

# Dana Energy

Communication on progress

February 2016- February 2017



# Content

STATEMENT OF CONTINUED SUPPORT BY CEO .....	4
OUR VISION .....	5
OUR MISSION .....	5
COMPLIANCE AND ETHICS.....	5
OUR BUSINESS SEGMENTS.....	5
EXPLORATION AND PRODUCTION.....	6
UPSTREAM SERVICES .....	7
ENERGY TRADING .....	8
VALUES.....	9
INTEGRITY .....	9
COMMITMENT .....	9
KNOWLEDGE .....	9
ONE: HUMAN RIGHTS .....	10
HEALTH: .....	10
HEALTH RISK ASSESSMENT (HRA):.....	10
MEASURING AND MONITORING THE HARMFUL AGENTS: .....	10
HEALTH SURVEILLANCE AND MEDICAL EXAMINATION:.....	10
FOOD & WATER HYGIENE:.....	11
DRUG & ALCOHOL POLICY: .....	11
TRAINING AND AWARENESS:.....	11
VACCINATION: .....	11
IMPLEMENTATION OF OHSAS18001:.....	11
SAFETY: .....	12
PROCESS SAFETY: .....	12
PERSONNEL SAFETY: .....	13
SUBCONTRACTOR SAFETY CONTROL: .....	14
SAFETY TRAINING:.....	15
QHSE PASSPORT: .....	15
FAIR TREATMENT: .....	16
COMMUNITY ENGAGEMENT:.....	16

MEASUREMENT OF OUTCOMES:.....	16
TWO: PEOPLE.....	17
ATTRACTIVE EMPLOYER:.....	17
ANNUAL ENGAGEMENT SURVEY: .....	18
CHILD LABOR: .....	19
FREEDOM OF ASSOCIATION: .....	19
ELIMINATION OF ALL FORMS OF FORCED LABOUR: .....	20
ELIMINATION OF DISCRIMINATION: .....	20
WORKING HOURS: .....	21
REMUNERATION: .....	21
MEASUREMENT OF OUTCOMES: .....	21
THREE: ENVIRONMENT.....	22
ENVIRONMENTAL ASPECTS: .....	23
WASTE MANAGEMENT: .....	23
WASTE PAPER REDUCTION:.....	24
BIODIVERSITY: .....	24
CLIMATE CHANGE:.....	25
MEASUREMENT OF OUTCOMES .....	25
FOUR: ANTI-CORRUPTION .....	26
MEASUREMENT OF OUTCOMES .....	27

## STATEMENT OF CONTINUED SUPPORT BY CEO

The United Nations Global Compact (UNGC) challenges business to uphold universally accepted principles on key issues such as human rights, anti-corruption and the environment. We are pleased to confirm that since joining the Global Compact (4/2/2016) Dana Energy has continued to support its ten principles with respect to human rights, Labour, environment and anti-corruption. We will continue to work towards furthering our commitment to these principles by reflecting these principles in Dana Energy strategy, policies and standards.

Chairman of the Board and CEO

Mohammad Iravani

## OUR VISION

Seeking excellence for value creation in the energy sector.

## OUR MISSION

To sustainably invest, develop and manage in the energy business.

## COMPLIANCE AND ETHICS

Our strict adherence to the core values of respect, honesty and responsibility enables us to achieve the highest standards of ethics and integrity in conducting our business activities at all times.



## OUR BUSINESS SEGMENTS

After 15 years of flourishing development with exceptional success rate in numerous oil & gas projects across Iran and Middle East, so far we are engaged in three business segments. We provide our projects by technical, financial and managerial expertise, advanced equipment and cutting-edge services necessary for success.

## EXPLORATION AND PRODUCTION

Dana Energy's E&P capabilities includes geology, geophysics, geochemistry, petro physics and reservoir engineering as the keys to discover new hydrocarbon reservoirs and to unlocking the potential of its assets. The company's experience covers the value chain from exploration to production with innovative integrated subsurface workflows.





## UPSTREAM SERVICES

Dana Energy's upstream services include a diverse range of services including seismic services, data processing and subsurface imaging, well construction, rig provision and management, wide range of drilling services such as cementing and acidizing and provision of drill bits and downhole equipment. From the simplest well to the most complex reservoir, at different stage of the well and reservoir life, we deliver best-in-class services to our clients.



