



SUSTAINABILITY REPORT

2022

Introduction



Shelf Drilling is a leading international shallow water offshore drilling contractor with rig operations across Middle East, Southeast Asia, India, West Africa, Mediterranean and North Sea.

Our strategy is to maintain a sole focus on shallow water drilling services and leverage decades of industry experience and an outstanding track-record to provide best-in-class operations for our customers.

In This Report

CEO Sustainability Statement	2
2022 Sustainability Highlights	4
Sustainability at Shelf Drilling	5
Health & Safety	12
People & Society	20
Climate & Environment	36
Responsible Business Conduct	42
Shelf Drilling's Response to 11 TCFD Reporting Recommendations	49
2022 Disclosures	50

CEO Sustainability Statement

Our commitment to achieving incident-free operations remains unwavering and we achieved a Total Recordable Incident Rate (TRIR) of 0.16, delivering the best safety performance in our Company's history.



Our COVID-19 protocols and vaccination campaigns helped keep our employees safe and minimized operational downtime across our fleet throughout 2022. The gradual removal of most of the restrictions by governments, airlines and our customers ensured that our crews were able to go back to a more regular crew change schedule as the year progressed. Since the onset of the COVID-19 pandemic, our crews and their families have demonstrated an extraordinary commitment to comply with the demands imposed on them by the various protocols, and I would like to thank them for their strong and unwavering dedication to the Company.

The challenges of the last few years have highlighted the importance of mental health. Consequently, we worked with recognized experts to develop a Mental Health First Aid program that was rolled out to key employees during 2022. We are continuing to enhance this program as a result of the positive feedback received.

Our commitment to achieving incident-free operations remains unwavering and we achieved a Total Recordable Incident Rate (TRIR) of 0.16, matching the lowest in our Company's history. Our Make It Safer Today campaign continued to generate real engagement by our crews to identify potential incidents or hazards which contributed to this result.

We remain committed to reducing emissions from our operations and have set a goal to reduce our per-rig, per-day Scope 1 emissions by 20% over 5 years. We added key sustainability goals to our annual bonus program in 2022 to incentivize all participants throughout the Company. Our progress on these goals is summarized below and more fully described later in this report.

While we saw a reduction in our per-rig, per-day Scope 1 emissions of 5.5% in 2022 from the 2021 baseline, our fourth quarter emissions did not meet the 4% reduction target due to an increase in the number of rigs working in drilling operations versus workover or plug and abandonment. To set meaningful reduction targets for our rig-crews, we are continuing to look for ways to establish an activity-based metric and further enhance our measurement platform in 2023.

We also performed a detailed analysis in line with the Greenhouse Gas Protocol to identify further areas for assessment and inclusion in our reported Scope 3 data. Initial estimates for relevant categories have been included in this report.

We performed a comprehensive assessment of the salient human rights issues for our business and established action plans and metrics that will be further refined this year to ensure our compliance with the relevant requirements.

We formalized our Corporate Social Responsibilities program to support the communities in which we work with a focus on educational support.

We achieved an A- rating when benchmarked against the ESG 100 report produced by Position Green and a B- rating from the Carbon Disclosure Project, demonstrating that our sustainability program and reporting is considered upper quartile when compared to the benchmarked peers for our sector.

The acquisition of the five high specification, premium jack-up rigs from Noble Corporation allowed us to enter the North Sea market with scale. This transaction fits with our overall sustainability program and presents an opportunity to work with customers in a highly regulated market that aligns with our commitment to reducing the emissions from our operations. This also provides potential opportunities in carbon-capture and storage, a market that is further advanced in this region than the other areas where we work.

In 2023, we aim to enhance the quality, breadth, and reliability of our Scope 1 data capture through the assessment of several pilots launched last year to automate data capture for engine, fuel, and emissions parameters. Our Scope 1 reduction target continues to be included in our annual bonus program for all participants to drive down our emissions in line with our long-term goals.

This sustainability report is prepared in line with the recommendations of the Sustainability Accounting Standards Board (SASB), the Carbon Disclosure Project (CDP), the Task Force on Climate-related Financial Disclosure (TCFD) and, where relevant, is aligned with the Global Reporting Initiative (GRI) standards.

I would like to thank all our stakeholders for their continued support of Shelf Drilling.

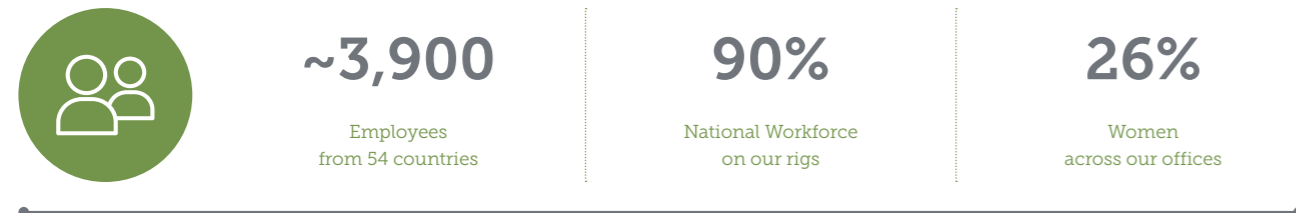
David Mullen
Chief Executive Officer

Sustainability Highlights

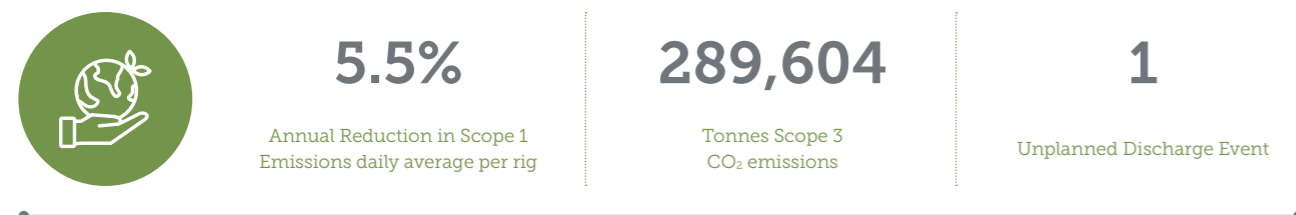
Health & Safety



People & Society



Climate & Environment



Responsible Business Conduct



Grade B-  **CDP**
for CDP
DRIVING SUSTAINABLE ECONOMIES

Grade A-  **ESG 100**
for ESG100

Sustainability at Shelf Drilling


At Shelf Drilling, sustainability is at the core of everything we do. We define sustainability as achieving commercial profitability in a way that is consistent with our fundamental ethical values and with respect for individuals, the environment, and society. Our core values – Protect, Lead, and Execute – align with this commitment and guide us in achieving our strategic priorities of Focus, Reliability, and Relationships with integrity and ethics.

We have three strategic priorities

Focus
Jack-up operations are our sole focus

Reliability
With safety and operational performance at the forefront of everything we do, we strive to create an environment where no one gets hurt.

Relationships
Our goal is to develop long-term and mutually beneficial relationships with customers and suppliers. We provide development for our people to support their long-term career goals.



Our business is based on three essential values

Protect
Protect yourself, your team, your asset and your environment.

Lead
We conduct business ethically, with responsibility and accountability.

Execute
We consistently deliver outstanding performance for our customers, owners and other stakeholders.

Who We Are

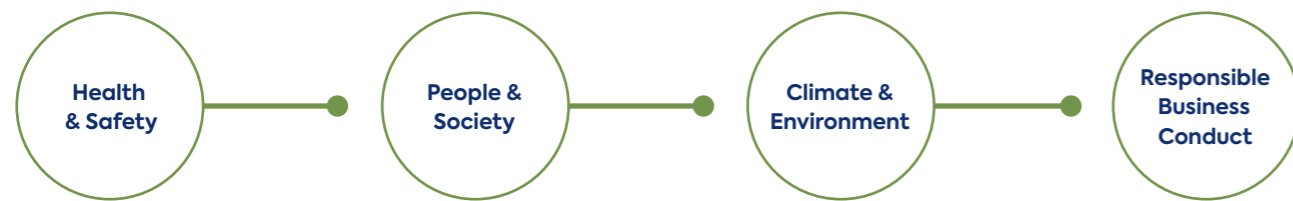
Shelf Drilling is a leading international shallow water offshore drilling contractor with rig operations across Middle East, Southeast Asia, India, West Africa, Mediterranean and North Sea. The Company was founded in 2012 and has established itself as a leader within its industry through its fit-for-purpose strategy and close working relationship with industry leading clients. Our strategy is to maintain a sole focus on shallow water drilling services and leverage decades of industry experience and an outstanding track-record to provide best-in-class drilling operations for our customers, while also prioritizing sustainability in our operations to ensure long-term success for our business and the environment.

Our Impact

As a leading drilling contractor, Shelf Drilling understands its significant responsibility to contribute to a sustainable future. We recognize that our operations can have a substantial impact on both the environment and people. We acknowledge that our activities may impact biodiversity and ecosystems, and have inherent risks related to health, safety, human rights, integrity, and security.

However, we are also aware of our responsibility and potential to make significant positive contributions by providing society with essential energy, contributing to socio-economic development through job creation, and empowering our people with opportunities to grow in a professional, safe, and trusted working environment. We remain committed to upholding human rights across our value chain and mitigating any potential negative impact. As a global company operating in various regions, we take our responsibility seriously to ensure compliance with a variety of regulatory frameworks. This ensures that we deliver success in the right way and win the trust and confidence of our customers and stakeholders, including the governments and the communities in which we operate.

Our sustainability governance, management and performance are measured across the following four key focus areas.



How We Manage Sustainability

Sustainability Policy

Our commitment to sustainability is anchored in our overarching [Sustainability Policy](#). The policy sets forth the basic principles for business practices, management approach and personal behavior for Shelf Drilling. Drawing on key existing policies, requirements and standards, the sustainability policy provides stakeholders with a clear overview of how we are committed to sustainability and how we put it into action. The policy applies to all employees, as well as consultants acting on our behalf, and was approved by our Board in 2020. It is anchored on corporate level in our Company Management System, and publicly available on our website, reflecting our commitment to transparency and accountability. By setting clear policies and expectations, we aim to integrate sustainability into every aspect of our operations and culture.

Other Policies & Procedures

Shelf Drilling has adopted, and regularly updates, several other policies, procedures and controls to ensure compliant management of sustainability-related activities. These include **Code of Business Conduct and Ethics**, **Global Anti-Corruption Policy**, and **Vendor Code of Conduct** which were updated in 2020 to include key sustainability matters. Further, our **Rig Recycling Policy** outlines the procedures we follow to ensure that all rig disposal activities are conducted in compliance with relevant laws and regulations, and in a manner that minimizes risk to people and the environment.

Our employees are required to abide by the established policies in conducting their activities for Shelf Drilling and we have implemented training as well as a system for monitoring compliance. We continuously review and improve our policies and procedures to ensure that we are achieving our goals and complying with evolving regulations. For additional information on our policies and how we manage sustainability at Shelf Drilling please visit our website www.shelfdrilling.com.

Corporate Governance of Sustainability

At Shelf Drilling, we believe that effective governance structures are critical to ensuring that sustainability is integrated into all aspects of our business, from strategy development to risk management to day-to-day operations. Our governance approach is designed to promote accountability, transparency, and stakeholder engagement, and it involves multiple layers of oversight and management. An overview of our governance framework for sustainability is outlined below.

- **Board of Directors** of Shelf Drilling regularly engages with management and external advisors to discuss, review and approve (where required) the Company's sustainability-related strategy, risk management, and performance.
- **Audit Committee of the Board** oversees the Company's risk management programs, including Enterprise Risk Management (ERM), that fully incorporates risks associated with climate-change and other sustainability related matters.
- **ERM Steering Committee**, which is chaired by the CEO and includes all executive management and other key management within the Company, owns and drives the ERM process including an annual review of the Company's risks and mitigation priorities.
- **Chief Executive Officer** is responsible for operationally driving the Company's sustainability strategy and performance. The CEO chairs the Company's ERM Steering Committee and has the ultimate responsibility for ensuring that the Company's risks (including sustainability-related) are assessed and appropriate mitigation and monitoring measures implemented.
- **Management Sustainability Steering Committee**, which is chaired by the Executive Vice President, oversees the development and implementation of our sustainability goals, including those approved by the Board. The committee meets regularly to propose and monitor the progress of various sustainability initiatives and efforts.
- **Rig Steering Committees** on each rig uphold our sustainability standards offshore, including monitoring of environmental and safety efforts, and sharing best practices and lessons learned across our fleet.

We also recently added Sustainability Manager position to our team. This role is responsible for leading the development and implementation of our sustainability plans, ensuring alignment with global best practices and industry standards. By dedicating a specific role to sustainability management, we aim to strengthen our commitment to sustainability and drive meaningful progress towards our goals.

Performance Assessment

Our annual bonus program rewards company performance for the year based on a comprehensive set of performance indicators which include sustainability-related goals including Scope 1 emission reduction and safety. This bonus program applies to our OIM's on the rig and all management position across the Company, including our executive management team further integrating sustainability into our Company culture and operations.

Risk Management

Shelf Drilling established a comprehensive ERM process in 2014 that has continued to be refined and enhanced over the years. The ERM framework helps identify and assess the likelihood and impact of all risks, hazards, or other threats to our business activities, and to define specific mitigation and monitoring measures to reduce their potential impact. We re-assess all identified risks annually and discuss the top risks with the ERM Steering Committee, the Audit Committee, and the Board. Our ERM outcomes help establish the Internal Audit plan, which is approved by the Audit Committee each year. In 2022, we refreshed our ERM approach by integrating a management readiness assessment to our consolidated risk framework, which further helped us identify and prioritize the top risks and streamline our action planning and tracking.

Climate Risks

Shelf Drilling recognizes that climate change brings regulatory, reputational and/or market risks and opportunities for us. To manage these risks, we conducted a climate risk review in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The review identified several physical and transitional climate-related risks and opportunities relevant to Shelf Drilling which were integrated into our ERM process. Like all other risks, we developed mitigation measures for these risks, assigned responsibility to management team members, and monitor regulatory developments and customer requirements on an ongoing basis.

The following table provides a summary of the climate risks review and management actions.

