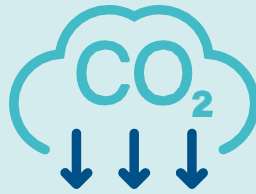


DNO ASA
2019 Report

Corporate Social Responsibility





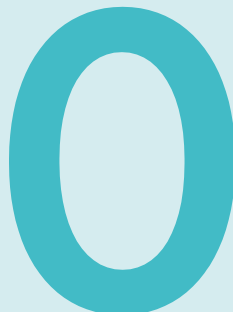
7 kg CO₂ equivalent per barrel of oil equivalent

In continuing to limit its environmental footprint, DNO halved its global greenhouse emissions from the Company's operated fields in mid-2020 from 2019 levels.



75 percent local workforce

In the Kurdistan Region of Iraq, 75 percent of our employees are recruited from nearby communities, providing jobs and building local capacity.



Zero

DNO has zero tolerance for bribery, corruption and other illegal or unethical business practices. Zero.

Norway and the UK
17,400 barrels of oil equivalent per day



Kurdistan region of Iraq
87,400 barrels of oil equivalent per day

Operational highlights 2019

PRODUCTION



104,800

barrels per day oil equivalent
(Company Working Interest)

RESERVES



345,000,000

proven and probable barrels of oil equivalent
(Company Working Interest)

LICENSES



106

NEW WELLS



36

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DNO's DNA
is to be first,
fair and firm



Corporate social responsibility vision

DNO's mission is to deliver superior returns to our shareholders by finding and producing oil and gas at low cost and with a focus on the Middle East and the North Sea.

We meet our commitments efficiently and transparently and expect the same of our host governments, partners, employees, contractors and customers. We treat stakeholders fairly and respectfully by adhering to high standards of governance, business conduct and corporate social responsibility.

Corporate social responsibility (CSR) starts with identifying, understanding and addressing the needs of all key stakeholders. Wherever we operate, we make a concerted effort to maintain mutually beneficial relationships with these stakeholders, achieved through open dialogue and efforts to balance their interests with our own as a public company with some 20,000 shareholders.

In addition to balancing stakeholder interests, essential ingredients to DNO's success as a responsible and profitable oil and gas company include a light environmental footprint, recruitment and advancement of local staff and engagement with their communities while celebrating diversity throughout the organization, zero tolerance for corruption and bad behavior, respect for human rights and of course the safety and security of our people and operations.

Environmental





Greenhouse gas emissions

DNO works continuously to reduce the intensity of emissions from its activities and to disclose greenhouse gas (GHG) emissions. Our Greenhouse Gas Emissions Management Standard is developed in accordance with the globally recognized GHG Protocol Corporate Accounting and Reporting Standard and our GHG emissions verified by a third party.

We report annually to the Carbon Disclosure Project (CDP). CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Our CDP ranking improved from D in 2018 to B in 2019 and we are striving to enhance the quality of our disclosures, including reporting the step change in our GHG emissions reductions in mid-2020.

Notably, our Scope 1 and Scope 2 carbon intensity averaged 13.8 kilograms of CO₂ equivalent (kg CO₂e) per barrel of oil equivalent (boe) in 2019, dropping to 7 kg CO₂e/boe as from mid-year 2020. This compares to the target set by a group of 12 of the world's largest oil companies comprising the Oil and Gas Climate Initiative (OGCI) to reduce the average carbon intensity of their aggregated upstream oil and gas operations to between 20-21 kgCO₂e/boe by 2025 from a collective baseline of 23 kg CO₂e/boe in 2017. While carbon intensity can vary year to year as new projects are developed and older ones dropped, DNO targets a moving average less than one half of the OGCI figure.

Scope 1 and Scope 2 GHG Emissions from Operated Activities

Year	Gross operated production	Total GHG emissions*	Carbon Intensity
	million boe	tonnes CO ₂ e	kg CO ₂ e/boe
2017	41.4	178,000	4.3
2018	42.9	417,000	9.7
2019	46.4	639,200	13.8

* Scope 1 constitutes 99 percent of total emissions in the period 2017-2019.



