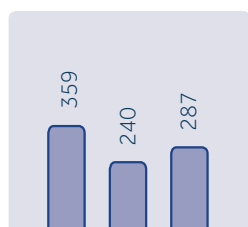
The total volume of hazardous waste generated in 2019 was 359 tonnes, primarily comprising waste oils, lubricants, filters, batteries, fluorescent lights, and medical waste. Almost 92 per cent of our hazardous waste was generated from Egypt. The 50 per cent increase from 2018, was largely due to an increase in oily water separator capacities at our well sites.

Non-hazardous waste generated in 2019 was approximately 2,905 tonnes, largely comprising wastepaper, cardboard, plastic, glass, tyres, scrap metal and wood. The non-hazardous waste increase of 75 per cent were mainly from our operations in the KRI.

Waste (tonnes)

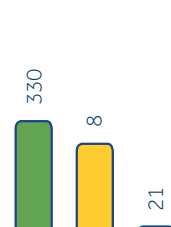
● Egypt ● KRI ● UAE

Total hazardous waste



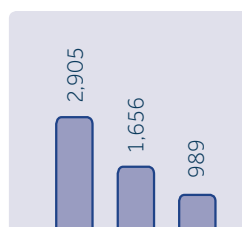
2019 2018 2017

Breakdown by country⁸



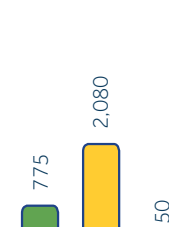
2019

Total non-hazardous waste



2019 2018 2017

Breakdown by country⁹

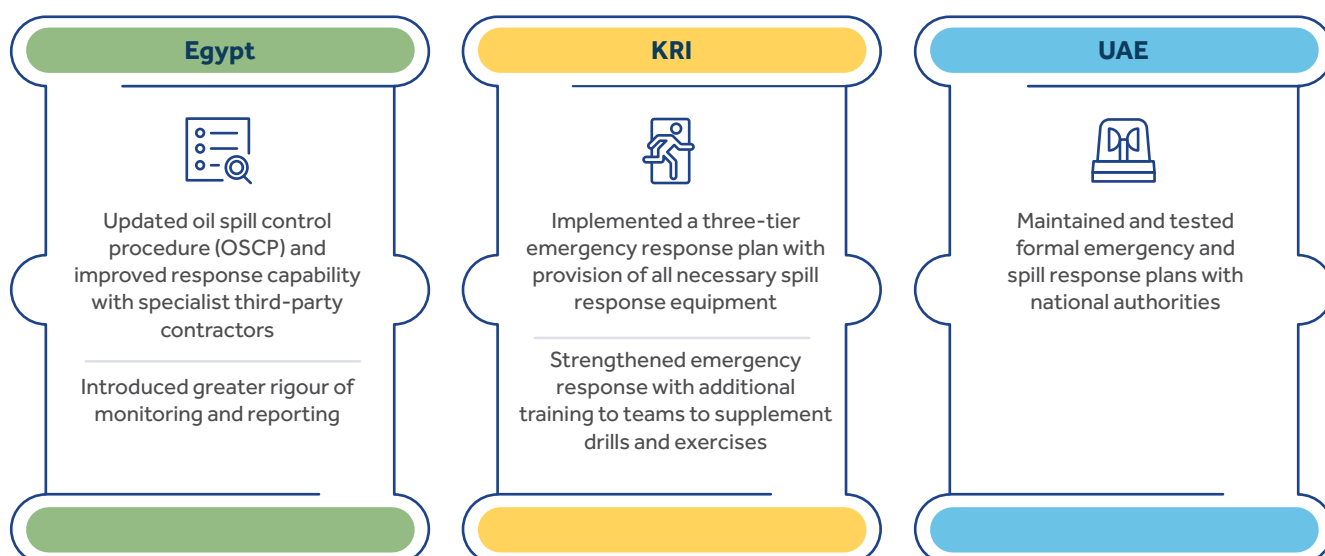


2019

Spill management

Oil spill contingency and response plans are in place across all of our onshore and offshore activities to manage any unplanned or uncontrolled release. In 2019, there were no significant spills¹⁰ reported across any of our operations. This continues the trend of zero significant hydrocarbon spills for the past five years.

KEY UPDATES FROM OUR OIL SPILLS MANAGEMENT APPROACH



⁸ The breakdown for the total hazardous waste by country is only available for the 2019 figures.

⁹ The breakdown for the total non-hazardous waste by country is only available for the 2019 figures.

¹⁰ A significant spill is any accidental or unplanned loss of liquid hydrocarbon into the environment from a Dana Gas or contractor operation, exceeding 100 litres, irrespective of any secondary containment or recovery.



Safeguarding our workforce and assets

“At Dana Gas, we strive towards applying the highest standards of ethical work conduct and accountability, to provide a safe, healthy and inclusive workplace for all our employees and contractors.”

Asset integrity and process safety management

Asset Integrity Management is a core element of the Dana Gas Operating Risk Management System and all operating sites have Asset Integrity Management Systems in place to ensure the integrity and reliability of our facilities.

Safety cases have been prepared for all our sites, in line with international best practices, to identify major accident hazards and demonstrate the presence of effective control measures to manage

these risks to a level that is 'as low as reasonably practicable' (ALARP). Leading and lagging process safety and asset integrity KPIs are reported monthly at a local level, a sub-set of which are also tracked at the Dana Gas corporate level. There were no major uncontrolled releases of gas or liquids reported in 2019.

Following shut-down of the Zora gas plant, we initiated well-abandonment

and facility decommissioning planning processes, taking into consideration all HSE management protocols required to be followed after oil and gas process plant shut-downs, as per international good practice. Preliminary identification and screening was conducted for key contractors to be appointed for this project. A bridging HSSE document management system approach will be further developed between Dana Gas and the selected contractors.

Improving asset protection and process safety and integrity in the KRI

In 2019, we reviewed all our Safety Critical Elements (SCEs) and revised the Written Schemes of Examination (WSEs). These included SCEs for Tanks, Passive Fire Protection (PFP), Fire main, Cathodic Protection, Foundations, Earthing, Flares and Vents, Fire Detection, Uninterruptible

Power Supply Systems (UPS), and Communications. Recommendations were subject to risk-based reviews and prioritised for further inclusion in work plans and budget.

A complete review of the flaring system was undertaken to validate

its design, leading to a full-scale Re-HAZOP for the entire facility, scheduled for completion in 2020. We also completed all necessary technical safety studies for the new Khor Mor expansion facility, which will be subject to further revisions during the detailed design stage.



Protecting workforce health and safety

“Our Group Health, Safety, Security and Environmental (HSSE) policy drives our responsibility towards continuously improving our HSE performance and reducing impacts and risks from our business operations.”

Ensuring the health, safety, security and well-being of everyone working on behalf of the company, including all staff and contractors, is a top priority. Our objective is to maintain a safe working environment, with the goal of zero incidents and no losses of primary containment across all our operations.

The Dana Gas Health, Safety, Security and Environment (HSSE) policy sets out our overarching commitment to operate our facilities in a safe, competent and efficient manner and to care for all those impacted by our activities. The HSSE policy is reviewed annually, or as required, and considers feedback from all relevant internal and external stakeholder groups involved in our business operations.