Risk Category	Risks Identified	Management Action
Physical Risks	<ul style="list-style-type: none"> - Extreme weather, floods, and drought affecting employee safety and wellbeing and causing damage to assets, suspension of operations and/or disruption of supply chains 	<ul style="list-style-type: none"> - Robust measures to ensure employee health, safety and wellbeing in case of extreme heat - Education of employees on how to recognize and mitigate effects of extreme heat - Localization of supply chains/ development of "national content" where possible
Regulatory & Liability Risks	<ul style="list-style-type: none"> - Potential for carbon tax, or other regulations, leading to increased cost of operations, cost of compliance or restriction of activity - Potential for lawsuits from parties who suffer damage leading to increased costs 	<ul style="list-style-type: none"> - Monitor policy and regulatory developments - Investments in emissions reduction measures, targets and technology
Technology Risks	<ul style="list-style-type: none"> - Breakthroughs or incremental improvements requiring investments - Existing technologies becoming obsolete leading to write-offs 	<ul style="list-style-type: none"> - Investments in plug & abandonment projects, pursuing carbon capture - Collaboration with external stakeholders, industry associations to collaborate and drive innovation
Market Risks	<ul style="list-style-type: none"> - Change in consumer and investor behavior causing change in company valuation and access to capital - New production models affecting viability of business model 	<ul style="list-style-type: none"> - Scenario analysis and consultation with industry experts to demonstrate business resilience - Enhanced transparency and disclosures in sustainability reporting - Stakeholder engagement and communication
Reputational Risks	<ul style="list-style-type: none"> - Concerns surrounding the nature of the Company's activities and impacts damaging brand value - Talent attraction and retention 	<ul style="list-style-type: none"> - Stakeholder engagement and communication - Competitive compensation and benefits and focus on employee wellbeing

The table on page 49 an overview of Shelf Drilling's responses to the 11 TCFD reporting recommendations as cross-referenced to various sections of this Sustainability Report, our [2022 Form 10-k Equivalent](#), and our [2022 CDP disclosure](#). We believe these details will help our investors and all other stakeholders better understand how Shelf Drilling is positioned to manage the risks and opportunities associated with climate change.

Scenario Analysis & Consultation with Industry Experts Demonstrates Business Resilience

In 2021, the Board reviewed with Rystad Energy and the management team the potential impact of climate change on oil and gas demand across a number of scenarios as part of a review on opportunities associated with the energy transition – this was an update to a similar review conducted in 2019. Based on the outcomes of this review combined with the following factors (also covered in the subsequent section), the Company sees continued long-term demand for its services across all of the scenarios considered.

We believe our operating footprint makes us resilient to climate change risks, and includes:

- Our sole focus on jack-up operations and core operating areas which have relatively lower emissions compared to other regions and offshore rig types.
- The shallow water areas where jack-ups operate represented approximately 18% of the world’s total liquids production in 2022.
- In 2022, 42% of our total operations (by number of wells) were in brownfield projects while 56% were from P&A. These activities are more resilient across all climate change scenarios.

To demonstrate our commitment to a net-zero economy, we have introduced emissions reduction targets for 2022 onwards that are based on a methodology consistent with the Science Based Targets initiative (SBTi).

Our Contribution to Energy Transition

As the world pursues the objectives of the Paris agreement, oil and gas will remain a significant part of the global energy mix for many years to come. While we recognize the imperative of reducing greenhouse gas emissions, we also acknowledge the reality that hydrocarbons will continue to be needed to meet the growing energy demand, especially in emerging economies.

Shallow water operations, which are our sole focus, deliver hydrocarbons at lower cost and lower CO2 per barrel than most other areas, making them a key source of oil and gas supply. Shallow water fields, and the Middle East in particular, are significant contributors to the oil and gas supply and are projected to deliver an increasing percentage of the world’s supply under most climate change scenarios. Our role is to support our customers’ oil and gas drilling, workover, and abandonment programs in a safe, reliable, and environmentally responsible way. We have implemented measures to track and reduce the emissions from our activities, as described in this report.

In addition to our core services, Shelf Drilling has invested heavily to develop a strong expertise in plug and abandonment (P&A) operations, an area with significant activity in Thailand where we partnered with a major customer to develop a unique, highly customized approach that delivered results that exceeded expectations. As more fields reach the end of their productive life, the demand for P&A services is expected to increase, creating new opportunities for us to grow our business in a significant area for the circular economy.

Our recent acquisition in the North Sea presents a strategic opportunity for us to further expand this service offering in a region with a demonstrated potential for decommissioning projects. We also see a growing market for Carbon Capture and Storage (CCS) projects, where the North Sea is more established than other regions where we operate. Leveraging our proven P&A capabilities, we aim to participate in CCS projects and contribute to the global efforts to achieve net-zero emissions.

In summary, Shelf Drilling is committed to playing a constructive role in the energy transition, recognizing the need to balance the imperatives of energy security, affordability, and sustainability. We will continue to innovate, collaborate, and invest in our people, assets, and technologies to serve our customers and contribute to a better future for all.

Our Approach to Sustainability Reporting

Our Material Topics Contribute to the UN Sustainable Development Goals

Within our four sustainability priorities – health & safety, people & society, climate & environment, and responsible business – we have identified 13 material topics as (listed on next page) through a materiality assessment performed in 2020 that included an outreach to key stakeholders. We validated in 2022 that these remain relevant for our business. In this report, you will find information on these material topics, why they are material to Shelf Drilling, and how we manage them. Corresponding key performance indicators measuring our progress against each of the material topics is included in the table of disclosures on page 50.

Further, we recognize the responsibility of our business and our sector to support the achievement of the UN Sustainable Development Goals (SDGs). Our operations and material topics present particularly strong opportunities to have a meaningful and sustainable impact on the attainment of several SDGs to our business.

Stakeholder Engagement

Shelf Drilling values engagement with our stakeholders, including our customers, employees, investors, communities, and regulatory bodies, to ensure that we understand and meet their expectations regarding sustainability. We seek feedback from our stakeholders to inform our sustainability strategy, and we communicate our sustainability performance to them on an ongoing basis through various channels, including our website, annual report, and sustainability reports.

Additionally, we engage in dialogue with stakeholders to address any concerns and to identify opportunities for improvement. Through stakeholder engagement, we seek to build trust and collaboration, identify sustainability risks and opportunities, and align our sustainability strategy with stakeholder expectations.

Our Material Topics & SDG Framework

Sustainability Focus Areas	Material Topics	Why it Matters	Selected SDGs	Our Ambitions
Health & Safety	Health and Safety	Our greatest responsibility given the inherent risks in our operations and footprint	3 GOOD HEALTH AND WELL-BEING	- Providing a safe working environment through prevention, continuous improvement, and innovation
	Employee Security		8 DECENT WORK AND ECONOMIC GROWTH	
People & Society	Local Employment	Long-term sustainability and resilience of our operations, inclusive growth	1 NO POVERTY	- Develop strong and competent local leadership wherever we operate - Building strong partnerships with local communities - Building an inclusive workplace, free from discrimination - Work collaboratively with all stakeholders to promote respect for human rights across our value chain
	Local Community Development		3 GOOD HEALTH AND WELL-BEING	
	Employee Development & Retention	Builds skilled, motivated, and engaged workforce	8 DECENT WORK AND ECONOMIC GROWTH	
	Employee Wellbeing	Our ethical responsibility	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	
Climate & Environment	Human Rights	Fundamental to the dignity and well-being of every person working directly or indirectly in our operations		
	Greenhouse Gas Emissions	Our operations are resource-intensive and have a significant GHG profile	13 CLIMATE ACTION	- Reduce our daily per rig Scope 1 emissions by 20% over 5 years - Partner with stakeholders on innovative technologies to reduce GHG profile - Promote behavioral changes of employees in support of our climate & environment goals
	Environmental Impact – Spills & Releases		14 LIFE BELOW WATER	
Recycling & Waste Management				
Responsible Business Conduct	Anti-corruption and Bribery	Ensure ethical and legal compliance mitigating the reputational and financial risks to our business	8 DECENT WORK AND ECONOMIC GROWTH	- Promote ethical practices across value chain - Strengthen business continuity plans re cybersecurity incidents
	Responsible Procurement		16 PEACE, JUSTICE AND STRONG INSTITUTIONS	
	Information Security			

Industry Initiatives

As a member of the International Association of Drilling Contractors (IADC), Shelf Drilling closely monitors industry developments and the future of oil and gas companies in relation to sustainability. We actively participate in the IADC’s Sustainability Committee, which facilitates the exchange of information on sustainability-related standards, definitions, and best practices among its members and standards organizations. Through this collaboration, we work to improve consistency in sustainability reporting across our sector.



Sustainability Recognition

We recognize the importance of sustainability ratings and reports as sources of information for investors, analysts, and other stakeholders. Therefore, we engage with various agencies to gather feedback continually. By doing so, we aim to better understand stakeholder expectations and identify areas where we can enhance our sustainability performance reporting.

Key 2022 Ratings



ESG100 Rating 2022
(Position Green¹)
Grade “A-”
Score 3.03

Shelf Drilling's total ESG score ranks within the top 30 of the 100 largest companies² on the Oslo Stock Exchange



Carbon Disclosure Project (CDP)
Grade “B-”

Shelf Drilling's Climate Change rating for 2022

Note (1): Annual review of the sustainability reporting of the 100 largest companies by market value listed on the Oslo Stock Exchange by Position Green

Note (2): By Market Cap

About This Report

Reporting Framework and Disclosures

This report is prepared in alignment with the Sustainability Accounting Standards Board (SASB) reporting recommendations and based on the Euronext (Oslo Børs) Guidelines to issuers for ESG reporting.

The disclosures on page 50 are based on the SASB recommendations for the oil and gas exploration and production and services sectors^{2,3}. We have previously reached out to SASB to discuss the applicability of the recommendations to our business and operations and, based on their feedback, we have included relevant indicators from the two different recommendations to best match Company characteristics.

To provide relevant information related to areas identified as material to Shelf Drilling, additional indicators are included, based on the Global Reporting Initiative (GRI) Standards⁴ and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)⁵. Customized indicators are also included.

The table of disclosures is structured around our key sustainability areas. The following chapters follow the same structure and provide in-depth information.

Reporting Period & External Assurance

The Sustainability Report covers the period of the 2022 calendar year. The Sustainability Report is published annually, as part of the Annual Report and as a standalone report. The Company's previous Sustainability Report was published in March 2021. Sustainability disclosures contained in this report have not been externally assured.

Contact Point

Ian Clark

Executive Vice President
Ian.Clark@shelfdrilling.com
+971 4 567 3606

² https://www.sasb.org/wp-content/uploads/2018/11/Oil_Gas_Exploration_Production_Standard_2018.pdf

³ https://www.sasb.org/wp-content/uploads/2014/06/NR0104_ProvisionalStandard_OGServices.pdf

⁴ <https://www.globalreporting.org/>

⁵ <https://www.fsb-tcf.org/>



We believe transparency is crucial for building trust and promoting informed decision-making, which is why we are committed to providing relevant sustainability information to our stakeholders.

Health and Safety

2022 Highlights

0.16

Total Recordable Incident Rate

0.04

Lost Time Incident Rate

6.31

Total Potential Severity Rate

~71,000

Hours of safety training performed

Material Topics

- Health & Safety
- Employee Security



Our Three Pillars of HSE



01

PROTECT YOURSELF



02

PROTECT OUR TEAM



03

PROTECT ASSETS & ENVIRONMENT



At Shelf Drilling, the safety of our employees, contractors, customer representatives, and other service providers is our greatest responsibility. A safe and healthy workplace not only protects our employees from harm but also enhances productivity, efficiency, and morale. Our safety approach includes identifying potential risks, implementing measures to prevent incidents, and educating our employees and partners on best practices. We are committed to operating in a manner that protects all stakeholders, and our safety practices are constantly evaluated and improved to ensure that we maintain the highest standards.

Our commitment to safety goes beyond meeting regulatory requirements. We aim to foster a safety culture that empowers all of our employees to actively contribute to safety and to take responsibility for their actions. All employees at Shelf Drilling are given the necessary training, tools, and empowerment to take individual responsibility for their safety, the safety of their colleagues, and the environment. **We believe that safety is a shared responsibility**, and we encourage open communication and feedback to continuously improve our safety practices. We are proud of our safety record and remain committed to maintaining safety standards as we strive to achieve our vision of incident-free operations.

HSE Policy

Our Health, Safety, and Environment (HSE) Policy Statement forms the basis of our commitment to maintaining a safe and healthy work environment and outlines the obligations of our employees to uphold this commitment. It also sets out Shelf Drilling's continuous improvement approach to health and safety. The policy is signed and communicated by the CEO, documented in the Company Management System and published on the Company website and on posters throughout our facilities. Our management and employees are dedicated to achieving our **HSE Vision, which is to create an incident-free workplace where no-one gets hurt.**

HSE Management System

Shelf Drilling HSE Management System is a comprehensive set of policies, processes, and procedures aligned with industry best practices and implemented across our operations. The system provides a framework for identifying, assessing, and controlling health, safety, and environment risks throughout our operations. The system monitors our HSE performance and continuously improves the necessary safeguards to protect our employees, assets, service providers and customers. Our HSE system is regularly reviewed and updated to ensure that it remains effective in mitigating risks and improving our safety performance.

Management Commitment

As a company, we are committed to providing robust and demonstrable leadership in the area of health and safety. The Chief Executive Officer (CEO) bears the ultimate responsibility for the health, safety, and welfare of all personnel working at Company installations, facilities, and offices. Our Senior Management regularly participates in meetings with customers, staff, and contractors, and conducts inspections and audits to ensure our HSE programs are effective. A robust HSE organization and a committed and focused workforce further support and control the health and safety aspect of our operations.

The Quality Management Steering Committee (QMSC), consisting of the Executive and Senior Management, meets annually to discuss the Company's HSE-related performance, action items, and goals. Through this committee, we ensure that the Company's leadership remains informed about HSE matters and can make informed decisions about how to improve our HSE programs.

Why it matters

- It's our biggest responsibility
- Risk management
- Legal & regulatory compliance
- Maintaining stakeholders' trust

Anchoring Our Safety Culture

 Visible Safety Leadership	 Planning First
 Self-Audits & Debriefs	 Time Out for Safety
 Employee Training	 Safety Observations & Awareness
 Continuous Improvement	

Planning First

Planning is the first step to create a working environment where no one gets hurt as well as for the successful management of risks. Two key policies focused on the analysis of potential hazards and risks within the HSE system are the **Risk Assessment Process** and **Safety Conversations**. The Risk Assessment Process requires personnel to think about everything they do before actually doing it, plan, risk assess and monitor the task. Good planning ensures the task is done right, the first time. Safety Conversations reinforce safe behavior while correcting any unsafe acts or conditions and are vital to ensure we maintain and improve safe behavior. The use of a **Time Out for Safety** and Safety Conversations is our first line of defense and is an obligation for every Shelf Drilling employee to use when they see unsafe conditions or acts or want to promote good behaviors.

Performance Monitoring

We track key HSE performance indicators, trends and investigations using a monthly HSE Report and our custom designed safety database called “Dashboard”. The Company’s Board of Directors maintains oversight of HSE performance, and they receive regular reports on our HSE performance and plans. Our Senior Management sets the overall HSE objectives and improvement actions for the year which are signed-off by the Board of Directors at the beginning of the year. We also share the safety performance data with employees to drive safety improvements. As a member company of the International Association of Drilling Contractors (IADC), we participate in their Incident Statistics Program to assist in the industry’s efforts to improve safety on oil and gas rigs by providing data on incident trends and rates.

We have established clear and simple processes for reporting incidents, near-misses, and hazards, and provide training to employees on how to report and to ensure that they understand the importance of reporting. We conduct thorough investigations of all incidents to determine the root causes and contributing factors followed by the development and implementation of corrective and preventive actions.

We conduct regular safety audits and inspections to identify areas for improvement and ensure compliance with regulatory requirements and industry standards. Our installation managers perform monthly Self-Verification Audits (SVA), and a team of corporate assessors conducts a Management System Assessment (MSA) on each installation every two years to identify areas for improvement.

