



SUSTAINABILITY REPORT 2021

Shelf Drilling is a leading provider of jack-up contract drilling services with our rigs in operations across four core regions – MENAM, Southeast Asia, India and West Africa.

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

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CEO Sustainability Statement

Throughout 2021, COVID-19 continued to create significant disruption to our people and operations with certain countries having to deal with incredible turmoil and distress as the number of cases and deaths continued to rise. The protocols we had established in 2020 ensured that in general our rigs and employees stayed COVID-19 free, though their family, friends and communities remained exposed, creating additional stress for our crews on-board the rigs.

Our high national content again provided a significant benefit as in countries such as India, Egypt and Nigeria we were not exposed to international travel restrictions. However, the unequal distribution of vaccines around the world created additional challenges for us as we pursued a plan to have all crews fully vaccinated as soon as possible. The resilience and determination of our local management teams was essential to ensuring that we achieved this objective before the end of the year.

While we continued to make progress on reducing the number of injuries in our operations, tragically one of our crew members died as a result of the injuries he sustained from an accident on the CE Thornton in India. Our local management team provided immediate support to the family and colleagues in the aftermath of this tragedy. This is the first fatality that has occurred since Company inception, and we have reinforced the commitment and dedication of our entire workforce to strive for incident-free operations. To this end, we recently launched a 'Make It Safe Today' campaign where we encourage reporting of all unsafe acts and conditions as a way to uncover opportunities for improvement and learning.

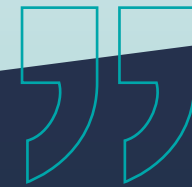
We have continued to enhance the quality and depth of our reporting externally as well as engagement with external stakeholders such as Carbon Disclosure Project (CDP) and other rating organizations. We are very pleased to report that these efforts have been recognized through improved scoring where we achieved a B- rating with CDP, and an A- rating when benchmarked to the Oslo Stock Exchange ESG100 report. One of the key areas for improvement was the lack of published targets, and within this report we have included details on the goals that we have set for emissions reduction as well as other key sustainability related topics.

COP26 reaffirmed the world's determination to keeping global temperatures within manageable levels and Shelf Drilling supports this commitment. We also believe that oil and gas will remain an important energy source for the long term and that Shelf Drilling's areas of operations, type of activity and lower cost base allows us to play a significant role in meeting the world's energy needs. In addition, our focus on developing a leading position in plug and abandonment, decommissioning and in future carbon capture opportunities, will provide further business opportunities as the energy transition unfolds.

In 2021 we focused our efforts on building the key elements that will allow us to drive for meaningful and sustainable emissions reductions from our operations including an in-house training module for all crews and employees. In addition, we developed an integrated emission tracking and reporting tool that provides a simple, effective and cloud-based solution for our employees to use and dashboards for Management to monitor. This tool will ensure that we are able to provide reliable and consistent emissions data to our employees and ultimately all stakeholders.

We will continue to pursue further opportunities to support our emissions reduction efforts such as digital monitoring of fuel consumption and engine performance as well as hybrid power systems.

This sustainability report has been prepared consistent with last year's, which was in line with the recommendations of the Sustainability Accounting Standards Board (SASB) as well as the recommendations of other bodies including CDP, Task Force on Climate-related Financial Disclosure (TCFD) and, where relevant, is aligned with the Global Reporting Initiative (GRI) standards.



In 2021, we focused our efforts on building the key elements that will allow us to drive for meaningful and sustainable emissions reductions from our operations.

I would like to thank all our stakeholders, and in particular all our employees, for their support and commitment to Shelf Drilling.

David Mullen
Chief Executive Officer



Sustainability Highlights

Health & Safety



0.16

Total Recordable Incident Rate

0.02

Lost Time Incident Rate

4.92

Total Potential Severity Rate

56,756

Hours of safety training performed

20.9

Average hours of safety training per offshore employee

Environment



74,668

Tonnes Diesel Fuel Consumed

239,002

Tonnes Scope 1 CO₂e Emissions

58,996

Tonnes Scope 3 CO₂e Emissions

13,875

Tonnes CO₂e Prevented Through Recycling

0

Unplanned Discharge Events

People



~3,100

Employees

44

Nationalities

25%

Total Females Onshore

88%

Offshore National

30

Active Rigs

ESG Rating



Climate Change
Score B-
Improvement from 2020 score of C

Supplier Engagement
Rating
Score B



Score A-
Improvement from 2020 score of B

Sustainability at Shelf Drilling

Since its inception in 2012, Shelf Drilling has placed sustainability at the core of everything we do. At Shelf Drilling we define sustainability as achieving commercial profitability in a way that is consistent with our fundamental ethical values and with respect for individuals, the environment, and society.

Our commitment to sustainability is also expressed through our core values. Our values drive our business and reflect how we will achieve our strategic priorities of Focus, Reliability, and Relationships – with integrity and in an ethical and lawful manner.

We have three strategic priorities

Focus

Jack-up operations are our sole focus

Reliability

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

Relationships

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

Our business is based on three essential values

Protect

Protect yourself, your team, your asset and your environment

Lead

We conduct business ethically, with responsibility and accountability

Execute

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

Consistent with our strategic priorities and core values, we are guided by the highest ethical standards and are firmly committed to excellence in the fields of workplace health and safety, environmental sustainability, social responsibility and responsible business conduct. We strive to actively engage with our stakeholders and operate in strict accordance with applicable regulatory frameworks and good business practice. This ensures that we deliver success in the right way and win the trust and confidence of our customers and stakeholders, including the governments and the communities in which we operate.

This year we developed a new sustainability strategy to provide a foundation for our commitment to the ambition, goals and targets that are further described in this report. The strategy review included further analysis of the areas identified in our materiality assessment, an extensive peer benchmarking exercise, workshops and discussion with the Board.

