



Sustainability Report

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

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

Table of Contents

002	CEO Sustainability Statement
004	2023 Sustainability Highlights
005	Sustainability at Shelf Drilling
013	How We Manage Sustainability
016	Climate & Environment
032	Health & Safety
040	People & Society
060	Responsible Business Conduct
072	Shelf Drilling's Response to 11 TCFD Reporting Recommendations
073	2023 Disclosures
076	GRI Content Index

CEO Sustainability Statement



David Mullen
Chief Executive Officer

Twenty-nine of our thirty-six rigs operated recordable incident free for the entire year, a clear indication that our vision of incident-free operations is achievable

**ONE TEAM
ONE GOAL**

In 2023 we continued to advance our sustainability program while adapting our plans to changes in the regulatory and reporting frameworks. Our primary areas of focus were to conclude the pilot projects for capturing Scope 1 emissions on our rigs, advancing our engagement with our supply chain on ESG aspects, particularly in relation to human rights, and preparing for reporting in line with EU Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS) in 2024.

We achieved an outstanding safety performance, with a Total Recordable Incident Rate (TRIR) of 0.12, the lowest since the company's inception. We were especially pleased to see no recordable incidents across the fleet for the full fourth quarter, a period which historically has been challenging for our industry. Twenty-nine of our thirty-six rigs operated recordable incident free for the entire year, a clear indication that our vision of incident-free operations is achievable.

We began the roll out of our "One Team One Goal" program to ensure participation of all personnel on our rigs in rigorous planning to achieve safe and efficient execution of the customers program. This, combined with our "Make It Safer Today" (MIST) program that encourages participation of all rig personnel to engage with our safety program have been key elements towards achieving this result.

In 2023, we expanded our mental health first aid program to the UK and Denmark and launched a comprehensive Employee Assistance Program (EAP). Our EAP includes access to a global network of mental health professionals, offering confidential counseling services and tailored resources to our employees and their families. Importantly, this initiative is designed to provide support in local languages, ensuring accessibility and cultural relevance.

Our Scope 1 emissions were significantly impacted by an increase in the number of rigs working in drilling operations which are inherently more demanding on power and fuel compared to workover or plug and abandonment activities. However, over the course of the year 27 rigs reduced their engine emissions intensity by 3.7%. We completed the evaluation of various pilot projects to provide real-time data on engine performance and fuel consumption, enabling us to achieve more accurate and consistent results. These modification kits will be progressively rolled out to other rigs in our fleet in 2024, alongside other pilot programs such as fuel additives, aimed at further reducing our emissions profile.

In 2022, we enhanced our Scope 3 emissions reporting, following an assessment consistent with the Green House Gas (GHG) protocol, and in 2023, we continued to improve upon the quality and consistency of our reporting in this area. Our unique approach of recycling used equipment and parts within our operations stands out as a key contributor to reducing Scope 3 emissions. In 2023, we actively engaged with key suppliers to obtain their support for this initiative and ensured the sustainability of our recycling program as an integral part of our long-term business strategy that underpins our commitment to the Environment.

In June 2023, we published our first Norwegian Transparency Act Statement outlining our actions to address potential human rights issues within our own operations and supply chain, consistent with the areas identified in our 2022 Human Rights Saliency Assessment. We enhanced our vendor due diligence, onboarding, and audit processes to include specific requirements on ESG, including human rights, and performed on-site audits on several key vendors in this regard.

As a first step towards compliance with the CSRD, we completed a Double Materiality Assessment (DMA) to determine material impacts, risks and opportunities across our operations and value chain. Currently, we are performing a gap analysis based on the DMA results to the relevant European Sustainability Reporting Standards (ESRS) and will continue to work in collaboration with our external auditors and other industry advisors to ensure compliance by early 2025.

Throughout 2023, we saw an increasing engagement with our customers on ESG-related matters, including our actions to address human rights concerns across our supply chain and measures to reduce our Scope 1 emissions. The progress we have made in recent years positions us well to effectively respond to these requests and actively collaborate with our customers in these critical areas.

Building upon the momentum of 2022, we also significantly enhanced our CSR program in 2023, launching diverse projects across multiple locations that emphasized community engagement and sustainable development.

In 2024, our commitment continues. We will continue to engage with our employees and customers to drive meaningful reductions in our Scope 1 emissions, and establish relevant, activity-linked measures of our rig performance and assist our rig crews in meeting this goal. As required by the ESRS, we will also re-assess our longer-term emissions reduction strategy, including public commitments to emissions reductions targets. Further engagement with our supply chain on human rights issues remains a key objective, as we look to further mitigate potential human rights concerns associated with our business.

The recent COP28 conference in Dubai demonstrated the need for collaborative efforts to achieve meaningful, long-term reduction in emissions in line with the Paris Agreement. The oil and gas industry has a crucial role to play in helping the world meet our ever-expanding energy needs, and this was a clear outcome of the conference. We have continued to focus on expanding our business in low-cost, low-CO₂ areas including the Middle East and the outcome of the conference reinforced our belief that our business model remains resilient under all climate change scenarios for the decades to come.

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

David Mullen
Chief Executive Officer

2023 Sustainability Highlights



Climate & Environment

**~60,000
Tonnes CO₂e**

Prevented
through Circularity

**Emissions
Tracking**

Pilots completed on engine
and emissions monitoring

**Fuel
Additives**

Pilot launched for one rig



Health & Safety

0.12

Total Recordable Incident
Rate Lowest in Company's
history

29 Rigs

Had Zero Recordable
Incidents throughout the
year

~91,000+

Hours of Safety Training
performed



People & Society

4,200

Employees from 57
countries

89%

National workforce
on our rigs

32%

Women across our offices
(excluding Corporate)



Responsible Business Conduct

**Norwegian
Transparency Act
Statement**

Outlining the results of 2022 Human
Rights Saliency Assessment

**Zero
Tolerance**

For Corruption, Bribery
and Money Laundering

3,100+

Employees trained in the
recertification of the Code
of Business Conduct &
Ethics

Grade "B+"



ESG 100 Rating for 2023.
Annual review of the sustainability
reporting of the 100 largest
companies by market value listed on
the Oslo Stock Exchange by Position
Green. Shelf Drilling's total ESG score
ranks within the top 35 of the 100
largest companies (by market cap)
on the Oslo Stock Exchange.

Grade "B-"



Climate Disclosure Project (CDP)
Rating for 2023.

Sustainability at Shelf Drilling

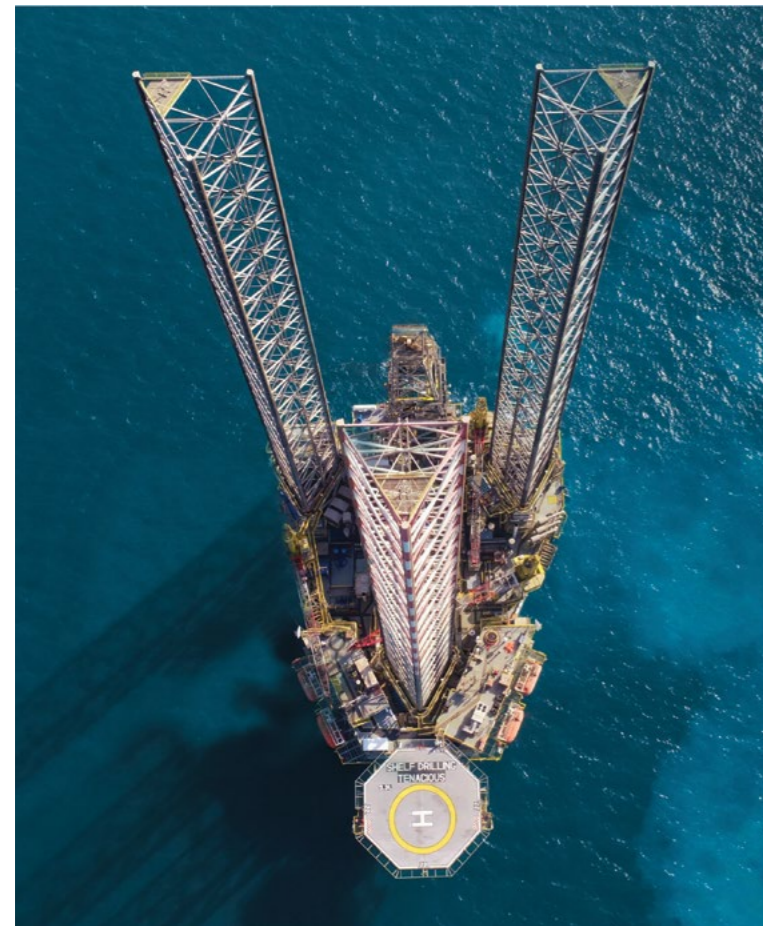
At Shelf Drilling, sustainability is at the core of everything we do.
We define sustainability as achieving commercial profitability in a way that is consistent with our fundamental ethical values and with respect for individuals, the environment, and society.

Rooted in our core values of Protect, Lead, and Execute, this commitment drives our strategic priorities of Focus, Reliability, and Relationships, guiding us to conduct business with integrity and ethics.



Who We Are

Shelf Drilling is a leading international shallow water offshore drilling contractor with rig operations across the Middle East, Southeast Asia, India, West Africa, Mediterranean and the 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 operations and leverage decades of industry experience and an outstanding track-record to provide best-in-class operations for our customers. We are committed to prioritizing sustainability across our operations to ensure long-term success of our business while upholding the wellbeing of our employees, supporting the communities we operate in and protecting the environment.

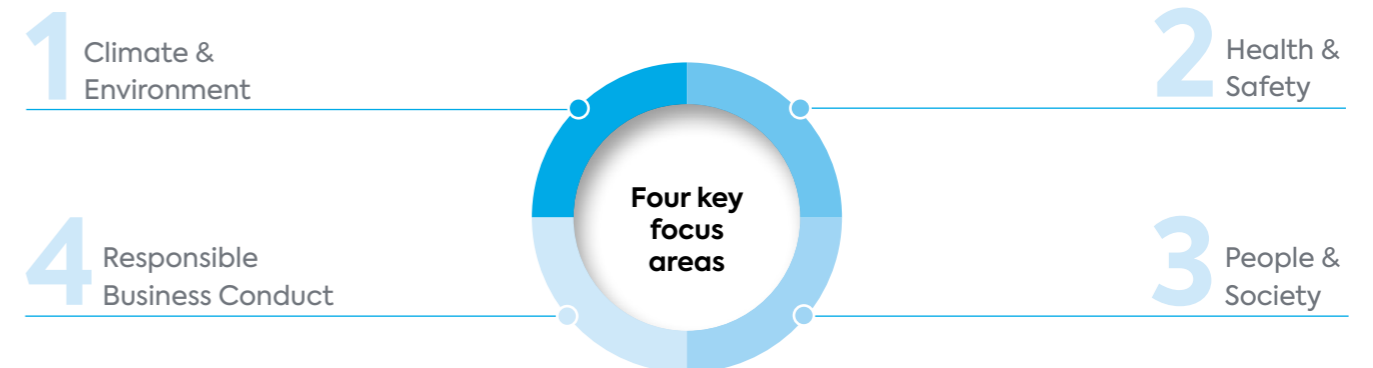


Our Impact

As a leading drilling contractor, Shelf Drilling understands its 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 capacity to make significant positive contributions by providing society with vital energy resources, fostering socio-economic development through job creation, and nurturing a professional, safe, and inclusive working environment for our personnel. 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 uphold rigorous compliance with a variety of regulatory frameworks ensuring 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.



Risk Management

Shelf Drilling established a comprehensive Enterprise Risk Management (ERM) process in 2014 that has continued to be refined and enhanced over the years. The ERM framework enables us to identify and assess the likelihood and impact of all risks, hazards, or other threats to our business activities, (including sustainability matters) and to define specific mitigation and monitoring measures to reduce their potential impact. We reassess all identified risks annually and discuss the top risks with the ERM Steering Committee, the Audit Committee, and the Board. Our ERM outcomes inform the establishment of our 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. The management readiness assessments continued to strengthen our ERM framework in 2023, ensuring that our risk management strategies remain proactive and agile in the face of evolving challenges.

Double Materiality Assessment

In 2023, Shelf Drilling conducted a comprehensive Double Materiality Assessment (DMA) consistent with the requirements of the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The DMA is the cornerstone of the CSRD, as it dictates which areas within sustainability

Shelf Drilling is required to report on. The assessment reviews the impact that Shelf Drilling and our business relationships have on the environment and people (impact materiality), as well as the financial risks and opportunities that sustainability-related events can represent for Shelf Drilling (financial materiality). Collaborating with an external advisor, we identified impacts, risks, and opportunities (IRO), and objectively scored these IROs to ascertain the materiality of sustainability matters pertinent to Shelf Drilling under ESRS. We conducted the assessment through a combination of internal documentation analysis, interviews with affected internal and external stakeholders and users of sustainability matters. Subsequently, the final assessment results were submitted to Shelf Drilling's executive management for validation followed by discussions with the Board.

As a result, **21 sustainability matters (SM) have been identified as material for Shelf Drilling** spanning across environmental (E), social (S), and governance (G) topics.



SUSTAINABILITY MATTERS (MATERIAL TOPICS)



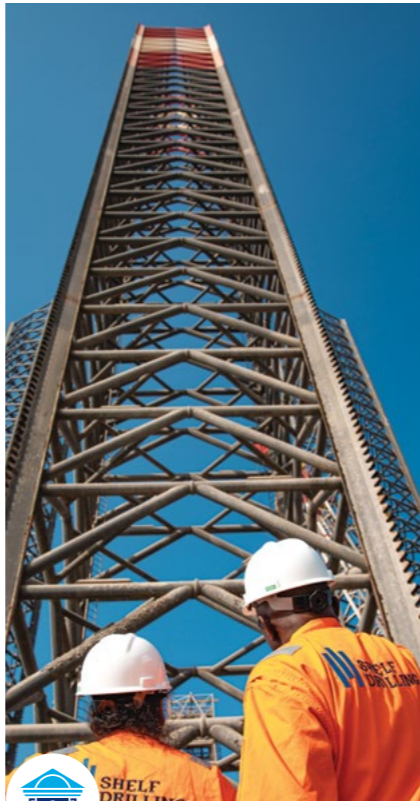
ENVIRONMENTAL (9)

- Climate Change Adaptation
- Climate Change Mitigation
- Energy
- Pollution of air
- Pollution of water
- Pollution of soil
- Substances of very high concern
- Impacts on the state of species
- Resource inflows including use



SOCIAL (8)

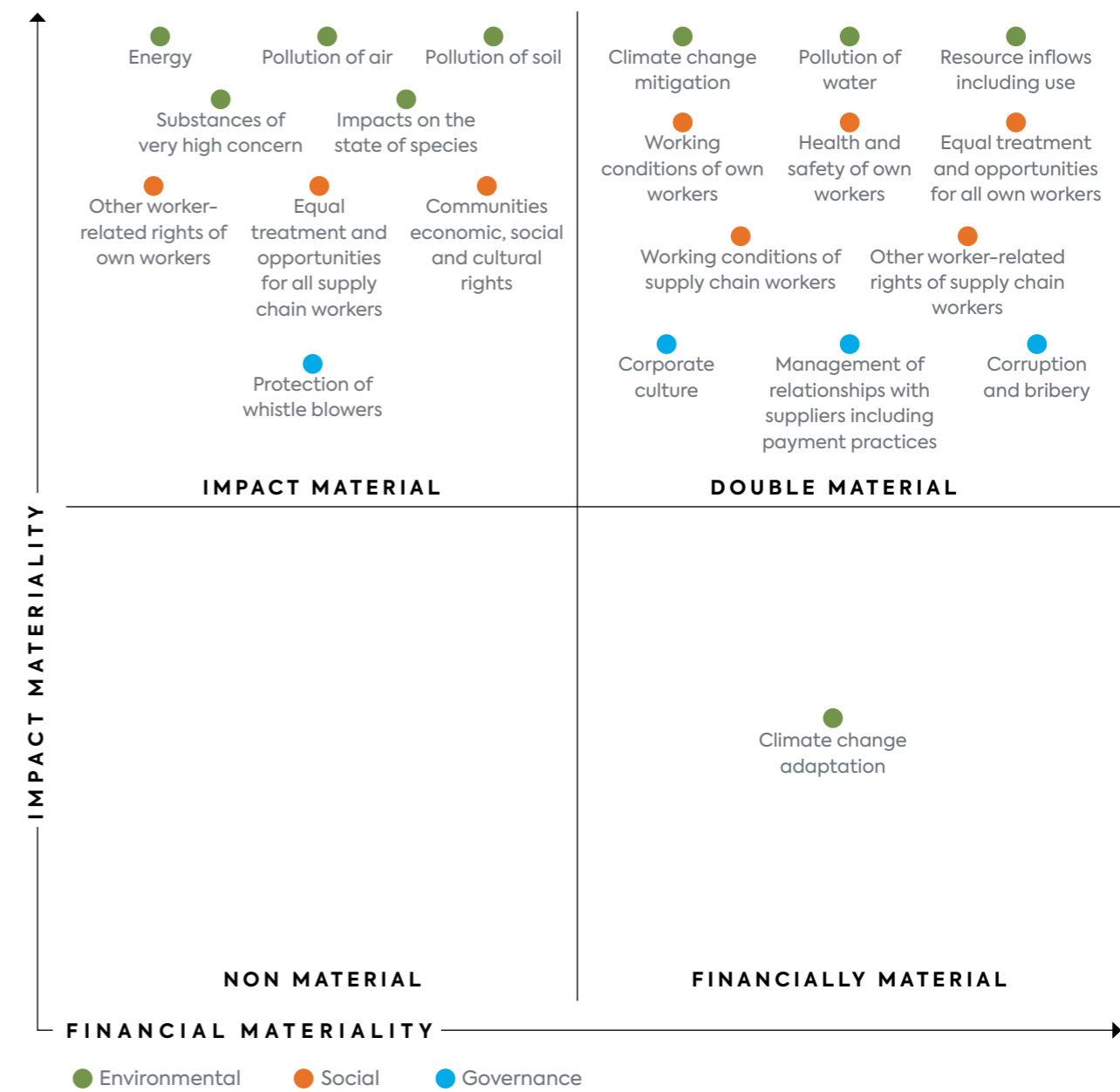
- Working conditions of own workers
- Health and safety of own workers
- Equal treatment and opportunities for all own workers
- Other worker-related rights of own workers
- Working conditions of supply chain workers
- Equal treatment and opportunities for all supply chain workers
- Other worker-related rights of supply chain workers
- Communities economic, social and cultural rights



GOVERNANCE (4)

- Corporate culture
- Protection of whistle blowers
- Management of relationships with suppliers including payment practices
- Corruption and bribery

Out of 21 identified SMs, **11 are double-material topics**, **9 are impact material topics**, and **1 is financially material**, as illustrated in the high-level double materiality matrix provided below.