## ENERGY TRADING

The world today increasingly demands diverse forms of energy. As part of this division's business, we are comprehensively engaged in overseas-related operations including trading of crude oil and petroleum products. We aim to further improve our sales infrastructure through efforts to expand trading business fields and boost cost competitiveness. In addition to conventional source of energies, we take a pragmatic approach to renewable energy sources by pursuing and focusing on technologies that leverage our local strengths.





## VALUES

### INTEGRITY

At Dana Energy's, we strictly adhere to honesty, integrity and respect with the highest ethical standards. We rigorously commit ourselves to comply with rules and regulations. This will prosper us with the trust of others and ensure our success in future.

Real integrity means to conduct all of our activities in accordance with our deepest values, to strive to do the right thing at all times rather than the easiest. We are honest with everyone and above all with ourselves. We refuse to compromise on our core values, no matter what. We believe no legacy is so rich as honesty. We conduct our business with transparency, openness and consistency. We are proud of what we do, and we always and in all circumstances act professionally and responsibly.

### COMMITMENT

Our word is our bond. We always keep our word and strongly believe that our most valuable asset is our brand image and reputation. We profoundly value the quality of our services to our clients and help them to achieve their organizational goals. We create values individually and collectively.

### KNOWLEDGE

We are committed to excellence through the systematic and disciplined management of knowledge. Well-established system of Capturing, structuring, enhancing and disseminating knowledge have made us distinguished thinkers. We have a thirst to learn and to improve, and the passion for innovation. We explore new ways of thinking and are unafraid to ask for help. Our determination to produce superior profits is the cornerstone of our sustainable growth. We constantly analyze the dynamics of market and monitor business environment to measure any trends to spot the evolving opportunities for ourselves and our clients to develop a competitive advantage. We are the leading thinkers in oil and gas industry and committed to sharing our ideas, experiences and impact in effort to inspire others to bring their talents and resources to shape the better future for oil and gas industry.

## ONE: HUMAN RIGHTS

Since joining the United Nations Global Compact, we Dana Energy has been put the support of the United Nations' Universal Declaration of Human Rights "as one part of the commitment as our social responsibility in line with fundamental human rights from the Islamic perspective while respecting other ideologies and beliefs where we operate. Our commitment means that we will, through continuous efforts to develop noble goals and guidelines for action to implement the human rights concerns to the actual action.

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

## HEALTH:

Dana Energy provides support programs and services to support and care for our employees live and enabling them to have healthier lives. We consider workforce and community health issues as part of our project planning. Our efforts to protect and promote the health of employees in 2016 include the following:

### HEALTH RISK ASSESSMENT (HRA):

A structured and consistent assessment of Health Risks at the Workplace had identified chemicals, ergonomics and noise as key health risks

### MEASURING AND MONITORING THE HARMFUL AGENTS:

Measuring and monitoring the physical, chemical and ergonomically harmful agents in work places

### HEALTH SURVEILLANCE AND MEDICAL EXAMINATION:

Dana Energy conduct the Medical examination for all employees based on International standards to promote the staff's personal health and fitness levels and control the prevalence of lifestyle illness such as hypertension, diabetes mellitus and high cholesterol and also occupational diseases

#### FOOD & WATER HYGIENE:

In all work places of Dana Energy water supply and Food preparation and handling process are under the direct supervision of HSE department.

Creatures cannot live without water, Healthy water, and healthy people! There's a clear connection between good water and good health.

#### DRUG & ALCOHOL POLICY:

We focused on reducing risks of accident/injury/ illness caused by impaired performance due to potential misuse of drugs and alcohol in this regards we establish the Drug and alcohol policy in Dana Energy work places.

Recording and monitoring Health performance indicators

On of most important activities relevant to health in 2016 was creating an infrastructure for recording and monitoring health performance indicators

#### TRAINING AND AWARENESS:

During 2016, training courses related to health was delivered to employees and contractors including familiarity with work-related risk factors, personal hygiene, food hygiene, Environmental health.

#### VACCINATION:

Review and immunization and vaccination is conducted during all projects basements and planning. Furthermore, all business travelers are informed and advised about immunization and vaccination requirements. Also, especially vaccination against endemic diseases such as typhoid and hepatitis were carried out in projects in Pakistan.

#### IMPLEMENTATION OF OHSAS18001:

Dana Energy has established the OHSAS 18001 management system as proper standard for Occupational health and safety management system in all business activities and robust internal and external audits carried according to standard procedures while as result of management review and required continues improvement action are periodically reviewed and ensure appropriate implemented. Certifications kept up to date and valid.