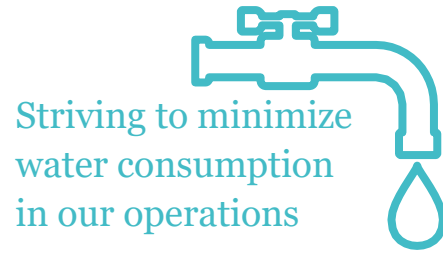
Kurdistan region of Iraq

DNO operates two licenses in Kurdistan: Tawke (containing the Tawke and Peshkabir fields), and Baeshiqā (currently in the appraisal phase). DNO's Scope 1 and Scope 2 GHG emissions in Kurdistan in 2019 totalled 610,000 tonnes of CO₂e.

DNO's GHG emissions had increased following the ramp up of oil production from the Peshkabir field commencing in 2017. The Peshkabir field contains a relatively high associated gas content co-produced with oil but flared for lack of commercial applications. At 477,000 tonnes of CO₂e, flaring from the Peshkabir field was the largest single contributor to our 2019 GHG emissions.

In 2018, DNO initiated a USD 110 million project to gather, treat and transport gas from the Peshkabir field for injection into the Tawke field 80 kilometers away, in the first and still only such project in Kurdistan to capture and store gas that would otherwise be flared and emit GHG into the atmosphere. The Peshkabir-to-Tawke gas and associated carbon capture and storage project was completed in record time and commissioned in June 2020 and has led to a reduction in gas flaring at the Peshkabir field by over 75 percent, with work ongoing to further reduce flaring.

DNO is progressing several other projects at the Tawke license to further reduce our carbon footprint, including eliminating all venting, diversion of gas that would otherwise be flared to process heaters and rationalization of power generation. Moreover, DNO has launched a new initiative to more actively measure, monitor and mitigate methane leakages at the Company's operated sites, noting that while CO₂ emissions from oil and gas operations receive the greatest attention, methane emissions are a significant but underreported source of greenhouse gas with an impact 25 times greater than CO₂ on a 100-year horizon.



Kurdistan region of Iraq

All key activities in Kurdistan require an Environmental Impact Assessment (EIA) which is reviewed and approved by relevant governmental agencies.

We use water from local watercourses and groundwater aquifers for domestic and operational purposes and wastewater is treated and disposed of according to applicable standards and regulations.

We strive to minimize water consumption in our operations. A focus on water management in the Peshkabir field drilling campaign using air and foam drilling rather than water resulted in a material reduction of water consumption on the top-hole drilling sections.

DNO has in place a comprehensive environmental monitoring program at various locations for soil, water, air and noise pollution based on applicable standards and regulations. We record, report, investigate and rectify leaks and spills in our operations. Such incidents increased in 2019 following a rise in activity levels; however they were successfully cleaned up and there is no residual contamination. While the leak and spill figure represented 0.0004 percent of operated production, we have redoubled our efforts to improve in this area.

Leaks and Spills from Operated Activities		
Year	Number	Volume (barrels)
2017	2	6
2018	5	37
2019	11	177



Kurdistan region of Iraq

DNO is committed to responsible handling and management of waste from its activities and continues to work with local authorities and companies to ensure appropriate levels of waste segregation and, where possible, recycling. We report on our waste management practices as part of our EIAs and Environmental Monitoring and Management Plans (EMMPs).

The Company has commenced construction of a central onsite facility for collection and segregation of waste from the Tawke field. The facility will be operational in 2021 and will allow for onsite segregation and temporary storage of waste which will lead to more opportunities for consumption optimization, recycling and reduced trucking of waste to third party sites.

Drilling muds and drill cuttings are transferred to lined and protected pits in our fields in Kurdistan. DNO continued to step up its activities on drilling pit remediation and landscape restoration in 2019 with guidance from independent experts and subject to supervision by relevant government bodies.

Environmental
analyses to
assess risks and
impacts of our
activities



Norway and the UK

At yearend 2019, DNO held interests in 87 licenses (22 operatorships) in Norway and 12 licenses (one operatorship) in the United Kingdom (UK). Scope 1 and Scope 2 GHG emissions from DNO's operated activities in Norway and the UK were 28,100 tonnes of CO₂e during 2019.