This report includes the outcomes of our sustainability strategy review and describes Shelf Drilling's governance, management and performance of sustainability related matters across the following key areas:

Health & Safety

People & Society

Climate & Environment

Responsible Business Conduct

2021’s Sustainability Highlights

This year, we placed a large focus on reducing our emissions, waste and overall negative environmental impact. We firmly believe that for us to achieve our ambitions, there needs to be understanding and buy-in at all levels of our operations and, coming in to 2021, we realized that there was a significant gap between the level of understanding of our offshore supervisory personnel on sustainability compared to that required to achieve our goals. To bring the level of understanding up to the required level, we designed and launched a specific training program to bridge this gap, setting a target of training 90% of employees and contractors by the end of September. This was achieved and feedback received on the training program was positive, confirming that it met the intended aims.

In addition to education, a number of practical actions were implemented to allow our crews, management and organization to effectively drive our emissions reduction initiatives in future. These included:

- 1. Detailed tracking of all key sustainability related information; working with our third-party provider for HSE tracking, we drove an update to their platform that included data capture for all key parameters such as scope 1, 2 and 3 emissions data, waste, and unplanned releases.
- 2. In house developed an engine emissions tracking and reporting tool; to provide our crews with a centralized, uniform and effective tool to track and plan for the Scope 1 emissions stemming from our operations.
- 3. Reporting guidelines; rolled out detailed and specific reporting guidelines to our rigs and management to ensure consistent data capture across all sustainability related information.
- 4. Sustainability Committee; developed and launched Sustainability Committee’s for each rig and shore-based location to ensure efficient information flow and sharing of lessons learnt.
- 5. Power management plan; developed specific power management plans for each rig.

We also established an internal management group with specific responsibilities to oversee our sustainability programs and to develop recommendations for Management and Board consideration. These included an in-depth analysis that enabled a defined plan to achieve short- and long-term emissions reduction goals that are outlined in this report. While these targets have been set based on an approach that is in line with the Science Based Targets initiative (SBTi), we will not be applying for formal recognition of our targets or approach.

In 2021 we also launched pilot projects to reduce the waste coming from our operations, for example the waste coming from the catering service on board our rigs. A third-party specialist provider worked with the rig camp boss to analyze (including weighing and photographing) the daily waste produced and to look at ways to reduce through either more effective planning, reuse or changing behaviors in the way food was prepared or served. We are currently assessing the performance of this pilot prior to extending to other rigs in our fleet.

We also piloted a system to generate fresh drinking water on board the rig to eliminate the thousands of plastic bottles that are used on each of our rigs per year. A plan to roll out this successful pilot to the rigs across our fleet is currently under development.

Corporate Governance & Sustainability Management

Governance & Risk Management

The Board of Directors of Shelf Drilling regularly engages with management to discuss, review and, where appropriate, approve the Company’s sustainability-related strategy, risk management, and performance. In addition, the Audit Committee of the Board oversees the Company’s risk management programs, including Enterprise Risk Management (ERM) that fully incorporates risks associated with climate-change and other sustainability related matters. The Company’s management team, with the guidance and support of our Board, implements, monitors and, if necessary, adjusts our sustainability initiatives to best serve the long- term interests of the Company and all our stakeholders. The Board reports on the Company’s sustainability practices and progress on an annual basis through this Sustainability Report. In 2021, sustainability, ERM and Energy Transition issues were a formal part of three Board meetings and three Audit Committee meetings in addition to periodic updates on the monthly calls with the Board.

Shelf Drilling established a comprehensive ERM process in 2014 that has continued to be refined and enhanced over the years. In 2020 we integrated the outcomes of our climate change workshop that assessed the risks associated with physical, liability and transitional risks to our operations and business, in line with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). Our ERM process was further enhanced in 2021 through the development of a centralized database and tracking system that permits each risk owner to review and update the current risks, mitigation measures and assessment on an ongoing basis. Our annual review process involves one-on-one discussions with the risk owner, our ERM coordinator and our outsourced Internal Audit partner to consider changes to the risks, risk profile and new or emerging risks for the business. The output from this update is then reviewed by our ERM steering committee, chaired by the CEO and including all Executive Management, to review and conclude on the most impactful changes to our risk universe and actions that may need to be taken as a result. The outcome of the steering committee meeting is then reviewed and discussed with the Audit Committee and Board. These outcomes are also a key factor in establishing the Internal Audit Plan which is approved by the Audit Committee at the beginning of each year.

The Board and Management regularly engage with external industry experts to ensure that we remain aware of all current or potential issues that may impact the industry and our business. In 2021, the Board engaged

Rystad to present their perspective on changes to the various climate change scenarios that had occurred since their last presentation to the Board in 2019, as well as a scenario analysis of the potential impact of the Energy Transition to the shallow water business in the medium and long term. Management also engages with other external advisors in developing and driving their sustainability linked programs.

Shelf Drilling adheres to the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Policy Board (NCGB). Shelf Drilling also files quarterly and annual reports, which are largely prepared in accordance with Securities & Exchange Commission (SEC) guidelines. The 2021 10-K Equivalent report on page 94 in the Annual Report includes relevant sustainability-related risk disclosures.

Policies and Procedures

Shelf Drilling has adopted, and regularly updates, policies, procedures and controls to ensure compliant management of sustainability-related activities. Our employees are required to abide by the established policies in conducting their activities for Shelf Drilling and we have implemented a system for monitoring compliance.

In 2021, we rolled out a sustainability training program, 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 that were approved by the Board in 2020, posted on our website and circulated internally where appropriate.

Among those is our Sustainability Policy that outlines our commitment to:

- Climate and environment
- Health & safety
- People and human rights

- Responsible business conduct
- Anti-corruption
- Whistleblowing

Our revised Code of Business Conduct and Ethics, Global Anti-Corruption Policy, and Vendor Code of Conduct were updated in 2020 to include key sustainability matters formed part of our internal sustainability and compliance training programs.