Management Review and Board Oversight

DMA outcomes underwent rigorous management review and were presented to the Board of Directors, ensuring robust governance, accountability, and transparency.

2024 Plan and ESRS Alignment

Towards the end of 2023, Shelf Drilling commenced a gap analysis based on DMA results consistent with the requirements of the European Sustainability Reporting Standards (ESRS). In 2024, we will continue this process in addition to comprehensive data management, addressing and closing the identified gaps and finally adjusting our reporting to reflect ESRS. Our collaborative efforts with external auditors and advisors, are testament to our commitment to ensure timely compliance with these standards.

The work outlined above is a further example of Shelf Drilling’s proactive stance in aligning business and reporting practices with the evolving regulatory landscape, and its commitment to the well-being of people and the environment.

Our Material Topics Contribute to the UN Sustainable Development Goals



Within our four sustainability priorities – climate & environment, health & safety, people & society, and responsible business conduct – we have continuously refined our approach to address material topics and drive meaningful long-term impact. In 2020, we identified a comprehensive list of material topics through a materiality assessment that included an outreach to key stakeholders. This initial step laid the foundation for our sustainability strategy, setting the stage for ongoing dialogue and collaboration. Since then, we have reviewed and refined this list through a collaborative process involving both internal stakeholders and external consulting experts. This iterative approach has enabled us to stay responsive to evolving trends, emerging risks, and stakeholder feedback. As of today, 15 material topics (listed on next page) are integral to our business, operations and sustainability agenda. 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 pages 73-75.

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 make meaningful and sustainable contributions toward the attainment of several SDGs relevant to our business. The table on next page summarizes how our 15 material topics contribute to specific UN SDGs. Additionally, we have mapped these 15 material topics to the 21 sustainability matters identified as a result of the DMA exercise. We plan to report our sustainability performance, actions and plans on the 21 sustainability matters for the 2024 reporting period onwards to ensure compliance with ESRS.



Our Material Topics & SDG Framework

Sustainability Focus Area	Material Topic	Why it Matters	DMA Sustainability Matters	Selected SDGs	Our Ambitions
 Climate & Environment	Greenhouse Gas Emissions	Our operations have a significant GHG profile	<ul style="list-style-type: none">Climate change adaptationClimate change mitigationPollution of air	  	<ul style="list-style-type: none">Reduce our daily per rig Scope 1 emissions by 20% over 5 yearsPartner with stakeholders on innovative technologies to reduce GHG profilePromote behavioral changes in employees in support of our climate & environment goals
	Energy	Our operations are energy intensive. Rigs consume a significant amount of fuel, hence energy.	<ul style="list-style-type: none">Climate change adaptationClimate change mitigationPollution of airEnergy		
	Spills & Releases	Our operations have the potential to unintentionally generate air, water and soil pollution including the release of substances of concern.	<ul style="list-style-type: none">Pollution of waterImpacts on the state of speciesSubstances of very high concern		
	Circularity	Our rigs are composed of steel or industrial equipment. Our focus on circularity reduces our Scope 3 footprint by eliminating the need for manufacturing new equipment.	<ul style="list-style-type: none">Pollution of soilSubstances of very high concernResource inflows including use		
	Biodiversity (state of species)	Our operations can put at risk the state of species through contamination generated by unintended leakage of fluids to the sea or the transport of foreign species and bacteria to marine ecosystems.	<ul style="list-style-type: none">Impacts on the state of species		
 Health & Safety	Health and Safety	Our greatest responsibility given the inherent risks in our operations and footprint	<ul style="list-style-type: none">Health and safety of own workers	  	Providing a safe working environment through prevention, continuous improvement, and innovation
	Employee Security				

Sustainability Focus Area	Material Topic	Why it Matters	DMA Sustainability Matters	Selected SDGs	Our Ambitions
 People & Society	Employee Development & Retention	Builds skilled, motivated, and engaged workforce	<ul style="list-style-type: none">Corporate culture		<ul style="list-style-type: none">Develop strong and competent local leadership wherever we operate
	Employee Wellbeing	Our ethical responsibility	<ul style="list-style-type: none">Working conditions of own workersEqual treatment and opportunities for all own workersOther worker-related rights of own workersProtection of whistle blowers	  	<ul style="list-style-type: none">Building strong partnerships with local communitiesBuilding an inclusive workplace, free from discrimination
	Human Rights	Fundamental to the dignity and well-being of every person working directly or indirectly in our operations	<ul style="list-style-type: none">Working conditions of supply chain workersEqual treatment and opportunities for all supply chain workersOther worker-related rights of supply chain workers		<ul style="list-style-type: none">Work collaboratively with all stakeholders to promote respect for human rights across our value chain
	Local Employment	Long-term sustainability and resilience of our operations, inclusive growth for the communities where we operate.	<ul style="list-style-type: none">Communities economic, social and cultural rights		
	Local Community Development				
 Responsible Business Conduct	Business Ethics	Ensure our operations are run in a legal and ethically compliant manner, mitigating the reputational and financial risks to our business.	<ul style="list-style-type: none">Corporate cultureProtection of whistle blowersCorruption and bribery	 	Promote ethical practices across value chain and strengthen business continuity
	Responsible Procurement		<ul style="list-style-type: none">Working conditions of supply chain workersEqual treatment and opportunities for all supply chain workersOther worker-related rights of supply chain workersManagement of relationships with suppliers including payment practices		
	Information Security & Privacy		<ul style="list-style-type: none">Other worker-related rights of own workers		

How We Manage Sustainability

Sustainability Policy

Our Sustainability Policy serves as the cornerstone of our commitment to sustainability. Approved by our Board in 2020, it outlines fundamental principles guiding our business practices, management approach, and personal behavior. Integrated into our Company Management System and publicly available on our website, this policy ensures transparency and accountability. By setting clear expectations, we aim to embed sustainability across our operations and culture.

Other Policies & Procedures

Shelf Drilling has adopted, and regularly updates various other policies and procedures to ensure effective management of sustainability-related activities. These include the **Code of Business Conduct and Ethics**, **Global Anti-Corruption Policy**, and **Vendor Code of Conduct**, all of which are regularly revised to incorporate evolving key sustainability considerations. Our **Rig Recycling Policy** outlines procedures for environmentally responsible rig disposal.

Employees are required to adhere to established policies, supported by training and compliance monitoring systems. We continuously review and improve our policies and procedures to align with evolving regulations and achieve our sustainability goals. For more information, visit our website at www.shelfdrilling.com.

In 2024, we plan to conduct a thorough review of our policies to ensure alignment with ESRS standards set forth by DMA outcomes.

 Climate & Environment	 Health & Safety	 People & Society	 Responsible Business Conduct
Sustainability Policy	HSE Policy	Sustainability Policy	Code of Business Conduct & Ethics
HSE Policy	HSE Management System	Code of Business Conduct & Ethics	Global Anti-Corruption Policy
Rig Recycling Policy	Quality Policy	Vendor Code of Conduct	Vendor Code of Conduct
Environmental Sustainability Metrics and Reporting Standard	HSE Requirement		Information Security Policies
	Security & Emergency Management Requirements		Privacy Policies
	Occupational Health Standard		

Corporate Governance of Sustainability

At Shelf Drilling, we believe that effective governance structures are critical to ensuring 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 active engagement with stakeholders, ensuring that sustainability remains at the core of our decision-making processes. 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 sustainability strategy, risk management and performance.
- **Audit Committee of the Board** monitors risk management programs, including ERM, that incorporates climate- and other sustainability-related risks.
- **ERM Steering Committee**, which is chaired by the CEO and includes all executive management and other key management owns and drives the ERM process including conducting annual risk reviews and mitigation prioritization.
- **Chief Executive Officer** is responsible for operationally driving sustainability strategy and performance.
- **Management Sustainability Steering Committee**, which is chaired by the **Executive Vice President**, oversees the development and implementation of our sustainability goals.
- **Rig Steering Committees** on each rig ensures adherence to sustainability standards offshore.
- **Sustainability Manager** leads the development and implementation of sustainability plans, ensuring alignment with global best practices and industry standards.

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 executive management team, including the CEO, as well as all management positions across the company. It further extends to the OIMs on the rigs, thereby integrating sustainability into our company culture and operations.

Stakeholder Engagement

Shelf Drilling values meaningful 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.

Industry Initiatives

As a member of the International Association of Drilling Contractors (IADC), Shelf Drilling closely monitors industry dynamics and the evolving landscape of sustainability within the oil and gas sector. 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. We are also a member of IADC's Advanced Rig Technology Committee (ART), and the ART Energy Efficiency (EE) subcommittee. Through these roles, we contribute to shaping the industry's future by driving innovation and promoting energy-efficient practices. This collaboration not only enhances our understanding but also contributes to the advancement of consistency in sustainability reporting within our industry.



Sustainability Recognition

We recognize the importance of sustainability ratings and reports as sources of information for investors, analysts, and other stakeholders. We actively engage with several agencies to seek feedback to improve our sustainability performance reporting and better meet stakeholder expectations.



Grade "B+"

ESG 100 Rating for 2023

Annual review of the sustainability reporting of the 100 largest companies by market value listed on the Oslo Stock Exchange by Position Green. Shelf Drilling's total ESG score ranks within the top 35 of the 100 largest companies (by market cap) on the Oslo Stock Exchange.

Grade "B-"



Climate Disclosure Project
(CDP) Rating for 2023.

About This Report

Our Approach to Sustainability Reporting

In compiling this report, accuracy of reported data and information has been a key area of focus. The main risks we have identified in our reporting are:

- The data quality of quantitative information could be low if methods of gathering data are not appropriate.
- Presently, most of our Scope 1 emissions data is manually captured before entry into our online tool, posing a risk of inadvertent errors in recording.

We have a comprehensive strategy in place to minimize the possibility that these risks may materialize. To collect our sustainability data, we use our in-house ESG dashboard and other online tools customized to accurately collect metrics

relevant to our operations. This allows us to gather data closer to its source, allowing for more accurate estimations and more reliable methods of calculation. Additionally, we have several check-ins and quality assurances at various stages between data capture and finalization. To ensure reporting is aligned with the most recent standards, we have engaged independent consultants with expertise on this area to guide us in producing our sustainability report. All these efforts and internal controls ensure that risks related to reporting are mitigated to the greatest extent possible.

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 pages 73-75 are based on the SASB recommendations for the oil and gas exploration and production and services sectors^{1,2}. Relevant indicators are included from these 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) Standards³ and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)⁴. 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 2023 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 2023. Sustainability disclosures contained in this report have not been externally assured.

Contact Point

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¹https://www.sasb.org/wp-content/uploads/2018/11/Oil_Gas_Exploration_Production_Standard_2018.pdf

²https://www.sasb.org/wp-content/uploads/2014/06/NR0104_ProvisionalStandard_OGServices.pdf

³<https://www.globalreporting.org/>

⁴<https://www.fsb-tcfd.org/>



Climate & Environment

Shelf Drilling believes that the oil and gas industry is key to meeting the world's ever-expanding energy needs. We are aware of the environmental impacts our industry and operations can have, and we are committed to managing our operations responsibly and sustainably. Our approach centers on emissions mitigation, achieved through proactive employee involvement, fostering collaboration with our customers and industry partners, and driving innovation. By instilling a culture of environmental responsibility within our workforce, we look to drive behavioral shifts that promote sustainable practices. We actively collaborate with experts to identify new solutions and technologies to reduce our environmental footprint.

2023 Highlights

**~60,000
Tonnes CO₂e**

Prevented
through circularity

Emissions Tracking

Pilots completed on engine
and emissions monitoring

Why it Matters ?

Fuel Additives

Pilot launched for one rig

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

Material Topics

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

Material Topics

Greenhouse Gas (GHG) Emissions

Energy Management

Spills & Releases

Biodiversity

Circularity



Impact Materiality

Shelf Drilling acknowledges the impact of its operations and business on both the environment and society. The energy consumption inherent in offshore operations results in significant carbon emissions, contributing to climate change and air pollution. Greenhouse gases, emitted primarily from fuel combustion, lead to global warming, sea-level rise, and extreme weather events, with adverse effects on human health, agriculture, and ecosystems. Furthermore, pollutants such as SOx and NOx also from the combustion process harm air quality and biodiversity, while cooling systems containing ozone-depleting substances pose risks to the ozone layer and ecosystem health. However, Shelf Drilling also demonstrates potential positive impacts through its efforts to reduce emissions and engage customers in sustainable practices, thus influencing broader climate mitigation efforts.

We acknowledge the energy-intensive nature of our operations and the challenges inherent in reducing fuel consumption while meeting operational imperatives. Therefore, our primary focus lies in the optimization of power generation systems and the enhancement of fuel efficiency resulting in cost reduction and reducing the reliance on finite fossil fuel resources, contributing to long-term sustainability.

Shelf Drilling also acknowledges the potential impact of its operations on marine biodiversity. Loss of well control during well construction activities, while exceptionally rare, can release harmful substances into the marine environment, posing risks to marine species and habitats. Discharges at sea, stemming from unplanned discharges from our equipment, presents a risk of inadvertent contamination, potentially impacting marine ecosystems. Additionally, biofouling on rigs and ballast water discharge from rigs can lead to the transportation of invasive species to new areas, disrupting local ecosystems.

Recognizing the environmental impact of equipment and components essential to our operations, such as steel, Shelf Drilling actively implements circularity principles through our "fleet spares strategy," which emphasizes refurbishment and reuse of equipment. Through this approach, we promote resource efficiency, waste reduction, and sustainable practices.

Shelf Drilling exclusively operates in shallow water regions, where hydrocarbon extraction costs and CO₂ emissions per barrel are notably lower than in other areas, enabling us to play a key role in assisting our customers in meeting the world's increasing energy needs. Furthermore, we have strategically expanded our services, fleet, and footprint to specialize in plug and abandonment (P&A) operations, contributing to the circular economy of the oil and gas industry.

Through proactive measures and responsible practices, we strive to minimize our impact on the environment while promoting the well-being of people and society.



Financial Materiality

From a financial perspective, effectively managing material topics pertaining to climate and environment is critical for Shelf Drilling's long-term sustainability and profitability. Extreme weather events pose operational risks, including damage to critical infrastructure, safety hazards for personnel, and productivity losses, potentially leading to revenue loss or additional costs. Moreover, increasing occurrences of extreme weather events across our industry may escalate insurance premiums and liability claims, impacting financial performance.

Inadequate management of GHG emissions and energy consumption can lead to increased operational costs, regulatory fines, and reputational damage, jeopardizing financial performance and investor confidence. Furthermore, the potential for unplanned spills and loss of well control poses financial risks in terms of cleanup costs, regulatory fines, and reputational damage. Engagement with customers to support emissions reduction initiatives offers opportunities for co-investment and long-term partnerships, enhancing both our environmental and financial performance.

The imposition of emissions-related taxes, such as Carbon Tax and Emissions Trading Systems (ETS), could significantly increase the Company's operational costs, affecting profitability in the medium to long term. Failure to comply with future greenhouse gas emission reduction targets established by regulatory bodies may result in fines, penalties, and reputational damage, jeopardizing financial stability and market position.

By integrating environmental considerations into its business strategy, Shelf Drilling not only mitigates financial risks but also capitalizes on opportunities for long-term value creation and sustainable growth. Initiatives like the "fleet spares strategy" based on circularity principles offer opportunities for innovation, cost savings, and competitive advantage. Moreover, by leveraging emerging opportunities such as enhanced energy efficiency onboard rigs, environmentally sustainable operations, and supporting our customers with carbon capture and storage activities, Shelf Drilling positions itself as a leader driving innovation and resilience within the drilling industry.

Policies

Sustainability Policy

Shelf Drilling's Sustainability Policy is consistent with our commitment to support the achievement of UN Sustainable Development Goals (SDGs), prioritizing environmental protection and climate impact mitigation. It outlines our commitment to comply with relevant environmental regulations and minimize our operational impact on the climate and environment. Applicable to all employees and contractors representing us,

whether offshore or shore-based locations, this policy sets the standard for our environmental responsibilities. As required by our policy, we track and monitor our environmental performance through our ESG Dashboard and reporting system, generating regular reports for both Management and the Board.

HSE Policy

Our Health, Safety, and Environment (HSE) Policy requires the implementation of systems that prioritize emissions reduction and energy conservation. Central to this policy is the development of Power Management Plans for each rig, aimed at optimizing power generation and usage to minimize fuel consumption effectively. Furthermore, all our rigs are required to operate with an International Air Pollution Prevention (IAPP) Certificate, issued by a Classification society, affirming compliance with emission control requirements as outlined in MARPOL Annex VI. Additionally, we maintain an Environmental Aspects and Impacts Register across all our rigs and shore-based facilities. This register outlines our process for identifying and evaluating the environmental aspects and impacts of our activities and operations.

