

DNO ASA
2023 Report

Corporate Social Responsibility



Corporate social responsibility vision and values

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

Corporate Social Responsibility (CSR) starts with identifying and addressing the needs of all key stakeholders. Wherever we operate, we make a concerted effort to create mutually beneficial relationships, balancing stakeholders' interests with our own as a 53-year old public company with some 16,000 shareholders. DNO, Norway's oldest oil and gas company, is today an international one, with over one-half of our shares owned by non-Norwegians and with a board of directors and senior management representing six nationalities. Even so, we proudly fly the Norwegian flag and carry our home country's best practises wherever we operate, including industry leading health and safety standards, a light environmental footprint, active engagement with local communities and zero tolerance for corruption.

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

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

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

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

People

People are DNO's most important resource. We are 1,100 individuals representing nearly 40 nationalities. We celebrate diversity in the DNO family in nationality, gender, race, culture, religion and age and do not discriminate in recruitment, advancement, remuneration or otherwise in the workplace.

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

DNO continues to recruit and promote women who at yearend 2023 represented 13 percent of its overall workforce and 32 percent of employees in managerial, administrative and other non-field operational positions.

In the Erbil office, women represented 21 percent of all employees; the comparable figure in the Dubai office was 21 percent and 40 percent across the Oslo, Stavanger and Aberdeen offices combined.

Women comprised 40 percent of the DNO board of directors.

In Kurdistan region of Iraq, DNO had 819 employees at yearend 2023 of which 87 percent were local hires, many in managerial and leadership roles. DNO is the largest employer of Kurdish men and women among international oil and gas companies operating in the region. We actively recruit from neighbouring communities and expect the same from our business partners. Also, DNO identifies and offers employment to top graduates from local universities each year. Through mentorship and formal training programs, we support the advancement of Kurdish nationals into more senior roles.

Health and safety

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

Incidents and near misses are reported, investigated and corrected. A key metric for assessing and benchmarking the Company's safety performance is the Total Recordable Injury Frequency (TRIF). In 2023, DNO had a TRIF of 1.50 in its operational activities (largely due to minor but reportable incidents on third party rigs in the North Sea), which is higher than the industry average TRIF of 0.90 (based on data from International Association of Oil and Gas Producers (IOGP) for year 2022, the latest year for which data are available). The Company is determined to improve its safety performance and aims for a TRIF at the IOGP industry average or better.

Social impact

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

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

We use our operational presence and capability to provide support to nearby communities. Over DNO's 20 years of presence in Kurdistan, we have supported projects in the infrastructure, agriculture, health and education.

Examples include:

Water supply and agriculture

To date in Kurdistan, DNO has delivered 24 water projects to local communities, including wells, storage tanks and distribution facilities.

Building and renovating schools

DNO has built two schools and renovated 33 educational facilities since entry into Kurdistan.

Graduate fellowships

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

Research partnerships

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

Governance and anti-corruption

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

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

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

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

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

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

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

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

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

Our Code of Conduct is built on six principles:

- Comply with laws and regulations

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

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

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

Environment

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

We work to reduce the intensity of greenhouse gas (GHG) emissions from our operations and to enhance the quantity and quality of our GHG emissions performance disclosures. We report both our GHG emissions and our water use performance annually to the CDP, a not-for-profit organization that runs a global disclosure system on environmental impacts. Our last annual climate change disclosure for year 2022 performance was ranked B (announced in February 2024) for the fifth consecutive year. Our ranking compared to an international average of B for all reporting oil and gas companies.

The Scope 1 and Scope 2 GHG intensity from our operated assets averaged 14.6 kilograms of CO₂ equivalent (kgCO₂e) per barrel of oil equivalent (boe) produced in 2023, compared to 14.8 kgCO₂e/boe in 2022. Our performance compared favorably to the target set by a group of 12 of the world's largest oil and gas companies comprising the Oil and Gas Climate Initiative (OGCI) to reduce the average intensity of their upstream operations to 17 kgCO₂e/boe by 2025 from a collective baseline of 23 kgCO₂e/boe in 2017.

To improve the quality and coverage of our GHG quantification and to better inform our GHG reduction efforts, we engaged a third-party technical advisor in 2023 for a thorough review of our GHG verification process. Although this work has improved accuracy of DNO's GHG emissions quantification from 2023 onward, it did not find any material shortcomings in DNO's practices.

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

DNO pioneers GHG reduction, both by expenditure and results, in Kurdistan. DNO operates the first and only associated gas capture and injection project in Kurdistan. Commissioned in 2020 and at a cost of USD 110 million, the Peshkabir-to-Tawke gas project gathers, treats and transports associated gas over 80 kilometers from the Peshkabir field to the Tawke field for injection. DNO commissioned the second phase of gas capture and injection at the Tawke field in 2023, raising the project cost to USD 135 million. A total of 22 billion cubic feet (bcf) of otherwise-flared gas has been captured and injected since the first phase was commissioned in 2020, delivering a GHG savings of 1.4 million tonnes of CO₂ equivalent (tCO₂e).