For additional information on our policies and how we manage sustainability at Shelf Drilling please visit our website www.shelfdrilling.com.

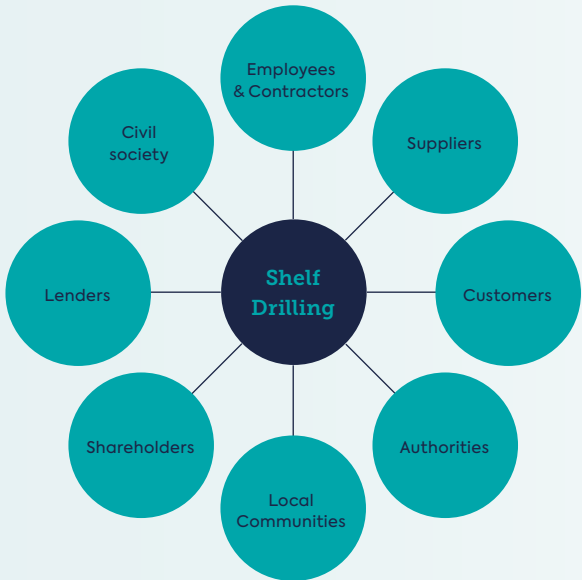
Stakeholder Engagement

Shelf Drilling recognizes that sustainability issues are important for our customers, investors, and other stakeholders, and engages with key stakeholders through meaningful consultation and collaboration on a continuous basis. Effective stakeholder engagement allows us to better understand the needs and concerns of our stakeholders, including on how our operations may be impacting them. This dialogue provides us with the information we need to improve our sustainability performance.

For example, a number of changes to our policies and whistleblowing hotlines were implemented in 2020 as a direct result of stakeholder feedback. In 2021, we continued to engage with our key stakeholders on sustainability issues, including discussions with Customers on our specific plans for the effective tracking of our Scope 1 emissions described earlier.

This report addresses all the material topics, including information on why these topics are important and how we manage them. We will continue our engagement with investors and other stakeholders through regular outreach activities.

Our Stakeholders



2020 Materiality Assessment

In 2020, Shelf Drilling engaged an independent ESG consultant to carry out stakeholder engagement, through interviews and a survey, and assess materiality of relevant ESG topics. The assessment was based on the GRI Standard's materiality principle and, for the purpose of assessing material topics, the following stakeholders were engaged through interviews and survey:

- Investors
- Customers
- Financial institutions
- Employees

The assessment was concluded in early 2021 and the results were presented to management for discussion and validation. The outcome of this assessment was subsequently presented to the full Board.

Out of 7 environmental, 7 social and 5 topics considered, the material areas for Shelf Drilling identified through this assessment were

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Environmental Topics



01. GHG Emissions	02. Climate Risk	03. Environmental Management
Monitoring and reducing GHG emissions.	Assessing and managing climate risks related to a changing physical climate and the transition to a low-carbon economy.	Managing and reducing other emissions to air (eg SOx, NOx)
04. Energy Transition Opportunities	05. Spills & Discharges	
Pursuing emerging opportunities in decommissioning and CCS.	Protecting biodiversity by ensuring that no contaminated deck drainage from rigs reaches the environment.	



In this report, you will find information on these material topics, why they are material to Shelf Drilling, and how we manage them under the key sustainability themes: Health and Safety, Climate and Environment, People, and Responsible Business Conduct.

Social Topics



01. Employee Health & Safety	02. Local Employment & Development
Working systematically to achieve an incident-free environment where no one is hurt.	Contributing to local economic growth by creating employment and engaging local supply chain.

Governance Topics



01. Anti-Corruption & Bribery	02. ESG Governance	03. Rig Recycling
Managing the risk of bribery, facilitation payments and corruption of any kind.	Integrating ESG into risk management, incentive systems and management/board oversight.	Rig Recycling Committing to responsible rig recycling practices and overseeing/auditing yards or brokers' dismantling practices.

Industry Initiatives

Shelf Drilling is a member of the International Association of Drilling Contractors (IADC) and pays close attention to industry developments and the future of oil and gas companies in relation to sustainability. We are also participating in the IADC’s Sustainability Committee which was established to facilitate the exchange of information regarding ESG related standards, definitions and best practices among its members, standards organizations and industry.



Goal	Shelf Drilling Contribution & Opportunities
End Poverty in all its forms everywhere 	Shelf Drilling has established operations in countries where poverty-related issues are prevalent. By investing in local communities through direct employment and skill development, and local sourcing of goods and services, we generate real opportunities for the overall economic growth of the communities where we work thereby contributing to the goal of ending global poverty.
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all 	Our company strategy of having high national content promotes “in-country” employment, career development and promotion, supply chain development and, as a result, wealth creation in our countries of operations ensuring inclusive economic growth.
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation 	Shelf Drilling has a policy commitment to respecting fundamental human rights as described in the UN Guiding Principles on Business and Human Rights, which includes the International Labor Organization (ILO) Fundamental Conventions
Take urgent action to combat climate change and its impacts 	With our long-term presence and scale of operations, we provide relatively stable employment opportunities and consequently play an important role in the industrialization process in the countries where we operate. We prioritize building long-term and mutually beneficial relationships which has enabled the development of a high national content 88% ¹ in our offshore workforce, further enhancing the stability of our operations while closely aligning with the interest of the governments and customers where we work.
Conserve and sustainably use the oceans, seas and marine resources for sustainable development 	Although operating in an emissions intensive industry, Shelf Drilling’s core operating areas and jack-up rig fleet have relatively lower emissions compared to other regions and offshore rig types. We have implemented initiatives to educate our workforce and provide the necessary support to lower the emissions from our operations. We have set targets to reduce the impact to the environment from our activities.
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels 	Shelf Drilling has strict rules for managing discharges to the sea. Discharges from drains and other containment devices pass through treatment facilities prior to discharge to ensure pollution levels are below required norms.
	All loss of containments, including those retained on board, are tracked and reported in accordance with the IADC guidelines. All events are investigated and lessons learnt shared across the fleet.
	Shelf Drilling is committed to honest, transparent and ethical conduct. We have zero tolerance for corruption and are committed to achieving the highest standards of compliance with applicable regulatory frameworks and good business practice. We have embedded these values in our way of working with customers, suppliers, employees, shareholders and the communities in which we operate. Our commitment to responsible business conduct is outlined in our Code of Business Conduct and Ethics and its supporting policies.