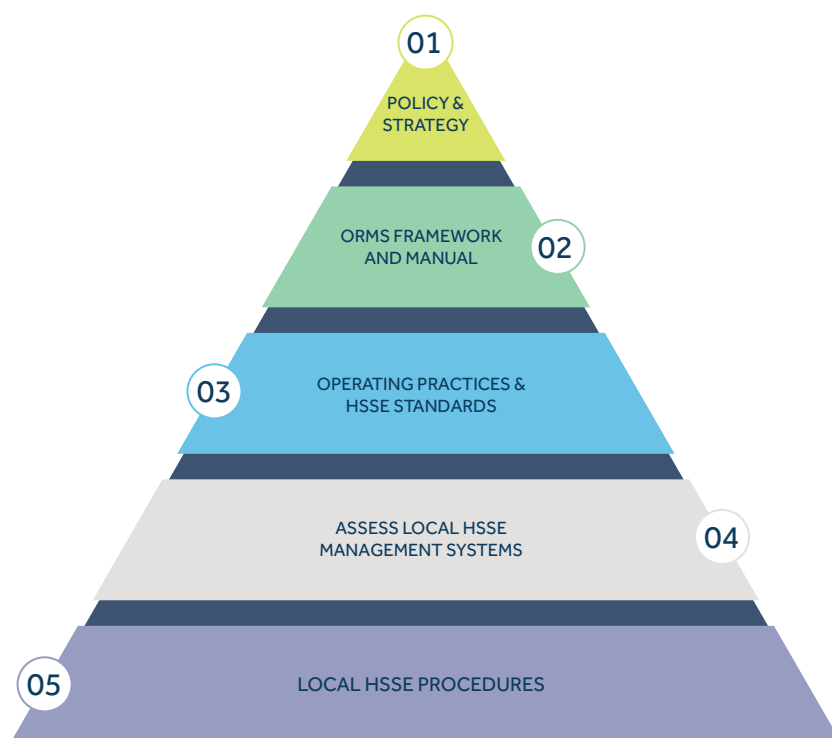
The HSSE policy is implemented through an HSSE management framework, which includes the Operating Risk Management System (ORMS), supporting operating practices, HSE standards and local HSSE Management Systems in each country/asset.

The KRI operations team developed a revised risk management process in 2019, to better consider the Khor Mor expansion projects (KM500), which has been implemented across all planning and execution activities. Following shut-down of the Zora gas plant, we initiated well-abandonment and facility decommissioning planning in the UAE.

Our group-wide health and safety commitments include:

- Operating our facilities in a safe, competent and efficient manner and caring for all those on our sites or impacted by our activities.
- Prevention of occupational illnesses, ill health and injuries through the inclusion of measurable HSE targets in our business plan, with the overall company performance to be reported to the Board of Directors and shareholders.
- Consultation and participation with workers for creating a safe working environment.
- Compliance with all applicable national and international HSE legal requirements and our company policies, standards and procedures.
- Improving the HSE performance of our industry through the sharing of lessons and working with our partners, contractors, competitors and regulators.

OUR HSSE MANAGEMENT FRAMEWORK



An update on our H&S management system certifications

Our existing OHSAS 18001 health and safety management systems was transitioned to the latest International Organisation for Standardisation (ISO) 45001:2018 standard for some of our sites. We will continue with this effort over the next year with the aim of completing this transition for Dana Gas Egypt.

Health and safety performance update

The Group remains committed to openly reporting of incidents (major and minor) across the company, enabling learning and improvement. Our Total Recordable Injury Frequency (TRIF) was 0.2¹¹ and Lost Time Injuries Frequency (LTIF) was 0.05, which benchmarks favourably against the International Association of Oil and Gas Producers (IOGP) industry norms. A key milestone was Zora gas plant and Khor Mor gas plant achievements of 4 years and 3 years LTI-free, respectively.

Dana Gas Egypt suffered two lost-time injuries during the year, both being injuries faced by our contractor staff. One was a subcontractor who suffered severe burn injuries during truck loading of formation water at a WASCO well site, prior to its transport to a water treatment and disposal plant. The other was a contract rigger, who fractured his leg after slipping from a truck during offloading of pipes for a drilling operation. The incidents were thoroughly investigated by joint teams from Dana Gas, WASCO and the contractor companies and improvements subsequently made to prevent recurrence. As a result, there has been increased emphasis on contractor safety management, in particular the engagement of subcontractors and HSE competence assurance to help drive improved safety culture and performance.

We have detailed procedures for recording and reporting on all near-miss cases and high-potential incidents. All reports are reviewed monthly by business leadership and quarterly with venture partners. Lessons learned and recommendations are identified and discussed at operational, project and management levels and communicated through weekly and monthly team safety meetings.

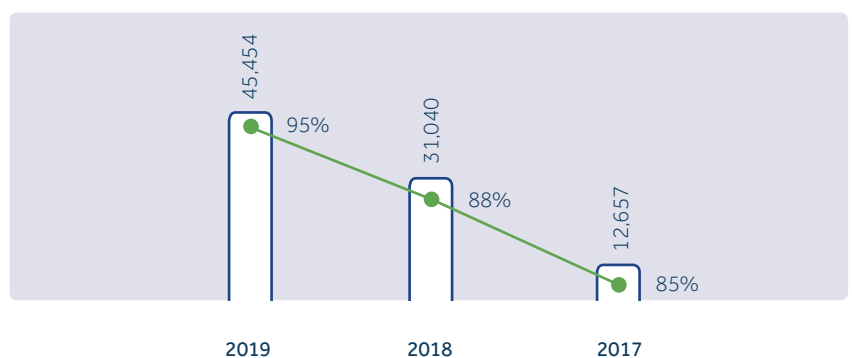


SAFETY PERFORMANCE

	2019	2018	2017
Fatalities	0	1	0
Man hours worked (million)	6.9	5.9	4.5
Recordable injury cases	7	9	5
Total recordable injury frequency	0.20	0.33	0.22
Lost time injuries	2	3	2
Lost time injury frequency (LTIF)	0.05	0.13	0.8
Major road accidents	4	4	0
Kilometers driven (million)	6.5	6.4	5.7
Vehicle incident frequency	0.13	0.12	0.00

Number of safety observations

● Percentage close-out of safety observation reports



¹¹ Total Recordable Incident Frequency (TRIF) and Lost Time Injury Frequency (LTIF) rates are based on the standard industry OSHA calculation per 200,000 hours worked.

Encouraging a safe culture across our employees and contractors

“We continued our efforts to improve HSE standards, strengthen competency development, and drive desired HSE culture and behaviours through visible leadership.”

A key safety focus for 2019 had been to further develop a consistent safety culture across Dana Gas, with a focus on improving our contractors' HSE management. This included an ongoing priority of workplace safety commitment from site leadership and management visibility in the field. We also conduct contractor events to share lessons learnt and best practices.

Both Egypt and KRI have strengthened their contractor selection, monitoring and review processes and further increased site supervision to drive improved safety behaviours and compliance. Emphasis has been on Permit-to-Work, hazard awareness, and road transport safety.