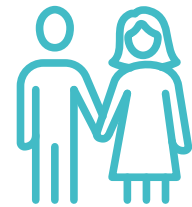
DNO's portfolio of producing assets in Norway and the UK consists predominantly of fields where DNO is a non-operating license partner. In these assets, DNO actively pursues target setting for the joint venture, together with performance monitoring and auditing of each operator's activities.

The Norwegian Continental Shelf (NCS) and the United Kingdom Continental Shelf (UKCS) are extensively mapped, analyzed and managed marine areas. Environmental analyses to assess risks and impacts of our activities are mandatory. Discharge permit plans are subject to public hearings and the approval of environmental authorities.



Social

We celebrate diversity in nationality, gender, race, culture, religion and age



Promoting diversity

People are DNO's most important resource. We are more than 1,000 individuals representing some 40 nationalities and 10 religious affiliations across the Company, working together to build DNO's position as a leading independent oil and gas exploration and production company.

We are Norway's oldest publicly-listed oil and gas company; at the same time, we are very much a Middle Eastern and North Sea company in terms of our portfolio, our staffing and our ownership.

We celebrate diversity in the DNO family in nationality, gender, race, culture, religion and age and do not discriminate in recruitment, advancement, remuneration or otherwise in the workplace.

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

At the end of 2019, women made up four percent of the total Kurdistan workforce and 22 percent of the Erbil office team. Elsewhere in the organization, female employees made up 40 percent in Norway, 37 percent in the UK and 23 percent in the United Arab Emirates (Dubai). At the corporate level, women comprised 40 percent of the parent company's Board of Directors and 20 percent of the executive management team.

Our multinational workforce makes DNO a truly diverse company



Empowering the
communities in
which we operate



Local staffing, local content

In Kurdistan, DNO had a total of 1,008 employees at the end of 2019, of which 763 were from Kurdistan. A significant number of our Kurdistan employees and contractors come from neighboring villages and communities in our areas of operation.

We actively recruit and mentor nationals, including through traineeship programs, and have implemented structured programs for competence development and assessment for our workforce. Furthermore, every year DNO recruits graduates from local universities for employment in various office and field positions. Through these programs, we provide opportunities to talented national staff to ensure their transition into more senior roles, both in Kurdistan and internationally.

We ensure that local companies are treated fairly for contract awards through our supply chain management procedures, while at the same time ensuring safe and prudent operations. Our technical and commercial evaluations in the tendering process take into account that suppliers are from the area.

We provide growth and learning opportunities for Kurdistan's youth, including through a summer program for apprentices. This program takes around 300 students annually for an introduction to the oil and gas industry, the region's most important source of revenues.

Social impact

DNO contributes to the development of local communities in which we operate, mindful of cultural differences and the need always to treat these communities with respect and dignity. We create jobs, hire and train local staff and partner with local companies that provide such services as inspections, maintenance support, civil engineering, transportation, remediation, catering, security, consumables, equipment and waste disposal. We work to ensure that our service providers are compliant with internationally recognized human rights protocols and in particular do not engage in child labor practices.

Support for local communities

In Kurdistan, a dedicated DNO team works with community leaders to identify and commission projects. Specifics of these projects may vary year to year but common to all is the deployment of our operational capabilities and presence to provide services and help develop infrastructure.

Agricultural water to villagers

Agriculture is a key source of income for villagers in Kurdistan and dependable water supply is key to agriculture. Towards that end, DNO has drilled water wells and put in place water networks, including six water projects in 2019 delivered through local contractors.

Cultural heritage project

DNO took a lead role in restoration of the Tomb of the Old Testament Prophet Nahum, a major Jewish heritage site in Kurdistan near the town of Al Qosh, in collaboration with international organizations and private donors. Now completed, the site is expected to attract pilgrims and tourists to the town.



Social impact

Constructing and maintaining roads

DNO has constructed and maintains close to 100 kilometers of roads in support of our operations which are accessible to the public and, importantly, serve local communities.