## SAFETY:

The condition of being protected from harm or other non-desirable outcomes. Safety can also refer to the control of recognized hazards in order to achieve an acceptable level of risk.

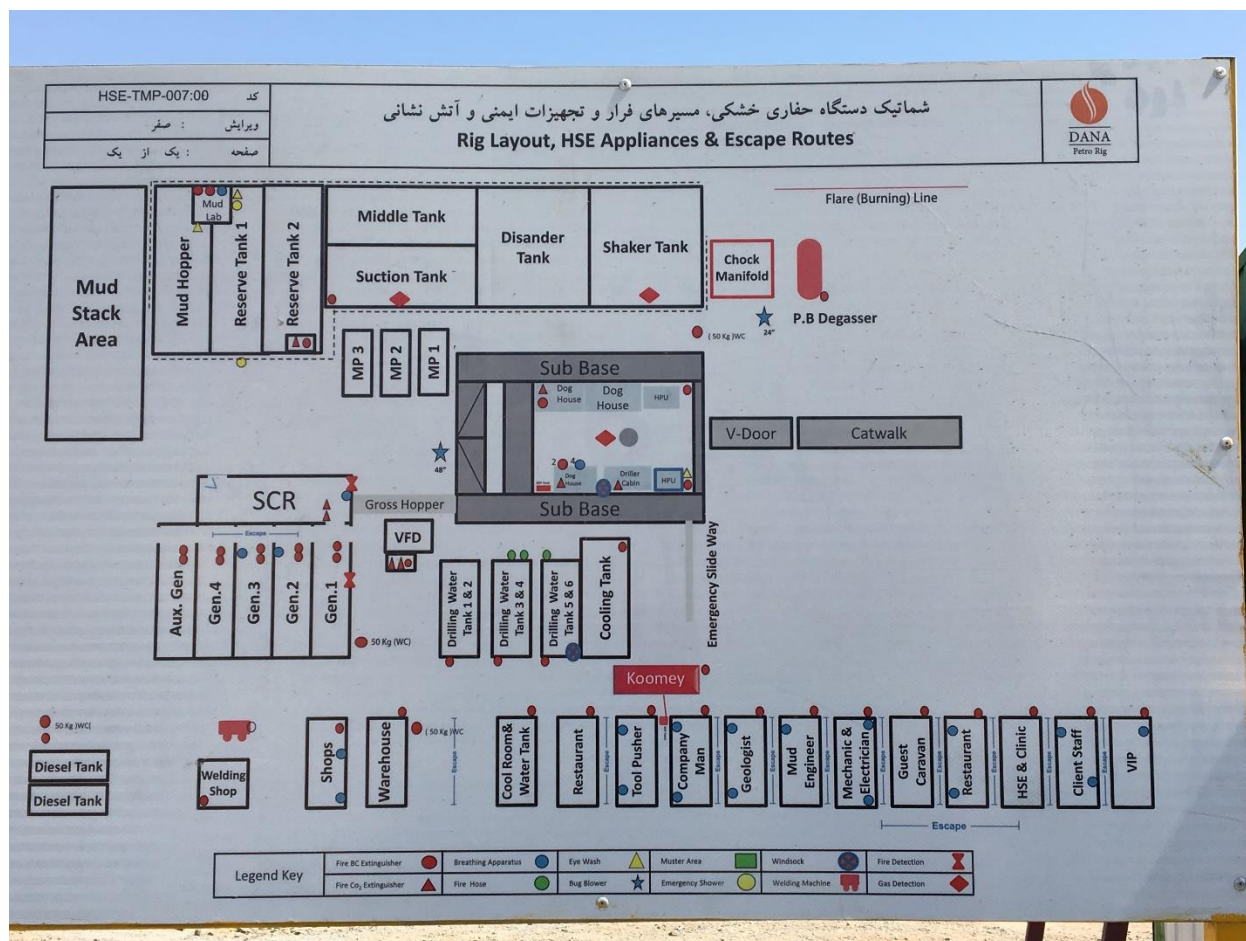
We assess, monitor and manage the risks associated with our operations through the hazard identification, risk assessment and implementation of proper control measures to minimize the risk. Every Dana Energy employee and contractor accepts safety as a job requirement, whether working at a desk or in operation.



## PROCESS SAFETY:

Process safety is a framework for managing the integrity of operating systems by applying good design principles, engineering, and operating and maintenance practices. Effective process safety management prevents the significant incidents with potential for serious injuries and

fatalities, widespread environmental impacts, and property damage. Our approach focuses on reducing incidents through the risk management. Dana Energy has implemented the regular safety inspection of work places, equipment and tools with using standard checklist.