All staff and contractors are encouraged to raise safety observations to help identify and correct unsafe acts/

conditions, as well as to recognise and reinforce positive safety actions and behaviours. In 2019, we saw a significant increase in numbers of observations (45,454) compared to previous years and an increase in percentage of close-out of actions (95 per cent). Both of these factors have had a positive contribution on safety culture across operational sites and the overall performance improvement in numbers of incidents and injuries that have occurred.

Joint management-worker committees on health and safety management

We understand the importance of involving our workforce in management decisions and initiatives to improve health and safety. Local committees are responsible for enabling asset-specific programmes and to review and develop them further accordingly.

Regular (either weekly or monthly basis) briefing sessions and meetings are also conducted at a country-level for HSE issues and performance reviews. These aim to identify areas of improvement in managing and reporting on incidents, safety observations and other health and safety aspects in line with local regulatory requirements.

We conducted two contractor events in Egypt, involving eight of our major contractors to share lessons learned from incidents and to reinforce senior leadership to health and safety amongst all companies. We also reviewed our existing contractor management approach for our KRI operations, in line with the International Association of Oil and Gas Producers (IOGP) guidance and as a part of our expansion project readiness.



Managing health-related aspects across the supply chain

We have a dedicated procedure in place to monitor data related to our staff and workers' illnesses. Initiatives such as annual medical check-ups and monthly third-party hygiene audits are implemented at the country-specific levels for both Dana Gas and JV offices. Internal audits for hygiene-related aspects are also conducted for some of our JV sites and contractors' sites. Furthermore, all our health, safety and environment standards and policies are shared with all local suppliers and contractors across all countries of

operation, to drive their performance in line with the industry best practices.

We did not record any occupational illnesses amongst our staff and contractors across any of our countries of operation in 2019. We also conduct regular health and well-being programmes, occupational exposure monitoring and health awareness campaigns. Our pre- and post-employment medical screening is aligned with the Oil and Gas UK (OUGK) standards.



Ensuring road and land transport safety

Road transport safety is a critical risk exposure area. Some of our assets are located in remote areas with poor road conditions, and where unstable socio-political situations may present security threats. Each venture has a dedicated land transport safety programme tailored to its local circumstances.

All company vehicles are equipped with In-Vehicle Monitoring Systems (IVMS) to track driver performance and compliance with standards. All land and road transport journeys are monitored to ensure safe driving practices are

being followed by all drivers, in line with our land transportation procedure and policies.

Over 6.5 million kms were driven on company business in 2019. There were 4 road traffic incidents and the vehicle incident frequency of 0.13 was similar to the previous year.

All vehicles in the KRI are further equipped with Track24 monitoring systems and all in-country movements of personnel and materials outside of plant boundaries follow robust journey

management plans with associated security support from private contractors and government forces. We conduct regular risk assessments and all company drivers are required to undergo advanced defensive driving training.

Condensate product transportation in the KRI is handled by third parties directly on behalf of the regional government. We are working with the local authorities to improve the standard of the tanker fleet, as well as conducting quality checks on tankers prior to entry to the Khor Mor site for loading.



Attracting, retaining and developing our workforce

Attracting, developing and retaining a talented workforce is essential to delivering sustainable long-term growth. Maintaining opportunities for continuous learning and development across all facets of our business remains a key priority.

Our workforce



Our goal is to foster a diverse and inclusive culture, in which people are valued and encouraged to realise their potential. In 2019, we hired five new employees (two males and three females) across our three countries of operations (please note that this excludes those staff hired by WASCO in Egypt and by CREDAN¹² in the KRI).

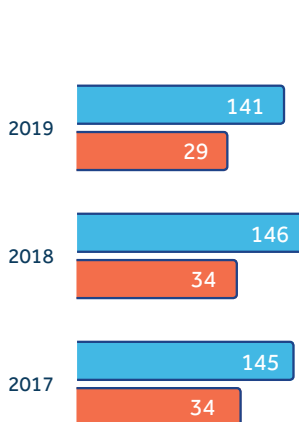
We progressed on our commitment towards improving our human resource management processes and procedures during 2019, including the review and update of the Employee Benefits manual for Egypt and Domestic travel policy for KRI.

In 2019, our attrition rate¹³ was 4.3 per cent, compared to 1.4 per cent in 2018, which is significantly lower than the average attrition rates observed across the oil and gas industry.

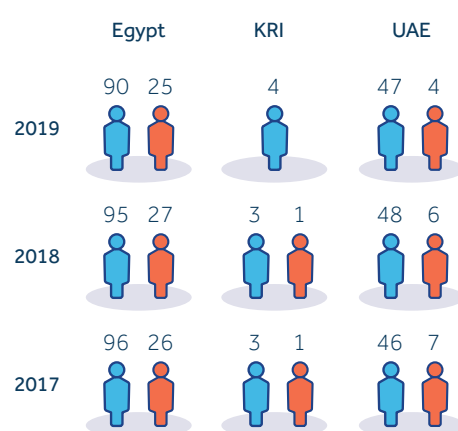
Total DG staff and contractors

● Employees ● Contractors

Total workforce



Breakdown by workgroup

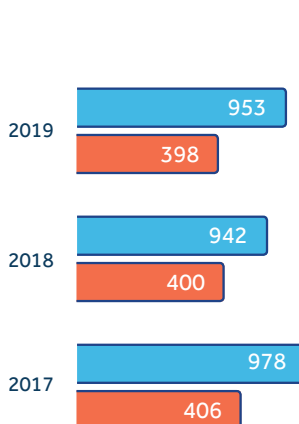


The table below further sets out the number of employees employed by joint ventures¹⁴ in which Dana Gas has an interest.

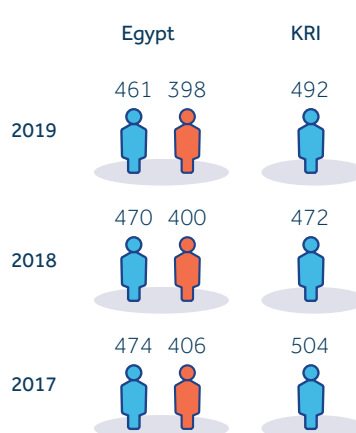
Workforce headcount across all ventures

● Employees ● Contractors

Total workforce



Breakdown by workgroup



¹² Pearl Petroleum Company is jointly operated by Crescent Petroleum and Dana Gas, commonly referred to as CREDAN.

¹³ Our attrition rate calculation is based on 'regretted' attrition (i.e., employees leaving the organisation voluntarily). We are considering capturing other factors, such as employee redundancy, termination due to disciplinary reasons, early or forced retirement, to improve the transparency of our attrition rates in the future.

¹⁴ Total venture workforce numbers are included here. More details on our joint operations, joint ventures and equity share are available in our Annual Report & Accounts for 2019.

Learning and development

We strive to invest in our employees' professional growth to enable their development and provide various learning and development opportunities. In 2019, we achieved a total of 2,408

training hours for Dana Gas staff, with an average of 17 training hours per employee, a decrease compared to last year, and an area that can be improved upon.

Employee engagement through knowledge sharing

"Let's Learn Together is aimed to provide an engagement platform for all employees to share innovative ideas, promote team spirit, and increase awareness and efficiency."

In addition to regular training programmes, the Dana Gas UAE and Egypt country offices are fostering a knowledge-sharing culture and collaborative team environment through the 'Let's

Learn Together' initiative, a monthly programme enabling employees across all departments to share their experience and knowledge on various topics.