HSE Results

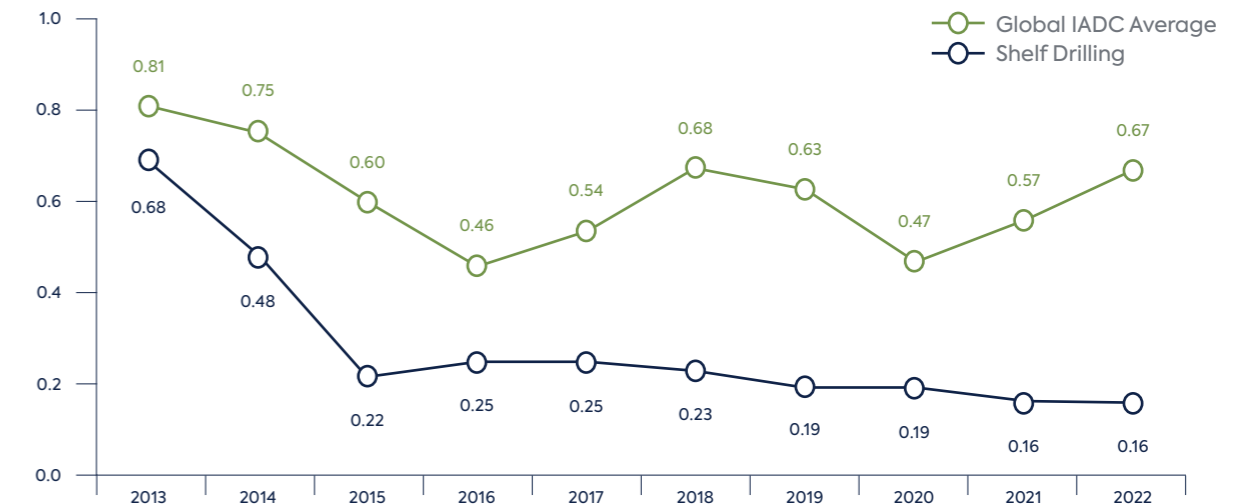
In 2022, we achieved an outstanding safety performance with a Total Recordable Incident Rate (TRIR) of 0.16 against a target of 0.15, and a lost-time incident rate (LTIR) of 0.04. TRIR matched the lowest in our Company’s history. Moreover, our entire fleet operated for a total of seven months in 2022 without any recordable incidents, with four of those months being consecutive. These accomplishments demonstrate that our vision of incident-free operations is achievable, and we remain committed to continuously improving our safety performance. In 2022, 23 of our active and project rigs operated with no recordable incident all year. As of the end of 2022, 24 rigs had successfully operated for over 5 years without experiencing a Lost-Time Incident (LTI). Our TRIR continues to be significantly lower than the worldwide industry average as reported by IADC, as illustrated in the chart below.

23 Rigs
had **ZERO**
Recordable
Incidents
in 2022



Safety Track Record (TRIR)

Our TRIR continues to be significantly lower than the worldwide industry average as reported by IADC, as illustrated in the chart below.



Source: International Association of Drilling Contractors (IADC) website and Company figures as of December 31, 2022.

Goal	Indicators	2023 Target	2022 Target	Results		
				2022	2021	2020
Creating an environment that results in an incident free workplace where nobody gets hurt	Fatalities	Zero	Zero	0	1	0
	Total Recordable Incident Rate (TRIR)	<=0.15	<=0.15	0.16	0.16	0.19
	Lost Time Incident Rate (LTIR)	<=0.03	<=0.03	0.04	0.02	0.00
	Total Potential Severity Rate (TPSR)	No Target	No Target	6.31	4.92	2.91



Make It Safer Today (MIST)

At Shelf Drilling, we reinforce our safety culture through active safety awareness communications and targeted campaigns. As an example, to support us in striving for Perfect Execution, we launched the Make It Safer Today – MIST Program in 2022. MIST incentivizes identification and reporting of any unsafe condition or situation that may have otherwise led to an incident, as well as encouraging every initiative taken by our crews to improve the overall safety of our operations. The program includes awards and recognition tiers for the crews, from local level all the way to the CEO level, who is the ultimate program sponsor.

The ongoing program is already a major success across the organization and has received an overwhelming response and participation from our employees. A number of potential incidents were prevented by way of reporting 14,955 “good catches” under the program in 2022.

Good Catches in 2022

14,995
Total 2022

1,246
Per Month

482
Per Rig

>1
Daily Per Rig



Emergency Preparedness

Risk Assessments

The first step to ensure emergency preparedness is to identify and evaluate our operational risks and potential major hazards. Therefore, all our rigs undertake a MHRA – Major Hazards and Risks Assessment – which involves identifying potential hazards and their consequences, assessing the likelihood of occurrence and the severity of their impact, and implementing appropriate measures to minimize the risk of harm. Major hazards include incidents such as blowouts, fires, helicopter crashes and boat collisions. MHRA is a key part of our Hazard and Integrity Management system.

Our ambition is to reduce the risks to As Low as Reasonably Practicable (ALARP) levels. However, we also have the following extensive strategies in place to respond to emergency situations.

1. Emergency Response Procedures

We have well-defined emergency response procedures, including Emergency Response Plans and Medical Emergency Response Plans, that are communicated to all employees, contractors, and customers. These procedures cover a wide range of emergency situations, including the major hazards identified in our MHRA.

4. Emergency Drills

Regular emergency drills are conducted to ensure that all personnel are trained and prepared to respond to any emergency situation. These drills are also an opportunity to evaluate the effectiveness of our emergency response procedures and make necessary improvements.

2. Equipment and Resources

We have equipped our rigs and shore-based facilities with the necessary equipment and resources to respond to emergency situations. This includes fire-fighting equipment, personal protective equipment, medical equipment, and emergency generators.

5. Continuous Improvement

We continuously review and improve our emergency preparedness plan, including our MHRA approach, to ensure that it is up to date with the latest best practices and technologies.

3. Communication and Coordination

We have established communication and coordination procedures to ensure that all parties involved in an emergency response are on the same page. This includes communication protocols with local authorities and emergency services.

Employee Security

In some operational jurisdictions, physical security risks exist for our people and rigs. We work closely with global security experts in high-risk countries to assess and mitigate the security risks associated with our operations. We have implemented comprehensive security plans based on a 4D security strategy which utilizes a combination of physical and procedural security measures to minimize the risk of harm to our personnel.

The four steps of the 4D Security Strategy are as follows:



Further, all supervisors and/or selected crew members assigned to Company installations in high-risk jurisdictions are provided with extensive training by third-party providers covering a wide range of topics such as personal safety, situational awareness, anti-piracy, kidnap response awareness, emergency response procedures, and communication protocols.

HSE Training

As a drilling contractor company, it is crucial to ensure that all employees receive adequate HSE training, including those working on rigs, in offices, and at project sites. Comprehensive HSE and Emergency Response Training is delivered to all our offshore and onshore employees and contractors. We understand that different roles require varying levels of training, which is why our training content and extent are tailored to each employee's job responsibilities. The content and extent of the training provided is role-dependent and more extensive for those holding emergency response responsibilities. Competency is also evaluated through the On Job Training (OJT) system.

We go a step further in ensuring that every person visiting our rigs or shore-based facilities undergoes training on our HSE management system. For personnel assigned to a new customer or a prolonged out-of-service project, specific shore-based training is provided. For high-risk offshore positions, such as Driller and Crane Operator, we offer IADC-endorsed Competency Assessments to guarantee that we have the most trained and skilled personnel in such key roles.

We regularly organize Safety Leadership Training and HSE Supervisor Trainings for our offshore employees, while our One Team, One Goal workshops include everyone who works on our rigs, including customer representatives and third-party service providers. These workshops are an excellent opportunity for rig supervisors and junior crews to refresh and strengthen their knowledge of the Shelf Drilling Safety Management System and its application, which ultimately ensures the safety of all involved in our operations.

2022 HSE Training Records	Offshore	Onshore	Total
HSE Training Hours	70,345	632	70,977
Number of Employees	3,430	437	3,867
Average HSE Training Hours Per Employee	20.5	1.4	18.4

Looking Ahead

We are committed to continuously improving our health and safety performance through a strategic approach that focuses on prevention, continuous improvement, and innovation. We will remain vigilant in identifying potential hazards and implementing controls to prevent accidents and injuries. We will continue to foster a safety culture that empowers all employees to take an active role in safety and to contribute to the continuous improvement of our health and safety management system. We will also remain abreast of the latest developments in health and safety practices and technologies and implement them where appropriate.

We believe that a safe workplace is not only our obligation to our employees but also a key driver of our long-term sustainability, and we remain committed to prioritizing health and safety in all aspects of our business.

Our ultimate goal is to achieve zero accidents and injuries, and we will continue to work towards this goal by continuously improving our safety practices and seeking innovative solutions to safety challenges.



People and Society



2022 Highlights

13

Locations

~3,900

Employees

54

Nationalities

26%

Total Females
Onshore

90%

Offshore
National Content

Material Topics

- Local Employment
- Employee Development & Retention
- Employee Wellbeing
- Human Rights
- Local Community Development



At Shelf Drilling, we firmly believe that a healthy, engaged, and competent workforce is essential to our success. Our commitment to empowering our people includes providing a professional, safe, and trusted working environment where every individual is treated with respect, fairness, and dignity.

As a global company operating in various regions, we take our responsibility seriously to ensure compliance with labor laws and maintain good working conditions for our employees worldwide. In 2022, we expanded our operations into the North Sea region and welcomed over 400 new employees into our team at Shelf Drilling. Our Company culture values open communication, collaboration, and regular feedback and recognition, and we believe that these values will help us to build a stronger, engaged and more successful team as we move forward.

We remain committed to upholding human rights across our value chain and mitigating any potential negative impact. It is critical for us that we succeed as a diverse, inclusive, people-centric company while making positive contributions to the development of local communities where we operate.

Local Employment

Nationalization is a key element of our Company's strategy. We prioritize local employment and work closely with local stakeholders to foster mutually beneficial partnerships that support our business goals, personal development for our employees and positively contributing to the communities in which we operate.

Since our inception, we have been committed to hiring and developing nationals from the countries where we operate, including in our leadership teams, to build high national content. As of December 31, 2022, our offshore workforce consists of 90% nationals, a testament to our sustained focus on increasing national representation in our workforce.

Our high national content has resulted in numerous benefits, including stronger relationships with customers and government entities, especially National Oil Companies (NOCs). It has also helped to lower our cost base and reduce employee turnover, which enhances the stability and continuity of our operations. Furthermore, our nationalization strategy has had a significant positive impact on local economies, creating employment opportunities and increasing income, which directly aligns with our commitment to UN SDG 8 (Decent Work and Economic Growth) and SDG 9 (Industry, Innovation and Infrastructure).

With 54 different nationalities represented across our Company's corporate headquarters, 13 field locations, and 36 active rigs, we are fostering a culture of inclusivity and diversity that drives innovation and growth in our industry.

Why it matters

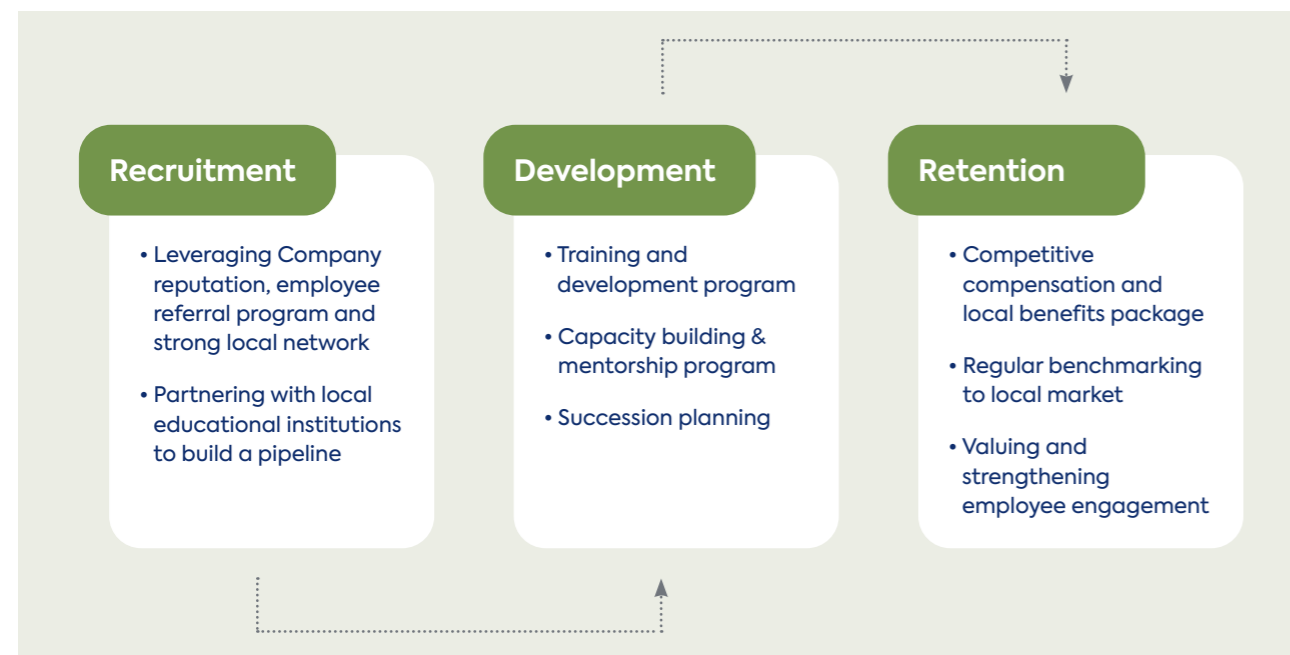
- Strong customer and governmental relationships
- Lower employee turnover
- Competitive operating costs
- Long-term sustainability & resilience

Our Approach

Our ongoing nationalization efforts include our commitment to hiring and training local talent, partnering with local educational institutions to build a pipeline of skilled workers, providing opportunities for career growth and development, and ensuring the long-term retention of our employees through competitive compensation and benefits, robust employee engagement programs, and a supportive workplace culture.

Our **Offshore Development Program** aims at accelerating the development of nationals into roles with more responsibility. The program has been instrumental in achieving 95% nationalization in Thailand as of the end of 2022, resulting in a competent and capable local workforce that is equipped with the skills and expertise to drive our business forward. Building on this success, we are now focused on strengthening the program in Saudi Arabia and Angola, with a particular emphasis on the development of local Supervisors and Managers.