Compensating landowners

We pay land compensation fees to any landowner whose land is used for our operations as stipulated by Kurdistan laws and DNO's Production Sharing Contracts (PSCs) with the Kurdistan Regional Government (KRG). This process and the rates are regulated by the KRG and depend on the alternative uses of the land, including for agriculture.

Supporting local oil services sector

By using local contractors, DNO as the largest international oil company operator in Kurdistan not only generates economic value in local communities but contributes to the development of the region's oil services sector by introducing industry best practices, including in safety and quality control.

Contributions

Among other contributions, we have provided educational and athletic equipment to four youth and women centers, laptops to local libraries and schools in two towns, tents and chairs to four village community centers and winter clothes to children of internally displaced families in refugee camps.



Social impact

Building and renovating schools

DNO has built one school and renovated 20 others since entry into Kurdistan. In 2019, DNO renovated one school and provided 1,000 backpacks to students in our areas of operation. In addition, we covered the cost of school transportation for 200 students from eight small settlements, enabling them to travel to larger villages and towns for access to better education.

University guest lecturers

In 2019, we kicked off a series of guest lectures by DNO experts at three universities in Kurdistan to improve academia-industry ties, share knowledge and identify promising students for possible recruitment.

Graduate fellowships

The Middle East-North Africa Graduate Fellowship Fund was created in 2014 with a USD 1 million gift from DNO to the Harvard University's Kennedy School of Government (HKS). Every year the fellowship supports qualified younger professionals who apply to, and if accepted, enroll at HKS through the Edward Mason Program to earn a Mid-Career Masters in Public Administration degree, with a focus on developing analytical and leadership skills. The fellowship covers tuition and living expenses for the one-year term of the program.

Research partnerships

We have established research partnerships with leading universities, including Princeton University and Harvard University, to share sub-surface data in support of graduate studies and conduct joint studies to expose our own teams of geologists and geophysicists to cutting edge developments in these disciplines.

A culture where incidents are openly reported and corrected



Health and safety

In DNO, we strive to protect our workforce from harm by creating a safe and healthy working environment. Not only is it necessary to have the right management systems, standards and procedures in place, but also to promote a culture that encourages everyone to make sound and responsible decisions. A safe working environment benefits our employees, our contractors and the communities in which we operate.

We promote a culture where incidents are openly reported and corrected and opportunities for improvement are pursued. Through rigorous implementation of standards and procedures, we take a systematic approach to the management of HSSE both within our organization and towards our contractors and suppliers.

We operate an HSSE management system and corporate protocols that are based on industry standards and guidelines.

Health and Safety Metrics in Operated Activities*					
Year	Fatalities	Lost time injuries	Process safety events	Total recordable injury frequency	Serious vehicle accidents
2017	1	0	NA	1.0	0
2018	0	2	0	1.0	3
2019	0	0	2	0.9	4

* Includes contractors. All columns report number of events, except for total recordable injury frequency which denotes number of injuries per million hours worked.

Accurate reporting
of incidents and
benchmarking
safety performance



Health and safety

We launched in 2018 the DNO Safety Leaders Program in our Kurdistan business unit. This program has already trained over 270 managers and supervisors in our field locations and Erbil office. More than half of the participants have been from our talented national staff with engagement from our leading contractors. We believe this program is an important step in maintaining and developing health and safety performance in our Kurdistan activities.

We see a positive trend and a decrease in the total recordable injury frequency figures in our operations covering both DNO employees and contractors in the period 2016 to 2019. We strive for accurate reporting of all incidents and benchmark our safety performance with the International Association of Oil and Gas Producers (IOGP) annual average.



Governance



Governance policies

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

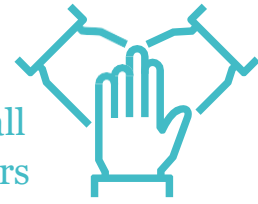
Our company-wide CSR and HSSE policies build on respect for local communities and their interests. DNO does not engage in the political processes of host countries and we do not make contributions to political parties or their representatives.

DNO complies with local laws and regulations, including those with respect to environmental protection. We are committed to the prevention of unplanned emissions and any other negative environmental impact from our operations.

We respect fundamental human rights and are guided in our business conduct by the United Nations Global Compact.