Employees training hours

Total employees training hours



Encouraging female representation



Dana Gas promotes a culture of tolerance, equal rights, diversity and inclusion across the business and we aim to further improve in this area.

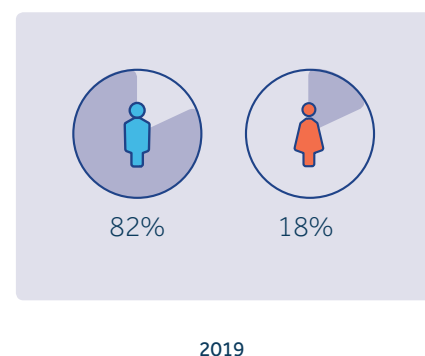
Female representation, particularly in technical and senior management roles, continues to remain a key challenge across the Oil & Gas sector in the Middle East. Dana Gas is no exception, as female employees only represent 18 per cent of our workforce.

We hope to further support and attract local female talent through the Dana Gas internship programme, in association with the American University of Sharjah (AUS), wherein we are targeting local female students to establish professional careers in engineering, finance and information technology. Eight national female students were offered internship opportunities with Dana Gas in the UAE and Egypt under this programme in 2019. In order to achieve greater gender balance in senior management, we set up a plan in 2019 to increase female representation at this level. The nomination of a female Technical Director to become a member of the Executive Committee was subsequently confirmed, effective from early 2020.

We are committed to implementing the highest standards of conduct and accountability and believe that an inclusive culture and diverse workforce is critical to maintaining a successful and sustainable business. In 2019, there were 17 different nationalities represented in Dana Gas.

Our corporate Code of Conduct (CoC) reinforces our values of ensuring equal opportunities for all employees, which is underpinned by related policies on workplace behaviour. There is zero tolerance towards any type of discrimination, and we have stringent mechanisms in place to take corrective actions against such incidents. In 2019, there were no cases of discrimination reported.

Percentage of female employees across our Dana Gas workforce





Grievance mechanisms

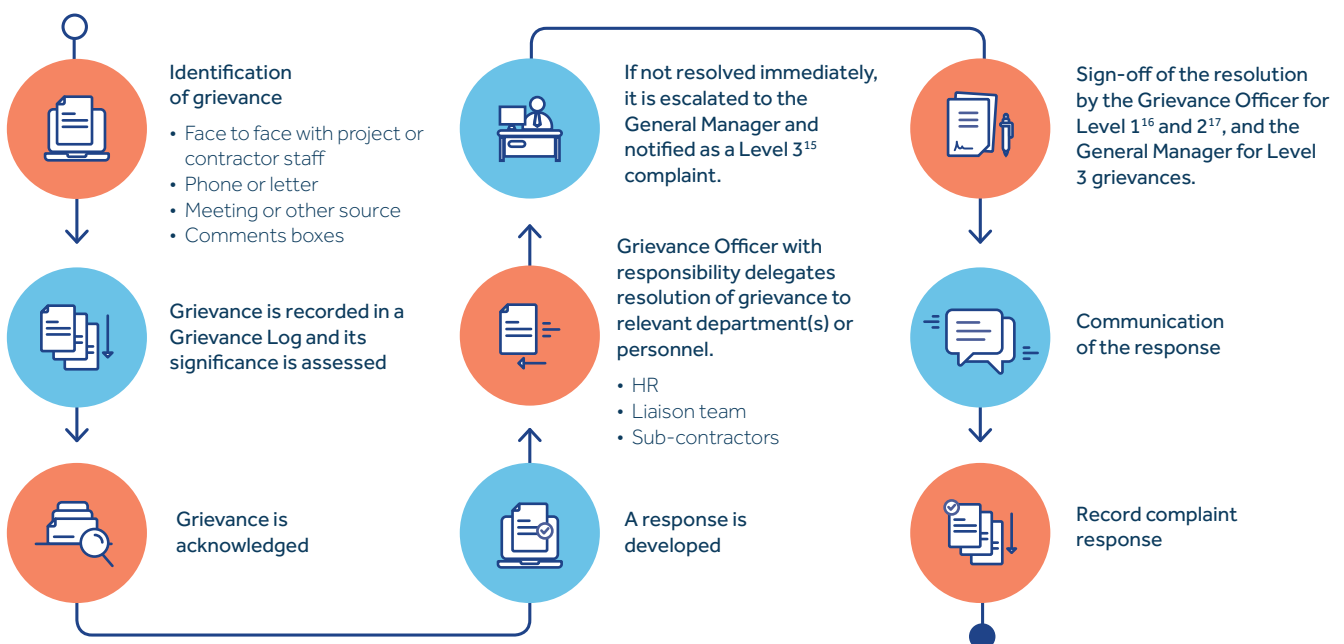
Formal grievance mechanisms are in place to allow both staff and members of the community to raise potential issues, concerns or complaints regarding our activities. Each country has nominated focal points to manage grievances and oversee the implementation of corrective actions. We encourage similar standards with our JV partner operators.

There were zero grievances reported by staff and contractors in 2019.

We have a whistle-blowing mechanism, allowing employees to anonymously submit any complaints, grievances or issues related to human-rights and non-acceptable workplace behaviour. All cases are reviewed by the Business

Ethics Committee led by the Head of Internal Controls & Risk Management, who reports directly to the Board of Directors. We did not face any ethics-related, corruption or bribery-related, mal-administration related or governance-compliance related issues, complaints or grievances during 2019.

GRIEVANCE MECHANISMS



Safeguarding human rights

We focus on delivering commercial success whilst at the same time maintaining a corporate culture of ethical compliance and respect for all stakeholders and the environment.

Our respect for the human rights of our employees and contractors is inherent in the company's core values outlined in our corporate Code of Conduct (CoC).

We recognise that we can more explicitly articulate this commitment and are exploring the development

of a Human Rights Policy (based on international human rights norms), that better reflects our broader corporate responsibility amongst local communities and its application across the contractor supply chain.

We are already committed to the application of the UN Voluntary Principles on Security and Human Rights, which is enshrined in our security management plans and contractual arrangements with private security providers in the KRI and Egypt. We

also work closely with host country government forces in this regard, where they have been deployed by the national authorities to protect the assets and installations we operate.

There were no cases of human rights-related violations, grievances or actions directed towards Dana Gas in 2019. We are currently looking at streamlining processes to better collect information on discrimination-related issues across our JV companies.

¹⁵ A level 3 complaint is a one-off complaint that results in a serious breach of Dana Gas's policies or national law.

¹⁶ A level 1 complaint includes issues that do not require compensation and that can be resolved through face-to-face meetings.

¹⁷ A level 2 complaint includes widespread and repeated issues that are already being addressed proactively and where resolution is readily achievable.



Contributing to in-country value

“We are committed to local development in the countries we operate in by supporting long-term capacity and growth through creating job opportunities, supporting domestic supply chains, building local talent and helping communities improve their quality of life.”

We aim to generate local value for people and communities. The national visions of the countries in which we operate encourage companies to adopt measures targeting national employment and procurement through the local supply chain. Our efforts to attract and retain local talent is essential to our success, and we remain committed to supporting the representation of local employees in our workforce. We endeavour to recruit local staff wherever possible, but the technical skills and expertise doesn't always exist to support our operations. 100 per cent of our venture staff in Egypt are local nationals and 78 per cent in the KRI.