## PERSONNEL SAFETY:

Personal safety measures that could effective in control of accident including:

- Procedures and proper SOPs.
- Safety training
- Enhancing HSE culture
- Motivating



- Infrastructure for employee involvement in safety matters.
- Proper supervision
- Evaluating the performance of personnel responsible for safety
- Personal protective equipment

We establish the proper infrastructure and database for recording and monitoring the safety performance indicators and benchmarking. Dana Energy management systematically reviews and is committed to improve company's safety.



#### SUBCONTRACTOR SAFETY CONTROL:

We expect our contractors to work systematically according to their own safety management system. We also expect that contract companies will self-verify that they are following and applying their own safety



management systems. We undertake safety, technical and quality pre-contract evaluation for new sub-contractors involved in potentially high-consequence activities. Also periodical and regular audit and inspection are carried out to ensure the desirable HSE performances of subcontractors.

#### SAFETY TRAINING:

For effective implementation of HSE-MS and continuous improvement in term of skill and knowledge training was considered one of important means. HSE trainings are arranged on different topics according to Dana Energy training matrix that is specifically developed for training requirement for each position. Records of all HSE trainings completed are maintained.

#### QHSE PASSPORT:

Providing QHSE passport was an effective activity to enhancing safety that performed on 2016.

The QHSE passport is a personal record of QHSE activities and performances. The data recorded reflect the personnel background QHSE information and also involvement in QHSE and commitment to implementation of QHSE management system. Training is an essential element of QHSE program and QHSE passport gives an easy way to track training records. QHSE Passport is also a proper means for monitoring health and medical examinations.



### FAIR TREATMENT:

We have zero tolerance for harassment, including sexual harassment or harassment or disrespectful behavior based on race, color, religion, sex, age, marital status, disability, or expression, veteran status, national or ethnical origin or other bases protected by Islamic Republic of Iran Constitution or applicable law, rule or regulation. All of our employees must treat other colleagues with respect, fairness, and dignity. All of our employees at every level have the right to work in an atmosphere that is free from harassment or disrespectful behavior.

### COMMUNITY ENGAGEMENT:

We are committed along with our partners and clients to care, being involved in meaningful activities as a good citizen in enabling communities and neighbors to enhance their lives, while their acceptance of us is essential to our ability to operate.

We strive to make a difference and be trusted neighbor and to answer people whose lives we touch, most vital needs: for food, water, shelter, transportation, communication, education, health and medicine.

### MEASUREMENT OF OUTCOMES:

Since Dana Energy became a member of UN Global Compact in February 2016, the company has increased its focus on ensuring that human rights are supported and respected in the course of carrying on its business, and that Dana Energy is not complicit in human rights abuses.

We uncover information through extensive discussion within our staff at all levels. The CEO and senior managers talk one-to-one with all key staff face to face in the relevant business lines. All senior management visit our projects on a frequent basis and any problems are resolved on the spot.

## TWO: PEOPLE

Our ambition is to avoid all serious accidents. Internal independent investigations are routinely initiated after fatal accidents and other serious incidents to identify the causes and reduce risk for recurrences. It is important that our employees enjoy good health, and feel safe and appreciated.

Healthy and motivated employees perform better and are more creative, and in that way contribute to increased profitability and better results. Our approach to improving safety performance is based on risk management, leadership qualities and shop floor engagement such as implement “stop card systems”.

### ATTRACTIVE EMPLOYER:

In order to deliver on our strategic goals and remain competitive, Dana Energy aims to be most attractive employer in Iran’s Oil and Gas industry to attract employees with the right competence. This means that Dana Energy is highly dedicated to attracting, developing and retaining competence to ensure our future success.



Our people service delivery process focuses on people performance and development, Dana Energy “We Listen”, includes semiannual performance review, annual appraisal dialogue, individual development plan and follow-up, as well as talent planning and succession management.

#### ANNUAL ENGAGEMENT SURVEY:

In 2016, 60 percent of employees had participated in annual Engagement survey. Our ambition is that all employees should be included by a coming year.

We are continually review and improving working conditions so that all employees, regardless of operability, have the clean, safe and comfort in their workplace.

Reorganizing and restructuring and continuous improvement are essential elements of our business operations. Our aim is to involve employees in such processes at an early stage in order to achieve the best results for the individual and for the company.