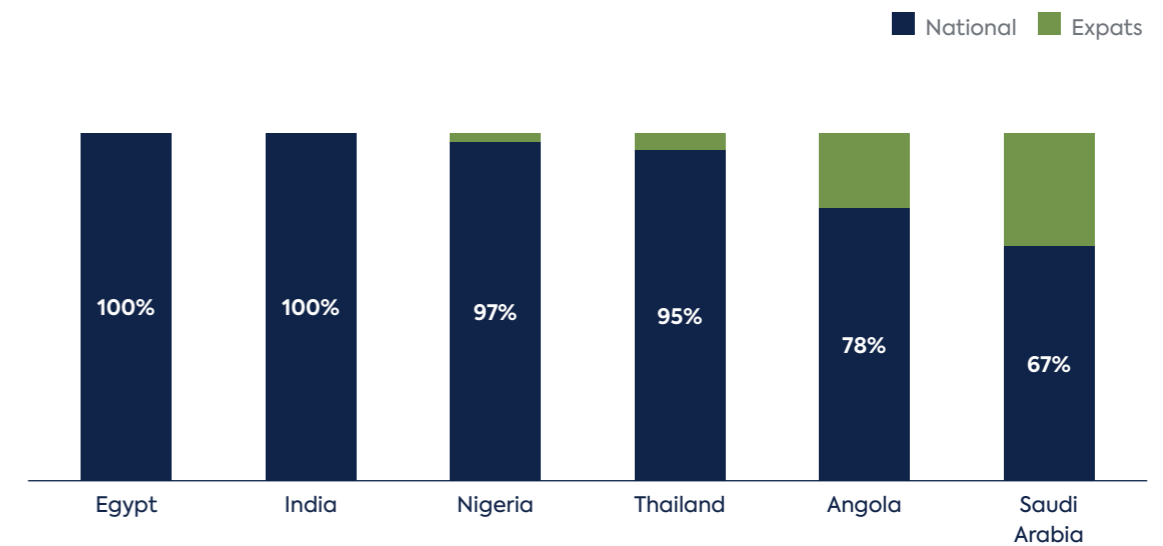
Key elements of our nationalization strategy include:



Our Performance

Today, Egypt, India and Nigeria are, or are close to, full nationalization, Thailand has improved while good progress has been achieved Saudi Arabia and Angola. Our nationalization in Angola increased from 58% in 2021 to approximately 78% in 2022, demonstrating our ability to develop national talent.

Offshore Nationalization Percentage in Main Countries of Operations



Looking Ahead

Developing National Leaders

Our nationalization efforts are focused on the overall workforce including the leadership positions. It is our ambition to develop local leaders with more responsibility for our overall local business growth.

Building Stronger Partnerships

We recognize that building strong partnerships with local communities and stakeholders is essential to our success. To that end, we'll be working closely with local organizations and leaders to identify opportunities for collaboration and support initiatives that benefit both our business and the local communities.



Employee Development & Retention

At Shelf Drilling, we believe that investing in our employees is essential to building a strong and sustainable business. That's why we prioritize employee development by focusing on three key elements: Training & Development, Performance Management, and Talent Attraction & Employee Retention. Through this approach, we equip our employees with the tools and support they need to succeed while contributing to our shared success – creating a win-win situation that benefits both the Company and our employees.



Why it matters

- Fosters a culture of learning & growth
- Builds skilled, motivated, and engaged workforce
- Improves performance & productivity
- Reduces turnover & associated costs

Training & Development

Shelf Drilling actively encourages employee development through a variety of internal programs and provides resources to support external education.

For offshore employees, Shelf Drilling offers a comprehensive training and development program that covers progress from entry-level to senior-level positions. Our highly structured training matrix specifies the required training for each role, and progress is tracked through an online reporting system. We also have specific programs, such as the Offshore Development Program, to fast-track high-potential candidates. Regular reviews ensure progress towards nationalization objectives as well as the development of adequate bench strength for key positions.

87%

Training Compliance
(Including shipyards and project rigs)



Shelf Drilling acquired International Association of Drilling Contractors (IADC) Competency Assurance Accreditation for the seventh consecutive year for training programs customized and fit-for-purpose for our operations.



Performance Management

Shelf Drilling believes in ongoing, open feedback between onshore employees and supervisors for performance and development. Our lean organizational structure means that development plans for shore-based employees are tailored to individuals and their roles, rather than a broad, Company-wide approach. We encourage constant appraisal and improvement, rather than just an annual process, which we believe is more effective in promoting agility and adapting to changes in the rapidly evolving business environment. Our approach includes customized performance management guides for onshore employees, with compliance training being the only Company-wide training provided. We believe that our employee performance management and development philosophy, which we established from our Company's inception, has been a significant contributing factor to our success throughout industry cycles.

Talent Attraction & Employee Retention

Attracting and retaining top talent is a priority at Shelf Drilling. To attract and retain the best, we invest in our employees and prioritize their well-being. We believe that by creating an environment where our employees feel valued, supported, and empowered, we can retain top talent and continue to build a strong and sustainable workforce. Our strong local presence, demonstrated commitment to developing our people and brand reputation has enabled us to attract and retain top talent.

Looking Ahead

The oil and gas industry has traditionally faced challenges in employee retention due to its cyclical nature and high competition for top talent. With the industry facing a transformation as well as prioritizing sustainability, Shelf Drilling will focus on investing in employee development programs to prepare our workforce for the future.

412

Promotions
in 2022



1,495
New Employees
Hired in 2022

9%
Total Voluntary
Turnover

8.7%
Offshore Voluntary
Turnover

10.5%
Onshore Voluntary
Turnover



Fast Track Program (FTP)

In 2022, Shelf Drilling launched the Fast Track Program (FTP), designed to accelerate offshore career progression within the organization. The purpose of the program is to identify high-potential internal and external candidates and develop these candidates for supervisory positions on board the rig. FTP encourages our offshore employees to take ownership of their career growth and development, providing them with the chance to expand their knowledge base and enhance their skills to thrive in the offshore setting.

Key Features of Fast Track Program

-  Advanced professional training
-  Hands-on experience
-  Mentorship and support

While the program is still in its early stages, the intention of the FTP is to groom high-performing candidates for future leadership positions within the Company. By providing participants with the necessary training, exposure, and support, we aim to enhance our workforce and create a pipeline of talent for key positions. Currently 35 employees are enrolled in the program, including 2 women employees in Nigeria, while 50+ are in the admission process. Our target is to enroll 150+ candidates in 2023. The success of the program will be measured in the future as we see the growth and development of our employees.



Employee Wellbeing

At Shelf Drilling, we are committed to investing in our employees and creating a workplace that values their contributions and supports their growth, creating a more resilient and adaptable organization, capable of thriving in a rapidly changing and uncertain environment. We take deliberate steps to foster a culture of respect, belonging and inclusion, supported by our Code of Business Conduct and employment practices.

Why it matters

- Ethical responsibility to prioritize the wellbeing of our employees
- Improved performance & productivity
- Reduced turnover & associated costs

Diversity & Equal Opportunity

Shelf Drilling is committed to equal opportunity employment for all employees and applicants for employment and celebrates the variety that emerges from experiences they bring to the Company. Consistent with our Code of Business Conduct and Ethics and Sustainability Policy, Shelf Drilling recruits, hires, trains, promotes, and compensates without regard to race, color, national origin, citizenship, religion, gender, sexual orientation, marital status, age, or any other category of persons to the extent protected by applicable laws.

While gender diversity has been a long-standing challenge for our industry, increased diversity is an ongoing priority for Shelf Drilling as evidenced by the increasing representation of women in our shore-based management positions. Over the coming years, we aim to further develop our diversity and inclusion initiatives.

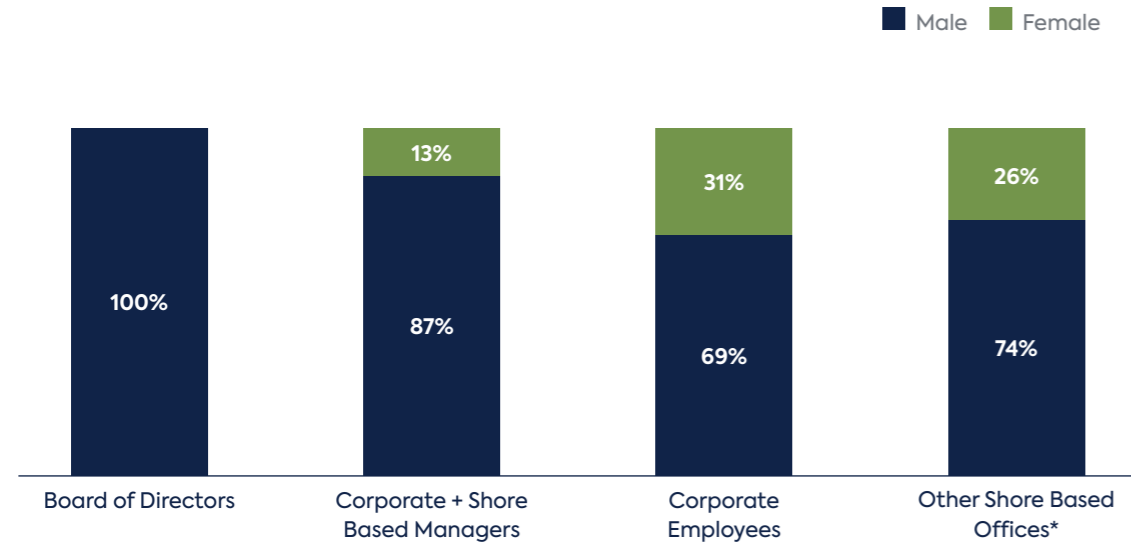
Non-Discrimination

Shelf Drilling is committed to establishing and maintaining a work environment in which all individuals are respected and treated with dignity. The Company has zero tolerance for discrimination or harassment in the workplace or any other work-related environment which governs all terms, conditions, and actions related to employment. Shelf Drilling prohibits all harassment, including verbal, written, or electronic dissemination of materials which are offensive or disparaging of others on the basis of race, color, national origin, citizenship, religion, gender, sexual orientation, marital status, age, or any other category, whether the harassment is directed at a subordinate, co-worker, supervisor, customer, agent, guest, contractor, or vendor.

We recognize that discrimination can be indirect or unintentional, and as such, we have taken deliberate steps to educate our employees and raise awareness to develop and maintain a truly inclusive and high performing culture. These include mandatory training for select employees on Unconscious Bias, Diversity & Inclusion, Workplace Harassment, Reporting and Non-Retaliation, and awareness posters on what a truly inclusive workplace culture is. We encourage open dialogue between employees and supervisors but understand that it can be difficult to raise issues related to discrimination. The Company has established various channels through which employees can raise concerns and report actual or suspected wrongdoings, including discrimination, without any fear of retaliation. See section "Whistleblowing/Speak Up" on page 44.

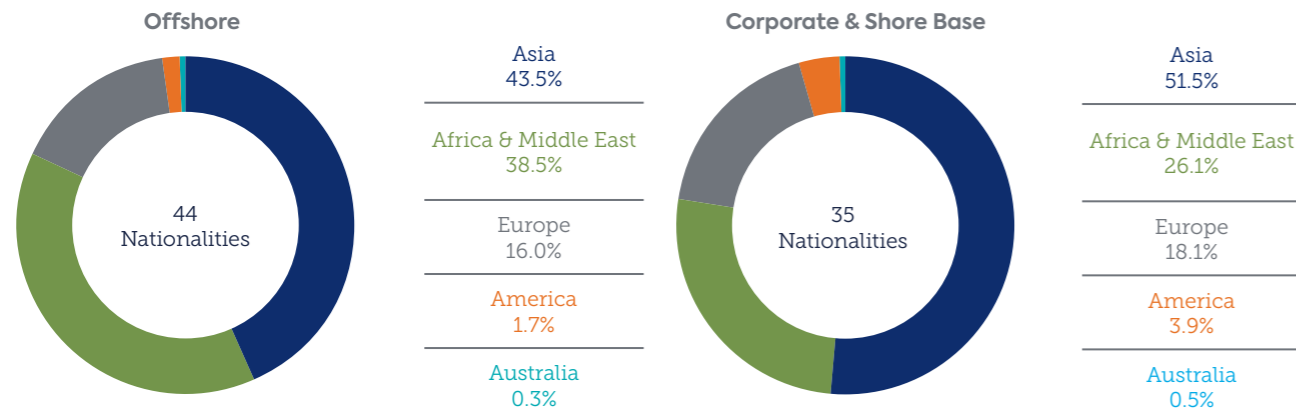
Our Performance

Gender Distribution



* Excluding Corporate Employees

Nationality Distribution



Looking Ahead

We recognize that building a strong and inclusive workplace culture is an ongoing effort, and we are committed to regularly evaluating our initiatives and making adjustments as needed to ensure they remain effective and aligned with our employees' needs and expectations. Our future plans include expansion of our employee well-being programs, including health and wellness initiatives and flexible work arrangements, to support the physical and mental health of our employees.

Prioritizing Mental Health

The COVID-19 pandemic has had far-reaching and long-lasting implications for individuals across all aspects of life – health, family, work, and more. At Shelf Drilling, we have worked diligently to address the impact of the pandemic on our employees and their families. We have continued to provide comprehensive health insurance and benefits and flexible work arrangements committed to supporting our employees' work-life balance and overall well-being. But we recognized early on that special attention was required to support the psychological and emotional well-being of our employees and their families.

In 2022, in collaboration with a team of expert clinicians, Shelf Drilling launched the Mental Health First Aid (MHFA) program for select employees in managerial and/or employee-facing roles. The aim is to improve mental health awareness and equip employees with skills to identify and assist persons with mental health challenges.

Over 150 employees have received MHFA training, and we will continue to develop mental health champions across the organization, with a primary focus on increasing training for rig-based personnel. After the initial training, some key personnel are receiving Advanced MHFA training, which provides more in-depth knowledge and formal accreditation as Mental Health First Aiders.

By developing capable in-house resources trained in Mental Health First Aid, we create a culture of awareness and psychological safety within the Shelf Drilling community to support the emotional wellbeing of our employees

Employee Assistance Program

In 2023, we are partnering with a global Employee Assistance Program (EAP) vendor to provide global wellbeing services to our people. The EAP will offer 24/7/365 emotional and psychological support & solutions to our employees and their families to address a range of personal and work-related issues and other life challenges that may impact their wellbeing and/or job performance. The program will be available in all our locations and languages, inclusive of cultural and national differences.



Human Rights

Shelf Drilling is committed to respecting fundamental human rights as set out in the International Bill of Rights and the ILO's Fundamental Conventions, both internally and with business partners, suppliers, customers and others who are directly affected by the Company's activities. We follow the UN Guiding Principles on Business and Human Rights, and recognize that upholding human rights is not only a responsibility within our own operations, but also extends to our value chain. We therefore actively seek to identify and address human rights risks and impacts across our business and are committed to ensuring that our suppliers and business partners share our commitment to human rights.

Our Approach

Our commitment to respecting human rights is anchored in our Sustainability Policy, Vendor Code of Conduct and ongoing salient human rights mapping project as part of our goal that was initiated in 2022 to achieve compliance with the Norwegian Transparency Act.

Salient Human Rights Assessment

Shelf Drilling has performed a salient Human Rights assessment consistent with the requirements of the Norwegian Transparency Act. We are committed to fulfilling our reporting obligations under it, and we view the law as an important tool for promoting human rights and responsible business practices.