DNO continues to reduce GHG emissions through a variety of smaller projects which utilize otherwise-flared associated gas to reduce diesel and naphtha burn for electricity and process heat generation, in addition to installation of solar photovoltaic (PV) panels for electricity generation.

In addition to its efforts to reduce CO₂ emissions, DNO focuses on reduction of methane emissions, a potent GHG. Since 2022, DNO has been a signatory of the Aiming for Zero Methane Emissions Initiative (<https://aimingforzero.ogci.com/>), an oil and gas industry pledge coordinated by the OGCI, to reach near zero methane emissions from the Company's operated oil and gas assets by 2030 and actively work with its partners in its non-operated assets to achieve the same. In 2023, DNO joined the Methane Guiding Principles (MGP, <https://methaneguidingprinciples.org/>), a coalition of industry and civil society organizations to reduce methane emissions across the oil and gas global supply chain. The MGP members develop and share practical tools and guidance to help others to learn from their experience and put those lessons into practice.

In order to reduce its own methane emissions, DNO has put in place a Tawke license-wide Leak Detection and Repair (LDAR) project to discover, measure and mitigate fugitive methane emissions.

In Norway, DNO has been a member of the LowEmission center (<https://www.sintef.no/en/>) since 2021, through which it contributes to research and development efforts for improving environmental performance of the offshore oil and gas industry. This center, which is supported by the Norwegian government and universities as well as by industry, develops new technologies for offshore energy systems and integration with renewable power production technologies.

We investigate, rectify and report any leaks and spills. In 2023, a total of 28 barrels of oil and chemicals were spilled in three incidents during operations; the spillages were collected and disposed of as per applicable protocols. Historically, DNO has had a very low volume of oil and chemical spills and hydrocarbon leaks.

DNO is committed to responsible handling and management of waste consistent with local regulations and relevant international standards, including to ensure appropriate levels of waste segregation and, where possible, reuse. Drill cuttings represent the majority of hazardous waste generated in our Kurdistan operations and are stored onsite for periodic remediation. In 2023, the majority of waste generated in our North Sea operations relate to material used and equipment and facilities removed during our decommissioning campaign in the United Kingdom.

DNO draws water from rivers and aquifers in its Kurdistan operations and from the sea in its North Sea operations. While we have not experienced water limitations, we have redoubled our efforts to treat and reuse water and utilize water efficient drilling practices. Our water security disclosure to CDP for year 2022 performance was ranked B- (announced in February 2024), similar to an international average of B- for all reporting oil and gas companies.

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

We have successfully sought to minimize any adverse impacts on biodiversity in our operational areas. Nevertheless, in 2023, we stepped up efforts in this area by putting in place a new biodiversity policy with more stringent requirements.

Offshore, the Norwegian and the United Kingdom continental shelves are mapped, analyzed and managed marine areas and assessing risks from oil and gas operations are mandatory. For example, discharge permit applications are subject to public hearings as well as approval by environmental authorities.

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

At yearend 2023, DNO held interests in 73 licenses (13 operatorships) offshore Norway and four licenses (one operatorship) offshore the United Kingdom. DNO's portfolio in Norway and the United Kingdom consists of fields and exploration licenses where DNO is a non-operating partner.

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

The Oselvar campaign was concluded in 2022 with the removal of the subsea infrastructure, following P&A of three subsea wells in 2021. The P&A of 12 wells in the Schooner field was completed in 2022, following the P&A of nine wells in the Ketch field in 2021. The Ketch and Schooner platforms were removed in 2022 and 2023, respectively. Both platforms have been transported to an industrial yard in the Netherlands for dismantling, recycling and safe disposal.

The cost of these decommissioning campaigns is estimated at USD 224 million net to DNO's interest.

DNO holds an indirect 33.33 percent interest in Foxtrot International LDC which has operatorship and ownership in a production block (CI-27) and an exploration block (CI-12) offshore Côte d'Ivoire. Block CI-27 accounts for about 90 percent of the country's gas production and is dedicated primarily to electricity generation, a fundamental enabler for the socio-economic growth of Côte d'Ivoire in the last three decades. In 2023, production from this block fueled two-thirds of the national electricity generation.

Appendix

People ¹			
Indicator	2023	2022	2021
People			
Total number of employees ²	1,085	1,449	1,327
Employee turnover ³	36%	8%	10%
Leavers	388	113	138
New hire rate	3%	16%	16%
New joiners	30	235	208
Gender diversity			
Number of men	943	1,271	1,168
Number of women	142	178	160
Women in workforce	13%	12%	12%
Women in senior management	30%	30%	13%
Women in board of directors	40%	50%	40%
Employees by age groups			
< 30 years	19%	27%	23%
30 - 50 years	66%	56%	59%
> 50 years	15%	17%	17%
Number of nationalities			
DNO ASA (corporate head office in Oslo, Norway)	16	17	16
DNO Iraq AS (Kurdistan region of Iraq)	18	32	24
DNO Norge AS (Stavanger, Norway)	17	21	17
DNO North Sea plc (United Kingdom)	1	1	1
DNO Technical Services (United Arab Emirates)	21	24	21
Total number of nationalities	39	48	43
Sickness absence	1.0%	1.2%	1.4%

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

² The headcount includes employees and full-time consultants.