All employees shall receive a total compensation we offer employee value proposition that is fair, competitive, performance discriminative and in accordance with the local industry market and standard.

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour

Principle 5: the effective abolition of child labour

Principle 6: the elimination of discrimination in respect of employment and occupation

Dana Energy respects and promotes the four fundamental principles and rights at work as described in the International Labour Organization (“ILO”) Core Conventions in compliance with local legislation and regulations, and when they are rectified by

government. Company ensure its conducts are not in conflict with these principle:

- Elimination of all forms of forced or compulsory labour
- Effective abolition of child labour
- Elimination of discrimination in respect of employment and occupation
- Freedom of association and the effective recognition of the right to collective bargaining

#### CHILD LABOR:

Dana Energy operates in oil and gas projects across Iran and Middle East. This is a strongly regulated industry. The knowledge and training required in order to be allowed to work on exploration to production projects and the application of national laws eliminate the possibility for using child labour.

Dana Energy aims to ensure compliance with labour laws, rules and regulations in all the geographical areas and jurisdictions it operates in. It is Dana Energy understanding that the International Labour Organization Core Conventions are respected within its own operations, and within the operations of its suppliers, consultants and other business partners.

#### FREEDOM OF ASSOCIATION:

Dana Energy respects the freedom of association and the right to collective bargaining in compliance with article 26 of Constitution of the Islamic Republic of Iran, and Article 17 of Iran's labor act and international labor laws. Dana Energy with cooperation of labor office plans after receiving authorization.



### ELIMINATION OF ALL FORMS OF FORCED LABOUR:

Dana Energy requires that all employees enter into employment with the company of their own free will. The company does not accept any form of forced or compulsory labour. All of our employments are in compliance with Article 43.4 of constitution of Islamic republic of Iran and civil laws in Iran.

### ELIMINATION OF DISCRIMINATION:

We are committed to provide maximum opportunities for our people to grow, enabling them to find maximum opportunities for their own growth in order to grow together. Dana Energy does not accept any form of discrimination on the basis of age, gender, race, ethnic origin and political and religious convictions based on section 38 of Iran labour law. Employment related decisions shall be based on relevant and objective criteria.





#### WORKING HOURS:

Dana Energy will comply with all applicable local and national standards on working hours and according to chapter 3 division 2 of Iran labour law and specifically section 51 note 1, its does not exceed 44 hours in any week.

#### REMUNERATION:

Dana Energy will ensure that wages are paid in accordance to Dana Energy's pay philosophy and principles, our compensation is based on job evaluation that meets local laws and regulations, in Iran incompliance with Article 48 of labor law and the ministry of labor procedure number 49240-95/03/22, also we determine and set competitive salary scale and we administer performance pay. However we committed to compensate that is on or exceed the local government set minimum wages.

#### MEASUREMENT OF OUTCOMES:

We are abiding with all Labour Laws and we are never exposed for legal action for violation of any provisions of Labour Laws. We have 60% employee engagement.

## THREE: ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges

Principle 8: undertake initiatives to promote greater environmental responsibility

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Dana Energy cares for the environment as part of how we conducts our business. Dana Energy's environmental policy establishes a mandate that requires us to prevent or reduce the Company's environmental footprint and to continually improve our environmental performance strives to protect the environment and use natural resources more effectively. We had strengthened our focus in 2016 to strategically pursue waste reduction through procedures optimization at office and operation. Our areas of interest included:

- Waste management
- Energy saving
- Reduction of water consumption
- Reduction of Paper waste in head office



The basic measures on Environmental protection:

#### ENVIRONMENTAL ASPECTS:

Environment aspect assessment are conducted for all activities in both of office and operation.

Proper control measures are define to eliminate and minimize the Detrimental environmental aspects

Environmental standards

We developed the Environmental management system based on ISO 14001 and we are upgrading the standard to new edition 2015.



#### WASTE MANAGEMENT:

Our first waste management priority is to Prevent or minimize its generation, then to reuse or recycle it wherever possible.

We started the establishment of waste management in both of offices and operation on 2016.

Actions that have been taken on waste management on 2016:

- Measuring and goal setting to reduce waste generation
- Processes optimization to reduction of waste generation
- Personnel training and awareness raising
- Participation of employees on waste management
- Set up a waste recycling system
- We started with separating paper, glass and plastic at source in the first phase
- Collaboration with government agencies on recycling

### WASTE PAPER REDUCTION:

We planned to measure and monitor the amount of paper waste in Dana Energy head office. We measured the average amount of paper waste in head office with a team work. Also we calculated the Capita paper waste generated per person.