Focusing on our socio-economic impact

Gross revenue was USD 459 million, a slight decrease of 2 per cent from 2018 due to lower realised prices and lower levels of production in Egypt. The decline was partly offset by increased production in the KRI.

Operating expenses of USD 37 million represents a decrease of 31.5 per cent from the previous year and are the lowest since 2016, the result of cost optimisation and efficiency efforts across the portfolio. A snapshot of economic value generated and distributed during 2019 is presented below.

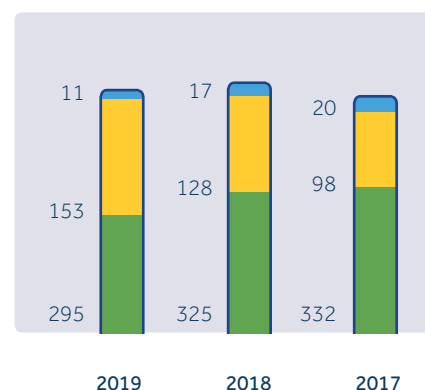
We continue to explore further development and supply of natural gas and in 2019 signed a new 20-year gas sales agreement with the Kurdistan Regional Government (through Pearl Petroleum Company Limited, the

consortium led by Crescent Petroleum and Dana Gas) to enable production and sales of an additional 250 MMscf/day. The consortium aims to achieve this production by 2022 to boost local domestic electricity generation.

In 2019, we made a total contribution of USD 188 million, paid as royalties and taxes to the Government in Egypt for the Government share of production. In addition, we made USD 2.3 million worth of voluntary and charitable contributions at the broader community levels.

Revenue by country (USD million)

● Egypt ● KRI ● UAE



DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (2019)

37
(USD million)



Operating expenses

42
(USD million)



Employee wages and benefits

105
(USD million)



Payments to providers of capital

459 (USD million)

Direct economic value generated



188
(USD million)



Total payments to government¹⁸

2.3
(USD million)



Community investments

87 (USD million)

Economic value retained



NOTE: The Dana Gas 2019 Annual Report, available on our website, provides details of financial performance.

¹⁸ Payments to governments includes the royalties and taxes paid to the Government in Egypt (Government share of production).

In 2019, we conducted economic, environmental and social impact assessment studies to understand in-country value contributions in Egypt and KRI. The studies evaluated the contributions made since 2007 until 2018, as well as the potential future contributions until 2035. They also assessed our contribution to the United Nations Sustainable Development Goals (SDGs) and the countries' local visions.

OUR KEY ECONOMIC, ENVIRONMENTAL AND SOCIAL IMPACTS IN EGYPT & KRI (From 2007 to 2018)

EGYPT

- Capital investment
- Operations
- Energy provision
- Contributions to government revenues

USD 913 million contribution to Egypt's GDP to date, accounting 2% of the economic activity (GDP) of Egypt, largely driven by our direct, indirect and induced contributions

Contributing to the gas used to power 71% of the energy used for electricity generation in Egypt



ECONOMIC CONTRIBUTION

- Creation of employment
- Energy system cost savings from the substitution of locally produced natural gas for Mazout and imported LNG
- Investment in community initiatives

1,000 full-time jobs created during operation

13,800 jobs created during construction

Total of 146,600 jobs to be created by 2035

Community development programmes in the realm of health, education and awareness-raising



STEWARDSHIP OF THE ENVIRONMENT

- Operational efficiency
- Greenhouse gas reductions

USD 1.70 billion savings from fuel substitution

21.0 million tCO₂e GHG savings from fuel substitution (displacing heavy fuel oil and imported Liquefied Natural Gas in local power stations with natural gas)

USD 1.7 billion societal cost savings associated with GHG savings from fuel substitution

USD 3.4 billion future societal cost savings associated with GHG savings from fuel substitution



KRI

- Capital investment
- Operations
- Energy provision

Investing in the local energy infrastructure, construction, operations, supply chain, agriculture, industry and commerce

Delivering reliable and affordable electricity, gas supplies accounted for about 80% of the energy used for electricity generation in the KRI

USD 10.7 billion - USD 18.3 billion contribution to KRI's GDP to date

- Creation of employment
- Contributions to government revenues
- Energy system cost savings from diesel savings
- Investment in community initiatives

2,200 full-time jobs created during operation in 2017

20,000 jobs created during construction

80% local staff employment

Estimated 90% local staff employment by 2023

USD 0.3 billion investment in local suppliers

Female employees increased by 10%

Community Action Programme covering villages, public services and communities

- Operational efficiency
- Greenhouse gas savings from diesel savings

USD 21.3 billion fuel-cost savings

29 million tCO₂e GHG savings through displacing diesel with natural gas

Estimated USD 33.2 million future fuel-cost savings

Estimated 77 million tCO₂e future GHG savings

IMPACT ON SOCIETY



Encouraging local procurement



Since 2008, we have purchased goods and services from local suppliers worth more than USD 300 million, contributing to economic value generation for local businesses and communities. Around one-third of our operating expenses are spent on local suppliers. It is estimated that the largest beneficiary sectors are the food sector, through catering, manufacturing, and materials required to run KRI's operations.

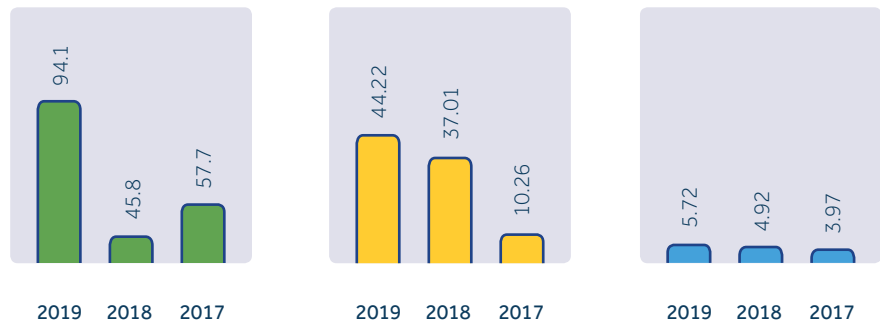
It is our priority to support local suppliers, build local capabilities and foster efficient procurement practices for all our business activities.

Our contractual agreements include specific technical criteria to support local procurement practices and source local materials, wherever possible. We work towards awarding contracts to local suppliers and small and medium enterprises (SMEs) when they meet all capability and contractual requirements. In the KRI, we are working towards identifying innovative approaches to support local entrepreneurs and small-scale suppliers, by helping them understand and navigate government vendor registration requirements and procedures.