1 Excludes rigs working in United Arab Emirates (UAE) and Italy.

Sustainable Development Goals

We recognize the responsibility of our business and our sector to support the achievement of UN Sustainable Development Goals (SDGs). Our operations and footprint present particularly strong opportunities to have a meaningful and sustainable impact on the attainment of the following SDGs which we believe are the most relevant to our business.

Sustainability Recognition

Shelf Drilling recognizes that ratings and associated reports on our sustainability performance are important sources of information for investors, analysts and other stakeholders. As a result, we engage with a number of agencies to seek feedback in order to continuously improve the visibility of relevant information to all parties.

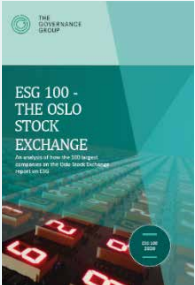
Key 2020 Ratings



Climate Change
Score B- (Scale D- to A)

- Average score industry: C
- Average score globally: B-

CDP is a global disclosure system for environmental impacts.



Score B (Scale F to A+)

- Shelf Drilling score: 3.07 (max 4, 2.60 in 2019)
- Average score industry (Oil, gas and coal): 2.83
- Average score ESG 100: 2.59

The ESG100 report covers how well the 100 largest companies on the Oslo Stock Exchange report on ESG. The analysis is conducted by the Oslo-based research and advisory firm The Governance Group. In 2020, Shelf Drilling was independently assessed against the 2020 ESG 100 report.

About This Report

Reporting Framework and Disclosures

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

The disclosures on page 40 are based on the SASB recommendations for the oil and gas exploration and production and services sectors^{2,3}. We have previously reached out to SASB to discuss the applicability of the recommendations to our business and operations and, based on their feedback, we have included relevant indicators from the two different recommendations to best match Company characteristics.

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

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



Reporting Period & External Assurance

The Sustainability Report covers the period of the 2021 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 2020. Sustainability disclosures contained in this report have not been externally assured.

Contact Point

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2 https://www.sasb.org/wp-content/uploads/2018/11/Oil_Gas_Exploration_Production_Standard_2018.pdf
3 https://www.sasb.org/wp-content/uploads/2014/06/NR0104_ProvisionalStandard_OGServices.pdf
4 <https://www.globalreporting.org/>
5 <https://www.fsb-tcfd.org/>

Health and Safety



Our Three Pillars of HSE



01
Protect
yourself



02
Protect
your team



03
Protect
asset and
environment

Safety & Operational Highlights

0.16

Total Recordable Incident Rate

0.02

Lost Time Incident Rate

4.92

Total Potential Severity Rate

56,756

Hours of safety training performed

20.9

Average hours of safety training per offshore employee

HSE Policy

Our greatest responsibility at Shelf Drilling is the safety of our employees, contractors, customer representatives and other service providers. Our Health, Safety and Environment (HSE) Policy Statement lays the foundation for the Company's commitment and our employees' obligations to maintain a safe and healthy work environment. Our Management and employees are responsible for achieving the Company's HSE Vision of creating a work environment that results in an incident-free workplace where no one gets hurt. All employees at Shelf Drilling are given the necessary training, tools and empowerment to be individually responsible for the safety of themselves, their co-workers, and the environment.

Shelf Drilling has implemented comprehensive HSE policies, processes and systems which are in line with industry best practice. Our integrated HSE Management System covering quality, health, safety and environmental principles and objectives is implemented throughout all offshore and onshore operations.

At Shelf Drilling we operate in a manner that helps protect our employees, contractors, customers and the communities where we work. Our approach to safety includes identifying possible risks, implementing measures to prevent potential incidents, and educating employees, and all partners, on best practices.

HSE Management System

Management Commitment

The Chief Executive Officer (CEO) is ultimately responsible for the health, safety and welfare of all personnel working at Company installations, facilities and offices. Senior management is committed to providing strong and demonstrable leadership to the health and safety of our employees and partners, through participation in meetings with customers, staff and contractors and conducting inspections and regular audits as described below. In addition, the Quality Management Steering Committee (QMSC) comprised of executive and senior management meets on an annual basis to discuss HSE-related performance, action items and goals of the Company.

At the core of our management approach is the focus on "Perfect Execution". This extends throughout the lifetime of projects and begins in the Planning and Risk Assessment Phase. Ensuring the best possible planning and assessment means that we can learn from our past errors, and implement lessons learned to maintain high standards of safety and efficiency.

To support us in striving for Perfect Execution, this year saw the launch of the Make It Safer Today - MIST Program. MIST incentivises identification and reporting of any unsafe condition or situation that may have otherwise led to an incident, as well as encouraging every initiative taken by our crews to improve the overall safety of our operations. The program includes awards and recognition tiers for the crews, from local level all the way to the CEO level, who is the ultimate program sponsor.

In addition to initiatives from the top down, our management approach embraces responsibility and openness throughout our operations, as we believe such a culture improves safety. This is why our last line of defence are the Time Out for Safety and Safety Conversations. As well as providing a platform for promoting good behaviours, these Conversations reinforce the obligation for every person on a Shelf Drilling installation or facility to use the Time Out when they see unsafe conditions or acts.