Amount of paper waste in Dana Energy  
head office in 2016



24 Trees cut

We set a target to reduce the paper waste to half for 2017

Also we considered the recycle plan for remained generated paper wastes

### BIODIVERSITY:

Dana Energy understands and appreciates the importance of biodiversity, and we work closely with national, regional and local governments to ensure compliance with applicable laws that protect wildlife.

This includes conducting endangered species assessments as part of our environmental reviews for permits, and changing or delaying operations to protect threatened or endangered species or their critical habitats.

Bird hunting ban and protecting Quebec in their habitat in BIBI HAKIMEH 3D seismic project.



### CLIMATE CHANGE:

We strive to lower carbon dioxide (CO<sub>2</sub>) emissions across our various operational facilities. This is achieved by maximizing equipment capacity and improving reliability as well as energy efficiency.

Enhanced GHG Emission Accounting and Reporting Mechanism:

We Developed the infrastructure for measuring, monitoring, reporting of hydrocarbon fuel consumption and GHG emissions. The accounting and tracking methodology aimed for better data consistency, reliability and comprehensiveness in measuring our performance levels throughout Dana Energy.

Improving Energy Efficiency Operations:

We conducted the energy consumption audit with collaboration a third party company in our seismic and drilling projects to set targets to energy saving .

### MEASUREMENT OF OUTCOMES

All of measurements were mentioned individually through all parts of this section, such as different environmental certificates and measurement of paper wasted.

## FOUR: ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Dana Energy strongly committed to promotes transparency and eliminate corruption in any form including bribery, conflict of interest, extortion, and money laundering, believing that this is vital to ensure good governance. The company promotes effective markets and sustainable development, and respects national and international laws.

Our strict adherence to the core values of respect, honesty and responsibility enables us to achieve the highest standards of ethics and integrity in conducting our business activities at all times.

We promote a culture that encourages an exemplary ethical conduct and commitment to compliance with legal and regulatory obligations addressing money-laundry, anti-bribery and corruption. We certainly believe that a robust ethics process drives sustainable, responsible growth.

We seek to outperform our competitors in a fair and honest manner. We seek competitive advantages through superior performance and knowledge, not through unethical or illegal business practices. Possessing trade secrets or other proprietary information that were obtained without the owner's consent or inducing such disclosures by past or present employees of other companies (or others affiliated with such companies) is prohibited. Each of our employees, directors, or managers should endeavor to respect the rights of and deal fairly with the company's clients, suppliers, business partners, competitors, and employees. No one should take unfair advantage of anyone through manipulation, cover up, abuse of privileged information, misrepresentation of material facts or any other intentional unfair-dealing practice.

The giving and receiving of gifts, meals, services or entertainment can be an effective and appropriate means of building and maintaining legitimate business relationships. However, in order to maintain trust and integrity with our clients, suppliers, business partners or others throughout conducting business with the company, it is important to be



prudent when accepting gifts. No Dana Energy employee, manager, or director should accept a gift that might be intended to influence, or appears to influence, a business decision.



## MEASUREMENT OF OUTCOMES

Since the Dana Energy does not tolerate any form of corruption or bribery, it continuously strive to pass on its corporate values to all employees (training etc.) and to efficiently implement measures of control. Actions will be taken to improve and develop adequate procedures.

We have not experienced any formal or informal corruption issues.

Health and safety Management System	In place
Quality Management System	In place
Environment Management System	In place
QHSE Policy	In Place
Code of Conducts	In place
Anticorruption Policy	In Place
Competition Law Policy	To be develop
Money Laundry	To be develop
Conflict of Interest Policy	In place
Driving Policy	In place
Financial Reporting Policy	In place
Employee Practices Policy	In Place
Personnel Policy	In place
Disciplinary & Sexual Harassment Policy	In place
Substance Abuse Police	In place
Trade Compliance Policy	To be develop
Employee Security Policy	To be develop

Community Relations	To be develop
Local Content	In place
Social Investment	To be develop
Indigenous Peoples and Cultural Heritage	To be develop
Land Acquisition and Involuntary Resettlement	To be develop

## UN Global Compact

As a member of UN Global Compact program, the Dana Energy has joined other companies striving to further the development, implementation and disclosure of responsible and sustainable corporate policies and practices.

[www.unglobalcompact.org](http://www.unglobalcompact.org)