Rig Recycling Policy

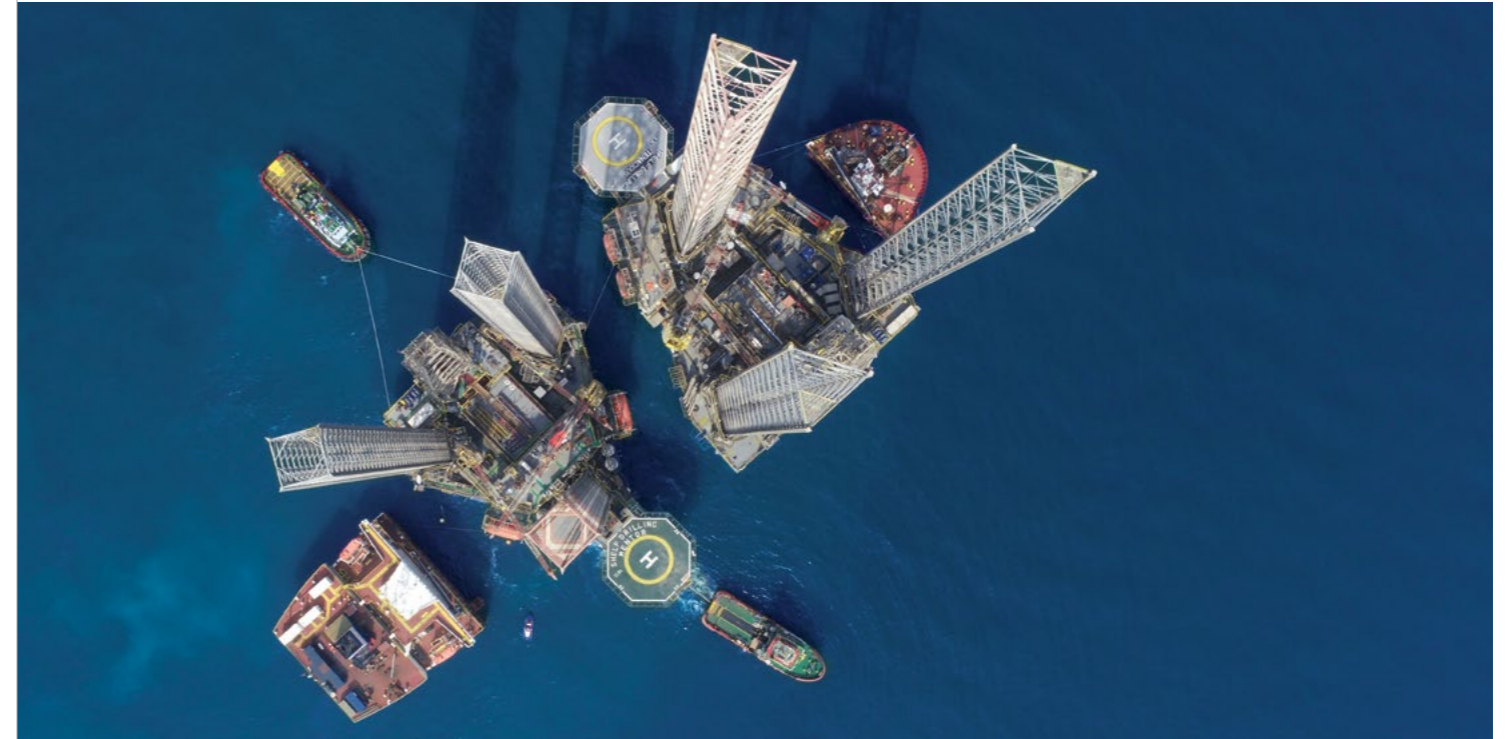
Our Rig Recycling Policy focuses on the responsible disposal and recycling of rigs and equipment, ensuring alignment with the Basel Convention on the Control of Trans-Boundary Movements of Hazardous Wastes and their Disposal, 1989. This policy mandates that rigs are to be sold for recycling solely to facilities certified under the Hong Kong Convention, ensuring legal compliance and mitigating associated risks. Additionally, the policy mandates third-party audits of the recycling process to uphold stringent environmental standards. Furthermore, it advocates the reuse of equipment, aligning with international standards and fostering a commitment to reducing our environmental impact.

Transition Plan

The oil and gas industry has a significant opportunity to support the objectives of the 2015 Paris Agreement, through its potential to contribute to sustainable energy transitions. The recently concluded COP28 highlighted the industry's commitment to the climate agenda, marked by the signing of the Oil and Gas Decarbonization Charter (OGDC), signifying a collaborative step towards strengthening environmental sustainability efforts.

At Shelf Drilling, we recognize the complex energy trilemma facing the world today: ensuring energy security, providing equitable access to energy, especially in emerging economies, and achieving environmental sustainability.

As a leading drilling contractor, we acknowledge the energy-intensive nature of our operations, consisting of



drilling, workover, and plug and abandonment (P&A) activities. While our role in supporting our customers' well programs is critical, there are significant challenges for us to reduce fuel consumption due to operational requirements. Therefore, our primary focus lies in optimizing power generation systems and improving fuel consumption efficiency through active engagement with our employees, customers, and recognized industry experts.

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.

In line with our commitment to sustainability and innovation within the energy sector, we have strategically expanded our services to specialize in plug and abandonment (P&A) operations — a critical component of the oil and gas industry's circular economy. As more fields approach the end of their productive life, the requirement for P&A services is expected to increase. While the timing of this activity is uncertain, we have made substantial investments to develop a proven capability in this area.

Our 2022 acquisition in the North Sea is consistent with this strategy, positioning us in a region with increasing demand for P&A

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.

operations. The North Sea serves as a relatively more established region for Carbon Capture and Storage (CCS) projects as compared to our other operating regions. Leveraging our expertise and success in P&A operations, we aim to participate in the CCS value chain where possible, contributing to global efforts to achieve net-zero emissions. In 2023, we completed a one-well CCS project for a customer in the Adriatic.

As we move forward, we are working on defining a formal climate transition plan that aligns with our operational realities and our commitment to environmental stewardship. Recognizing the critical importance of addressing climate change and its impacts on our operations, stakeholders, and the environment, we remain committed to innovation, collaboration, and investment in our people, assets, and technologies. By doing so, we aim to serve our customers effectively while contributing to a better future for all.

Climate-related Risks

Shelf Drilling acknowledges the multifaceted impact of climate change, presenting both risks and opportunities across regulatory, reputational, and/or market categories. In 2019, we conducted a comprehensive climate risk review in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) guidelines. This review enabled us to identify various physical and transitional climate-related risks and opportunities pertinent to our operations, which have been integrated into our Enterprise Risk Management (ERM) framework.

Similar to our approach to other risks, we have devised targeted mitigation strategies for these climate-related risks. Responsibility for their implementation has been allocated to specific members of our management team, ensuring accountability and proactive management. Moreover, we continuously monitor regulatory developments and evolving customer requirements to adapt and refine our strategies in line with emerging trends and expectations. Through these proactive

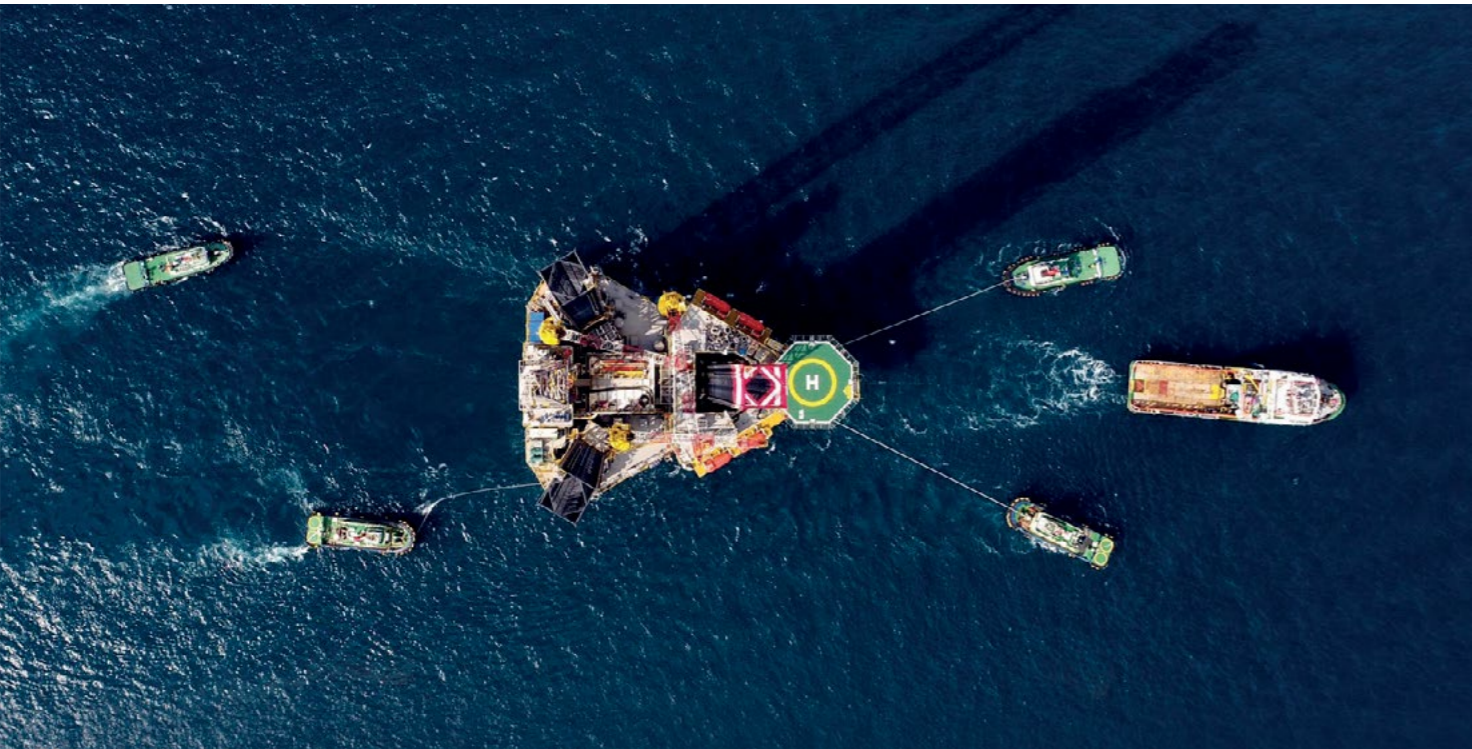
measures, we aim to effectively navigate the challenges and capitalize on the opportunities presented by climate change, safeguarding the sustainability and resilience of our operations.

We annually submit our “Climate Change” disclosure through the Carbon Disclosure Project (CDP). Further details on our impact on climate change cross referenced to our 2023 CDP disclosure, our response to 11 TCFD reporting recommendations, this Sustainability Report as well as 2023 Form-10k equivalent are included on page 72. 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.

Furthermore, in 2023, Shelf Drilling completed a Double Materiality Assessment (DMA) to comprehensively identify our Impacts, Risks and Opportunities (IROs) and assesses their materiality. More details on DMA process are included on pages 7-12.

The following table outlines the climate-related risks identified, including both physical and transitional types, as part of Double Materiality Assessment and leveraging the work done in our TCFD risk review.

Risk Type	Sustainability Matter	Risk	Time Horizon
Physical	Climate Change Adaptation	Extreme weather disrupts operations	Short to Medium
		Extreme weather increases cost of operations	Long
Transitional	Climate Change Mitigation	Carbon Tax	Medium to Long
		Other GHG Emissions related Regulations	Long



Extreme Weather Disrupts Operations

Shelf Drilling operates in regions prone to extreme weather events, such as increased temperatures in the Middle East and Egypt and cyclones in areas like India and Southeast Asia, which can pose risks to our operations. They can directly damage critical rig infrastructure or pose additional safety hazards for the crew, potentially resulting in injuries. Furthermore, adverse weather conditions may necessitate the suspension of operations by preventing transit of equipment or personnel to offshore rigs, resulting in operational delays. Additionally, severe weather patterns may lead to delays in rig movements and supply chain logistics. These events may therefore result in productivity loss, downtime events, delays in contract commencement, potentially resulting in revenue loss or additional costs. As climate change progresses, the frequency and severity of extreme weather events are expected to rise, further impacting the stability and safety of offshore operations.

Extreme Weather Increases Cost of Operations

Increasing occurrences of extreme weather events heighten the risk of injury to our offshore employees and substantial damage to our rigs. In the long-term, these incidents may result in increased claims across our industry, with the risk that this may impact insurance premiums.

Carbon Tax

The imposition of emissions-related taxes, including Carbon Tax and Emissions Trading Systems (ETS),

particularly in developed economies, may pose a potential financial exposure for Shelf Drilling in the future. With the carbon taxes in Denmark and Norway and emission trading in the UK and EU, Shelf Drilling may face increased operational costs in the medium to long term. Furthermore, there is a risk of similar taxation frameworks being adopted by other countries in which Shelf Drilling operates. The introduction of a carbon tax would have an immediate impact on our direct cost of operations and would require us, or our customers, to invest in fleet upgrades to mitigate carbon emissions and minimize tax liabilities. While our contracts with our customers typically include provisions stating that a change in law (including the costs associated with a carbon-tax or equivalent) would be passed on to the customers, there remains uncertainty regarding the complete transferability of such regulatory costs.

Other GHG Emissions related Regulations

Shelf Drilling faces the risk of potential operational shutdowns and contract losses or terminations should it fail to meet future greenhouse gas emission reduction targets established by regulatory bodies, like International Maritime Organization’s (IMO) Energy Efficiency Operational Indicator (EEOI) and Carbon Intensity Indicator (CII) standards which do not apply to the offshore drilling sector today. Failure to comply with these environmental benchmarks carries the risk of fines, penalties, and reputational damage. Therefore, meeting these environmental standards is crucial to avoid financial repercussions and to maintain our market position.

Climate-related Opportunities

Shelf Drilling acknowledges the potential for significant opportunities stemming from combatting climate change.

The table below outlines the opportunities identified as part of Double Materiality Assessment.

Sustainability Matter	Opportunity	Time Horizon
Energy	Increase of energy efficiency onboard the rigs	Medium to Long
Climate Change Mitigation	Environmentally Sustainable Drilling Services	Long
Climate Change Mitigation	Developing Carbon Capture and Storage activities	Long

Enhanced Energy Efficiency Onboard Rigs

Shelf Drilling’s concerted efforts to increase energy efficiency across its fleet presents an opportunity for enhanced operational efficiency. The initiative to optimize engine utilization not only reflects a commitment to environmental stewardship but also offers a practical avenue for reducing engine maintenance expenses. By implementing real-time fuel and emissions monitoring system, we anticipate

meaningful improvements in the fuel efficiency on our rigs. While the direct cost savings from reduced fuel consumption may not accrue to us, as fuel is typically supplied by the customer, the initiative could pave way for future business prospects. Demonstrating our capability to meet stringent customer or regulatory mandates positions us favorably for seizing new opportunities within our markets.



Environmentally Sustainable Offshore Operations

Shelf Drilling is currently evaluating the potential for integrating sustainable practices into its operations as part of a long-term vision of environmental stewardship within the drilling industry. While concrete initiatives have yet to be finalized, exploring options such as rig electrification, hybrid power systems, and the adoption of alternative fuels presents a strategic opportunity to mitigate our environmental impacts in the future. The absence of established benchmarks for sustainability in offshore operations underscores the nascent state of such efforts across the industry, emphasizing the potential for Shelf Drilling to drive innovation and leadership in environmental sustainability.

Developing Carbon Capture and Storage Activities

With the transition to a low-emission economy, the demand for carbon capture and storage (CCS) opportunities is expected to grow. Shelf Drilling has actively engaged in various ongoing and potential CCS projects. The increasing potential of developing CCS activities, particularly in regions like the North Sea, signifies a significant opportunity. Our demonstrated expertise in P&A operations positions us favorably to access and capitalize on these increasing opportunities. Leveraging our proven capability in this domain, we anticipate an escalation in CCS-related ventures in the future.

Greenhouse Gas Emissions

Shelf Drilling is committed to understanding and mitigating its environmental impact, particularly concerning greenhouse gas emissions from its direct operations and broader value chain. The company employs the Greenhouse Gas (GHG) Protocol for Climate Accounting, a globally recognized standard, to ensure accurate and transparent reporting of its GHG emissions. As outlined in the GHG Protocol, we adopt the Operational Control approach for our carbon accounting. This methodology involves accounting for all emissions from operations over which the Company has control over, providing a comprehensive view of its environmental footprint.

Note: 2023 figures on all tables in Greenhouse Gas Emissions section pertains to both SDL & SDNS rigs (excluding SD Barsk) while 2021 figures are for SDL rigs only, unless mentioned otherwise.

Scope 1 Emissions

At Shelf Drilling, our Scope 1 emissions are primarily attributed to the combustion of Marine Gas Oil (MGO) or diesel onboard our rigs, which is essential for generating the power for equipment and accommodation. In accordance with the GHG Protocol, our fuel consumption data for 2023 has been consolidated and converted into tons of CO₂ equivalent (tCO₂e). We have utilized the UK Government conversion factors (DEFRA 2023) for fuels – Marine Gas Oil (MGO), available [here](#), for GHG reporting. These factors provide a basis for reporting GHG emissions, aligning with both national and international guidelines.

Our Scope 1 emissions for 2023 totaled 298,464 tCO₂e, representing an increase of 45,522 tCO₂e compared to 2022. This rise can primarily be attributed to an overall increase in operating hours and several rigs moving into drilling mode which is significantly more fuel intensive than workover or P&A. Operating hours increased from 238,812 in 2022 to 256,568 as several rigs returned to operation in 2023 following the completion of major upgrade or contract preparation projects. Furthermore, the acquisition of additional rigs in the North Sea in Q4 2022 resulted in an increase in operating days, thereby contributing to the observed increase in emissions.