In addition to health and safety, in 2021, we integrated Sustainability into the responsibilities of our existing HSE Steering Committees across our fleet and shore-based facilities. Environmental Sustainability is now included in our Management System suite, where we have launched a new Environmental Sustainability Reporting Standard and an online reporting portal.

Performance Monitoring

In order to track conformance to HSE requirements and standards, we conduct regular audits. Each month, every installation manager conducts a Self-Verification Audit (SVA), with corporate assessors conducting a Management System Assessment on each installation every two years.

In addition to regular audits, we utilise a monthly HSE Report, which allows us to track our health and safety performance on a monthly basis. The Report tracks trends and active investigations stored in the HSE Dashboard of our custom designed safety database. The Company's Board of Directors maintains oversight of HSE performance, and they receive regular reports on our HSE performance and plans. Shelf Drilling recognises the benefit of collaboration in improving HSE standards. For this reason, we are a member company and participate in the Incident Statistics Program of International Association of Drilling Contractors (IADC).

Together with our formal reporting framework, we recognise there is value in directly engaging our employees on various operations and safety related matters. This engagement can often give a good snapshot of what is happening on the ground, and we have made more use of poll and surveys tools that allow us to receive direct and rapid feedback from our crews.

As an example, feedback from the crews helped understand why we have historically seen a higher rate of incidents during the day. Based on their feedback, we launched a pilot work planning framework to ensure that all tasks are planned and approved 24 hours in advance, limiting the short notice changes to plans that could impact perfect execution.

HSE Results

COVID-19 has continued to be a disruptive factor affecting our operations in 2021, with multiple travel disruptions and challenges for our crews at the workplace and for their families at home. Despite these challenges, our rig crews continued to drive down the number of recordable incidents in 2021, achieving a total recordable incident rate in 2021 of 0.16, the lowest in the Company’s history.

This year was also marked with the loss of a colleague in a tragic incident on one of our rigs in India, the first fatality in the Company’s history. The lessons learned were shared across our fleet in order to avoid a recurrence, and efforts reinforced to deliver incident free operations. Our entire fleet operated for a period of 4 continuous months without incurring a recordable incident following the fatality, demonstrating that our safety vision of an incident free workplace, is achievable.

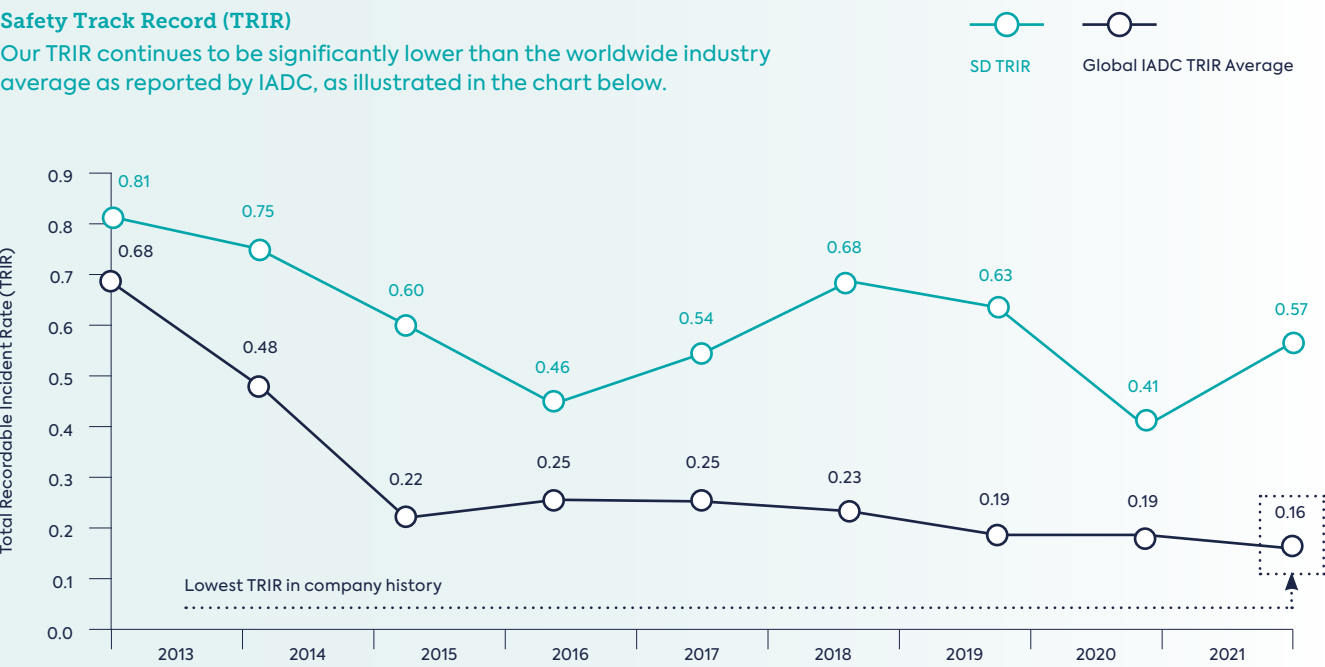
In 2021 we saw a 43% reduction in the total number of personnel injuries and operated 6 months without any recordable incident, including the four mentioned above. 23 of our active and project rigs operated with no recordable incident all year. At the end of 2021, we had 18 rigs that have achieved the milestone of operating for more than 5 years without a Lost-Time Incident (LTI).

We had zero overboard loss of containment to the sea in 2021, which was a remarkable achievement demonstrating our commitment and focus in protecting the environment in which we operate.

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

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.