Why it matters

- **Fundamental to the dignity and well-being of every person working directly or indirectly in our operations**
- **Essential to building trust of our internal and external stakeholders**
- **Ensures legal compliance with relevant laws and regulations globally**
- **Manages operational and reputational risks to our business**

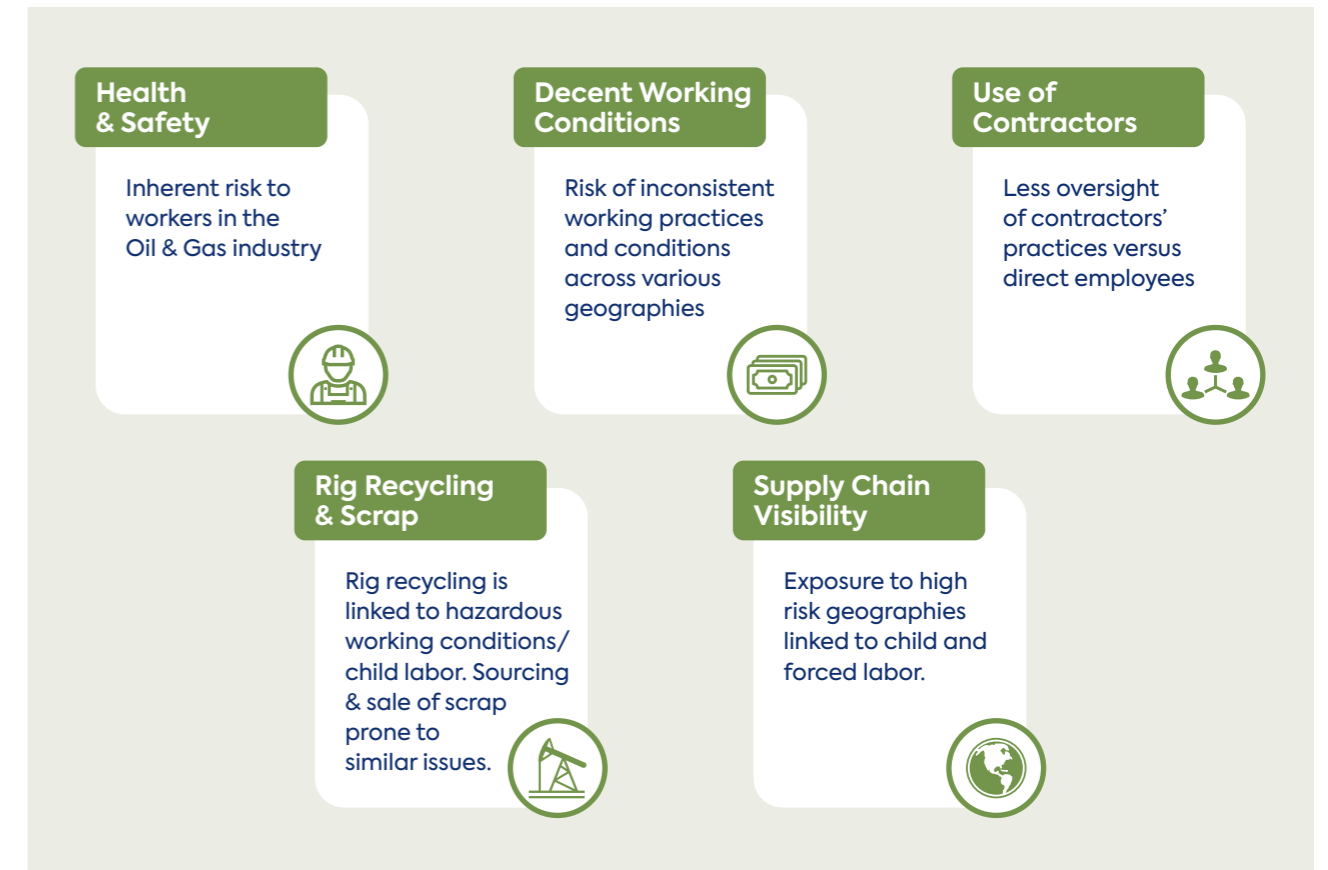
Salient human rights issues are defined by the UN Guiding Principles on Business and Human Rights as those issues in which a company is most likely to severely negatively impact people. The intention is to prioritize the management of the human rights issues that are most pressing and relevant to us.

Methodology

Phase 1

In 2022, we carried out phase 1 of human rights due diligence. We created an initial list of salient issues through an extensive internal and external review process performed with the support of our external sustainability advisors. This included a mapping of our operations, policies, and past incidents, stakeholder analysis, as well as a review of our peers and international human rights standards. We further calibrated this list based on severity, likelihood of occurrence, and the scope and scale of the impact to create the following prioritized list of our human rights risks and impacts.

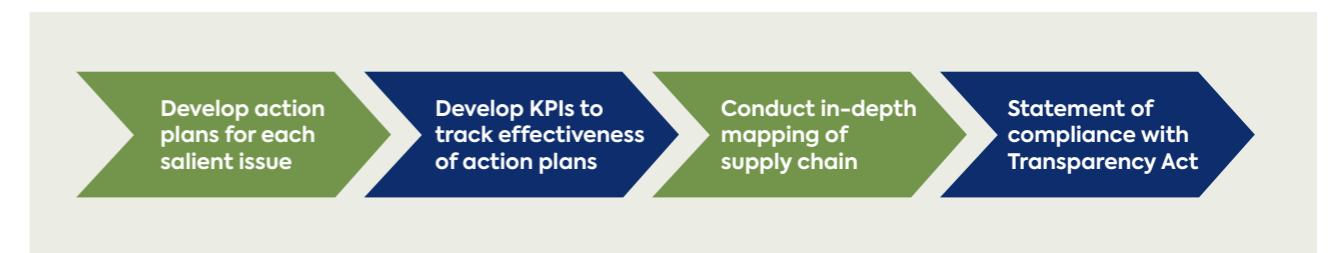
Phase 1, Completed: Identified Our Salient Human Rights Issues



Phase 2

Our planned next step is to refine action plans for each salient issue that will work towards ceasing, preventing or mitigating the impacts associated with those issues, including the development of processes or procedures that address these impacts, or adapting current systems to include them.

Phase 2, Underway: Addressing Our Salient Human Rights Issues



Supply Chain Mapping

The human rights due diligence process revealed the importance and complexity of mapping our supply chain to understand the social and environmental conditions of our operations. Though challenging, supply chain mapping is critical to promoting responsible business practices and upholding our commitment to human rights.

We are committed in investing in supply chain mapping beyond tier 1 suppliers to understand our overall human rights impact and improve transparency and accountability. We are systematically screening high-risk vendors and prioritizing based on geography, category, and spend-classification. We are also exploring technology and best practices for data management and enhancing our vendor onboarding platform with enhanced capabilities/questionnaires to screen for potential human rights risks. Following the mapping process, we will enhance collaboration with suppliers and improve their ability to address human rights risks and impacts.

Employee Awareness

In 2023, we are launching human rights training for specific employees globally to raise awareness and highlight the specific salient human rights issues for the Company. Through this, our managers and supervisors will be better equipped to identify and respond to potential human rights issues and risks across our operations in order to uphold the Company's commitments.

Looking Ahead

Going forward, we will continue to engage with stakeholders, monitor and report on our progress, and update our salient human rights assessment to ensure that we remain current and effective in addressing human rights risks and impacts in our operations and supply chain. We are committed to working collaboratively with our suppliers, stakeholders, and industry partners to create a more sustainable and just supply chain, where human rights are respected and upheld for all.

Local Community Development

At Shelf Drilling, we believe that our long-term success is linked with the well-being and prosperity of the communities in which we operate.

Shelf Drilling's operations and footprint present particularly strong opportunities to have a meaningful and sustainable impact on these communities.

Why it matters

- Contribution to Sustainable Development Goals (SDGs)
- Stronger social license to operate
- Long-term business sustainability

Our Approach

We invest in local communities through direct employment and skill development, and local sourcing of goods and services generating opportunities for the overall economic growth of the communities where we work.

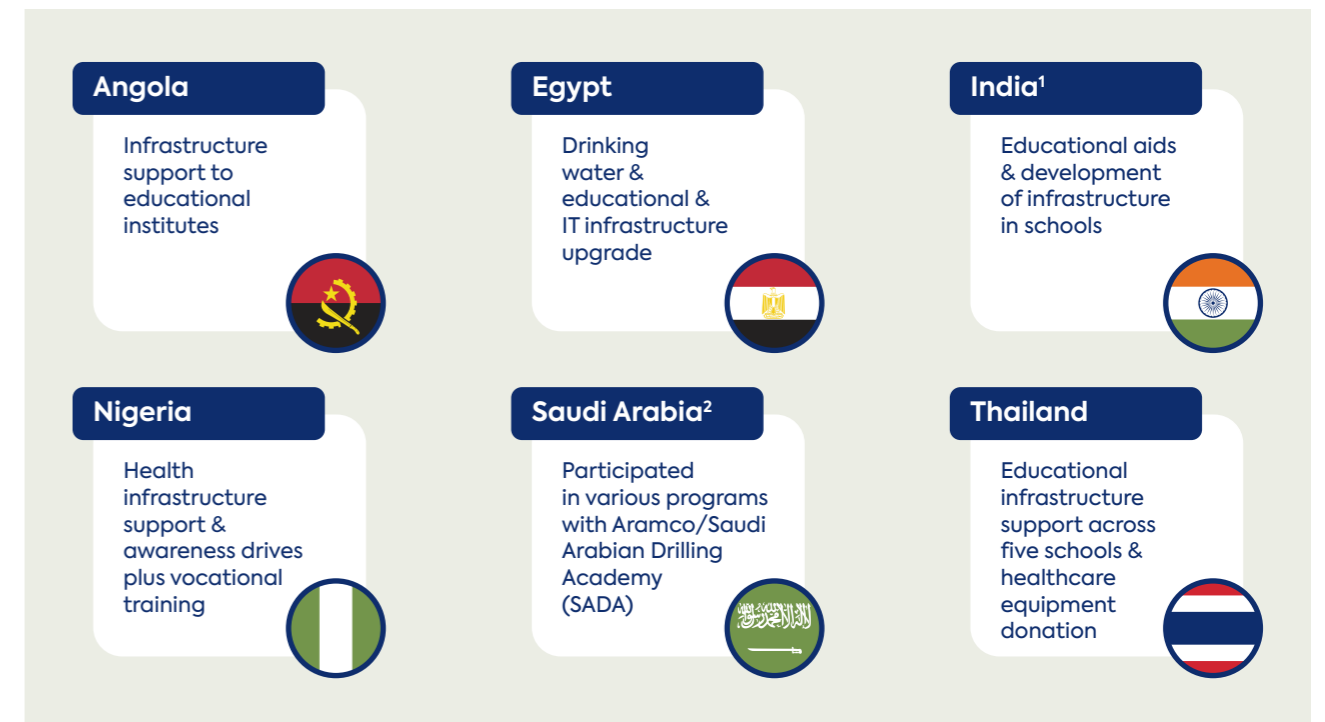
Further, in 2022, as part of our sustainability goals, we formalized a Corporate Social Responsibility program aligned with the UN Sustainability goals relevant to our business, operations and footprint. Under this program, our key CSR focus areas include health and education support for local communities, charitable donations, and environmental impact & waste reduction. Our CSR programs include partnerships with local organizations, community development projects, and employee volunteering programs aimed at making a meaningful and lasting impact on the communities we serve. Our CSR programs are backed by senior management and led by our regional CSR champions, who work closely with local communities to ensure we are making a meaningful difference.

Key CSR Focus Areas



Our Performance

Our commitment to CSR has resulted in a range of engaging and impactful initiatives throughout our communities in Angola, Egypt, India, Nigeria, Saudi Arabia, and Thailand, with enthusiastic participation from our employees. Our focus in 2022 has been on upgrading education infrastructure, providing learning tools, offering scholarships, and implementing IT solutions to support training and development within our communities. Additionally, our employees have been actively involved in enhancing healthcare infrastructure to benefit local communities.



Note (1): Section 135 of India's Companies Act 2013 makes it mandatory for companies of a certain turnover and profitability to spend 2% of their average net profit for the past three years on CSR.

Note (2): As per the SADA Charter.

Looking Ahead

Going forward, Shelf Drilling will continue to prioritize our commitment to Corporate Social Responsibility and sustainability, aligning our efforts with the UN Sustainable Development Goals. We aim to build on the success of our current CSR initiatives and expand our reach to more communities, with a focus on education, health, and environmental sustainability. We will work towards building long-term partnerships with NGOs and other organizations and leverage the expertise of our employees to make a meaningful and lasting impact. By investing in our communities and prioritizing the well-being of those around us, we can build a better future for all.

Knowledge for All in India

Shelf Drilling India's GYAN SAARTHI (Knowledge Support) CSR initiative improves basic education quality for financially disadvantaged students through partnerships with NGOs. The team provides education kits and learning opportunities to government-aided schools in Mumbai slums and districts in Maharashtra, India. Education kits were distributed to approximately 1800 students from 13 government-aided schools between the ages of 4 and 16, with a focus on age-appropriate learning tools. Our India team is collaborating with local authorities to upgrade essential facilities like science labs, computer rooms, classrooms, drinking water amenities and toilets.



Empowering Communities in Nigeria

Shelf Drilling's Nigeria CSR team supports education initiatives including development of school infrastructure in underserved communities through partnerships with NGOs. In addition, in 2022, the team provided skill acquisition training to 20 young women from four states. An external training and capacity development organization facilitated the program, which included entrepreneurial skills like social media marketing and make-up artistry. Upon completion, all participants received a starter pack/kit to commence business. Nigeria team also endeavored to improve healthcare infrastructure and awareness in underserved communities. A 110 KVA generator was donated to the University of Port Harcourt's emergency unit, and a Cancer Awareness Campaign was launched in Lagos engaging employees, customers, vendors, and stakeholders to raise awareness about early detection.



Climate & Environment

2022 Highlights

252,942

Tonnes Scope 1 CO2 Emissions

5.5%

Reduction in average per rig per day Scope 1 emissions

289,604

Tonnes Scope 3 CO2 Emissions

1

Unplanned Discharge Event

As one of the world's leading drilling contractors, Shelf Drilling recognizes the crucial role we play in driving progress towards a sustainable future. We understand that our operations may have a significant impact on the climate and environment, and we are committed to managing our operations in a responsible and sustainable manner, with a focus on emissions reduction through employee engagement, collaboration, and innovation. We prioritize behavioral changes among our employees to promote responsible environmental practices and collaborates with industry experts to identify new solutions and technologies to reduce our environmental footprint.

We have assessed the following material topics in relation to Climate and Environment.

Material Topics

- Greenhouse Gas Emissions
- Environmental Impact – Spills & Releases
- Recycling & Waste Management



Greenhouse Gas Emissions

The offshore drilling industry is energy-intensive, with significant fuel consumption required for operating drilling rigs and support vessels. As a result, drilling contractor companies have a material carbon footprint and are subject to increasing regulatory and stakeholder pressure to reduce their GHG emissions. Furthermore, reducing emissions can also provide cost savings through increased operational efficiency and lower fuel consumption.