Scope 1 Emissions (tCO ₂ e)	2023	2022	2021
Fuel Consumption (MT)	91,323	77,829	74,688
CO ₂	292,781	249,519	239,449
CH ₄	83	63	60
N ₂ O	3,507	3,361	3,226
Scope 1 Emissions	296,371	252,943	242,735

Other Air Emissions

For our environmental reporting, Shelf Drilling extends its monitoring to include a variety of air emissions beyond greenhouse gases. However, it is crucial to note that these air emissions primarily result from the combustion process of diesel fuel used in our operations. Shelf Drilling is not responsible for any methane leaks from our customers’ oil and gas facilities. Our monitoring efforts focus solely on emissions generated directly from our operations. We utilize the UK Environmental Emissions Monitoring System (EEMS) factors to ensure accurate assessment and reporting of these emissions.

The factors can be found in the Table 8.2 (Default Emission Factors for Diesel Consumption Plant Operations) in EEMS Atmospheric Emissions Calculations Report, available [here](#).

Other Air Emissions (tCO ₂ e)	2023	2022	2021
CO	1,434	1,222	1,173
NO _x	5,425	4,623	4,436
SO _x *	91	78	75
VOC	183	156	149

*SO_x emissions account for SO₂ emissions and have been adjusted for MGO sulfur weight composition of 0.05%.

Scope 2 Emissions

Our Scope 2 emissions are primarily derived from the electricity purchased by our shore-based offices and support facilities. In our commitment to thorough and accurate emissions reporting, we employ both location-based and market-based methods to calculate these emissions. We utilize emission factors from reputable sources, including the [International Energy Agency \(IEA\) 2023 Emissions Factors](#) and the Association of [Issuing Bodies \(AIB\) 2022 Emissions Factors](#). While we have observed an increase in Scope 2 emissions, particularly attributed to the addition of new facilities in the North Sea, it is important to note that our Scope 2 emissions represent a minimal fraction of our overall combined Scope 1 and Scope 2 emissions.

Scope 2 Emissions (tCO ₂ e)	2023	2022	2021
Electricity Consumption (MWh)	1,462	1,082	873
Scope 2 Emissions – LB	661	680	617
Scope 2 Emissions – MB	693	691	620

Energy Consumption (MWh)	2023	2022	2021
Fuel Consumption	1,062,090	905,151	868,621
Electricity Consumption	1,462	1,082	873
Total Energy Consumption	1,063,552	906,233	869,494

Emissions Intensity

Recognizing the variability inherent in our operations, we have adopted intensity metrics as a more suitable framework for evaluating our environmental impact. To this end, we established a goal to reduce our emissions intensity (average daily per rig Scope 1 emissions) by 20% over 5 years from our 2021 baseline. While we successfully achieved a reduction of 5.5% in emissions intensity in 2022, our emissions intensity increased by 1.3% in 2023 falling short of our annual target of 4% reduction. This increase can be primarily attributed to a change of activity, particularly within one region performing P&A activity for most part of 2022, whereas, in 2023, changed to development drilling. Our 2023 Per Rig Per Day emissions intensity currently stands at 4.3% lower from our 2021 baseline.

Following the industry best practices and other regulatory requirements, we have established two additional intensity metrics based on Operating days and revenue terms, aiming to provide transparent assessment of our emissions impact. Our 2023 emissions intensity per US\$ revenue is 28% lower than the 2021 baseline.

Emissions Intensity	2023	2022	2021
Scope 1 & 2 Emissions (tCO ₂ e)*	297,032	253,623	243,352
Emissions Intensity (tCO ₂ e/Rig/Day)**	23.82	23.51	24.89
Emissions Intensity (tCO ₂ e/Operating Days)***	25.08	Not Measured	Not Measured
Emissions Intensity (tCO ₂ e/K\$ Revenue)	0.33	0.36	0.46

* Includes Location-Based Scope 2 emissions
** 30 Rigs, excluding SDNS rigs
*** 35 Rigs, excluding SD Barsk

28%

lower emissions intensity
per US\$ revenue than the 2021 baseline

Scope 3 Emissions

At Shelf Drilling, we acknowledge the importance of measuring and reporting Scope 3 emissions as an integral component of our comprehensive approach to sustainability. We focus on all relevant categories including Purchased Goods & Services, Capital Goods, Fuel- and Energy-Related Activities, Upstream Transportation & Distribution, Waste Generated in Operations, Business Travel, and Employee Commuting for measuring our overall Scope 3 emissions. We will continue to enhance our data capture and accounting processes for indirect emissions, working closely with our value chain partners with the aim to improve transparency, accountability, and ultimately drive meaningful reductions in our Scope 3 emissions footprint.

Scope 3 Emissions (tCO ₂ e)	2023	2022	2021*
Scope 3 Emissions	331,693	292,056	58,996

* 2021 data only includes Upstream Transportation & Distribution, Waste Generated in Operations and Business Air Travel. Other categories were not measured.



Energy Management

Energy management is crucial for Shelf Drilling as it directly impacts our operational efficiency, cost reduction, and environmental stewardship. In 2023, we further advanced our sustainability efforts by implementing projects on real-time energy and an emissions management system. These initiatives are designed to enhance our monitoring capabilities regarding engine use, fuel consumption, and emissions on our rigs.

Engine Run Time Tracking System

Recognizing that over 90% of our Scope 1 emissions come from the fuel used by our rigs' main engines, Shelf Drilling launched an online tracking tool in 2022 to enhance the monitoring of main engines' usage. Our rigs operate with 3 to 6 main engines depending on the activity type. This tracking system collects real-time data on engine performance and fuel consumption. The system consolidates this data in a secure cloud-based server facilitating accurate monitoring and analysis. To further refine our understanding of emissions in relation to specific rig activities, we enhanced the platform in 2023 to include activity details. This enhancement allows us to closely monitor our primary source of emissions and is currently in use onboard all our rigs.

Engine & Emissions Monitoring System

Throughout 2023, **engine monitoring** pilot projects on select premium rigs, equipped with electronically controlled engines, have yielded significant success across various locations. This has set the stage for expansion of the system to all premium rigs within our fleet throughout 2024. The system's ability to automate data collection minimizes human error, enhancing the accuracy and reliability of our emissions data. Real-time monitoring enables us to swiftly identify and implement operational adjustments that improve engine efficiency and reduce emissions.

This tracking system collects real-time data on engine performance and fuel consumption.

For the standard rigs in our fleet equipped with mechanical engines, we launched a pilot of a similar system. This trial helped us evaluate the feasibility and impact of deploying such technology across the rest of our fleet. By the end of 2023, we had equipped three of our rigs with real-time monitoring systems enhancing our energy and emissions management capabilities. Looking ahead, we aim to expand this technology to cover 50% of our standard fleet by the end of 2024, significantly increasing our capacity to monitor and report emissions across our operations.

Building on the positive outcomes from our pilot on one premium rig, we are looking to expand our real-time **emissions monitoring** system. These systems directly measure the composition of gases emitted from the engine exhausts. This approach provides a more accurate means of assessing and reporting greenhouse gas emissions, versus the traditional empirical conversion based on fuel consumption. In 2024, we aim to install these gas sensors on another rig, enabling us to capture, track and assess emissions in real time as we further assess the viability and effectiveness of this solution across our fleet.

Activity-based Fuel Consumption & GHG Emissions Monitoring System

In 2024, we aim to implement a pilot of a real-time monitoring system on one of our rigs, aimed at enhancing our understanding and management of fuel usage and greenhouse gas emissions during various drilling activities. This system will allow us to collect precise data on fuel consumption for both ongoing and past drilling operations. The system is designed to provide insights into how different drilling activities, like drilling, tripping, and mud circulation affect fuel consumption. By leveraging this data, we can identify opportunities to reduce our greenhouse gas emissions.

Moreover, the system will facilitate the identification of the most fuel-efficient use of our engines for each drilling activity, as well as the most fuel-efficient rigs in our fleet, based on their operational performance. This will further enable us to showcase best practices and drive efficiency improvements across our operations.

Fuel Additives

In Q4 2023, Shelf Drilling initiated a fuel additives trial on one of our rigs. The purpose of this trial is to evaluate the

effectiveness of a fuel additive that claims to enhance fuel efficiency while potentially reducing both fuel consumption and greenhouse gas emissions by 7-10%. We plan to analyze the results of this trial in 2024. Based on the outcomes of this trial, we intend to extend the initiative to another one of our rigs, further exploring the potential benefits of this fuel additive.

LED Lighting

In 2023, Shelf Drilling took proactive steps toward energy conservation by releasing a guidance document to all our facilities. The guidance document encourages the active replacement of conventional lighting with energy-efficient LED lighting solutions, wherever possible.

Spills and Releases

Shelf Drilling is committed to upholding the environmental management principles outlined in the ISO 14001 standard, guiding our practices across the organization. Our offices in the UK and India, as well as our rigs in the North Sea and India region, hold ISO 14001 certification, ensuring adherence to stringent environmental protocols. While other offices and rigs may not have independent certification, they operate under protocols aligned with the ISO 14001 framework.

Releases to the Sea (Spills)

As mandated by our HSE Policy, our goal is to ensure zero harmful discharges to the sea. In the event of unplanned discharges of drilling mud or other fluids, estimated volumes are promptly recorded and reported through our HSE Dashboard. In 2023, there were five unplanned discharge events resulting in an estimated overboard oil spill of 2.94 barrels. Additionally, there were 10 minor loss of containment events, with all fluids & chemicals safely retained and captured onboard the rig.

Releases to the Air

We monitor and record any leaks of Ozone Depleting Substances (ODS) from our rigs' air conditioning systems. Our goal is to transition all rigs to be completely ODS-free and to utilize environment friendly freon by 2025. As of 2023, 35 out of our 36 rigs are ODS-free and use green freon. The last remaining rig accounted for an ODS release of 13 kilograms into the atmosphere in 2023.

Release to the Soil

Shelf Drilling recognizes the potential environmental impact associated with the rig scrapping process. This includes soil contamination from pollutants such as rust, chemicals, and other hazardous materials. We closely oversee this aspect through our Rig Recycling Policy. In 2023, no rigs were scrapped.



Releases of substances of very high concern

Shelf Drilling is aware that its rigs may contain asbestos, posing potential health risk to crew or any other worker dealing with them. Asbestos exposure can lead to long-term health issues and even fatalities. To address this concern, we prioritize safe and proper handling and disposal of asbestos and other hazardous materials. In 2023, none of our rigs underwent a major project that required either handling or disposal of asbestos.

Our customers' drilling operations use trace amounts of radioactive materials for signaling purposes which may have a potential negative impact on the surrounding ecosystem. The protocols and actions related to the safe management, handling and storage of such substances are overseen by one of the customers' service companies specializing in such activities. These third-party companies operate on behalf of the customer and are beyond Shelf Drilling's operational control. In our capacity as the rig contractor, our responsibility is to ensure that there is a designated location onboard for the safe storage of radioactive materials and a proper permit to work control system during the handling of such materials.

Biodiversity

Shelf Drilling acknowledges the potential impact of its operations on marine biodiversity. We remain committed to understanding and mitigating the biodiversity-related impacts of our activities. Our preliminary assessment identifies four primary areas where our operations may affect marine ecosystems:

- **Blowouts from our Well Construction Activities:** While these incidents are exceptionally rare, they can release harmful substances into the marine environment, posing risks to marine species and habitats. To prevent such occurrences, our rigs strictly adhere to the highest international standards for Well Control Equipment and Control Systems.

35 out of our 36 rigs are ODS-free and use green freon.

Rigorous checks conducted by accredited third-party certification companies, including OEM and various regulatory bodies, ensure full compliance with the required standards.

- **Discharge at Sea:** Some of our equipment uses heavy oil (for example, lubricants, diesel, hydraulic) posing a risk of inadvertent discharge of contaminants into the sea, potentially impacting marine ecosystems. To prevent such occurrences, we have a robust Maintenance Management System. This system mandates regular inspection of all discharge ports (including and not limited to all piping/fittings/hoses etc.) to ensure proper maintenance and timely replacement. In addition, our **"Zero Discharge Policy"** prohibits any offboarding of contaminants into the ocean without prior treatment in accordance with international laws. Contaminants that cannot be treated onboard are securely stored and transported

back to shore for proper disposal in compliance with local regulations.

- **Biofouling on rigs:** The attachment of organisms to underwater parts of our rigs can lead to the transportation of invasive species to new areas, potentially disrupting local ecosystems. As such, our rigs undergo periodic regulatory inspection and cleaning during dry-dock projects to minimize and clean marine growth.
- **Ballast water discharge from Rigs:** Our rigs use ballast water for stability, which could pose a risk if released into new areas during relocation, potentially spreading non-native species and affecting marine life. To manage this, we follow strict Ballast Water Management Plans aligned with the international standards, minimizing the chance of disrupting ecosystems. The likelihood of such incidents is low, as our rigs do not relocate often.

Our "Zero Discharge Policy" prohibits any offboarding of contaminants into the ocean without prior treatment in accordance with international laws.

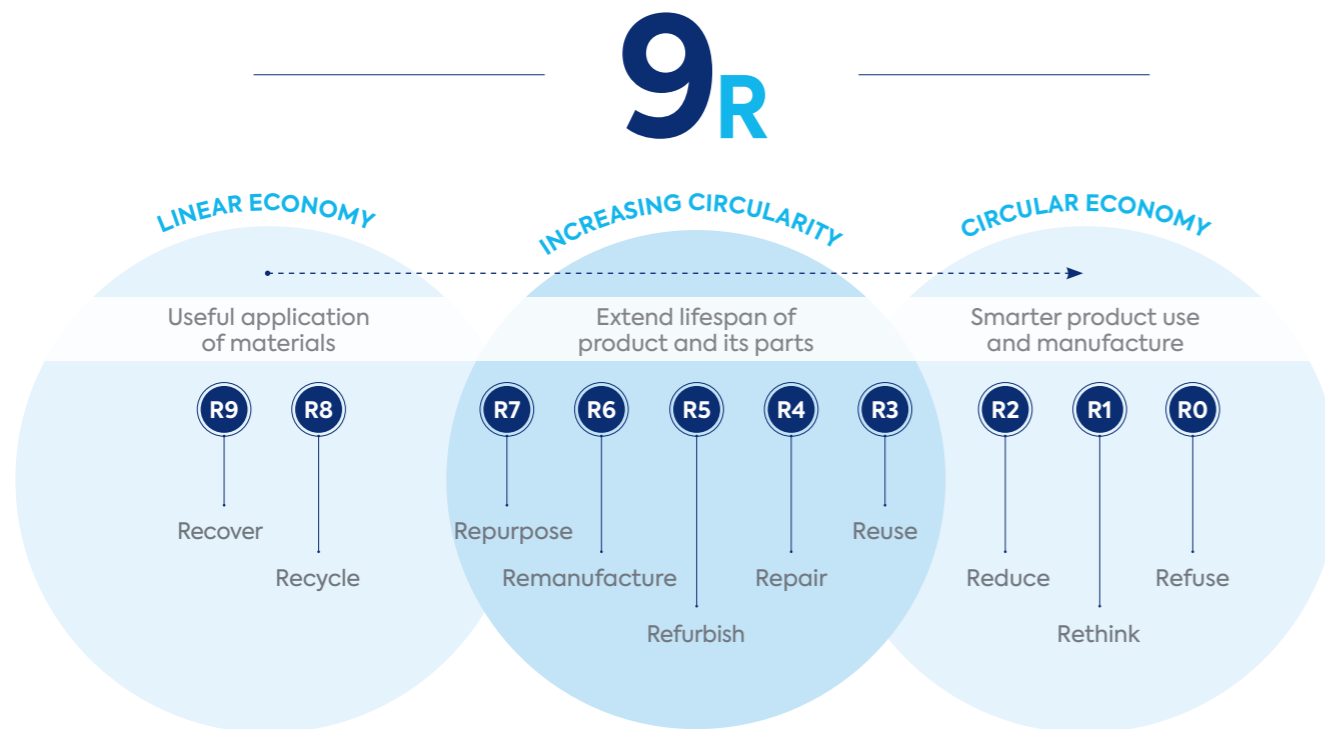


Circularity

Steel production contributes to higher carbon emissions primarily due to:

- Extraction of iron ore and transportation, which involves the use of heavy machinery and fossil fuel.
- Use of coking coal in traditional steel making processes, releasing CO₂ during combustion.
- Energy-intensive processes like heating furnaces, often powered by fossil fuels.

At Shelf Drilling, we recognize the environmental impact associated with the production of equipment and components essential for our operations. In response, we have carefully crafted a comprehensive **"Fleet Spares Strategy"**. Rooted in our innovative "Fit For (Re) Purpose" approach, this strategy emphasizes the reuse and reconditioning of equipment to extend its lifespan and minimize waste, aligning closely with the principles of the 9R circularity framework.



Source: Conceptualizing the Circular Economy: An Analysis of 114 Definitions by Julian Kirchherr, Denise Reike, M.P. Hekkert, 2017

Fleet Spares Strategy Implementation

Our Fleet Spares Strategy is supported by Shelf Drilling's highly centralized procurement, sourcing, and technical support model, ensuring consistent, reliable, and cost-effective maintenance of our fleet. Central to our approach is the acquisition of used equipment and parts, which are then reconditioned and subjected to rigorous Quality Assurance and Compliance checks to meet OEM and regulatory standards before certification for use in our operations. This approach extends to the overhaul processes for our own equipment (versus purchasing new equipment).