Goals	2022 Targets	Achievements		
		2021	2020	2019
Creating an environment that results in an incident free workplace where nobody gets hurt	Zero Fatalities	1	0	0
	Zero Lost Time Injuries	0	0	3
	TRIR below 0.15	0.16	0.19	0.19
	No Target	4.92	2.91	13.41

Anchoring Our HSE Culture

Planning First	To achieve Perfect Execution, we must Plan every task, no matter how small
Time out for Safety	All employees have the obligation to call a time out for safety
Continuous Improvement	The MIST Make It Safer Today program promotes reporting and taking action on unsafe conditions to prevent serious incidents
Behavior-based Safety Observations	Formal observations aimed at raising safety awareness and promoting teamwork and accountability
Behavior-based Safety Observations	Formal observations aimed at raising safety awareness and promoting teamwork and accountability
Management HSE Tours	Visible safety leadership through coaching and mentoring to empower employees and support our safety culture
Self-Audits and Debrief Systematic	Systematic approach to self-evaluation and continuous improvement
Training	Developing our employees as safety leaders

Emergency Preparedness

Risk Assessments

To reduce the risk of emergencies occurring, all rigs undertake a MHRA – Major Hazards and Risks Assessment, to ensure that all major accidents, hazards, causes, consequences, and residual risks have been identified, assessed and managed. Major hazards include incidents such as blowouts, fires, helicopter crashes and boat collisions. These MHRA's are a key part of Shelf Drilling's Hazard and Integrity to Management.

Although our ambition is to reduce the risks to ALARP– As Low as Practicably Possible levels, we also have extensive strategies for responding to emergencies situations. Shelf Drilling rigs and shore-based offices have comprehensive Emergency Response Plans and Medical Emergency Response Plans that provide detailed instruction on the appropriate actions to be taken in response to various emergency situations including the major hazards identified above. In addition, for rigs located in areas of high or extreme security risk, specific plans are developed based on a detailed security assessment that may include rig hardening, construction of safe havens and security alert systems.

Emergency response plans and equipment are regularly tested via drills conducted by the rig crews in coordination with our shore-based management teams.

HSE Training

HSE and Emergency Response Training is delivered through various courses for both offshore and onshore personnel. All employees and contractors working on Shelf Drilling rigs

are subject to the same training. The content and extent of the training provided is role-dependent and more extensive for those holding emergency response responsibilities. Competency is also evaluated through the On Job Training (OJT) system.

All personnel visiting a Shelf Drilling rig or shore-based facility are provided with training on our HSE management system. In addition, specific shore-based training is provided to personnel assigned to a rig that will start up for a new customer or following a prolonged out-of-service project.

For key offshore positions with high-risk roles, such as Driller and Crane Operator, we provide IADC-endorsed Competency Assessments to ensure we have adequately trained and skilled personnel.

Safety Leadership Training and HSE Supervisor Trainings are regularly organized for Shelf Drilling offshore employees while Perfect Execution workshops include all personnel who will work on a rig, including customer representatives and third-party service providers. These sessions provide a good opportunity for rig supervisors and junior crews to refresh and strengthen their understanding and knowledge of the Shelf Drilling Safety Management System and its application.

To continue delivering safety critical competency training and certifications for our employees in the face of operational challenges posed by COVID-19, we partnered with industry trade associations and certification bodies to deliver remote training and/or certificate renewals, where possible. Of the total 49,490 training hours delivered in 2021, 42% were through remote training.

2021 HSE Training Records	Offshore	Onshore	Total
HSE Training Hours	56,438	318	56,756
Number of Employees	2,703	402	3,105
Average HSE Training Hours Per Employee	20.9	0.8	11.8

Source: International Association of Drilling Contractors (IADC) website and Company figures as of December 31, 2021

People and Society

At Shelf Drilling, we strongly believe, that our success depends on a healthy, engaged, and competent workforce. We strive to provide our employees with a professional, safe, and trusted working environment in which all individuals are respected and treated fairly, and with dignity.

Through clear and open communication, regular feedback, and recognition, we work towards ensuring continued engagement, growth, and development of our diverse workforce into competent industry leaders.

We have a total workforce of approximately 3,100 employees (including contractors) working together towards Shelf Drilling's vision to be the international jack-up contractor of choice. There are 44 different nationalities represented across the Company's corporate headquarters, 16 field locations and 30 active rigs.

Local Employment

A focus on nationalization remains central to our Company strategy. We view nationalization as important both to ensuring a sustainable business, and to contributing to the communities in which we operate in. Since our inception, we have focused on building high national content through hiring and developing nationals from the countries in which we operate, including across our leadership teams. The continued drive and commitment to build high national content has resulted in nationals representing 88% of our offshore workforce as of December 31, 2021.