Why it matters

- Long-term sustainability
- Efficiency & cost savings
- Regulatory compliance
- Managing investor expectations
- Business continuity

More than 95% of our Scope 1 emissions are attributed to fuel burnt by our engines to develop the power required by the rig. Each rig has between 3 and 6 engines installed and the number online at any time is driven by the type of activity that the rig is performing. Shelf Drilling has historically focused on "brownfield" activities in workover and plug and abandonment versus "greenfield" activities in exploration or development drilling. The power requirements for brownfield activities are generally lower than other types and as a result, emissions are lower for these activities too.

The rig program is determined by the Customer, therefore the power requirements and hence number of engines online at any time is a collaborative agreement between the Shelf Drilling OIM and Customer representative on board.

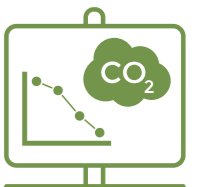
Engine Emissions Tracking System

While Shelf Drilling's ability to significantly reduce fuel consumption is limited by the customer well program, in 2022 we developed an innovative online tool for tracking engine emissions on our fleet of rigs to support our reduction efforts. This near real-time engine emissions tracking system enables us to capture each engine's key readings and fuel consumption, which are automatically synchronized and consolidated in the cloud server. With this central repository of information, we can easily track & monitor our greenhouse gas emissions. This platform's flexibility and user-friendly visualizations have made it easier to share operational information across teams, promoting alignment around our sustainability goals.



Energy & Emissions Management System

As part of our ongoing efforts to improve our sustainability performance, we are currently developing a pilot project for a real-time energy and emissions management system. The goal of this project is to enable real-time monitoring of our engine usage, fuel consumption and actual engine emissions, which will help us identify opportunities for improvement and take proactive measures to reduce our emissions.



The pilots for this project are currently underway on rigs across various operating regions. By automating our data collection process, including the collection of actual emissions, we can eliminate the potential for human error and increase the accuracy and reliability of our carbon footprint measurements. By monitoring our performance in real-time, we will be able to identify areas where we can make changes to run our engines more efficiently and reduce our emissions. We are also exploring the use of fuel additives and alternative fuels on our rigs.

By testing and evaluating different options, we hope to identify solutions that can help us minimize our environmental impact, while maintaining a high level of operational efficiency and reliability across our entire fleet of rigs.

Scope 3 Emissions

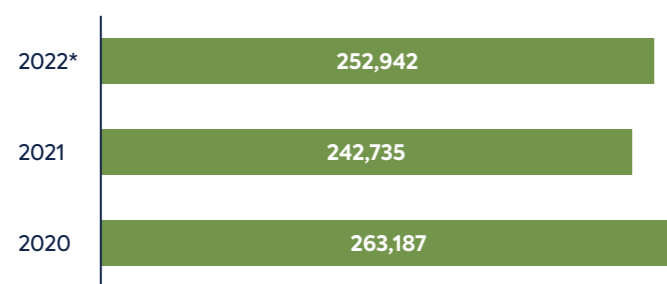
In prior years, Shelf Drilling estimated our Scope 3 emissions working with our service providers to capture relevant data for logistics (both air and sea), business air travel, transportation of rigs, and waste generated in operations. In 2022, we conducted a thorough analysis of our Scope 3 emissions in line with the Greenhouse Gas Protocol to identify additional categories that are material to our operations. As a result, estimates for Capital Goods, Purchased Goods & Services, Fuel & energy related activities, and Employee Commuting are included in our Scope 3 estimate for 2022 in addition to those categories previously reported. In 2023, we will continue to refine our Scope 3 data capture and analysis process, and with a more comprehensive understanding of our emissions profile, we will be better prepared to identify areas for improvement.

Performance & Targets

Shelf Drilling had set an ambitious target to reduce our 2021 average daily per rig Scope 1 emissions by 20% over the next five years and by 4% in the fourth quarter of 2022. For the full year 2022, Shelf Drilling achieved a reduction of 5.5%, however we did not meet the 4% reduction target for the fourth quarter due to an increase in the number of rigs working in drilling mode versus workover or P&A. Further, our absolute Scope 1 GHG emissions for 2022 increased due to the higher number of working rigs in our fleet.

Shelf Drilling has taken several steps to ensure we have the systems, processes and necessary understanding within our crews and management teams to drive meaningful reductions in our emissions. Based on the results seen in 2022, while retaining the overall Scope 1 intensity reduction goal, we will look to establish activity-based emissions data and set corresponding activity-linked reduction targets to establish more meaningful goals for our rig crews.

Scope 1 Emissions



* Including rigs acquired in 2022

5.5%
Reduction in average per rig per day Scope 1 emissions

Environmental Impact – Spills & Releases

Unplanned spills of contaminated fluids, including oils and diesel, and releases of air-borne pollutants such as cooling refrigerants can have devastating impacts on the environment and ecosystems. Shelf Drilling is committed to managing our business in a manner that reduces negative impacts on the environment with an ambition to eliminate all unplanned spills and releases through a comprehensive set of policies, procedures, and training for employees.

Shelf Drilling's environmental policies are designed in alignment with the ISO 14001 standard. Our rigs as well as our office in India are certified under this standard. Although our other rigs, yards, and offices are not independently certified, they also operate under the same environmental management system. Our rigs operate within the requirements of the International Air Pollution Prevention (IAPP) Certificate, as outlined in the MARPOL Annex VI. This certificate assures that our rigs are not emitting harmful pollutants into the air, reducing our impact on the environment.

We maintain an International Register of Environmental Legislation and Other Requirements and a Country Environmental Guidance Document (CEGD) that identifies country-specific regulations and requirements in addition to those in the International Register. These documents are continually reviewed for new and revised environmental regulations to ensure that we are updated with applicable new or revised regulations, as identified.

Why it matters

- Environmental stewardship
- Protecting all life forms
- Mitigate legal & financial risks
- Regulatory compliance

We also maintain an Environmental Aspects and Impacts Register on all our Rigs and shore-based facilities that outlines the process for identifying and evaluating environmental aspects and impacts related to the Company's activities and operations. Environmental aspects are elements that can interact with the environment, while environmental impacts are changes resulting from the Company's activities. Control measures are applied to reduce the likelihood or consequence of identified impacts, with installation-specific procedures developed as needed.

Shelf Drilling has several policies, included under overarching HSE policy, to manage various aspects of our operations in line with the environmental impact. These policies include preventing unplanned discharges from mud systems and managing deck drainage to eliminate contaminated drainage. Additionally, we have a policy to prevent loss of containment during bulk transfer operations and monitor effluents from operational activities, to achieve zero discharges of environmentally sensitive substances. We ensure that our decks are clean and monitored daily to avoid any drainage into the sea. There is also a policy in place to manage hazardous chemicals to reduce personnel exposure. This policy covers personnel training, maintaining Material Safety Data Sheets (MSDS), proper marking and storage.

Releases to Air

Shelf Drilling tracks & monitors the release of Ozone Depleting Substances (ODS) released through leaks in air conditioning systems. We have established a target to ensure 100% of our Rigs are ODS-free and use green freon by 2025. In 2022, 93% of our Rigs were ODS-free and we had one discharge event wherein approximately 1 kg ODS was released into the atmosphere.

Releases to the Sea

In the event of unplanned discharges of drilling mud or other fluids, estimated volumes are recorded and reported within the HSE Management System. In 2022, there was one unplanned discharge event that resulted in an estimated overboard oil spill of 4.8 liters of diesel. Additionally, there were four minor loss of containment events, wherein all fluids & chemicals were retained and captured onboard the Rig.

While we have made progress in reducing the negative impact on the environment from our operations, we continue to look for ways to improve our processes with a particular focus on eliminating human error, and to achieve our objective of incident free operations.

93%
Rigs ODS-free in 2022



Recycling and Waste Reduction

Equipment Recycling & Reuse

Shelf Drilling recognizes that the production of the equipment and parts we require for our business relies heavily on natural resources, including energy and raw materials. By adopting circular and sustainable practices, Shelf Drilling aims to reduce its reliance on these resources, minimize waste generation, thereby reducing our impact on the environment.

Why it matters

- Protecting ecosystems
- Efficiency & cost savings
- Regulatory compliance

Fit For (Re) Purpose

Shelf Drilling has developed a highly centralized procurement, sourcing, and technical support model to ensure consistent, reliable, and cost-effective maintenance of our fleet. This has allowed us to develop innovative solutions for the repair and overhaul of parts and equipment required by either our internal maintenance program or regulatory or customer requirements.

Shelf Drilling has actively sourced critical spare parts and equipment from decommissioned rigs that were then refurbished and recertified in cooperation with the original equipment manufacturer or certifying authority. This process has eliminated significant quantities of waste and the consumption of energy and natural resources to manufacture new items that would have otherwise been required. In 2022, Shelf Drilling prevented approximately 130,700 tonnes of CO₂e emissions by purchasing second-hand equipment. GHG emissions for refurbishing, repairing, and transporting these items were incorporated into the calculation of Scope 3 GHG emissions from sources controlled or owned by Shelf Drilling.

Through our inventory of “ready-to-go” equipment, we now, in many cases, exchange complete major items such as engines, mud-pumps, and draw-works rather than disassembling and overhauling onsite. The item being exchanged is then brought back to shore for overhaul and refurbishment, and made ready for another rig in the fleet. Our exchange process is efficient, requires less resources and provides a more predictable and reliable outcome than overhauling onsite.

Shelf Drilling pioneered a new sustainable solution in their supply chain process by refurbishing components which were recertified by ABS thereby lowering emissions.

– American Bureau of Shipping (ABS)

Rig Recycling

At Shelf Drilling, we prioritize responsible rig recycling in adherence to international standards, such as the Hong Kong Convention, to minimize potential risks to human rights, health, safety, and the environment. Our Rig Recycling Policy encompasses a holistic approach to managing the entire recycling process, from documentation to selection and supervision. Whenever possible and feasible, we remove equipment that can be refurbished and reused by our operating fleet prior to recycling any rig.

In 2021, the Randolph Yost, was sold for recycling in accordance with our policy. The recycling process was overseen by a Shelf Drilling appointed representative and a certificate of completion obtained in June 2022. There are no rigs currently held for sale or recycling within our fleet.

Waste Reduction

Shelf Drilling has established a range of waste management plans and processes that prioritize both environmental sustainability and regulatory compliance. While the management and disposal of production waste generated during drilling operations is usually handled by customers, Shelf Drilling is committed to reducing the general business waste it generates offshore. The top contributors to this general waste include metal, oil, food, wood, plastic, and paper, and Shelf Drilling is continuously evaluating opportunities to reduce waste across all categories.

In 2022, Shelf Drilling implemented a fleet-wide initiative to install water filtration and dispensation units across our rigs, with the goal of providing safe drinking water and reducing plastic waste from disposable bottles. By the end of 2023, we plan to have approximately 100 water filtration and dispensation units installed across our fleet. This is expected to eliminate 1,800 kg of plastics per rig per year in the form of small plastic drinking water bottles, equivalent to reducing 10,800 kgs of GHG emissions.

In addition, Shelf Drilling launched a Food Waste Monitoring Program as a pilot project to reduce the food waste generated by the catering service onboard our rigs. The program utilized a digital tool that tracked and monitored food waste, identifying areas for improvement. The program yielded encouraging results and we are currently exploring options to roll out the solution to other rigs in the fleet. By reducing food waste, Shelf Drilling is taking proactive steps towards minimizing our environmental impact and promoting sustainability.

Training & Awareness

Shelf Drilling recognizes that successful implementation of sustainable practices requires more than just technical solutions. That’s why we emphasize the importance of training and educating our employees to ensure they understand the importance of sustainability and how they can contribute to our goals. By providing training and education, we equip our employees with the necessary knowledge and skills to implement sustainable practices across our fleet. Furthermore, we share the lessons learned through our rig and shore-based sustainability committees to embed these best practices into our business operations.

Looking Ahead

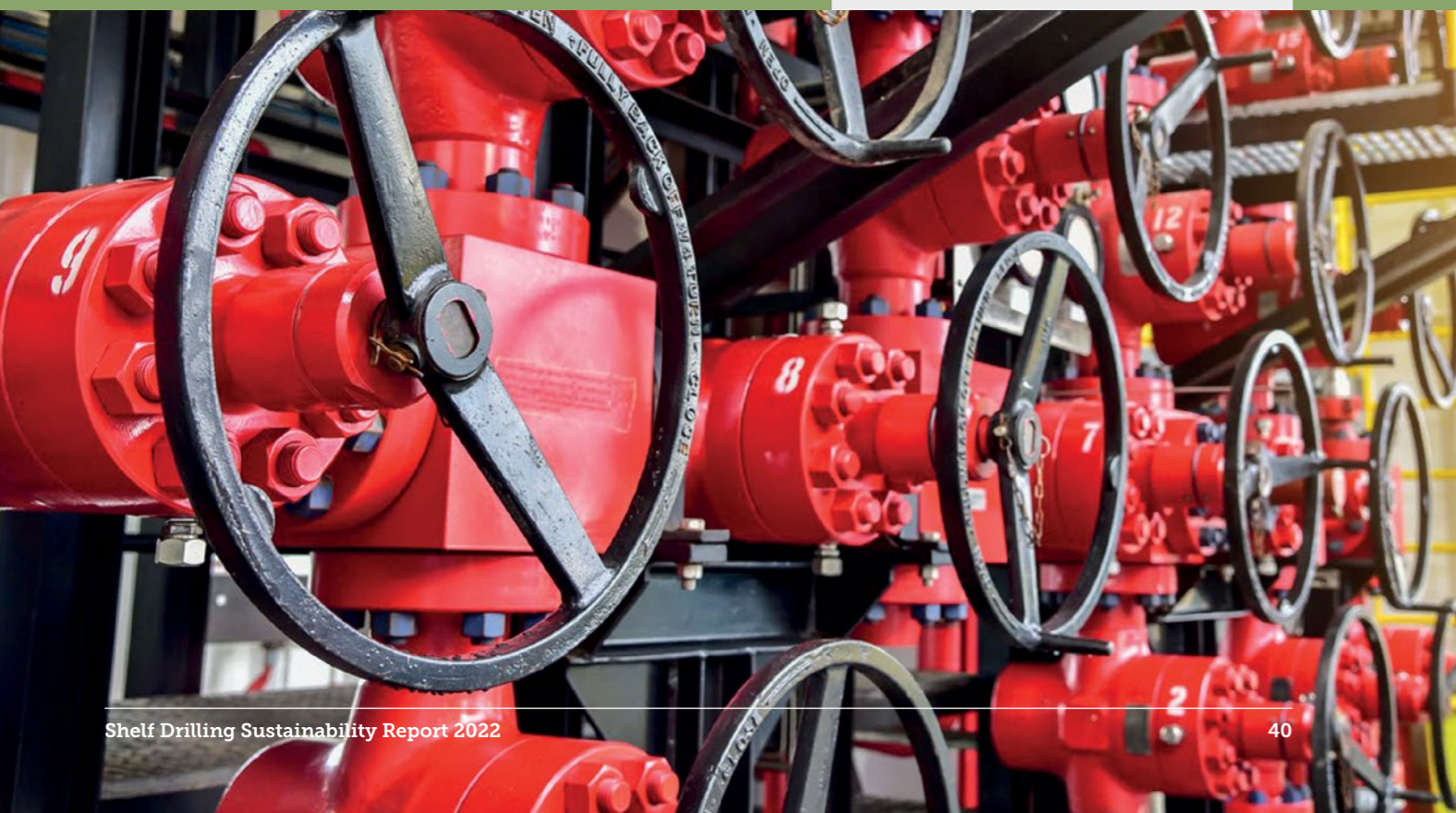
Shelf Drilling’s commitment to circularity and responsible waste management practices has resulted in significant progress in reducing waste and emissions and promoting the reuse and recycling of materials. We will continue to work with industry partners and stakeholders to find innovative technologies and solutions to further improve our waste management practices and promote these across our industry.