Risk management is key to successful execution of our business. We review our risk profile, both current and emerging, on a regular basis, incorporating industry-recognized risk identification, quantification and mitigation processes. Enterprise risks are reported to the Board of Directors' Audit Committee and health, safety, and environment risks to the Health, Safety, Security and Environmental Committee quarterly, and more frequently as appropriate.

For the
benefit of all
stakeholders



Code of Conduct

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

The Code of Conduct is for the benefit of all stakeholders, including shareholders, employees, contractors, business partners, local communities and host governments.

DNO's Code of Conduct is built on six principles:

1. Comply with laws and regulations
2. Ensure a safe working environment
3. Treat everyone with respect
4. Act in DNO's best interest
5. Ensure financial integrity
6. Take corporate responsibility

We seek contractors and vendors who will respect DNO's Code of Conduct in their dealings with us, and they are required to comply with DNO's Business Partner Code of Conduct or similar standards when they act on our behalf or provide a service to DNO.



Compliance

DNO addresses compliance through three lines of defence: management, the compliance function and the internal audit function.

Management is the first line of defence and has responsibility and accountability for assessing, reporting, controlling and mitigating compliance risks.

As the second line of defence, the compliance function briefs management and provides training at all levels on relevant laws, regulations and standards and the ensuing compliance obligations. Risks at the corporate and business unit levels are regularly monitored and appropriate mitigation strategies developed. The compliance function also conducts due diligence on potential new contractors and vendors prior to any engagement.

The internal audit function provides the third line of defence through independent assurance of the effectiveness of internal controls and investigation of any breaches. Annual internal audit plans are reviewed and approved by the Board of Director's Audit Committee and findings are shared with executive management.

Zero tolerance
for illegal or
unethical
behaviors



Anti-Corruption

DNO has zero tolerance for bribery, corruption and other illegal or unethical behaviors. Zero.

We have adopted an Anti-Corruption Policy that all employees are required to follow. The policy is available on a dedicated “My DNO Compliance” intranet site. This site brings together all compliance policies, interactive training programs, business hospitality requests and conflict of interest registrations to the desktops of our employees.

In 2019, we conducted company-wide training to over 600 employees in topics related to business ethics, including anti-bribery and corruption, and continue to provide such training on an ongoing basis.

Any corruption related concerns or complaints are promptly investigated and necessary actions taken.

We encourage all stakeholders to voice any concerns



Mechanisms for raising concerns

We encourage our personnel to voice concerns about unethical or illegal behavior and breaches of DNO's Code of Conduct or other Company policies. Multiple channels are available to voice concerns, including line managers, human resources personnel or the corporate compliance function. The Company also has a dedicated whistleblower channel for those who wish to raise a matter anonymously. All such notifications are taken seriously and investigated promptly. Whistleblowers are provided strict privacy and protected against any possible retaliation.



Disclaimer

This report contains forward-looking statements. Any forward-looking statements and other information contained in this report are solely opinions and forecasts based on the current expectations, estimates and projections of the Company or assumptions based on information currently available to the Company, which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. Such factors may include, among others: changing oil and gas demand or prices; oil production quotas or other actions that might be imposed by the Organization of the Petroleum Exporting Countries (OPEC) and other producing or consuming countries; public health crises, such as pandemics (including COVID-19), and any related government policies and actions; risks or uncertainties associated with but not limited to the Company's business, operations, strategies, financing, market acceptance and relations with third parties. Should underlying assumptions prove incorrect, actual results may vary materially from those described in this report and as such recipients are cautioned not to place undue reliance on these forward-looking statements.

The data contained in this corporate social responsibility report is non-GAAP and unaudited. Neither the Company nor any other person assumes responsibility for the accuracy and completeness of any of the forward-looking statements contained in, and accepts no liability resulting from the use of, this report. This report does not constitute any recommendation or invitation to buy, sell or otherwise acquire securities in the Company.

This report reflects prevailing conditions and views as of the date of its release. The Company assumes no obligation and does not intend to update these forward-looking statements to reflect actual results, revised assumptions or future developments or events. The Company makes no implication that there has been no change in the affairs of the Company since the report release date.

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