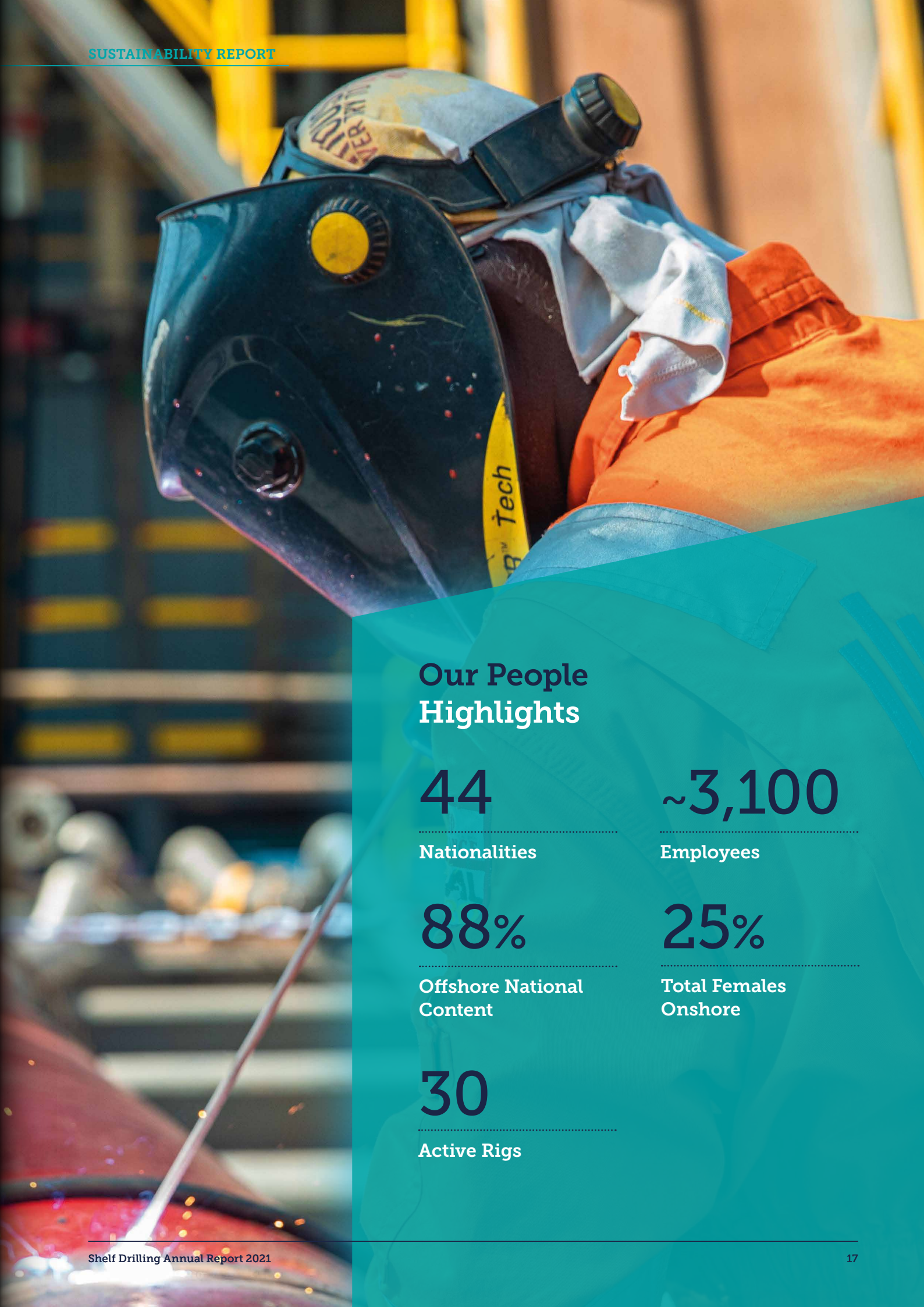
Our high national content further strengthens customer and governmental relationships (particularly with NOC's), and results in a lower cost base as well as relatively lower employee turnover. In addition, through significant positive impacts on the local economies including increased income and employment, our nationalization strategy directly supports our commitment to UN SDG 8 – Decent Work and Economic Growth, and SDG 9 – Industry, Innovation and Infrastructure.

Our ambition is to continuously drive development of local talents and maximise opportunities for employment for a strong impact in the communities in which we operate. Key Highlights of our nationalization strategy include:

- **Employment of a Skilled National Workforce:** engage rig based and shore based national resources by recruiting a skilled workforce from local communities.

- **Training & Development:** Shelf Drilling recognizes that training and continuous learning is critical to development, by leveraging our robust training matrix, industry standard certifications and OJTs facilitated by a competency management system.
- **Capacity Building & Mentorship Programs:** Capacity building of national employees by developing and strengthening skills, instincts, and abilities through on-the-job training (OJT), performance management and mentorship programs led by an experienced team ensuring successful technical knowledge transfer.
- **Succession Planning:** Linking performance management, career planning and development with a focus on evaluating and assessing talent, readiness and addressing development opportunities by leveraging experience resulting in the gradual replacement of expatriates from the host countries.

This strategy has paid dividends, with locations such as India, Nigeria, & Egypt being close to 100% nationalized, Thailand has progressed to 94%, and Saudi Arabia continues to drive their nationalization efforts, facilitated by leveraging our Offshore Development Program, rig-based succession planning and a strong commitment to training and mentorship on the rig.