³ The relatively high turnover in 2023 was driven by reduced activities in Kurdistan due to shut-in of export pipeline since March 2023.

Health and Safety

Indicator	2023	2022	2021
Health and safety			
Fatalities			
Employees	0	0	0
Contractors	0	1	0
Total	0	1	0
Lost time injuries			
Employees	1	0	1
Contractors	0	7	2
Total	1	7	3
Restricted work injuries			
Employees	1	1	0
Contractors	2	1	0
Total	3	2	0
Medical treatment injuries			
Employees	3	1	0
Contractors	1	3	0
Total	4	4	0
High potential incidents			
	1	10	2
Driving			
Serious vehicle accidents	1	0	0
Distance driven (million km)	4.90	4.49	2.57
Recordable injuries from vehicle accidents	0	0	0
Lost time injury rate			
Employees (per million hours worked)	0.36	0	0.40
Contractors (per million hours worked)	0	1.23	0.53
Total (per million hours worked)	0.19	0.72	0.48
Medical treatment injury rate			
Employees (per million hours worked)	1.09	0.25	0
Contractors (per million hours worked)	0.39	0.53	0
Total (per million hours worked)	0.75	0.41	0
Total Recordable Injury Frequency (TRIF)⁴			
Employees (per million hours worked)	1.82	0.50	0.40
Contractors (per million hours worked)	1.16	2.11	0.53
Total (per million hours worked)	1.50	1.44	0.48
Exposure hours			
Employees (thousand hours)	2,754	4,020	2,484
Contractors (thousand hours)	2,576	5,689	3,797
Total (thousand hours)	5,330	9,709	6,281

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

Governance and Anti-Corruption			
Indicator	2023	2022	2021
Confirmed incidents of corruption			
Number of incidents ⁵	0	0	0
Impact on employees	0	0	0
Impact on contractor relations	0	0	0
Compliance			
Significant fines⁶			
Number	0	0	0
Value (USD)	0	0	0
Environmental fines			
Number	0	0	0
Value (USD)	0	0	0
Non-monetary sanctions			
Number	0	0	0
Environmental non-monetary sanctions			
Number	0	0	0
Government revenue from DNO's licenses in Kurdistan			
Value of profit oil entitlements (USD million)	420	2,014	1,340
Value of royalties (USD million)	84	335	226
Total (USD million)	504	2,349	1,566

⁵ Incidents which have led to formal legal actions.

⁶ Significant fines are defined as individual fines exceeding USD 10,000.

Environment

Indicator	2023	2022	2021
Unplanned releases to sea or land			
Oil spills ⁷			
Number	1	3	6
Volume (bbl)	28	92	32
Chemical spills ⁸			
Number	0	2	0
Volume (bbl)	0	2	0
Water use in operations			
Freshwater withdrawal ⁹ (thousand m ³)	490	532	430
Water discharge			
Produced water discharged to sea (m ³)	0	0	0
Produced water discharged to land (m ³)	0	0	0
Waste			
Hazardous waste generated (tonnes)	4,153	6,993	7,169
Hazardous waste recovered (tonnes)	284	0	5,958
Non-hazardous waste generated ¹⁰ (tonnes)	5,384	12,894	3,854
Non-hazardous waste recovered (tonnes)	3,805	7,433	2,125
Energy consumption			
Electricity purchased (MWh)	1,604	1,408	1,202
Energy consumption from renewables (MWh)	0	0	0
GHG emissions¹¹			
Emission intensity ¹² (kgCO _{2e} /boe)	14.6	14.8	10.7
Scope 1 GHG emissions ¹³ (tCO _{2e})	247,191	580,636	424,040
Scope 2 GHG emissions (tCO _{2e})	383	370	342
Scope 3 GHG emissions (tCO _{2e})	2,808	4,475	1,726
Gas flaring GHG emissions			
Kurdistan licenses (tCO _{2e})	150,527	379,152	268,361
GHG emissions avoided through gas injection			
Tawke license (tCO _{2e})	199,889	533,968	463,788
Emissions fees (DNO equity share)			
North Sea ¹⁴ (million NOK)	110	147	99

7 Category includes oil and diesel spills above one barrels.

8 Category includes chemical spills above one barrels.

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

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

11 The GHG reporting is consolidated and presented in accordance with the requirements of the GHG Protocol Corporate Accounting and Reporting Standard. Scope 1 emissions are based on requirements and guidelines of the widely used International Petroleum Industry Environmental Conservation Association's (IPIECA) "Petroleum industry guidelines for reporting greenhouse gas emissions" and Alberta Government's "greenhouse gas quantification methodologies". Scope 2 emissions are based on estimated GHG intensity of the electricity grid in the corresponding countries. Scope 3 emissions cover only estimated emissions from air business travel.

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

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

14 Category includes equity share of fees paid under the CO₂ tax regime in Norway and costs of buying emissions quotas under European Union's Emissions Trading System (EU ETS) and the United Kingdom's ETS across its portfolio in Norway and the United Kingdom (estimated).

Disclaimer

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; public health crises such as pandemics, 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.

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