By refurbishing assets, we extend the lifespan of equipment, reduce resource consumption, and mitigate carbon emissions. These refurbished assets play a vital role in our fleet spares concept, ensuring operational continuity while minimizing waste and environmental impact.

Our inventory of "ready-to-go" equipment enables us to exchange complete major items such as engines, top drives, traveling blocks, crown blocks, mud-pumps, and draw-works, rather than disassembling and overhauling onsite. The replaced equipment is then brought back to our shore-based warehouse for overhaul and refurbishment, making it ready for another rig in the fleet. This exchange process is efficient, requires fewer resources, and provides a more predictable and reliable outcome than onsite overhauling.

In 2023, we invested approximately US\$10 million in acquiring used equipment. This approach not only demonstrates fiscal prudence but also contributes to the reduction of Scope 3 greenhouse gas emissions. Through this unique approach, Shelf Drilling mitigated (avoided) an estimated 60,000 metric tons of carbon dioxide equivalent (tCO₂e) in 2023.



Training & Awareness

At Shelf Drilling, we recognize that successful implementation of sustainable practices requires more than just technical solutions. That's why we prioritize training and education to ensure our employees understand the importance of sustainability and their role in achieving our goals. Through comprehensive training and awareness initiatives, we equip our employees with the knowledge and skills necessary to implement sustainable practices across our operations. Furthermore, we leverage insights from our rig and shore-based sustainability committees to share best practices and embed them into our business operations. In 2021, we launched a comprehensive sustainability training developed in-house, that provided details on sustainability, why it is important to Shelf Drilling, our expectations of employees and where to find relevant information including the relevant policies and procedures. We regularly collaborate with external specialists to facilitate ESG training and awareness programs, aiming to stay ahead of the dynamic regulatory landscapes. In 2024, we will enhance our training program by rolling out an ESG training for all employees.

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, we focus on reducing general business waste generated offshore. The main contributors to this waste include metal, oil, food, wood, plastic, and paper, and we continuously explore opportunities to reduce waste across all categories. Some examples are outlined below:

- By the end of 2023, we installed 64 water filtration units across our fleet, with another 36 units in progress. This initiative is expected to eliminate 1,800 kg of plastics per rig per year, equivalent to reducing 10,800 kgs of GHG emissions.
- In 2023, one of our Rigs in the UK upgraded its oil centrifuge equipment, extending the oil change interval from 1000H to 2000H. While this incurred a cost impact, it significantly reduced the amount of waste oil generated.
- Some of our rigs in the North Sea have transitioned to washable boot covers, eliminating the use of disposable plastic ones. This change is expected to reduce over 200,000 disposable boot covers per rig per year.
- We are conducting to replace paper-based Safety Conversation cards with iPads, aiming to eliminate up to 2,500 paper cards per rig per year.

Looking Ahead

Shelf Drilling recognizes the complexities in achieving accurate carbon accounting amidst evolving regulatory demands and stakeholder expectations. Recognizing the need for transparent and credible reporting, we are collaborating closely with both our internal and external auditors to assess the requirements imposed by ESRS. This collaboration will pave the way for external validation of our environmental data in the future, enhancing the credibility and reliability of our reporting practices. By embracing these initiatives, we reinforce our commitment to environmental responsibility and underscore our dedication to transparency, accountability, and continuous improvement.

Health & Safety

2023 Highlights

0.12

Total Recordable
Incident Rate

0.02

Lost Time Incident Rate

9.62

Total Potential Severity
Rate

~91,000

Hours of safety training
performed

At Shelf Drilling, the safety of our employees, contractors, customer representatives, and other service providers is our greatest responsibility, particularly considering the inherent risks in our operations and footprint. A safe and healthy workplace not only protects our employees from harm but also enhances productivity, efficiency, and morale. We remain committed to fostering a culture of safety excellence, implementing rigorous protocols, and continuously improving our practices to mitigate risks and safeguard our workforce. This commitment includes providing a safe working environment through prevention, continuous improvement, and innovation.



Our Three Pillars of Safety



Material Topics

We have assessed the following material topics in relation to Health & Safety.

Material Topics

Health & Safety

Employee Security



Impact Materiality

Injuries during Shelf Drilling's offshore operations, whether from slips, trips, falls, or incidents like fires or loss of well control, can have mild to severe consequences, impacting the well-being of our workforce. The harsh offshore environment also poses mental health challenges, including anxiety and stress, affecting employees' long-term well-being in part due to extended periods of absence from their families. Moreover, the nature of offshore work conditions, including extreme weather and isolation, can lead to serious injuries, with long-term effects on families and coworkers.

Why it Matters ?

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

Financial Materiality

We acknowledge the financial materiality of health and safety considerations. Injuries to Shelf Drilling's workforce during offshore rig operations can lead to lawsuits and financial consequences from regulators or affiliated parties. These incidents are potential occurrences on all our rigs worldwide. Furthermore, multiple fatalities, though rare, carry significant financial, legal, and reputational risks. Moreover, these incidents, if they were to occur, could erode trust and confidence in Shelf Drilling, potentially deterring customers from engaging our services due to concerns about safety. This loss of potential customers further exacerbates the financial impact and tarnishes Shelf Drilling's reputation. By prioritizing health and safety, we not only safeguard our employees but also protect the financial stability and long-term success of Shelf Drilling.

Policies

HSE Policy

Our Health, Safety, and Environment (HSE) Policy Statement forms the basis of our commitment to fostering a safe and healthy work environment. It outlines employee obligations and Shelf Drilling's approach to continuous improvement in health and safety. Approved by the CEO, the policy is integrated into our Company Management System, posted throughout our facilities, and published on our website. 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 comprises a comprehensive set of policies, processes, and procedures aligned with industry best practices. Implemented across our operations, this system serves as a framework for identifying, assessing, and controlling health, safety, and environmental risks. Regular review and updates ensure its effectiveness in safeguarding our employees, assets, service providers, and customers while continuously improving our safety performance.

We are dedicated to achieving our HSE Vision, which is to create an incident-free workplace where no-one gets hurt.

Actions Taken

Our safety approach includes risk identification, preventive measures implementation, and comprehensive education of employees and partners on best practices. We prioritize the protection of all stakeholders, continually evaluating and enhancing our safety practices to ensure that we maintain the highest standards. Our commitment to safety goes beyond meeting regulatory requirements. We aim to foster a safety culture where every employee is empowered to actively contribute and take responsibility for safety. Providing necessary training, tools, and empowerment, we emphasize individual responsibility for one's own safety, the safety of 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.

Anchoring Our Safety Culture



Management Commitment

We prioritize strong and demonstrable leadership in health and safety. The CEO holds ultimate responsibility for the well-being of all personnel. Our Senior Management actively engages in meetings, inspections, and audits to ensure the effectiveness of our HSE programs. Supported by a robust HSE organization and a focused workforce, we maintain control over health and safety operations.

The **Quality Management Steering Committee (QMSC)**, comprising Executive and Senior Management, convenes annually to review HSE performance, action items, and goals. This ensures informed decision-making and continuous improvement in our HSE programs.

thorough planning, risk assessment, and monitoring of tasks to prevent incidents. Safety Conversations reinforce safe behavior and address any unsafe acts or conditions. Utilizing **Time Out for Safety** and Safety Conversations serve as our first line of defense, with every Shelf Drilling employee obligated to use them to address unsafe conditions or promote good behaviors.



Planning First

Planning is the first step in creating a safe working environment and effectively managing risks. Our **Risk Assessment Process** and **Safety Conversations** policies are key components of our HSE system. The Risk Assessment Process ensures

We believe that safety is a shared responsibility



Emergency Preparedness / Risk Assessments

Identifying and evaluating operational risks and potential major hazards is the first step in ensuring emergency preparedness. Our rigs undergo MHRA (Major Hazards and Risks Assessment), identifying potential hazards, assessing their likelihood and severity, and implementing measures to minimize risks. Major hazards include incidents such as blowouts, fires, helicopter crashes and boat collisions. MHRA is integral to our Hazard and Integrity Management system.

We aim to reduce risks to As Low as Reasonably Practicable (ALARP). Additionally, we have comprehensive strategies in place to respond to emergency situations:

1. **Emergency Response Procedures:** Clearly defined plans, including Emergency and Medical Emergency Response Plans, are communicated to all stakeholders.
2. **Equipment and Resources:** Rigs and shore-based facilities are equipped with firefighting, personal protective, medical, and power generation equipment.

3. **Communication and Coordination:** Established procedures ensure seamless communication and coordination with local authorities and emergency services.
4. **Emergency Drills:** Regular drills prepare personnel for emergencies and allow for procedure evaluation and improvement.
5. **Continuous Improvement:** We regularly review and enhance our emergency preparedness plan, including MHRA, to incorporate best practices and technologies.

4D Employee Security Strategy

In areas with physical security risks, we collaborate with global security experts to assess and mitigate these risks. Our 4D Security Strategy involves:

4^D

Detecting

potential threats early using surveillance and monitoring systems.

Detering

threats through access control and alarms.

Delaying

threats with barriers to provide time for response.

Denying

access to critical areas with physical barriers.

Supervisors and/or select crew in high-risk areas receive extensive training on personal safety, situational awareness, anti-piracy, kidnap response, emergency procedures, and communication protocols from third-party providers.

Safety Awareness & Recognition

In our ongoing commitment to enhancing health and safety, we introduced the Make It Safer Today (MIST) Program in 2022. This initiative incentivizes the identification and reporting of unsafe conditions and encourages proactive safety measures by our crews. 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. Since its launch, the MIST Program has gained momentum, leading to significant improvements in safety performance. In 2023 alone, 20,450 potential incidents were averted through the reporting of “good catches” under this program.



Good Catches in 2023

20,450

Total 2023

1,704

Per Month

568

Per Rig

1.5

Daily Per Rig



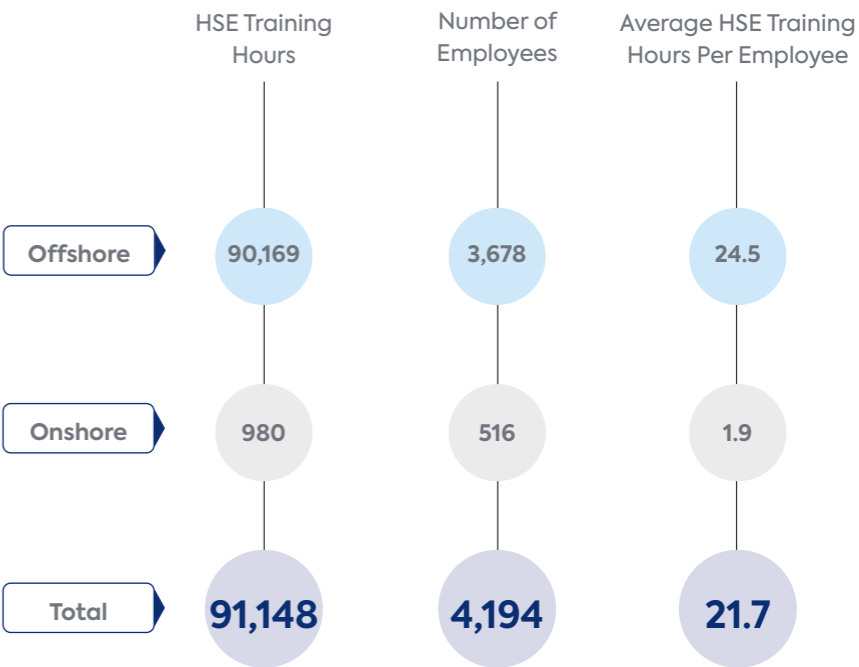
HSE Training

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. Tailored to each role’s responsibilities, our training covers HSE and Emergency Response, with specific focus and depth for those with emergency response duties. Competency is also evaluated through the On Job Training (OJT) system.

Every person visiting our rigs or shore-based facilities receives training on our HSE management system, with additional specific shore-based training provided for personnel assigned to a new customer or a prolonged out-of-service project. High-risk offshore positions undergo IADC-endorsed Competency Assessments to ensure we have the most trained and skilled personnel in such key roles.

Regular Safety Leadership and HSE Supervisor Trainings are organized for offshore employees, and One Team, One Goal workshops involve everyone who works on our rigs, including customer representatives and third-party service providers. These workshops reinforce knowledge of our Safety Management System, ensuring the safety of all involved in our operations.

2023 HSE Training Records



Performance

Performance Monitoring

We utilize a monthly HSE Report and our custom-designed “Dashboard” safety database to track key performance indicators, trends, and investigations. Oversight by the Board of Directors ensures accountability, with regular reports provided on HSE performance and plans. Senior Management sets yearly HSE objectives, signed off by the Board, and shares safety performance data with employees to drive improvements. As an IADC member, we contribute to industry safety efforts through incident data reporting.

We have streamlined incident, near-miss, and hazard reporting processes, providing training to ensure understanding and importance. Thorough incident investigations inform the development and implementation of corrective and preventive actions.

Regular safety audits and inspections identify improvement areas and ensure regulatory compliance. Installation managers conduct monthly Self-Verification Audits (SVA), while corporate assessors perform Management System Assessments (MSA) every two years to identify areas for improvement.



Goals	Indicator	2024 Target	2023 Target	Results		
				2023	2022	2021
Creating an environment that results in an incident free workplace where nobody gets hurt	Fatalities	0	0	0	0	1
	Total Recordable Incident Rate (TRIR)	<=0.12	<=0.15	0.12	0.16	0.16
	Lost Time Incident Rate (LTIR)	<=0.02	<=0.03	0.02	0.04	0.02
	Total Potential Severity Rate (TPSR)	10.0	10.0	9.62	6.31	4.92

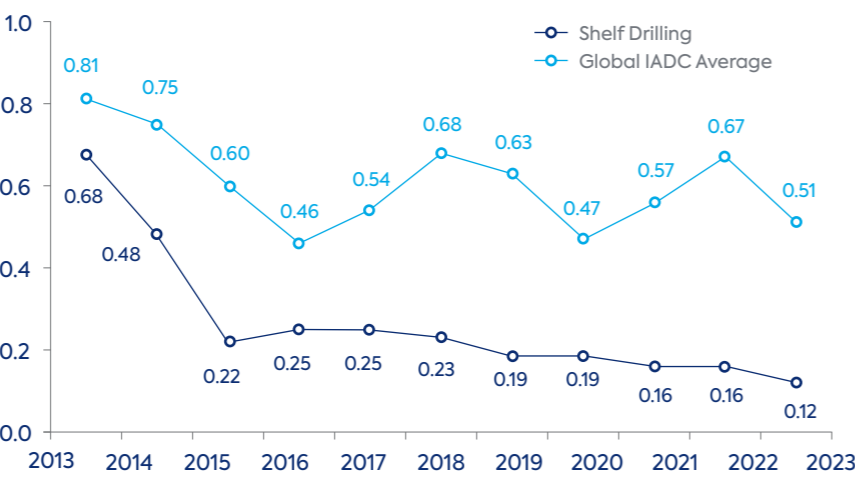
HSE Results

In 2023, we achieved outstanding safety performance with a Total Recordable Incident Rate (TRIR) of 0.12 against a target of 0.15, and a lost-time incident rate (LTIR) of 0.02. 2023 TRIR has been the best in our company’s history. Moreover, the entire fleet operated without a recordable incident for 5 months of the year, while 29 rigs, including the entire West Africa fleet, were recordable incident-free in 2023.

29 Rigs had
ZERO
Recordable
Incidents in 2023

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, 2023

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 prioritize identifying potential hazards and implementing controls to prevent accidents and injuries, and fostering a safety culture where every employee plays an active role in continuous improvement. We will also remain informed of the latest health and safety practices and technologies and integrate them where appropriate.

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.

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.

People & Society

2023 Highlights

16

Locations

~4,200

Employees

57

Nationalities

32%

Total Females Onshore
(excluding Corporate)

89%

Offshore National
Content

With 57 different nationalities represented across our company’s corporate headquarters, 16 locations, and 36 active rigs, we are fostering a culture of inclusivity and diversity that drives innovation and growth in our industry.

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.

Our Company culture values open communication, collaboration, and regular feedback and recognition, and we believe that these values have helped us build long term relationships with our employees as evidenced by the consistency of our management teams since inception.

In alignment with our commitment to human rights, we uphold strict adherence to labor laws and ethical standards across our global operations. By prioritizing hiring from within local communities and engaging in meaningful community initiatives, we aim to create sustainable economic opportunities and foster positive social impact wherever we operate. By investing in our people and the communities we serve, we lay the groundwork for enduring success and positive societal change.

In 2023, we successfully concluded the formal transition of Shelf Drilling Barsk rig to Shelf Drilling, welcoming a team of highly skilled and experienced professionals, both onshore and offshore Norway, further strengthening our operations.



Material Topics

We have assessed the following material topics in relation to People & Society.

Material Topics

Employee Development & Retention

Employee Wellbeing

Human Rights

Local Employment

Local Community Development



Impact Materiality

At Shelf Drilling, we are deeply committed to understanding and addressing the risks and impacts our operations have on people and society. By identifying and managing these material risks, we aim to mitigate adverse effects and enhance positive outcomes for our employees, stakeholders, and the communities where we operate.

Employee development & retention is a crucial aspect as inadequate investment in this area may lead to talent attrition, skill gaps, and decreased productivity, impacting both organizational performance and employee morale. Similarly, neglecting employee wellbeing can result in increased absenteeism, decreased productivity, and higher healthcare costs. Prioritizing employee wellness fosters a healthy, engaged workforce and strengthens organizational resilience.

Moreover, human rights violations such as discrimination, harassment, or forced labor present significant legal, reputational, and ethical risks. Upholding human rights principles ensures fair treatment, dignity, and respect for all individuals within our operations and supply chain. Additionally, local employment initiatives are essential to address social tensions, economic disparities, and community dissatisfaction. Supporting local hiring fosters inclusive growth, strengthens community ties, and enhances our social license to operate.