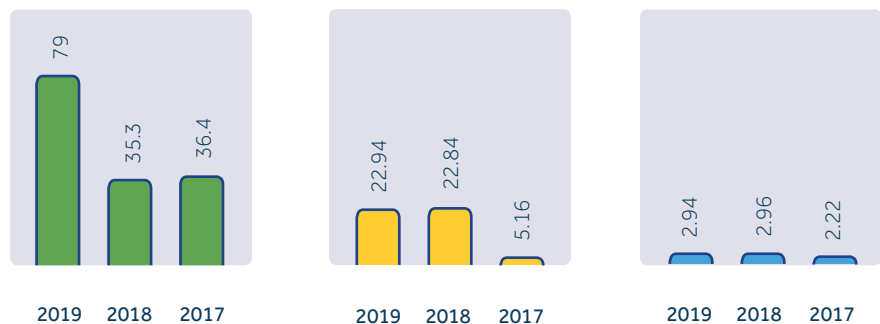
Local procurement spend (USD millions)

● Egypt ● KRI ● UAE

Total procurement spend



Total procurement spend on local suppliers



Procurement budget spend on local suppliers (%)



Engaging and investing in our community

Dana Gas aims to operate in a responsible way by minimising the negative social impact of our activities, whilst make a long lasting and positive impact on those surrounding communities.

The Company has made a firm commitment to maintain relations and positive interactions between business and people, the environment, and communities, by contributing to economic and social development whilst protecting natural resources and

respecting the rights of each individual. A core part of this commitment is ensuring we proactively engage with key stakeholders who are affected by or interested in the activities of the company.

Long-term social and economic impact

We have made long-term economic investments and generated significant direct and indirect benefits in the regions in which we operate. In the KRI, we contribute to the provision of low-cost natural gas and support the generation of electricity at internationally and nationally competitive rates by the KRI's Ebril and Chemchemical power plants supplied through the Pearl Petroleum venture.

Such reliable, affordable gas-fired power generation currently supplies approximately 80 per cent of the energy used for electricity generation in the KRI, achieving an average of 22 hours per

day compared to eight hours per day in 2006, in an area that is fundamentally short of power. This has provided an important stimulus to the KRI economy and delivered a cleaner source of energy compared with traditional diesel alternatives. It has also resulted in achieving significant greenhouse gas emission savings and has had a positive operational impact on local employment through creation of 2,200 permanent jobs of which 1,200 are through direct employment and the rest through local supply chain activities.

In Egypt, gas supplies from the Dana Gas/WASCO ventures and other

producers account for 71 per cent of the energy used for electricity generation in the country. It is estimated that over the past 10 years, the energy produced has supported up to 2 per cent of Egypt's economic activity (GDP). The supply of clean burning natural gas has enabled the avoidance of more carbon emitting heavy oil (mazut¹⁹) for electricity generation and reduced reliance on more expensive imports of LNG. Approximately 1,000 full-time employees are engaged in day-to-day operations, creating a positive direct economic impact on local communities in the Nile Delta region.

Repositioning social performance efforts

Recognising the complex social environment in the KRI, we re-positioned our Corporate Social Responsibility (CSR) department in the KRI to become a Social Performance (SP) function, with the aim of better identifying and managing social risks in support of the business and future growth of the company.

The SP function is taking a more structured and longer-term approach to maintaining active relationships with local stakeholders, looking to minimise negative social impacts and maximise positive benefits and opportunities for the society. An SP Management

System, which formalises our SP standards and supporting procedures, is under development and is seen as an essential enabler to the Khor Mor and Chemchemical expansion projects.

The venture is deploying a new "Know Your Community" Geographic Information System (GIS) to map all SP activities and data pertaining to local communities. It will provide active mapping of community engagement data and grievances, development needs, social investments, employment and local services, thereby enabling more accurate targeting and prioritisation of SP

interventions.

The community grievance management system is being improved by promoting broader awareness, root cause analysis of reported grievances, and trend analysis to determine patterns and predict emerging community issues. Social investment programmes are further being re-orientated towards social outcomes, with relevant criteria being developed for evaluation/selection of new proposals, and KPIs being identified for monitoring the effectiveness of implementation.

¹⁹ Mazut is a heavy, low quality fuel oil which is the residue from distillation of gasoline, ligroin, kerosene, and diesel oil fractions from petroleum.



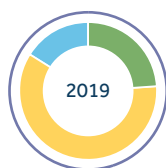
Social investment

We invest in a range of community projects to help deliver sustainable social, economic and environmental benefit for local communities. Dana Gas spent USD 2.3 million (equity share basis) on community investment projects across Egypt, KRI and UAE. Social investment initiatives for 2019 were developed with country/asset teams and targeted towards specific local community issues in those areas.

Initiatives were broadly based on four main themes:

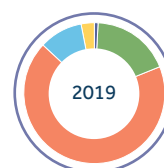
- 1. Education:** supporting better quality education.
- 2. Health:** providing improved medical services and community healthcare.
- 3. Energy and infrastructure:** developing improved infrastructure, such as roads and water supply, and access to reliable sources of electricity.
- 4. Employment and income generation:** providing employment opportunities for local communities, provision of small business grants, and assistance for those negatively impacted by conflict.

Percentage of community investment by country



● Egypt	24%
● KRI	60%
● UAE	16%

Percentage of community investment by theme

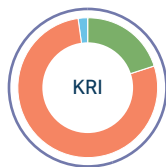


● Health	1%
● Education	18%
● Energy and infrastructure	68%
● Employment and income generation	10%
● Other	3%

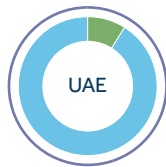
Percentage of community investment themes by country



● Health	20%
● Education	50%
● Employment and income generation	29%
● Other	1%



● Education	20%
● Energy and infrastructure	78%
● Employment and income generation	2%



● Education	9%
● Employment and income generation	91%

Community Assistance Programme - KRI

Under the joint operatorship of Crescent Petroleum and Dana Gas, Pearl Petroleum's Community Action Plan (CAP) contributes employee time and financial resources to local villages, businesses and schools in supporting improved living standards, health, well-being, security and development of human capital in the KRI. A comprehensive CAP strategy and five-year plan covers three areas of impact to address the urgent needs of communities surrounding operational areas and

the implementation of larger-scale projects for villages, public services, and communities. These projects aim to offer improvements to electricity supply and provision of clean water, enhance healthcare and sites of worship, reduce poverty and improve quality of life through promoting access to education, employment, and recreational activities.

Since 2011, the venture has provided free electricity from the Khor Mor plant to local villages in and

around Qadir Karam and Khor Mor. Electricity provided during 2019 was approximately 16,000 kWh per day, approximately 30 per cent of the total electric power generated at the Khor Mor plant. Based on a commercial cost of USD 0.2/kWh, the value of this initiative is approximately USD 96,000/month. Since it began, the total electric value to the community is estimated to have been around USD 8.6 million.



EDUCATION



American University of Sharjah and Higher Colleges of Technology, UAE

- Endowment to sponsor the Dana Gas Chair in Chemical Engineering (since 2012).
- Internships for technical students, in IT and Finance.

Sharjah Social Empowerment Foundation, UAE

Large-scale academic empowerment project in UAE, to provide orphans with access to education.

Directorate of Education-Chemchemical District, KRI

- Funding for 18 teachers in Qadir Karam. Transportation for 181 students in 21 different villages to enable them to get to school.
- Renovations to various schools and in-kind donations including photocopiers, whiteboards and furniture.

American University in Cairo (AUC), Egypt

Teacher training programme to support the development of 100 teachers from different schools in Damietta and Dakahlia Governorates to encourage and promote academic excellence and stimulate interest in pursuit of technical study and careers in industry.