Shelf Drilling is committed to adopting a proactive approach to climate change and environmental management. The Company plans to reduce its environmental footprint and promote sustainable operations by implementing energy efficiency measures, adopting clean technologies, and effective waste management practices. To ensure success, the Company plans to provide regular employee training and collaborate with industry partners, and other stakeholders to identify innovative solutions and develop new technologies that can help to address environmental challenges.

2023 Plan to install
100
Water Filtration &
Dispensation Units

Eliminating
1,800 Kg
Plastic Per Rig
Per Year

Reducing
10,800Kg
GHG Emission



Responsible Business Conduct

Shelf Drilling is committed to conducting its business with honesty, fairness and transparency, recognizing its importance for long-term success, reputation, and sustainability. These values are ingrained in everything we do, including our interactions with customers, suppliers, employees, shareholders, and communities where we operate. We have adopted a risk-based approach to monitor and oversee our compliance activities, including due diligence processes and periodic monitoring of third parties to forge a long-term relationship based on shared values across our value chain. As a global company, we adhere to relevant regulatory frameworks and good business practices. We invest in our employees through awareness and training programs to ensure they understand our policy expectations and comply with legal and regulatory obligations. We have established and maintain effective channels enabling anyone to report a violation, ask questions, or express concerns in relation to our business and operations.

Within the Responsible Business Conduct focus area, we operate with the following material topics.

Material Topics

- Anti-Corruption & Bribery
- Responsible Procurement
- Information Security



Anti-Corruption & Bribery

Shelf Drilling has zero tolerance for bribery and corruption, enforced by our Code of Business Conduct and Ethics (Corporate Code) and Global Anti-corruption Policy, both of which are anchored on corporate level in our Company Management System.

Why it matters

- Fundamental to our business integrity
- Global legal compliance
- Operational & reputational risk management
- Trust with stakeholders

Code of Business Conduct & Ethics

Our Corporate Code sets the standards for responsible business conduct, based on the following fundamental themes and in compliance with local laws and regulations.



Shelf Drilling's Board of Directors has specifically directed the issuance and implementation of our Code of Business Conduct and Ethics and retains ultimate responsibility.

Our Board of Directors takes ultimate responsibility for the Corporate Code and its implementation, and any exceptions must be approved by them. Everyone who represents or works for us, including employees, contractors, and partners, is expected to uphold these ethical principles. Our Corporate Code is periodically reviewed and updated to ensure we stay at the forefront of national and international best practices. All changes are duly communicated to employees, who must complete recertification of the Corporate Code and its supporting policies on an annual basis. Our Corporate Code is available on our Company website.

Global Anti-corruption Policy

Shelf Drilling's Global Anti-corruption Policy mandates compliance with applicable anti-corruption laws and regulations in all countries where we operate, including the U.S. Foreign Corrupt Practices Act (FCPA) and UK Bribery Act. This is supplemented by our robust internal controls and regular training to identified employees and third-party representatives to raise awareness. The policy is supported by the following three documents which provide detailed guidance regarding key risk areas below.



Facilitating Payments

Facilitating payments are small payments to government officials to expedite routine, non-discretionary government functions. Under the Shelf Drilling Anti-Corruption Facilitating Payments Policy, these payments are strictly prohibited, except in rare cases of imminent threat to health or safety, which must be internally reviewed and approved. In 2022, no facilitating payments were recorded.

Compliance Training & Awareness

Shelf Drilling requires all employees to complete annual training programs in relation to the Corporate Code, Global Anti-corruption Policy and its supporting policies. For annual recertification on Corporate Code, we aim for 95% completion rate (with 100% completion for Managers and above). For other targeted mandatory courses, we aim for 100% completion rate. Our training program is regularly updated and includes e-learning, virtual and in-person sessions, as well as email updates, posters, and newsletters. In 2022, we provided targeted training to employees and vendors on the following topics.

2022 Online Training Focus Areas

Module/Course	Employees Trained
Recertification of Code of Business Conduct & Ethics	2,424
Anti-corruption	506
Conflicts of Interest	447
Cybersecurity module	725

Speak Up

At Shelf Drilling, we are committed to promoting and sustaining a culture where everybody feels comfortable reporting concerns in good faith and without fear of retaliation. Through our Speak Up initiative, employees and third parties can ask compliance and ethics questions, report actual or suspected misconduct, unethical or illegal behavior, or violations to our Corporate Code and its supporting policies or applicable laws, or seek advice.

Shelf Drilling is committed to fostering a Speak Up culture that empowers our employees and business partners to report any concerns or potential violations in a safe and supportive environment.

We offer various reporting channels, including confidential reporting through the Shelf Drilling EthicsPoint Helpline, available in multiple languages and formats and accessible to employees and external stakeholders. The helpline is open 24/7 in multiple languages, and an independent third-party provider operates it to ensure confidentiality and, if requested, anonymity. In 2022, we expanded our helpline network to cover Denmark, Ghana and United Kingdom. To learn more about the helpline, please visit [Shelf Drilling EthicsPoint Helpline](#).



All incidents are thoroughly reviewed and investigated with strict confidentiality. Any resulting actions, including disciplinary action, are reported to the Audit Committee. In 2022, 7 new incidents were reported and resolved with appropriate follow-up.

Shelf Drilling is committed to fostering a Speak Up culture that empowers our employees and business partners to report any concerns or potential violations in a safe and supportive environment.

Responsible Procurement

At Shelf Drilling, we believe in a responsible and sustainable supply chain. We ensure effective supply chain governance through clear policies, proactive risk management, and monitoring of suppliers' performance. Collaboration, communication, and continuous improvement are essential elements of our approach.

Why it matters

- Risk management
- End-to-end sustainable practices
- Trust with stakeholders
- Global legal compliance

Onboarding New Vendors

The first step to cultivating a sustainable supply chain is partnering with the right vendors or third parties who are aligned with our corporate values and policies. The following policies and procedures ensure responsible vendor onboarding at Shelf Drilling.

1. Vendor Code of Conduct:

Shelf Drilling Vendor Code of Conduct (Vendor Code) sets out ethical performance requirements for all third parties, including agents, suppliers, and business partners, who conduct business on behalf of Shelf Drilling. During the onboarding process, third parties must comply with or explain deviations from the Vendor Code. We also require third parties to ensure that their own vendors and sub-contractors are given notice of our Vendor Code, promoting sustainability management throughout our supply chain. The Vendor Code is available on our website.

2. Due Diligence and Onboarding:

We conduct appropriate due diligence when onboarding vendors, following our Supply Chain Procedures Manual and Third-Party Due Diligence Procedure. The onboarding process levels depend on the nature of service provided and location. Our vendor onboarding process has the capability of mapping 29 risk areas, including sustainability-related risks.

3. Master Service Agreements:

We may require vendors to enter into a Master Service Agreement (MSA) based on the nature of vendor engagement, and we offer various templates for different arrangements, such as onshore and offshore services and staff augmentation.

Vendor Code of Conduct

Core Expectations

- Acting with integrity
- Compliance with laws and regulations
- Prohibition of corruption and bribery, and improper payment
- Ensuring employees' health and safety
- Respecting human rights
- Environmental protection
- Safeguarding against conflict of interest
- Confidentiality of relationship
- Reporting concerns/violations of Vendor Code

Prioritizing Human Rights in Supply Chains

We actively seek to identify and address human rights risks and impacts throughout our value chain and are committed to ensuring that our suppliers and business partners share our commitment to human rights as outlined in the Vendor Code. For more details, see page 30.

Tracking Compliance – HSE and Quality Audits

Shelf Drilling establishes specific HSE and/or quality standards with vendors providing goods or services to our rigs and operations and perform quarterly audits to ensure compliance. Vendor selection is based on our experience with the vendor in question, criticality of the service or goods provided, or issues reported by our rig teams.



High-Risk Vendor Categories

We collaborate closely with vendor categories that may pose a higher risk of negative impact on human rights, labor rights, and the environment.

Contractors

When hiring for junior crew and other positions in certain geographies, we engage third-party labor providers who go through our due diligence process outlined above. This includes commitments to ethical and fair treatment of their employees, as well as adherence to the International Bill of Human Rights and ILO Fundamental Conventions. All personnel assigned to work on our rigs follow our standard HSE and job-specific training programs, regardless of whether they are contractors or direct hires.

Shipyards

We prioritize safety and quality when selecting shipyards for major maintenance or upgrades to our rigs. We carefully choose shipyards that follow our HSE system or prepare bridging documents when necessary to ensure compliance with our standards. We assign onsite teams to monitor compliance with standards.

Information Security

At Shelf Drilling, we manage and process information related to our employees, customers, and vendors in the ordinary course of business. Our operations depend on the secure retention and transmission of this information across public networks, which exposes it to the continually evolving risk of intrusion, tampering, and theft. We also recognize the increasing frequency and sophistication of cyberattacks in recent years and remain vigilant by adapting our security measures to stay ahead of these threats. Further, we keep up with evolving data privacy standards to ensure compliance across our geographical footprint. As such, information security has become an essential aspect of sustainability of our business and operations.

Why it matters

- Maintaining business continuity
- Safeguarding intellectual property
- Protecting against financial and reputational damage
- Maintaining stakeholders' trust
- Legal & regulatory compliance

Management Approach

Our comprehensive information security program focuses on implementing policies, procedures, and technical measures to safeguard information, conducting regular risk assessments and security audits, establishing incident response plans, and providing regular awareness and training to employees. Our dedicated cybersecurity team operationalizes the information security program and ensures that it is up-to-date and effective.

Under the information security program, we have aligned our security, incident response and business continuity planning as well as our general IT policy documents around the National Institute of Standards and Technology (NIST) framework. Further, we prioritize compliance with all applicable laws, regulations, and contractual obligations that affect our information systems as an essential aspect of our information security program.

Our information security program is based on the CIA principles of Confidentiality, Integrity and Availability.

Confidentiality: to ensure that information is accessible only to authorized individuals

Integrity: to safeguard the accuracy and completeness of information and processing methods

Availability: to ensure that authorized users have access to relevant information when required



CONFIDENTIALITY

INTEGRITY

AVAILABILITY

Information Security Policy

Shelf Drilling Information Security Policy sets out the foundation for the protection of the Company's information assets.

- Protect the organization's information from all threats, whether internal or external, deliberate, or accidental
- Enable secure information sharing
- Ensure business continuity and minimize business damage
- Protect the organization from legal liability and the inappropriate use of information
- Ensure that everyone is clear about their roles in using and protecting information

The Information Security Policy outlines several controls to protect information, including policies, standards, processes, and procedures. These controls apply to all forms of information and all staff, employees, third parties, and agents who have access to our information systems or information. Compliance with the policy is mandatory, and failure to do so may result in disciplinary or remedial action.

Our Information Security Policy is approved by management and communicated to all employees and relevant parties to ensure everyone is aware of their roles and responsibilities in using and protecting information. The security requirements for the organization are reviewed at least annually by the Head of IT and approved by Executive Management. By leveraging the expertise of external consultants and industry experts, we can ensure that our information security practices remain effective to address new and emerging threats and standards. The organization's auditors review the adequacy of existing controls and recommend improvements where deficiencies are found.

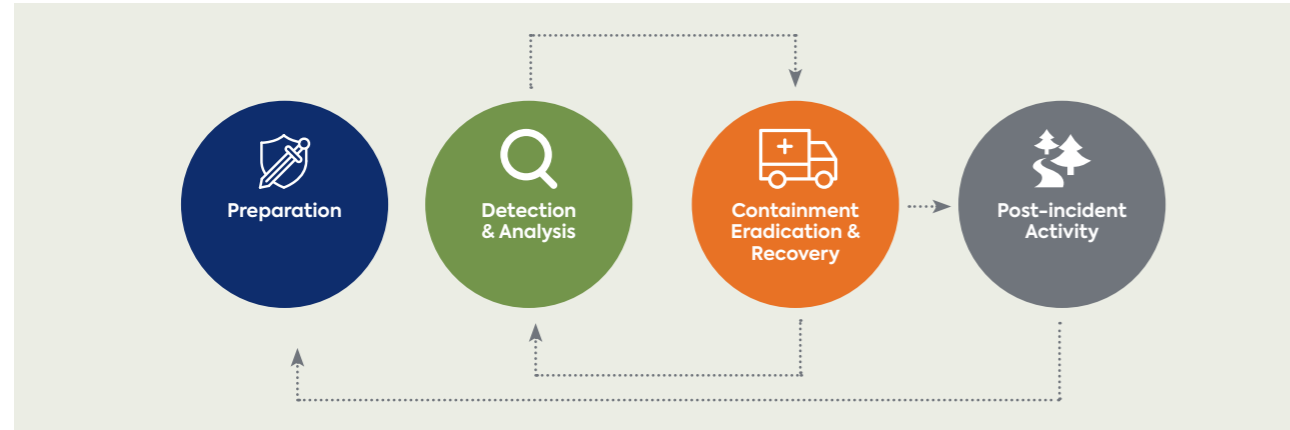
Data Privacy

Shelf Drilling has implemented a privacy program adopting the EU General Data Protection Regulation (GDPR) standards, and other relevant privacy standards that apply to our business. The Company regularly updates its privacy policies and program to keep up to date with the existing and new privacy laws and regulations in various jurisdictions in addition to raising awareness and providing related training to our employees. Given the expanding global nature of our business, in 2022, we updated our privacy policy framework to ensure a consistent approach to privacy across countries, duly supplemented by local law implementation requirements. Also in 2022, as part of policy alignment with NIST framework, we updated the Information Security policy to outline specific responsibilities for data privacy at the executive and management level. We continue to monitor the evolving privacy regulations to ensure we comply with them promptly and effectively. We invest in our cybersecurity team through skilled personnel, ongoing training, and support for tools and technologies to manage cybersecurity risks.

Incident Management

Shelf Drilling Incident Management Policy provides the overarching framework to ensure efficient incident management, minimize the impact on our business operations, and enable quick restoration of service operations. To maintain business continuity, we create, maintain, and test business continuity plans. We ensure that all employees, contractors, and third-party users are equipped with the necessary guidance to identify information security incidents and are aware of the procedures for reporting security incidents or vulnerabilities. All breaches of information security, whether actual or suspected, are promptly reported and investigated. In 2022, There were no reported data breaches in 2022.

Our incident response process is continuously improving to address emerging threats and challenges.



Physical & Environmental Security

To safeguard our critical and sensitive information from unauthorized access, damage, and interference, we use secure facilities that are protected by defined security perimeters with appropriate entry controls and security barriers.