Furthermore, failure to engage with communities or contribute to their development can lead to strained relationships, protests, and regulatory challenges. Thus, investing in local community development projects fosters goodwill, promotes sustainable development, and creates shared value for both the company and the community.

By proactively managing these material topics, we aim to safeguard the well-being of our workforce, uphold ethical standards, and create sustainable value for all stakeholders.

Why it Matters ?

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

Financial Materiality

While the direct financial impacts of our actions on people and society may not always be immediately apparent, they are integral to our overall business performance and long-term sustainability.

Employee compensation and benefits represent a major portion of our operating expenses. Ensuring competitive compensation, adequate benefits, and opportunities for career advancement are essential for attracting and retaining talent, as well as maintaining employee satisfaction and productivity. Similarly, training and development costs, while incurring financial investments, yield long-term benefits in terms of enhanced skills, knowledge, and performance. Effective training programs contribute to employee retention, job satisfaction, and overall organizational success.

Legal and compliance costs are necessary to ensure compliance with labor laws, regulations, and ethical standards. Investments in legal counsel, compliance programs, audits, and remediation efforts are critical to mitigating legal risks and preventing financial

penalties. Additionally, community engagement and CSR Initiatives require financial resources. These investments are essential for building trust, maintaining a positive reputation, and securing our social license to operate.

By integrating financial considerations into our decision-making processes and strategically allocating resources, we aim to optimize our financial performance while simultaneously creating positive impacts on people and society.

Policies

- **Code of Business Conduct and Ethics** outlines the fundamental principles and standards of behavior expected from all employees, contractors, and business partners. It encompasses integrity, honesty, transparency, respect for human rights, and compliance with laws and regulations.
- **Sustainability Policy** articulates our commitment to integrating environmental, social, and governance (ESG) considerations into our business practices.

- **Vendor Code of Conduct** establishes the expectations and requirements for suppliers, contractors, and business partners who provide goods and services to Shelf Drilling. It emphasizes ethical sourcing, labor standards, environmental responsibility, and adherence to applicable laws and regulations.

Employee Development & Retention

At Shelf Drilling, investing in our employees is not just about meeting business objectives; it is about fostering a culture of learning and growth. By prioritizing employee development through Training & Development, Performance Management, and Talent Attraction & Employee Retention, we cultivate a workforce that is skilled, motivated, and engaged. This not only enhances performance and productivity but also reduces turnover and associated costs. Ultimately, it's about creating an environment where every team member thrives, contributing to our collective success and long-term sustainability.

Why it Matters?

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

Training &
Development

Performance
Management

Attract &
Retain



Actions Taken

Training & Development

At Shelf Drilling, investing in the training and development of our employees is a cornerstone of our commitment to excellence and long-term success. We prioritize the growth and advancement of our employees through a variety of training & development initiatives. We believe in fostering a culture of continuous learning and improvement, which is why we offer a comprehensive range of both internal programs and external resources to support ongoing education.

90.3%

Training Compliance
(Including shipyards and project rigs)



For offshore employees, we have implemented comprehensive training and development programs that span from entry-level to the most-senior level on a rig. Employees acquire skills, knowledge and experience following a highly structured training matrix that specifies the training required for each role and responsibility. This is channeled into four main categories: on the job training, competency assessments, shore-based professional courses, and regulatory and marine licensing training courses. Employee progress toward the next level and compliance with defined training targets are tracked through our online reporting system, ensuring accountability and transparency. Specific programs, such as the **Offshore Development Program**, the **Fast Track Program**, the **Engineer Development Program**, aim to support the development and the promotion of high potential candidates. Regular reviews are held between the field and corporate management teams on an ad-hoc basis and as part of a structured **Annual Succession Planning** process to ensure progress towards achieving the designated nationalization objectives as well as the development of adequate bench strength for key positions.

Our **Fast Track Program** was of particular importance in 2023 to mitigate the impact of incremental demand for competent offshore employees. Throughout the year, we had a total of 165 participants, with 32 graduating in 2023 and assuming key offshore roles.



For shore-based and corporate employees, development plans are specific to the individual, their current role and potential future opportunities. In 2023, we have introduced **Management Skills Trainings** for all Manager level employees at Corporate, as well as various coaching programs for selected employees across our workforce. For 2024, we are planning further specific trainings for shore-based employees at Corporate and in field offices to enhance efficiency, management, and leadership skills.

Additionally, we recognize the importance of company-wide compliance training in ensuring that all employees are equipped with the knowledge and skills necessary to adhere to our organizational standards and policies. Our training initiatives cover diverse aspects of company policies, fostering a strong ethical framework through guidelines on business conduct, ethics, anti-corruption and conflict of interest.

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



Performance Management

At Shelf Drilling, we believe in ongoing, open feedback between onshore employees and supervisors for performance and development purposes. This is reflected in our approach to performance management, which is characterized by tailored development plans designed to meet the unique needs and goals of each individual employee within our organization. Rather than employing a one-size-fits-all approach, our lean organizational structure allows us to customize development initiatives to align closely with specific roles and responsibilities, ensuring that our employees receive the support and resources they need to thrive. In contrast to traditional annual performance reviews, we have adopted a more agile and adaptive approach that emphasizes continuous feedback and improvement. Through ongoing evaluation and dialogue, we empower our employees to make real-time adjustments and enhancements to their performance, thereby driving greater agility and responsiveness within our organization.

We have developed a custom **Performance Management Guide** for our onshore employees, providing them with clear benchmarks and expectations to guide their development journey. This performance management and development philosophy has been integral to our success since our company's inception. By prioritizing continuous improvement, open communication, and tailored support, we have cultivated a culture of excellence and innovation that enables us to thrive in today's rapidly evolving business landscape.

583

Promotions in 2023

Talent Attraction & Employee Retention

Attracting and retaining top talent is a priority at Shelf Drilling, particularly amidst the unique challenges of recent years. The surge in activity across the Middle East has intensified competition for skilled professionals, making talent retention and acquisition more challenging than ever before. Shelf Drilling has demonstrated resilience in these circumstances, successfully retaining key talent and maintaining relatively stable turnover rates.

Our strategy revolves around investing in our employees and prioritizing their well-being. We are committed to fostering an inclusive, supportive, and empowering environment where every team member feels valued and motivated to excel. Our commitment to fostering a culture that celebrates diversity, promotes growth, and champions innovation, has been instrumental in retaining our valued employees. By prioritizing their well-being and professional development, we have cultivated a sense of loyalty and dedication among our team members.

Furthermore, our proactive approach to talent management, complemented by competitive benefits and packages and strategic retention initiatives, has enabled us to navigate the challenges posed by recent industry trends effectively. By implementing targeted programs to recognize and reward excellence, providing opportunities for growth and advancement, and fostering open communication, we have been able to safeguard our talent pool and sustain our organizational strength. Our strong local presence, demonstrated commitment to developing our people and brand reputation have solidified our position as an employer of choice, enabling us to attract and retain top-tier talent.

Our commitment to fostering a culture that celebrates diversity, promotes growth and champions innovation, has been instrumental in retaining our valued employees.



1,406

New Employees
Hired in 2022

11%

Offshore Voluntary
Turnover

10.5%

Total Voluntary
Turnover

7.5%

Onshore Voluntary
Turnover

Looking Ahead

Looking ahead, Shelf Drilling recognizes the challenges of employee retention within the oil and gas sector, attributed to its cyclical nature and fierce competition for top talent. As the industry undergoes transformation and increasingly prioritizes sustainability, our strategy emphasizes investment in upskilling and reskilling initiatives to prepare our workforce for the future.

Employee Wellbeing

At Shelf Drilling, we hold an ethical responsibility to prioritize the wellbeing of our employees. By creating a workplace that values their contributions and supports their growth, we cultivate a more resilient and adaptable organization, capable of thriving in a rapidly changing and uncertain environment.

We understand that when our employees feel safe, valued and supported, they are more likely to perform at their best, leading to improved performance and productivity. Furthermore, research has shown that organizations that prioritize employee wellbeing experience reduced turnover rates and associated costs, ultimately driving tangible benefits for our organization's long-term success. We therefore take deliberate steps to foster a culture of respect, belonging, and inclusion, guided 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

Actions Taken

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 remains a challenge in our industry, we are committed to enhancing representation, as evidenced by the increasing number of women in our shore-based management positions. Our operations in Nigeria have continued to focus on advocating for the recruitment and development of women in offshore roles. Likewise, our India operations recently initiated a **Women Offshore Program** targeting petrochemical graduates, aiming to bolster diversity by encouraging their entry into rig-based positions. Moving forward, we are committed to further expanding our diversity and inclusion initiatives to create a more equitable and representative workforce.

Shelf Drilling is Committed to a Safe and Inclusive Workplace.

Respect for Individuals
No Exceptions,
No Excuses

Speak Up
See something?
Say something.

Speak Up Against any Code of Conduct Breaches
Report Harassment, Discrimination, Retaliation, Cyberbullying and Verbal Abuse.

Report

Internally
As per the Speak-Up User Guide on the Company's SharePoint

Externally
Report via the web form or access hotline toll-free numbers at www.shelfdrilling.ethicspoint.com

Confidential * Easy to use * Available 24/7



Report via mobile link
shelfdrilling.na.vodafone.com
or scan the QR Code

An individual reporting a concern in good faith is safeguarded from any form of retaliation.



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 setting, governing all aspects of 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.

Acknowledging that discrimination can manifest indirectly or unintentionally, we actively educate our employees and foster awareness to cultivate

and uphold an inclusive and respectful culture. Our initiatives include mandatory training sessions for select employees on Unconscious Bias, Diversity & Inclusion, Workplace Harassment, Reporting and Non-Retaliation, supplemented by awareness posters defining the characteristics of a truly inclusive workplace culture.

Speak-Up: While we encourage open dialogue between employees and supervisors, we recognize the challenges in addressing issues related to discrimination. To facilitate a safe environment for reporting concerns, the company has established multiple channels through which employees can raise grievances and report actual or suspected wrongdoings, including discrimination, with the assurance of protection from retaliation. For further information, please refer to the "Whistleblowing/Speak Up" section on page 64.

Wellbeing Benefits

We provide comprehensive health insurance and benefits to all our employees to ensure that they have access to the necessary resources for maintaining their physical health and wellbeing. In regions where local regulations limit medical insurance to employees only, such as in Thailand, we extend coverage to include families, surpassing statutory requirements to safeguard the health of our entire workforce. Furthermore, Shelf Drilling expects that contracted crew members, hired through third parties, receive similar benefits as directly employed peers, fostering equality and security among all workers. This commitment not only positively impacts employees but also provides reassurance to their families during challenging times. Recognizing the importance of work-life balance, we offer flexible work arrangements, where possible, to accommodate the diverse needs of our employees.

Furthermore, in 2023, we launched our global **Employee Assistance Program (EAP)**, which provides 24/7 emotional and psychological support & solutions to all employees and contractors and their dependents. Leveraging a global network of resources and partners, the program offers solutions tailored to individual needs and is available in multiple languages across all our locations. The rollout of the program was supported by various in-person presentations and trainings, and we will continue to proactively promote the importance of mental health and well-being.

We also expanded our **Mental Health Awareness** initiative through comprehensive training sessions conducted for larger employee groups across various locations. Through this initiative, we continue to develop mental health champions who actively promote awareness and advocate for mental health within our organization, equipped with knowledge and skills to support colleagues facing mental health challenges.

Employee Assistance Program

In 2023, we partnered with the world’s largest and independent provider of integrated employee wellbeing solutions to introduce our Employee Assistance Program (EAP). This strategic collaboration aims to provide comprehensive confidential support to our employees, contractors and their families, acknowledging the importance of addressing personal, work-related, and life challenges that can impact their overall well-being and job performance.

The EAP offers 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. By extending these services to include employees’ families, Shelf Drilling ensures that our support network encompasses their broader support system, recognizing the interconnectedness of personal and professional well-being.

One of the key strengths of our EAP is its global reach and inclusivity. Regardless of location or language, our employees and their families can access the program, making it accessible to our diverse workforce. Moreover, the program is sensitive to cultural and national differences, ensuring that the support provided is relevant and effective across various contexts.

“EAP ensures that **support** is available **whenever** and **wherever** it’s needed”

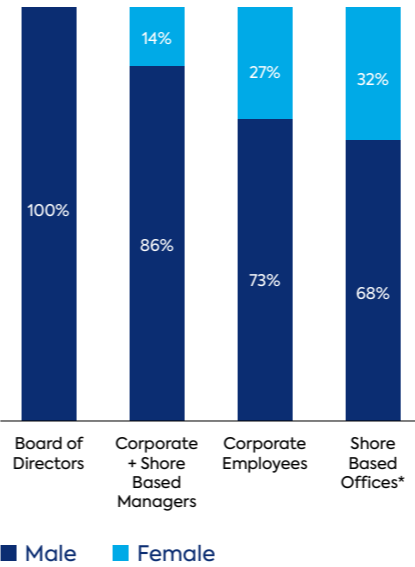
Seeking support is a sign of strength.
Reach out today

Employee Assistance Program (EAP)
(Privacy Protected)

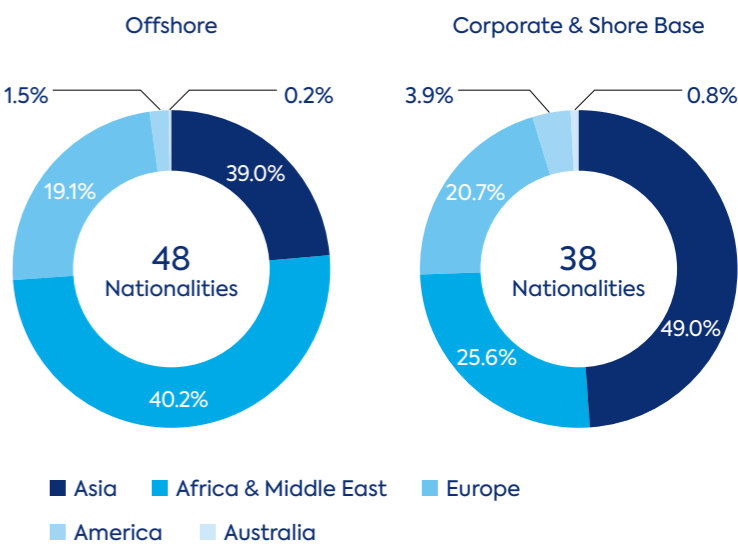


Our Performance

Gender Distribution



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.



Human Rights

Shelf Drilling is committed to respecting fundamental human rights as outlined in the International Bill of Rights and the International Labour Organization’s (ILO) Fundamental Conventions. We adhere to the UN Guiding Principles on Business and Human Rights, recognizing that our responsibility extends beyond our operations to encompass our entire value chain. We actively identify and address human rights risks and impacts across our business to ensure that our suppliers and partners share our commitment to human rights.

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**

Policies

- **Code of Business Conduct and Ethics** sets the standards for responsible business conduct, including our commitment to upholding and respecting human rights throughout our operations.
- **Sustainability Policy** solidifies our commitment to human rights within the broader context of sustainability.
- **Vendor Code of Conduct**, governing our supplier relationships, outlines the ethical requirements for all third parties engaged with Shelf Drilling, with respect for human rights being a fundamental expectation.

Actions Taken

Human Rights Saliency Assessment

In 2022, we conducted a human rights saliency assessment consistent with the requirements of the Norwegian Transparency Act. Phase 1 of **Human Rights Due Diligence** was completed in 2022, resulting in the following prioritized list of our human rights risks and impacts.

Salient Human Rights Issues



Health & Safety

Inherent risk to workers in the Oil & Gas industry



Decent Working Conditions

Risk of inconsistent working practices and conditions across various geographies



Use of Contractors

Less oversight of contractors’ practice versus direct employees



Rig Recycling & Scrap

Rig recycling is linked to hazardous working conditions/ child labor Sourcing of scrap prone to similar issues



Supply Chain Visibility

Exposure to high-risk geographies linked to child and forced labor

In June 2023, we published our first **Transparency Act Statement** reflecting the outcomes of our assessment and outlining our commitment to human rights, the diligence processes, actions taken, and future plans. The statement was approved by the Board of Directors demonstrating accountability and robust governance practices.



Building upon the findings of our assessment, in Phase 2, launched in 2023, we refined action plans for each salient issue aiming to cease, prevent, or mitigate the associated impacts.

Specific actions taken in 2023 include:

Policy Updates

We revised our third-party due diligence policies and procedures to incorporate vendor identification based on human rights and Environmental, Social, and Governance (ESG) risks.

Contractor Oversight

We conducted a thorough review of contractor payment practices to ensure pay parity and fair treatment. Additionally, we investigated allegations of passport sequestration by manpower agencies, finding no evidence of such practices within our operations.

Supply Chain Mapping

We initiated our supply-chain mapping process by identifying the Tier 1 vendors for a human rights focused due diligence. Additionally, we conducted site visits and physical audits on selected key vendors to assess human rights related risks.

2024 Focus Areas include:

Crew Transportation Evaluation

We will assess crew transportation practices in key locations to ensure increased safety and well-being of our workforce during transit.

Onboard Living Conditions

We are working with our rig crews across the world on various projects to enhance the living conditions onboard our rigs. While all our rigs are compliant with various regulatory requirements for accommodation conditions, the management has allotted additional budgets to further enhance the living experience onboard. This process will continue across various geographies on an as needed basis.

Contractor Oversight Enhancement

We will further strengthen our oversight mechanisms by revising Master Service Agreements (MSAs) to incorporate specific human rights requirements, fostering a culture of accountability among our contractors. Further, we are committed to auditing various vendors including their adherence to human rights standards.