Partnerships, Egypt

Partnership with more than 15 top universities, corporations, and foundations to produce a regional study on responsible oil and gas business practice in the region.



HEALTH



AMAR International Charitable Foundation, KRI

3-year support to the maintenance of medical and educational facilities at Khanke, the AMAR Foundation's camp for Internally Displaced People (IDP), supporting 18,000 Yazidi residents.

Blood donation campaign, Egypt

Blood donation campaign in cooperation with the Ministries of Health and Petroleum.

Health & Safety awareness, Dakahlia & Damietta Governorates, Egypt

Community health and safety awareness (250 students).

Dakahlia & Damietta Ramadan Baskets, Egypt

Ramadan Boxes distributed to communities by DG staff.

Dar El Quds for Special Needs Orphanage Centre, Egypt

Food supplies and kitchen equipment distributed by DG staff.



EMPLOYMENT AND INCOME GENERATION



Misr El Kheir Association, Egypt

Women's empowerment programme supporting over 30 different income generation projects for the neediest women in Dakahlia Governorate. Local enterprise grants have been obtained to facilitate set-up of

stationery shops, groceries, shoes, poultry breeding, needlework and knitting services.

Road repairs, KRI

Road repairs in 16 villages in Qadir Karam and connecting to Zarda.



ENERGY & INFRASTRUCTURE



Directorate of Electricity in Chemchemical and Qadir Karam, KRI

Since 2007 we have been supplying free electricity from Khor Mor Gas Plant to 13 local villages not connected to electricity grid and have also supplied 8,200 litres of diesel for generators and monthly fuel supply to Turka village.

Civil Development Organization (CDO), KRI

Supply of 70,000 litres of potable water daily to Chemchemical/Shorsh, in addition to the construction of a village water pond in Kuchic Nakhshina Village and establishment of an independent water source within Cham Surkhaw.

Appendices

Appendix A: GRI Content index

GRI standard	Disclosure	Page number	Alignment with ADX and LSE ESG guidance	Alignment with IPIECA 2020 guidelines
GRI 102: General Disclosures	102-1 Name of the organization	2		
	102-2 Activities, brands, products, and services	8, 10		
	102-3 Location of headquarters	8, 10		
	102-4 Location of operations	8, 10, 11		
	102-5 Ownership and legal form	8, 9		
	102-6 Markets served	10, 11		
	102-7 Scale of the organization	10, 11		
	102-8 Information on employees and other workers	9, 15, 32		
	102-9 Supply chain	31, 40		
	102-10 Significant changes to the organization and its supply chain	2, 11, 40		
	102-11 Precautionary Principle or approach	12, 36		
	Strategy			
	102-14 Statement from senior decision-maker	4, 5		
	102-15 Key impacts, risks, and opportunities	16		
	Ethics and Integrity			
	102-16 Values, principles, standards, and norms of behavior	8, 35		
	Governance			
	102-18 Governance structure	12 and Corporate Governance Report at: https://www.danagas.com/wp-content/uploads/2020/04/Corporate-Governance-Report-English-2019-2.pdf		Gov 1: Governance Approach
	102-20 Executive-level responsibility for economic, environmental, and social topics	12		Gov 1: Governance Approach
	102-22 Composition of the highest governance body and its committees	12		Gov 1: Governance Approach
	102-29 Identifying and managing economic, environmental, and social impact	12, 16		

GRI standard	Disclosure	Page number	Alignment with ADX and LSE ESG guidance	Alignment with IPIECA 2020 guidelines
	102-31 Review of economic, environmental, and social topics	16		
	102-32 Highest governance body's role in sustainability reporting	12		Gov 1: Governance Approach
Stakeholder Engagement				
	102-40 List of stakeholder groups	14, 15		
	102-42 Identifying and selecting stakeholders	14, 15		
	102-43 Approach to stakeholder engagement	14, 15		
	102-44 Key topics and concerns raised	16		
Reporting Practice				
	102-45 Entities included in the consolidated financial statements	10, 11	ADX ESG Metric G7: Sustainability Reporting G8: Disclosure Practices G9: External Assurance	
	102-46 Defining report content and topic Boundaries	2		
	102-47 List of material topics	16		
	102-48 Restatements of information	2		
	102-49 Changes in reporting	2		
	102-50 Reporting period	2		
	102-51 Date of most recent report	4		
	102-52 Reporting cycle	Annual		
	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	44, 45, 46, 47, 48, 49, 49		
	102-56 External assurance	Dana Gas does not seek external assurance for its sustainability report.		

GRI standard	Disclosure	Page number	Alignment with ADX and LSE ESG guidance	Alignment with IPECA 2020 guidelines
Material Topics				
GRI 200 Economic Standard Series				
Economic Performance and Payments to Governments				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	19		
	103-2 The management approach and its components	19		
	103-3 Evaluation of the management approach	19		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed (including payments to providers of capital and payments to government by country)	37		Gov 4: Transparency of payments to governments
	201-2: Financial implications and other risks and opportunities due to climate change	19, 49	ADX ESG Metric E10: Climate Risk Mitigation	CCE1: Climate governance and strategy CCE 2: Climate risk and opportunities Gov 4: Transparency of payments to governments
In-country Value Contribution and Nationalisation				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	32, 37		
	103-2 The management approach and its components	32, 37		
	103-3 Evaluation of the management approach	32, 37, 38		
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	32	ADX ESG Metric S11: Nationalisation	SOC 15: Local Hiring Practices
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	37, 38, 39	ADX ESG Metric S12: Community Investment	SOC 13: Social investment
	203-2 Significant indirect economic impacts	37, 38, 39		
Procurement Practices				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	40		
	103-2 The management approach and its components	40		
	103-3 Evaluation of the management approach	40		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	40	ADX ESG Metric G4: Supplier Code of Conduct	SOC 14: Local procurement and supplier development

GRI standard	Disclosure	Page number	Alignment with ADX and LSE ESG guidance	Alignment with IPIECA 2020 guidelines
Ethics and Prevention of Corruption				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	35		
	103-2 The management approach and its components	35		
	103-3 Evaluation of the management approach	35		
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	35	ADX ESG Metric G5: Ethics and Prevention of Corruption	Gov 3: Preventing Corruption
	205-2 Communication and training about anti-corruption policies and procedures	35		
	205-3 Confirmed incidents of corruption and actions taken	35	LSE ESG Indicator GAC14: Cost of fines, penalties or settlements in relation to corruption	
GRI 300 Environmental Standards Series				
Energy				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	19		
	103-2 The management approach and its components	19, 20		
	103-3 Evaluation of the management approach	19, 20		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	20	ADX ESG Metric E3: Energy Usage E5: Energy Mix LSE ESG Indicator ECC15: Total energy consumption data	CCE 6: Energy use CCE 7: Flared gas
	302-2 Energy consumption outside of the organization	19		
	302-4 Reduction of energy consumption	19, 20		
	302-5 Reductions in energy requirements of products and services	19, 20		
Water				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	22, 23		
	103-2 The management approach and its components	22, 23		
	103-3 Evaluation of the management approach	22, 23		
Management Approach Disclosures	303-2 Management of water discharge related impacts	22	ADX ESG Metric E6: Water Usage	ENV 2: Discharges to water
GRI 303: Water and Effluents 2018	303-2 Management of water discharge related impacts	23	LSE ESG Indicator EWT11: water use / water extraction data	
	303-3 Water withdrawal	23		
	303-4 Water discharge	23		
	303-5 Water consumption	23		