Training & Awareness

Employee awareness and training on information security is a critical aspect of ensuring the confidentiality, integrity, and availability of our information assets. By providing regular education and training to our staff, we equip them with the knowledge and skills to identify and respond to security threats, reducing the risk of a breach or unauthorized access to sensitive information. Employees are required to take part in information security and cybersecurity threat education and training on an annual basis. In 2022, our cybersecurity training covered a range of topics, including phishing and social engineering, insider threat awareness, incident response, protecting Company equipment and devices, and password management.

Looking Ahead

Shelf Drilling recognizes that responsible business conduct is an ongoing journey. We are committed to continuously improving our practices and staying ahead of emerging risks and challenges, as well as evolving regulatory frameworks and international standards. Our goal is to build a sustainable future for our business and the communities where we operate, in full compliance with the laws and regulations applicable to our business.

Looking ahead, we will continue to integrate sustainability and responsible conduct into our operations and supply chain, invest in our employees, and collaborate with stakeholders to create shared value.

Shelf Drilling's Response to 11 TCFD Reporting Recommendations

This table provides an overview of Shelf Drilling's responses to the 11 TCFD reporting recommendations as cross-referenced to various sections of this Sustainability Report, our [2022 Form 10-k Equivalent](#), and our [2022 CDP disclosure](#). We believe these details will help our investors and all other stakeholders better understand how Shelf Drilling is positioned to manage the risks and opportunities associated with climate change.

TCFD Recommendation	Shelf Drilling 2022 CDP Disclosure/ Sustainability Report (SR) Reference/ 2022 Form 10-K Equivalent Reference
Governance	
Describe the board's oversight of climate-related risks and opportunities	SR – Corporate Governance of Sustainability – Page 6 CDP C1 – Governance CDP C2 – Risks & Opportunities
Describe management's role in assessing and managing climate-related risks and opportunities	SR – Corporate Governance of Sustainability – Page 6 CDP C1 – Governance CDP C2 – Risks & Opportunities
Strategy	
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	SR – Climate Risks – Page 7 SR – Our Contribution to Energy Transition – Page 8 Form 10-K Equivalent – Risk Factors – Page 16 CDP C2 – Risks & Opportunities
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	SR – Our Contribution to Energy Transition – Page 8 CDP C2 – Risks & Opportunities CDP C3 – Business Strategy
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	SR – Our Contribution to Energy Transition – Page 8 CDP C3 – Business Strategy CDP C3 – Business Strategy
Risk Management	
Describe the organization's processes for identifying and assessing climate-related risks	SR – Corporate Governance of Sustainability – Page 6 SR – Climate Risks – Page 7 CDP C1 – Governance CDP C2 – Risks & Opportunities
Describe the organization's processes for managing climate-related risks	
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	
Metrics & Targets	
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	SR – Greenhouse Gas Emissions – Page 37 SR – Environmental Impact – Spills & Releases – Page 38 SR – Recycling and Waste Reduction – Page 39 CDP – C4 – Targets & Performance CDP – C6 – Emissions Data
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	

2022 Disclosures

Topic	Metric	2022	2021	2020	Code
Health & Safety	HSE Performance 1) Number of recordable incidents, (2) Total recordable incident rate (TRIR), (3) Lost Time Incident Rate (LTIR), (4) number of fatalities, (5) near miss frequency rate (NMFR), and (5) serious near miss frequency rate (SNMFR), (6) Total Potential Severity Rate (TPSR).	#Recordable Incidents: 8 TRIR: 0.16 LTIR: 0.04 Fatalities: 0 NMFR: 0.36 SNMFR: 0.10 TPSR: 6.31	#Recordable Incidents: 7 TRIR: 0.16 LTIR: 0.02 Fatalities: 1 NMFR: 0.09 SNMFR: 0.09 TPSR: 4.92	#Recordable Incidents: 9 TRIR: 0.19 LTIR: 0.00 Fatalities: 0 NMFR: 0.19 SNMFR: 0.04 TPSR: 2.91	EM-EP-320a.1 (Customized) GRI 403-9
	Health & Safety Management Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle.	See pages 12-16	-	-	EM-EP-320a.2 GRI 403-1
	Emergency Preparedness Management Systems Description of management systems used to identify and mitigate catastrophic and tail-end risks.	See pages 17-18	-	-	EM-EP-540a.2 GRI 403-2
	HSE Training Average hours of HSE training provided to onshore and offshore personnel employees plus contractors. Description of occupational health and safety training.	Offshore: 20.5 Onshore: 1.4 See page 19	Offshore: 20.9 Onshore: 0.8	Offshore: 10.9 Onshore: 0.9	EM-EP-320a.1 (Customized) GRI 403-5

Topic	Metric	2022	2021	2020	Code
People	Labour rights – Freedom of Association & Collective Bargaining Percentage of total employees covered by collective bargaining agreements.	2.53%	2.67%	3.05%	GRI 102-41 GRI 2-30
	Local Employment Description of how Shelf Drilling build national content through hiring and developing nationals from the countries of operation, including across leadership teams.	See pages 21-23	-	-	Custom
	Gender Diversity of Management & Board Percentage of individuals within the organization's management and governance bodies according to gender	Board: 0% female Management: 13% female	Board: 0% female Management: 14% female	Board: 0% female Management: 15% female	GRI 405-1
	Training & Development Overall compliance to requirements of training matrix (percentage).	87%	88%	87.5%	Custom
	Recruitment Annual talent attraction.	Offshore: 464 direct employees, 909 contractors Onshore: 70 direct employees, 52 contractors	Offshore: 251 direct employees, 443 contractors Onshore: 15 direct employees, 41 contractors	Offshore: 236 direct employees, 365 contractors Onshore: 23 direct employees, 15 contractors	Custom GRI 401-1
	Retention Annual retention in terms of annual voluntary turnover (percentage).	Offshore: 8.7% Onshore: 10.5%	Offshore: 8.5% Onshore: 5.5%	Offshore: 5.1% Onshore: 7.6%	Custom GRI 401-1

Topic	Metric	2022	2021	2020	Code
Climate & Environment	Scope 1 GHG Emissions Gross global Scope 1 emissions (Fuel in Metric tons, Emissions in tCO2e).	Fuel Consumption: 77,828.5 ¹ CO ₂ -e: 252,941.9 ² CO ₂ : 249,517.5 ² CH ₄ : 63.0 ² N ₂ O: 3,361.4 ²	Fuel Consumption: 74,687.8 CO ₂ -e: 242,734.6 ² CO ₂ : 239,448.3 ² CH ₄ : 60.5 ² N ₂ O: 3,225.8 ²	Fuel Consumption: 80,981.0 CO ₂ -e: 263,187.4 ² CO ₂ : 259,624.3 ² CH ₄ : 65.6 ² N ₂ O: 3,498.4 ²	EM-EP-110a.1 GRI 305-1
	Scope 2 GHG Emissions Gross global Scope 2 emissions (Emissions in tCO2e).	CO ₂ -e: 680.0 ³	CO ₂ -e: 565.1 ³	CO ₂ -e: 693.6 ³	EM-EP-110a.1 GRI 305-2
	Scope 3 GHG Emissions Gross global Scope 3 emissions (Emissions in tCO2e).	CO ₂ -e: 289,604.3 ⁴	CO ₂ -e: 58,995.9 ⁴	CO ₂ -e: 34,949.3 ⁵	EM-EP-110a.1 GRI 305-3
	Emissions Management Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets.	See pages 37-38	-	-	EM-EP-110a.3 GRI 3-3
	Air Emissions Emissions of the following pollutants: (1) NO _x , (2) SO _x , (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10). (Emissions in Metric tons).	(1) NO _x : 4,623.0 ⁶ (2) SO _x : 77.8 ⁶ (3) VOC: 155.7 ⁶ (4) PM10: Shelf Drilling does not calculate this number	(1) NO _x : 4,436.5 ⁶ (2) SO _x : 74.7 ⁶ (3) VOC: 149.4 ⁶ (4) PM10: Shelf Drilling does not calculate this number	(1) NO _x : 4,810.3 ⁶ (2) SO _x : 81.0 ⁶ (3) VOC: 162.0 ⁶ (4) PM10: Shelf Drilling does not calculate this number	EM-EP-120a.1 GRI 305-7
	TCFD Reporting Reporting on climate related risks and opportunities in line with the recommendations of the Task force on Climate-related Financial Disclosures (TCFD).	See page 7	-	-	TCFD GRI 201-2
	Biodiversity Management Description of environmental management Policies and practices for active sites.	See pages 38-39	-	-	EM-EP-160a.1 GRI 3-3
	Spills & Releases to the Environment Number and aggregate volume of spills and releases to the environment.	Overboard Releases: Number of spills: 1 Aggregate volume: 0.03 bbls Releases to air: Number of ODS releases: 1 Aggregate volume: 1 Kg	Overboard Releases: Number of spills: 0 Aggregate volume: 0 bbls Releases to air: Number of ODS releases: 12 Aggregate volume: 42 Kg	Overboard Releases: Number of spills: 2 Aggregate volume: 103.1 bbls Releases to air: Number of ODS releases: 29 Aggregate volume: 215.6 Kg	GRI 306-3

Topic	Metric	2022	2021	2020	Code
Climate & Environment continued	Fresh Water Consumption & Recycling (1) Total volume of fresh water (non-drinking) handled in operations (2) Percentage recycled.	All fresh water used on the rigs is converted from seawater. Volume not measured, 100% recycled.	All fresh water used on the rigs is converted from seawater. Volume not measured, 100% recycled.	All fresh water used on the rigs is converted from seawater. Volume not measured, 100% recycled.	EM-SV-140a.1 GRI 303-5
	Water Management Discussion of strategy or plans to address water consumption and disposal-related risks, opportunities, and impacts.	See pages 38-41	-	-	EM-SV-140a.2 GRI 303-2
Responsible Business Conduct	Corruption Risk Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index.	0	0	0	M-SV-510a.1
	Anti-corruption & Bribery Management Description of the management system for prevention of corruption and bribery throughout the value chain.	See pages 43-44	-	-	EM-EP-510a.2
	Ethics Number of reported incidents.	7	8	8	Custom
	Fines Total monetary value of significant fines and total number of nonmonetary sanctions for non-compliance with laws and/or regulations in the social and economic area.	0	0	0	GRI 419-1 GRI 2-27
	Responsible Vendor Management Processes and policies guiding the selection and monitoring of vendors and agents.	See pages 45-46	-	-	Custom
	Human Rights Percentage of (1) proved and (2) probable reserves in or near areas of conflict.	0%	0%	0%	EM-EP-210a.1
	Human Rights Percentage of (1) proved and (2) probable reserves in or near indigenous land.	0%	0%	0%	EM-EP-210a.2

¹ Includes fuel consumed by rigs acquired in 2022. Excluding the rigs acquired, Scope 1 GHG emissions were 239,749.4 tCO2e.

² Scope 1 GHG Emissions are calculated using DEFRA 2022 Emissions Conversion Factors for Fuels – Marine Gas Oil (MGO), available [here](#). This represents a change from prior years to better align with general industry practice.

³ Scope 2 GHG Emissions are calculated by both location-based and market-based methods, using AIB 2022 emissions factors, climate transparency report 2022, and IGES 2022 factors.

⁴ Scope 3 GHG Emissions for 2022 include capital goods, purchased goods & services, fuel & energy related activities, and employee commuting categories in addition to those reported in prior years.

⁵ Scope 3 GHG Emissions for 2020 & 2021 include upstream transportation & distribution, business travel, and waste generated in operations categories only.

⁶ Air Emissions are calculated from Table 8.2 - Engine of the EEMS Atmospheric Emissions Calculations Report, available [here](#). SO_x emissions accounts for SO₂ emissions and has been adjusted for MGO sulfur weight composition of 0.05%.

GRI Content Index

Statement of Use	Shelf Drilling has reported the information cited in this GRI content index for the period January 1, 2022 to December 31, 2022 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	Page 4 of 2022 Form 10-K Equivalent
	2-2 Entities included in the organization's sustainability reporting	Page 4 of 2022 Form 10-K Equivalent
	2-3 Reporting period, frequency and contact point	Page 10
	2-5 External assurance	Page 10
	2-6 Activities, value chain and other business relationships	Pages 5-6 of 2022 Form 10-K Equivalent
	2-7 Employees	Pages 20-35
	2-9 Governance structure and composition	Pages 92-97 of 2022 Annual Report
	2-10 Nomination and selection of the highest governance body	Pages 92-97 of 2022 Annual Report
	2-11 Chair of the highest governance body	Pages 92-97 of 2022 Annual Report
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 6
	2-13 Delegation of responsibility for managing impacts	Page 6
	2-14 Role of the highest governance body in sustainability reporting	Page 6
	2-16 Communication of critical concerns	Page 44
	2-19 Remuneration policies	Page 92 of 2022 Annual Report
	2-20 Process to determine remuneration	Page 92 of 2022 Annual Report
	2-22 Statement on sustainable development strategy	Pages 2-3
	2-23 Policy commitments	Pages 30-32
	2-24 Embedding policy commitments	Pages 42-44
	2-26 Mechanisms for seeking advice and raising concerns	Page 44
	2-27 Compliance with laws and regulations	Page 53
2-28 Membership associations	Page 9	
2-29 Approach to stakeholder engagement	Page 8	
2-30 Collective bargaining agreements	Page 51	
GRI 2: General Disclosures 2021	3-1 Process to determine material topics	Page 8
	3-2 List of material topics	Page 9
	3-3 Management of material topics	Pages 12-40
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Page 7, 49

GRI Standard	Disclosure	Location
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 53
	205-2 Communication and training about anti-corruption policies and procedures	Pages 42-44
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 52
	302-2 Energy consumption outside of the organization	Page 52
	302-4 Reduction of energy consumption	Page 52
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	Page 38-39
	303-5 Water consumption	Page 53
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 52
	305-2 Energy indirect (Scope 2) GHG emissions	Page 52
	305-3 Other indirect (Scope 3) GHG emissions	Page 52
	305-4 GHG emissions intensity	Page 52
	305-5 Reduction of GHG emissions	Page 52
	305-6 Emissions of ozone-depleting substances (ODS)	Page 52
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Page 52
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Pages 37-39
	306-2 Management of significant waste-related impacts	Pages 37-39
	306-3 Waste generated	Pages 37-39
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 51
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Pages 12-19
	403-2 Hazard identification, risk assessment, and incident investigation	Pages 17-18
	403-3 Occupational health services	Pages 12-19
	403-4 Worker participation, consultation, and communication on occupational health and safety	Pages 12-19
	403-5 Worker training on occupational health and safety	Pages 12-19
	403-6 Promotion of worker health	Page 29
	403-8 Workers covered by an occupational health and safety management system	Pages 12-19
	403-9 Work-related injuries	Pages 50
	403-10 Work-related ill health	Page 50
	GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee
404-2 Programs for upgrading employee skills and transition assistance programs		Pages 24-26
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pages 27-28
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Pages 32-35
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Pages 45-46



**SHELF
DRILLING**

Shelf Drilling HQ
One JLT | Floor 12 | Jumeirah Lakes Towers
P.O. Box 212201 | Dubai | UAE

www.shelfdrilling.com