Supply Chain Mapping

In 2024, we have planned a third-party ESG-focused due diligence initiative, including human rights matters, targeting identified tier 1 vendors. We will continue to conduct site visits and physical audits on identified vendors to further improve our oversight.

Employee Awareness

As part of our ongoing commitment to ethical conduct, employees are required to recertify the Code of Business Conduct and Ethics annually. Further, in 2023, we launched a comprehensive human rights training for our global shore-based and identified offshore employees. This training equips them with the knowledge and skills to identify and respond to potential adverse human rights issues and risks across our operations. By fostering a culture of awareness and responsibility, we aim to ensure that human rights considerations are deeply ingrained in all aspects of our work.

Looking Ahead

At Shelf Drilling, we believe that managing and improving our human rights impact is an ongoing process. We will therefore regularly review our identified salient issues to ensure that we effectively address those with the greatest potential to negatively impact people. While no specific human rights violations were raised in 2023, we remain committed to continuous improvement. Our policies and procedures are regularly updated to actively mitigate potential rights impacts and ensure compliance. If any adverse human rights issues are identified either in our own operations or across our value chain, we are committed to transparently communicating these impacts, seeking appropriate remedies for affected stakeholders, and updating our policies and procedures to avoid future negative impacts.

Local Employment

Nationalization is a key element of our company's strategy, reflecting our commitment to sustainable business practices and community engagement. We prioritize local employment and cultivate mutually beneficial partnerships with local stakeholders to support our business objectives while positively contributing to the communities where we operate.

Since our inception, we have been committed to hiring and developing nationals from the countries where we operate, including within our leadership teams, to establish a high national content within our workforce. As of December 31, 2023, approximately 89% of our offshore workforce comprises nationals, underscoring our sustained efforts to increase national representation.

Our emphasis on nationalization has yielded numerous benefits, including strengthened relationships with customers and government entities, particularly National Oil Companies (NOCs). Additionally, it has contributed to lowering our cost base and reducing employee turnover, thereby enhancing the stability and continuity of our operations. Moreover, our nationalization strategy has had a significant positive impact on local economies, creating employment opportunities and increasing income, in alignment with UN SDG 8 (Decent Work and Economic Growth) and SDG 9 (Industry, Innovation and Infrastructure).

Why it Matters?

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



Actions Taken

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 skilled workforce. This is achieved through the implementation of competitive compensation and benefits packages, the establishment of robust employee engagement programs, and the promotion of a supportive workplace culture. Further specific actions are described below.

Key elements of our local employment strategy include:



Fostering Future Talent

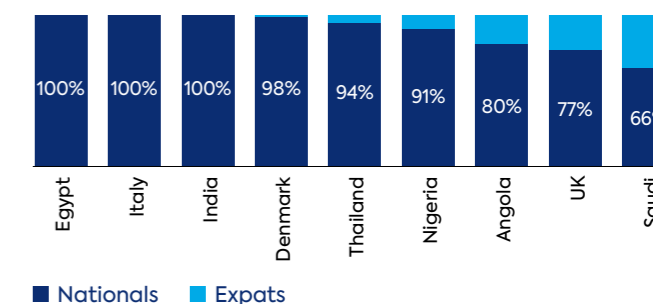
In certain countries such as Saudi Arabia, Egypt, India, and Nigeria, we have initiated tailored recruitment and development programs to address specific talent challenges. These programs target selected profiles that align with our strategic objectives and encompass a thorough developmental curriculum. Identified individuals undergo expedited onshore training and gain practical offshore experience on the job. Our objective is to develop a proficient local workforce in these areas and developing the foundation of our future leadership.

Offshore Development Program

Our Offshore Development Program aims at accelerating the development of nationals into roles of greater responsibility within our organization. The program has been instrumental in making significant progress in Thailand, Saudi Arabia and Angola, with a particular emphasis on the development of local Supervisors and Managers. This has resulted in a competent and capable local workforce that is equipped with the skills and expertise to drive our business forward. Notably, in Angola, our nationalization has increased from 68% in 2021 to approximately 80% in 2023, demonstrating our ability to develop national talent. Meanwhile Egypt, India and Nigeria have either achieved or are nearing full nationalization.

Our Performance

Offshore Nationalization Percentage



Looking Ahead

Our efforts are focused on the development of nationals across all levels of our organization, including leadership positions, as we aim to foster local talent to drive our business growth. Currently, our focus is on developing national supervisors and managers in key regions such as Angola, Thailand, and Saudi Arabia. Additionally, we recognize the importance of building robust partnerships with local communities and stakeholders. To achieve this, we are committed to working closely with local organizations and leaders to identify collaborative opportunities and support initiatives that contribute to the mutual success of our business and the communities we serve.

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. Our approach to local community development revolves around advancing social, economic, and environmental welfare in these areas. With our operational footprint, we recognize our unique opportunity to make a positive and lasting impact on local communities.

Why it Matters?

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

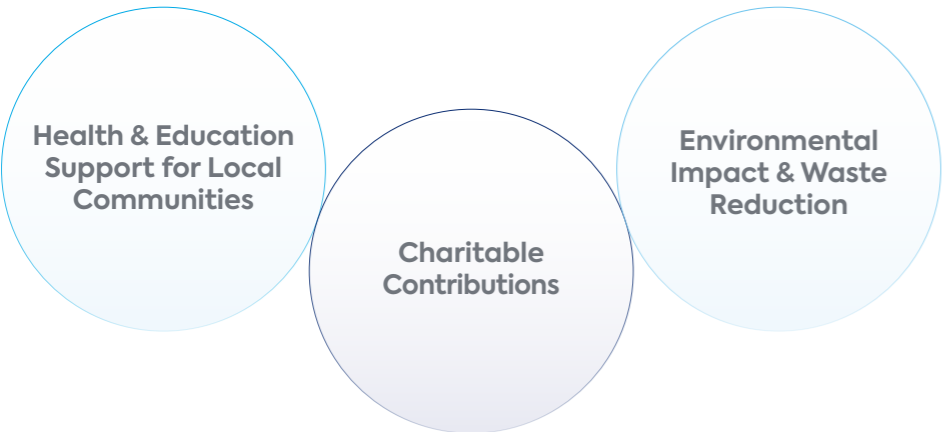
Our Approach

Through our focus on national content, we actively invest in local communities by providing direct employment, facilitating skill development, and sourcing goods and services locally. This approach not only fosters economic growth but also strengthens community resilience.

Further, in 2022, we formalized a Corporate Social Responsibility (CSR) framework, guided by the United Nations' Sustainable Development Goals (SDGs) relevant to our business and operations. Endorsed by senior management, and spearheaded by regional 'CSR Champions', our CSR program focuses on health, education, charitable contributions, and environmental sustainability. The program includes partnerships with local organizations, community development projects, and employee volunteering programs to effect meaningful change.



Key CSR Focus Areas



SUSTAINABLE DEVELOPMENT GOALS



Our Performance

Our commitment to CSR has delivered tangible results through impactful initiatives across diverse regions, including Angola, Egypt, India, Nigeria, Saudi Arabia, and Thailand, stimulating further support from our employees. In 2023, we directed our focus towards enhancing education and IT infrastructure, providing learning resources, scholarships, and IT solutions to support training, development and employability within our communities. Additionally, we have prioritized healthcare infrastructure improvements, investing in medical facilities, modern equipment, and technology to elevate healthcare services to benefit local communities.

Looking Ahead

Shelf Drilling is committed to advancing Corporate Social Responsibility and sustainability, aligning with the UN Sustainable Development Goals. Building upon the achievements of our existing CSR initiatives, we are dedicated to extending our outreach to more communities, with a continued focus on education, health, and environmental sustainability. By partnering with NGOs and leveraging employee expertise, we aim to make a lasting impact and build a better future for all.

Education Infrastructure Development in Thailand

Since 2022, our team has been actively involved in improving the education infrastructure of four rural community schools: Wat SaNum, Wat Sri Chai, Wat Pak Rawa, and Wat Pak Phai. These schools face challenges due to minimal government support and a shortage of qualified teachers. Through our CSR initiatives, we have upgraded electrical systems, provided computers, printers, and sports equipment, and built playgrounds to create conducive learning environments. Our ongoing support aims to enhance student learning experiences, promote self-learning, and foster community engagement.



Bridging Educational Gaps in Upper Egypt



As a part of our CSR program, Shelf Drilling Egypt is spearheading the construction of a three-story, 200-square-meter building in Luxor, Upper Egypt. Managed by the Albir Wal Takwa Almasreya Association, an NGO, this center aims to address the educational needs of underserved populations. The facility will enroll approximately 50-100 students per cycle, totaling 150-300 students annually, offering education to children and adults, particularly women, who have been deprived of schooling opportunities. In recognition of Shelf Drilling's sponsorship, a section of the school will be named after the company. Construction of the first floor is currently underway, with the project slated for completion in 2024. This initiative stands to significantly expand access to education for individuals who have previously lacked such opportunities.

Empowering Girls in Angola

Horizonte Azul shelter provides a safe space for 95 girls, offering education and skill-based training. In 2023, Shelf Drilling partnered with ABS to donate essential items. Additionally, two interns were hired for hands-on experience aboard Shelf Drilling Tenacious for three full hitches as part of the marine and maintenance crew. This initiative aims to empower young talent and potentially integrate them into the company's workforce if they demonstrate potential and proficiency during their internship.



Empowering Futures in India

BTC (Bombay Teen Challenge) is a non-profit organization dedicated to rescuing and rehabilitating individuals from dangerous situations, focusing on breaking cycles of trafficking. Shelf Drilling India partnered with BTC as part of their CSR initiative, sponsoring education support and skill development

for BTC students. Our India team actively engages with BTC students, providing mentorship and support, while also covering various aspects of their well-being, including transportation, maintenance, housekeeping, sanitization, and hygiene. Moreover, the program includes extracurricular activities such as sports, painting, and music, along with essential computer education and training in robotics and coding, preparing the students for a diverse range of opportunities.

In addition, Shelf Drilling's "Gyaan Saarthi" (knowledge support) project, aimed at renovating schools and providing educational resources continues to gather momentum. In 2023, our India team sponsored visits to the Nehru Planetarium for 1591 students from government schools in Mumbai's slum areas and organized beach clean-up activities, furthering our commitment to community welfare and environmental sustainability.



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 implemented a robust risk-based global compliance and ethics program that is designed to meet regulatory expectations and to uphold the highest standards of integrity.

We prioritize long-term, trust-based relationships with vendors, fostering collaboration and shared values across our value chain. Comprehensive policies and ongoing training empower employees to uphold ethical standards, fostering a culture of accountability and transparency. We conduct regular audits, monitor compliance, and facilitate transparent investigation and reporting mechanisms. We have also established effective channels enabling anyone to report a violation, ask questions, or express concerns in relation to our business and operations.



Material Topics

We have assessed the following material topics in relation to Responsible Business Conduct.

Material Topics

- Business Ethics
- Responsible Procurement
- Information Security and Privacy



Impact Materiality

Shelf Drilling has adopted a comprehensive approach towards promoting well-being, ethical conduct, and accountability throughout its global operations and supply chain. Through ongoing collaboration and dedication, we strive to create a positive and lasting impact on the lives of our employees, partners, and communities worldwide.

Upholding ethical standards in our conduct and nurturing a culture where employees feel empowered to speak up, fosters an environment of trust and accountability, positively impacting the morale and well-being of our workforce. Moreover, Shelf Drilling’s robust legal and compliance program instills a sense of personal accountability among employees.

This commitment to ethical business practices extends throughout our supply chain, promoting fair working conditions and contributing to the broader societal goal of fostering ethical behavior. Shelf Drilling’s due diligence

processes ensure that we select partners who share our commitment to ethical business practices. This rigorous vetting process promotes higher standards within the supply chain, positively impacting the well-being of people involved in our operations worldwide. Furthermore, our preference for local vendors creates job opportunities within communities, bolstering economic prosperity and social well-being. By prioritizing suppliers who adhere to human rights standards and ethical conduct, we positively influence working conditions and well-being across our global operations.

Additionally, by maintaining robust information security measures, we protect the sensitive data of our employees, customers, and partners, ensuring their privacy and security.

Financial Materiality

We recognize the significant financial implications of ethical considerations within business operations. Ethical breaches, ranging from unfair business practices to fraudulent activities, not only jeopardize reputation but also incur legal liabilities and diminish employee morale. Such breaches can lead to tangible financial losses, including contract termination, litigation expenses, and reduced shareholder value. Similarly, irresponsible procurement practices, such as engaging with suppliers with unethical labor practices or environmental negligence, can result in supply chain disruptions, environmental harm, and human rights violations, further impacting financial stability. Conversely, adopting responsible procurement practices can yield financial benefits such as cost savings, improved market access, and heightened investor confidence. Moreover, inadequate information security measures pose a significant risk, leaving organizations vulnerable to data breaches that can result in financial losses, regulatory fines, and operational disruptions. Therefore, robust information security measures are crucial in mitigating these financial risks, encompassing direct losses, remediation costs, and insurance premiums. Recognizing and addressing the financial materiality of these aspects is critical for Shelf Drilling to sustainably manage risks, enhance resilience, and drive long-term value creation.



Business Ethics

Shelf Drilling places the utmost importance on conducting its business with honesty, integrity, and high ethical standards. By embedding ethical considerations into our decision-making processes and daily operations, we proactively mitigate risks that could undermine our reputation or financial stability. By prioritizing ethical behavior in all aspects of our operations, we position Shelf Drilling for sustained success and meaningful contributions to the communities and environments in which we operate.

Why it Matters?

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

Policies

Code of Business Conduct & Ethics

Our Code of Business Conduct & Ethics (Corporate Code) forms the foundation of our compliance and ethics program. It sets the standards for responsible business conduct and is based on the following fundamental themes.



Commitment to conduct our operations sustainably, ethically and in full compliance with legal requirements



Ensuring our employees' safety and wellbeing and freedom from harassment and discrimination



Zero tolerance for corruption, bribery, and money laundering



Acting with honesty and integrity, preventing conflict of interest and Insider trading



Protecting company Intellectual property and respecting Individual privacy



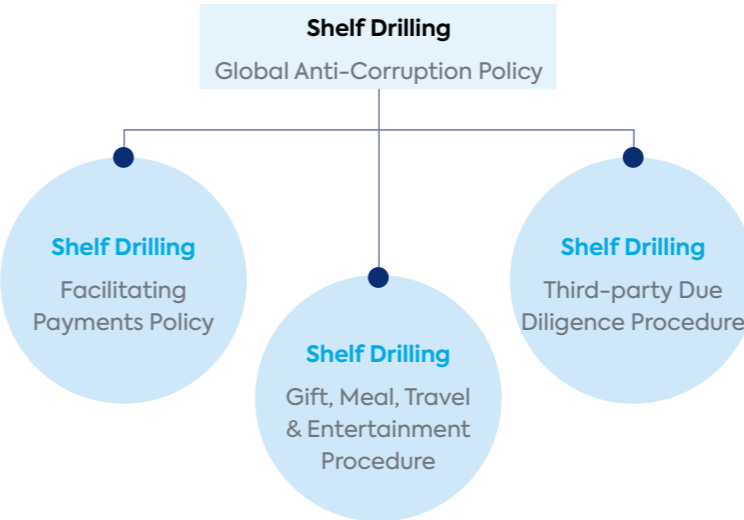
Maintaining responsible supply chains



Speaking up without fear of retaliation

Global Anti-corruption Policy

We have established a Global Anti-corruption Policy to support our Corporate Code in promoting ethical values and enhance our anti-corruption efforts. This policy prohibits corruption and bribery (including facilitation payments) and 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.



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 compliance and ethics policies are administered under the oversight of the Board and the Audit Committee of the Board of Directors and are regularly reviewed and updated. Further, new policies (including location specific policies) as well as additional guidelines on existing policies are issued, from time to time. Our executive management team sets the tone at the top and actively promotes a culture that meets our legal and ethical obligations and standards. Everyone who represents or works for us, including employees, contractors, and partners, is expected to uphold these ethical principles. Our offshore and onshore employees have access to the Corporate Code and its key supporting policies in eight different languages, with the recent addition of Danish and Norwegian translations. All changes are communicated to employees, who must complete recertification of the Corporate Code and its supporting policies on an annual basis. Our Corporate Code and key supporting policies are available on our Company website.

Actions Taken

Conflict of interest

Our Corporate Code mandates that employees identify and disclose any actual, perceived, or potential conflicts of interest. To reinforce this policy, in 2023, we introduced new **Conflict of Interest Disclosure Guidelines**, offering clear guidance to employees. Additionally, we implemented an online reporting tool enabling employees to self-report instances of conflict of interest. Further, as part of the annual recertification on the Corporate Code, employees are required to certify they have reported and will report any actual, perceived, or potential conflicts.

Compliance Training & Awareness

Shelf Drilling maintains a robust compliance and ethics training program designed to ensure that all employees are well-versed in our corporate policies and values. This program includes core compliance training for all employees, as well as targeted, in-depth training sessions for identified staff members. Additionally, we provide tailored location-focused training sessions to address specific needs within different regions.

As part of our training initiative, all employees are required to complete annual programs covering topics such as the Corporate Code and the Global Anti-corruption Policy, along with its supporting policies. Our training and awareness program is dynamic and regularly updated to ensure relevance and effectiveness. We utilize various methods including e-learning modules, virtual and in-person sessions, as well as email updates, posters, and newsletters to engage employees. Throughout the year, we conduct training sessions for both employees and vendor representatives on a range of topics to enhance awareness and promote a culture of compliance.

2023 Online Training Focus Areas

Module/Course	Employees Trained
Recertification of Code of Business Conduct & Ethics & supporting policies	3,165
Modular training for employees and third parties covering the following topics: <ul style="list-style-type: none">- Anti-Corruption- Business Courtesies- Reporting and Non-retaliation	524
Conflicts of Interest	647
Cybersecurity & Data Privacy	811
Human Rights	696



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 of 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, and an independent third-party provider operates it to ensure confidentiality and, if requested, anonymity.