GRI standard	Disclosure	Page number	Alignment with ADX and LSE ESG guidance	Alignment with IPEICA 2020 guidelines
Waste and Spills Management				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	25		
	103-2 The management approach and its components	25		
	103-3 Evaluation of the management approach	25		
GRI 306: Effluents and Waste	306-2 Waste by type and disposal method	25	LSE ESG Indicator EPR24: Hazardous waste generation	
	306-3 Significant spills	25		ENV 6: Spills to the environment
GHG Emissions				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	19, 21		
	103-2 The management approach and its components	21		
	103-3 Evaluation of the management approach	21		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	21	ADX ESG Metric E1: GHG Emissions E2: Emissions Intensity	CCE 4: GHG emissions ENV 5: Emissions to air
	305-2 Energy Indirect (Scope 2) GHG emissions	21		
	305-4 GHG emissions intensity	21	LSE ESG Indicator ECC14: Total operational GHG emissions data (Scope 1 & 2)	
	305-5 Reduction of GHG emissions	21		
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	7	LSE ESG Indicator EPR27: Total costs of environmental fines and penalties EPR28: sites covered by recognised environmental management systems such as ISO14001	
GRI 400 Social Standards Series				
Workforce management practices				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	32		
	103-2 The management approach and its components	32		
	103-3 Evaluation of the management approach	32		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	32	ADX ESG Metric S3: Employee Turnover S5: Temporary Worker Ratio LSE ESG Indicator SLS24: Full-time staff voluntary turnover rates SLS25: Employees that are contractors or temporary staff	SOC 6: Workforce Engagement SOC 4: Site-based labour practices SOC 8: Workforce non-retaliation and grievance mechanisms
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	32		

GRI standard	Disclosure	Page number	Alignment with ADX and LSE ESG guidance	Alignment with IPECA 2020 guidelines
Workforce Health and Safety				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	28, 29		
	103-2 The management approach and its components	28, 29		
	103-3 Evaluation of the management approach	28, 29, 30		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	28	ADX ESG Metric S7: Injury Rate S8: Global Health and Safety LSE ESG Indicator SHS15: Lost time incident rate SHS38 and SHS 40: work-related employee and contractor fatalities	SHS 1: Safety, health and security engagement SHS 2: Workforce health SHS 3: Occupational injury and illness incidents SHS 4: Transport Safety
	403-2 Hazard identification, risk assessment and incident investigation	28, 29		
	403-4 Worker participation, consultation, and communication on health and safety	30		
	403-9 Work related injuries	29		
Learning and Development				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	33	ADX ESG Metric E7: Environmental Operations E8 and E9: Environmental Oversight	Gov 1: Governance Approach
	103-2 The management approach and its components	33		
	103-3 Evaluation of the management approach	33		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	33	LSE ESG Indicator SLS26: Time spent on employee development training	SOC 7: Workforce training and development
	404-2 Programs for upgrading employee skills and transition assistance programs	33		
	404-3 Percentage of employees receiving regular performance and career development reviews	33		
Diversity and Equal Opportunities				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	33		
	103-2 The management approach and its components	33		
	103-3 Evaluation of the management approach	33		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	33	ADX ESG Metric S4: Gender Diversity G1: board Diversity	SOC 5: Workforce diversity and inclusion
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	33, 35	ADX ESG Metric S6: Non-Discrimination	

GRI standard	Disclosure	Page number	Alignment with ADX and LSE ESG guidance	Alignment with IPIECA 2020 guidelines
Human Rights and Compliance with Regulations				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	35		ENV 8: Decommissioning SHS 6: Process Safety SHS 7: Security risk management
	103-2 The management approach and its components	35		
	103-3 Evaluation of the management approach	35		
GRI 412: Human Rights Assessment	412-1 Operations that have been subject to human rights reviews or impact assessments	35	ADX ESG Metric S10: Human Rights	SOC 1: Human rights due diligence SOC 2: Suppliers and human rights
GRI 419: Socio-economic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	35		
Local Community Development and Engagement				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	38, 41		
	103-2 The management approach and its components	38, 41		
	103-3 Evaluation of the management approach	38, 42		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	37, 38, 39, 41, 42, 43	ADX ESG Metric S12: Community Investment	SOC 9: Local community impacts and engagement SOC 12: Community grievance mechanisms
	413-2 Operations with significant actual and potential negative impacts on local communities	41, 42, 43		
Total reserves				
Additional topic-specific disclosure	Total Reserves	9	LSE ESG Indicator ECC22: Disclosure of Oil & Gas Reserves by type	
Asset Integrity				
	103-2 The management approach and its components	27		SHS-6 Process Safety
Sustainability Governance				
	103-2 The management approach and its components	12		

Appendix B: Acronyms

ADX	Abu Dhabi Securities Exchange	KM500	Khor Mor expansion projects
ALARP	As Low as Reasonably Practicable	KRI	Kurdistan Region of Iraq
AUC	American University in Cairo	LNG	Liquefied Natural Gas
AUS	American University of Sharjah	LSE	London Stock Exchange
BOE	Barrel of Oil Equivalent	LTIF	Lost Time Injuries Frequency
BOEPD	Barrels of Oil Equivalent Per Day	m³	Cubic meter
CAP	Community Action Plan	MENASA	Middle East, North Africa and South Asia region
CDO	Civil Development Organization	MMBOE	Million Barrels of Oil Equivalent
CH₄	Methane	NO_x	Nitrogen Oxides
CO₂	Carbon Dioxide	O&G	Oil and Gas
CoC	Code of Conduct	ORMS	Operating Risk Management System
CSR	Corporate Social Responsibility	OSCP	Oil Spill Control Procedure
DFC	US International Development Finance Corporation	OUGK	Oil and Gas UK
EEAA	Egyptian Environmental Affairs Agency	PFP	Passive Fire Protection
ERM	Enterprise Risk Management	PwC	Price Waterhouse Coopers
ESG	Environmental, Social and Governance	SCC	Social Cost of Carbon
ESIA	Environmental and Social Impact Assessments	SCEs	Safety Critical Elements
GDP	Gross Domestic Product	SP	Social Performance
GJ	Gigajoule	SEPs	Stakeholder Engagement Plans
GHG	Greenhouse Gas Emissions	SMEs	Small and Medium Enterprises
GIS	Geographic Information System	SO_x	Sulphur Oxides
HSE	Health, Safety and Environment	tCO₂e	Metric tonnes of Carbon Dioxide Equivalent
HSSE	Health, safety, security and environment	TRIF	Total Recordable Injury Frequency
IDP	Internally Displaced People	UAE	United Arab Emirates
IOGP	International Association of Oil and Gas Producers	UN SDGs	United Nations Sustainable Development Goals
IPIECA	International Petroleum Industry Environmental Conservation Association	UPS	Power Supply Systems
ISO	International Organisation for Standardisation	VOCs	Volatile Organic Compounds
IVMS	In-Vehicle Monitoring Systems	WASCO	El Wastani Petroleum Company
kboe/d	Thousand Barrels of Oil Equivalent per day	WSEs	Written Schemes of Examination