In 2023, we took several steps to enhance our reporting mechanisms, including the introduction of a QR Code-enabled mobile platform for easy and secure reporting, catering to our expanding global presence. Furthermore, we upgraded our EthicsPoint incident management system to streamline and enhance intake and tracking of concerns across multiple channels.

All incidents are thoroughly reviewed and investigated with strict confidentiality. Any resulting actions, including disciplinary action, are reported to the Audit Committee. In 2023, 17 concerns were reported and resolved with appropriate follow-up.

Responsible Procurement

At Shelf Drilling, we believe in a responsible and sustainable supply chain that aims to forge a long-term relationship with suppliers and business partners based on shared values across our value 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

Policies

Corporate Code

Corporate Code sets the standards for responsible business conduct including our commitment to upholding and respecting human rights throughout our operations.

Vendor Code of Conduct

Shelf Drilling Vendor Code of Conduct (Vendor Code) governs our supplier relationships and outlines the ethical requirements of all third parties engaged with Shelf Drilling. Our Board oversees the Company's Environment, Social and Governance ("ESG") practices and reporting.

Sustainability Policy

Sustainability Policy further solidifies our commitment to responsible business conduct by outlining the basic principles that we expect from our employees and third parties. This policy also stipulates that the selection of vendors and agents must follow the tiered risk-based vendor diligence process prior to being onboarded as a vendor.

Actions Taken

Onboarding New Vendors

Establishing a sustainable supply chain begins with selecting vendors or third parties that align with our corporate values and policies. We implement the following measures to ensure responsible vendor onboarding at Shelf Drilling.

1 Vendor Code

Our 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. As part of the onboarding process, it is mandatory for all third parties to acknowledge and accept our Vendor Code or otherwise provide suitable explanation for any deviations. We also require our third parties to extend the Vendor Code expectations to their own vendors and subcontractors, thus, promoting a sustainable supply chain that is aligned to our corporate values and policies. The Vendor Code is available on our website.

2 Grievance Mechanism

Shelf Drilling EthicsPoint helpline is also accessible by third parties to report any actual or suspected violations or unethical conduct, including in relation to human rights and other ESG risks.

3 Vendor Onboarding – Screening & Due Diligence

We conduct tiered and risk-based due diligence when onboarding vendors, following our Supply Chain Procedures Manual and Third-Party Due Diligence Procedure. The depth of the onboarding process varies based on service type and location. Human rights and other ESG risks are integrated into our vendor due diligence processes, including adverse media searches to identify any misconduct related to human rights, modern slavery, or human trafficking.

4 Ongoing Monitoring

Identified vendors undergo continuous screening as part of our monitoring efforts. Additionally, we conduct periodic site visits and audits on key vendors to assess ESG-related risks. In 2024, we have commenced an ESG-focused third-party due diligence initiative targeting identified tier 1 vendors.

5 Employee awareness

In 2023, we launched comprehensive human rights training for our global shore-based and select offshore employees. This training equips our staff with the knowledge and skills to identify and address potential human rights issues and risks across our operations.



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

Prioritizing Human Rights in Supply Chains


At Shelf Drilling, we are committed to managing and improving our human rights impact, with a particular focus on preventing modern slavery and human trafficking within our supply chains. We recognize that this is an ongoing process requiring continual assessment and action.

To address this issue, we conducted a thorough assessment to identify salient human rights issues relevant to our business operations. Based on this assessment, we have been actively enhancing our vendor onboarding questionnaire and overall process to better address human rights, modern slavery, and human trafficking concerns. For more details, see pages 52–54.

In 2023, we did not receive any concerns regarding human rights, modern slavery or human trafficking violations by any of our vendors.

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 performs audits to ensure compliance. Vendor selection is based on vendor scope, criticality of the service or goods provided, and/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 as necessary to ensure compliance with our standards. We assign onsite teams to monitor compliance with standards.

Information Security and Privacy

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

Policies

Information Security Policy

Our 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 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.



Information Security Program

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 International Organization for Standardization (ISO) 27001 and National Institute of Standards and Technology (NIST) frameworks. 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 Confidentially, Integrity and Availability.

Confidentially

Integrity

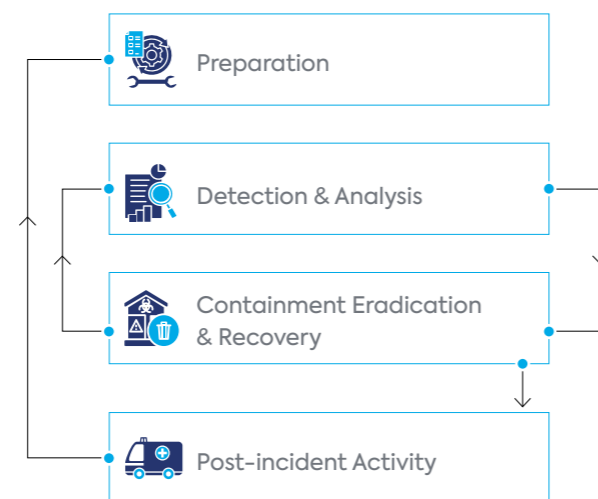
Availability

- **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

Incident Management Policy

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 2023, there were no reported data breaches.

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.

Actions Taken

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.



We strive to maintain a consistent approach to privacy management across all our global locations, supplementing overarching principles with local law implementation requirements where necessary. We continue to monitor the evolving privacy regulations to ensure we comply with them promptly and effectively. This ensures that our privacy practices are both robust and compliant, regardless of geographical distinctions.

In 2023, we undertook several significant enhancements to our privacy program, further solidifying our commitment to data protection:

- **Tailored Privacy Policies:** We developed and implemented location-specific privacy policy frameworks, such as in Thailand, aligning with local privacy legislation to ensure adherence to regional requirements.
- **Hotline Privacy Statement:** To align with regulatory mandates, we introduced a dedicated privacy statement on our EthicsPoint website, enhancing transparency and compliance in reporting procedures.
- **Data Classification Initiative:** A comprehensive data classification solution was implemented, complemented by the rollout of our global Data Classification Policy. This initiative enhances data governance and ensures appropriate handling and protection of sensitive information.

We recognize that safeguarding data is a collective effort, requiring active participation from all employees. Therefore, we prioritize equipping our workforce with the knowledge and tools necessary to protect both themselves and company data. We continue to invest in our cybersecurity team through skilled personnel, ongoing training programs, and support for advanced tools and technologies, underscoring our commitment to managing cybersecurity risks effectively.

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, periodic bulletins, 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 2023, our cybersecurity and data privacy training expanded to cover an extensive array of pertinent topics. Training sessions covered topics like data privacy rights, types of information, responsible handling of third-party data, identification and mitigation of common cyber threats such as phishing and social engineering tactics, importance of protecting Company equipment and devices, and effective 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

TCFD Recommendation	Shelf Drilling 2023 CDP Disclosure / Sustainability Report (SR) Reference / 2023 Form 10-K Equivalent Reference
Governance	
Describe the board’s oversight of climate-related risks and opportunities	SR – Corporate Governance of Sustainability – Page 14 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 14 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 – Pages 20-22 SR – Transition Plan – Pages 18-19 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 – Transition Plan – Pages 18-19 SR – Climate-related Risks, Opportunities – Pages 21-23 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 – Transition Plan – Pages 18-19 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 14 SR – Climate-related Risks – Pages 21-22
Describe the organization’s processes for managing climate-related risks	CDP C1 – Governance CDP C2 – Risks & Opportunities
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 – Pages 23-25 SR – Spills & Releases – Pages 27-28 SR – Circularity – Pages 30-31
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	CDP – C4 – Targets & Performance CDP – C6 – Emissions Data
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	

2023 Disclosures

Topic	Metric	2023	2022	2021	CODE
Climate & Environmental management	Scope 1 GHG Emissions	Fuel Consumption: 91,323 MT CO ₂ -e: 296,371 CO ₂ : 292,781 CH ₄ : 83 N ₂ O: 3,507	Fuel Consumption: 77,829 MT CO ₂ -e: 252,943 CO ₂ : 249,519 CH ₄ : 63 N ₂ O: 3,361	Fuel Consumption: 74,688 MT CO ₂ -e: 242,735 CO ₂ : 239,449 CH ₄ : 60 N ₂ O: 3,226	EM-EP-110a.1 GRI 305-1
	Gross global Scope 1 emissions (Metric tons CO ₂ -e (t), percentage methane).				
	Scope 2 GHG Emissions	CO ₂ -e: 661	CO ₂ -e: 680	CO ₂ -e: 617	EM-EP-110a.1 GRI 305-2
	Gross global Scope 2 emissions (Metric tons CO ₂ -e (t), percentage methane).				
	Scope 3 GHG Emissions	CO ₂ -e: 331,693	CO ₂ -e: 292,056	CO ₂ -e: 58,996	EM-EP-110a.1 GRI 305-3
	Gross global Scope 1 emissions (Metric tons CO ₂ -e (t), percentage methane).				
	Emissions Management	See pages 23-27	-	-	EM-EP-110a.3 GRI 3-3
	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.				
	Air Emissions	CO: 1,434 NOx: 5,425 SOx: 91 VOC: 183 PM10: Shelf Drilling does not calculate this number	CO: 1,222 NOx: 4,623 SOx: 78 VOC: 156 PM10: Shelf Drilling does not calculate this number	CO: 1,173 NOx: 4,436 SOx: 75 VOC: 149 PM10: Shelf Drilling does not calculate this number	EM-EP-120a.1 GRI 305-7
	Emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10). Numbers in Metric tons (t)				
	TCFD Reporting	See pages 20, 72	-	-	TCFD GRI 201-2
	Reporting on climate related risks and opportunities in line with the recommendations of the Task force on Climate-related Financial Disclosures (TCFD)				
	Biodiversity Management	See pages 28-29	-	-	EM-EP-160a.1 GRI 3-3
	Description of environmental management Policies and practices for active sites.				
	Spills & Releases to the Environment	Overboard Releases Number of spills: 5 Aggregate volume: 2.94 bbls Releases to air Number of ODS releases: 13 Aggregate volume: 13 Kg	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	GRI 306-3
	Number and aggregate volume of spills and releases to the environment.				

Topic	Metric	2023	2022	2021	CODE
Climate & Environmental management	Fresh Water Consumption & Recycling	All fresh water used on the rigs is converted from seawater.	All fresh water used on the rigs is converted from seawater.	All fresh water used on the rigs is converted from seawater.	EM-SV-140a.1 GRI 303-5
	(1) Total volume of fresh water (non-drinking) handled in operations				
	(2) Percentage recycled	Volume not measured, 100% recycled.	Volume not measured, 100% recycled.	Volume not measured, 100% recycled.	
	Water Management	See pages 27-29	-	-	EM-SV-140a.2 GRI 303-2
	Discussion of strategy or plans to address water consumption and disposal-related risks, opportunities, and impacts.				
	HSE Performance	#Recordable Incidents: 7	#Recordable Incidents: 8	#Recordable Incidents: 7	EM-EP-320a.1 (Customized) GRI 403-9
	(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)	TRIR: 0.12 LTIR: 0.02 Fatalities: 0 NMFR: 0.44 SNMFR: 0.19 TPSR: 9.62	TRIR: 0.16 LTIR: 0.04 Fatalities: 0 NMFR: 0.36 SNMFR: 0.10 TPSR: 6.31	TRIR: 0.16 LTIR: 0.02 Fatalities: 1 NMFR: 0.09 SNMFR: 0.09 TPSR: 4.92	
Health & Safety	Health & Safety Management	See pages 32-39	-	-	EM-EP-320a.2 GRI 403-1
	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle.				
	Emergency Preparedness	See pages 35-39	-	-	EM-EP-540a.2 GRI 403-2
	Management Systems Description of management systems used to identify and mitigate catastrophic and tail-end risks.				
	HSE Training	Offshore: 24.5	Offshore: 20.5	Offshore: 20.9	EM-EP-320a.1 (Customized) GRI 403-5
	Average hours of HSE training provided to onshore and offshore personnel (employees plus contractors).	Onshore: 1.9	Onshore: 1.4	Onshore: 0.8	
	Description of occupational health and safety training.	See page 37			
	Labour rights – Freedom of Association & Collective Bargaining	5.0%	2.53%	2.67%	GRI 102-41 GRI 2-30
	Percentage of total employees covered by collective bargaining agreements.				
People	Local Employment	See pages 54-55	-	-	Custom
	Description of how Shelf Drilling build national content through hiring and developing nationals from the countries of operation, including across leadership teams.				
	Gender Diversity of Management & Board	Board: 0% female	Board: 0% female	Board: 0% female	GRI 405-1
	Percentage of individuals within the organization's management and governance bodies according to gender	Management: 14% female	Management: 13% female	Management: 14% female	

Topic	Metric	2023	2022	2021	CODE
	Training & Development	90%	87%	88%	Custom
	Overall compliance to requirements of training matrix (percentage).				
People	Recruitment	Offshore: 622 direct employees, 703 contractors	Offshore: 464 direct employees, 909 contractors	Offshore: 251 direct employees, 443 contractors	Custom GRI 401-1
	Annual talent attraction.	Onshore: 50 direct employees, 31 contractors	Onshore: 70 direct employees, 52 contractors	Onshore: 15 direct employees, 41 contractors	
	Retention	Offshore: 11%	Offshore: 8.7%	Offshore: 8.5%	Custom GRI 401-1
	Annual retention in terms of annual voluntary turnover (percentage).	Onshore: 7.5%	Onshore: 10.5%	Onshore: 5.5%	
	Corruption Risk	0	0	0	M-SV-510a.1
	Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index.				
	Anti-corruption & Bribery Management	See pages 60-65	-	-	EM-EP-510a.2
	Description of the management system for prevention of corruption and bribery throughout the value chain.				
	Ethics	17	7	8	Custom
	Number of reported incidents				
Responsible Business Conduct	Fines	0	0	0	GRI 419-1 GRI 2-27
	Total monetary value of significant fines and total number of non monetary sanctions for non-compliance with laws and/or regulations in the social and economic area.				
	Responsible Vendor Management	See pages 66-69	-	-	Custom
	Processes and policies guiding the selection and monitoring of vendors and agents.				
	Human Rights	0%	0%	0%	EM-EP-210a.1
	Percentage of (1) proved and (2) probable reserves in or near areas of conflict.				
	Human Rights	0%	0%	0%	EM-EP-210a.2
	Percentage of (1) proved and (2) probable reserves in or near indigenous land.				

GRI Content Index

Statement of Use	Shelf Drilling has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 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 2023 Form 10-K Equivalent	
	2-2 Entities included in the organization’s sustainability reporting	Page 4 of 2023 Form 10-K Equivalent	
	2-3 Reporting period, frequency and contact point	Page 15	
	2-5 External assurance	Page 15	
	2-6 Activities, value chain and other business relationships	Page 5–8 of 2023 Form 10-K Equivalent	
	2-7 Employees	Pages 40–53	
	2-9 Governance structure and composition	Pages 114–121 of 2023 Annual Report	
	2-10 Nomination and selection of the highest governance body	Pages 114–121 of 2023 Annual Report	
	2-11 Chair of the highest governance body	Pages 114–121 of 2023 Annual Report	
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 14	
	2-13 Delegation of responsibility for managing impacts	Page 14	
	2-14 Role of the highest governance body in sustainability reporting	Page 14	
	2-16 Communication of critical concerns	Page 65	
	2-19 Remuneration policies	Page 121 of 2023 Annual Report	
	2-20 Process to determine remuneration	Page 121 of 2023 Annual Report	
	2-22 Statement on sustainable development strategy	Pages 2–3	
	2-23 Policy commitments	Pages 52–54	
	2-24 Embedding policy commitments	Page 60–65	
	2-26 Mechanisms for seeking advice and raising concerns	Page 65	
	2-27 Compliance with laws and regulations	Page 75	
	2-28 Membership associations	Page 14	
	2-29 Approach to stakeholder engagement	Page 10	
	2-30 Collective bargaining agreements	Page 74	
	GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 7–12
		3-2 List of material topics	Page 11–12
		3-3 Management of material topics	Pages 13–71

GRI Standard	Disclosure	Location
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Page 16-18, 20-22
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 75
	205-2 Communication and training about anti-corruption policies and procedures	Pages 64-65
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 73
	302-2 Energy consumption outside of the organization	Page 73
	302-4 Reduction of energy consumption	Page 73
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	Pages 27-29
	303-5 Water consumption	Page 74
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 73
	305-2 Energy indirect (Scope 2) GHG emissions	Page 73
	305-3 Other indirect (Scope 3) GHG emissions	Page 73
	305-4 GHG emissions intensity	Page 73
	305-5 Reduction of GHG emissions	Page 73
	305-6 Emissions of ozone-depleting substances (ODS)	Page 73
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Page 73
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Pages 30-31
	306-2 Management of significant waste-related impacts	Pages 30-31
	306-3 Waste generated	Pages 30-31
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 75
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Pages 32-39
	403-2 Hazard identification, risk assessment, and incident investigation	Page 71
	403-3 Occupational health services	Pages 32-39
	403-4 Worker participation, consultation, and communication on occupational health and safety	Pages 32-39
	403-5 Worker training on occupational health and safety	Pages 32-39
	403-6 Promotion of worker health	Pages 48-51
	403-8 Workers covered by an occupational health and safety management system	Pages 32-39
	403-9 Work-related injuries	Page 74
	403-10 Work-related ill health	Page 74
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 37
	404-2 Programs for upgrading employee skills and transition assistance programs	Pages 44-47
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pages 48-51
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Pages 40-43, 54-59
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Page 66-68

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