Our People Highlights

44

Nationalities

~3,100

Employees

88%

Offshore National Content

25%

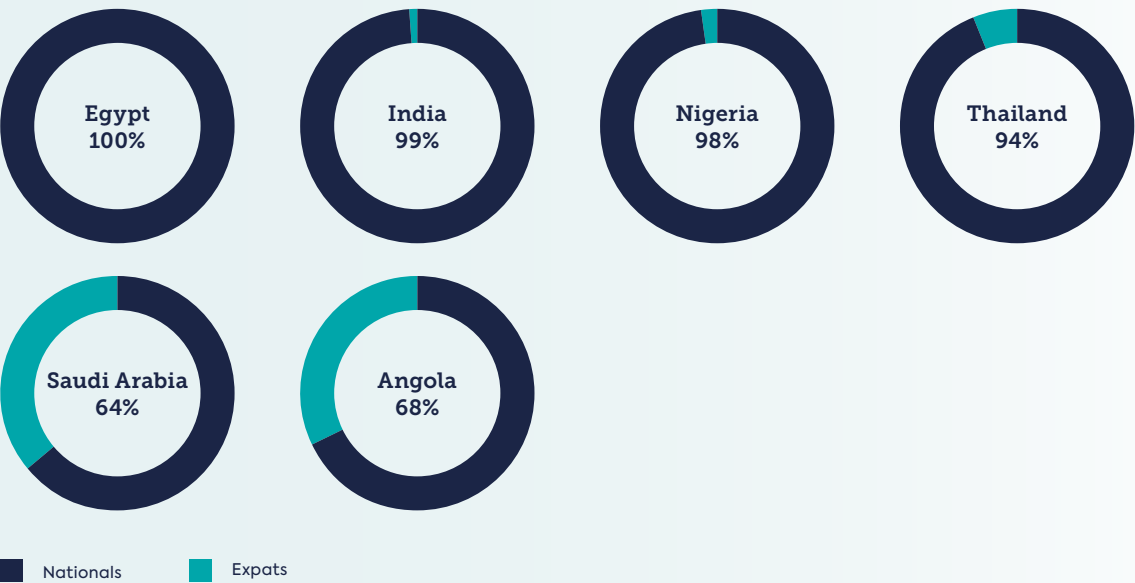
Total Females Onshore

30

Active Rigs

Our nationalization efforts are not only focused on the overall workforce but also leadership positions. It is our ambition to develop local leaders with more responsibility for our overall local business growth. We are currently focusing on developing national supervisors and managers in Angola, Thailand and Saudi Arabia.

Offshore Nationalization Percentage in Main Countries of Operations



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, colour, national origin, citizenship, religion, gender, sexual orientation, marital status, age, or any other category of persons to the extent protected by applicable laws.

Gender Distribution



6 Excluding Corporate Employees

Supporting Aspirations:

Eunice’s Journey from Roustabout to Driller

At Shelf Drilling we focus on creating a diverse and inclusive workforce, where everyone is valued and plays a role in our success. It is therefore paramount for us to continue identifying, recruiting, developing and retaining qualified female candidates in our operating environment.

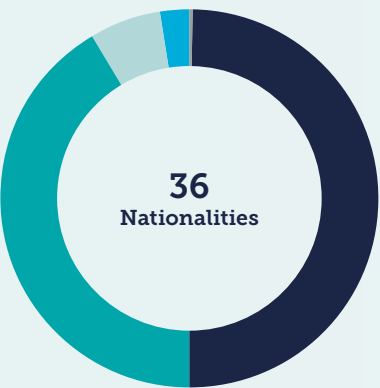
Eunice Ebube Akwukwuegbu joined Shelf Drilling in May 2018 and was assigned to the Adriatic 1. From the outset, Eunice expressed her desire to develop her career in an offshore environment. The rig team, encouraged by Eunice’s commitment and drive, progressively entrusted her with various opportunities as she worked through the multiple roles using our On-The-Job training program. Eunice was promoted to Driller on the Adriatic 1 in February 2022 – a first in Nigeria.

While the oil and gas sector has made strides to reduce gender disparity, challenges remain but Eunice is a clear demonstration that barriers are being broken down.

Eunice is a graduate of Mechanical Engineering from the University of Surrey, England; she has prior experience in Radial Circle Telecommunications Nigeria and Schlumberger Nigeria Limited.

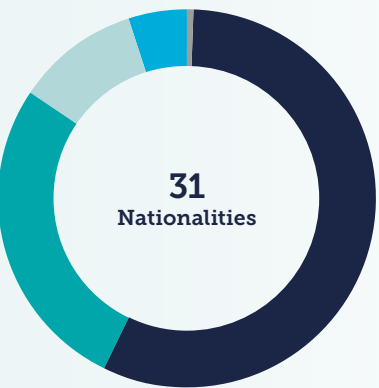
Nationality Distribution

Offshore



Asia Africa & Middle East Europe America Australasia

Corporate & Shore Base



Asia 49.8%
Africa & Middle East 41.3%
Europe 6.2%
America 2.3%
Australasia 0.4%

Asia 57.1%
Africa & Middle East 27.5%
Europe 10.6%
America 4.2%
Australasia 0.6%

Non-Discrimination

Shelf Drilling is committed to establishing and maintaining a work environment in which all individuals are respected and treated with dignity. The Company has zero tolerance for discrimination or harassment in the workplace or any other work-related environment which governs all terms, conditions, and actions related to employment. Shelf Drilling prohibits all harassment, including verbal, written, or electronic dissemination of materials which are offensive or disparaging of others on the basis of race, color, national origin, citizenship, religion, gender, sexual orientation, marital status, age, or any other category, whether the harassment is directed at a subordinate, co-worker, supervisor, customer, agent, guest, contractor, or vendor. At Shelf Drilling, we recognize that discrimination can be indirect or unintentional and therefore strive to create awareness and educate our people to develop and maintain a truly inclusive and high performing culture.

As such we rolled out a mandatory training in Q3, 2020 for select employees on Unconscious Bias, Diversity & Inclusion, Workplace Harassment, Reporting and Non-Retaliation. We also issued a communication to employees together with posters for increasing awareness on what a truly inclusive workplace culture is. We encourage open dialogue between employees and supervisors but also recognise that it can be difficult to raise issues related to discrimination. For this reason, the Company has established various channels through which employees can raise concerns and report actual or suspected wrongdoings, including reports on discrimination, without any fear of retaliation.

See section “Whistleblowing/Speak Up” on page 37.



Labour & Human Rights



Labor Rights

Shelf Drilling respects labor rights as described in the fundamental conventions of the International Labor Organization, including freedom of association, collective bargaining, and the prevention of forced and compulsory labor, child labor and discrimination in respect of employment and occupation. We expect our business partners, suppliers and customers to respect labour rights and our Vendor Code of Conduct sets out our expectation.

We believe in management-employee collaboration and engage with relevant employee representative groups, specifically in Nigeria and also in Egypt and Italy, and encourages active ongoing dialog to ensure alignment of our collective interests. This collaboration has informed our focus on important issues that impact our employees, including non-discrimination, the right to privacy, employment contracts, protection against harassment and management-employee collaboration.

Human Rights

Shelf Drilling is committed to respecting human rights as defined in the International bill of Rights and as described in relation to businesses in the UN Guiding Principles on Business and Human Rights. We recognise that our human rights responsibilities run throughout our value chain and expect our business partners, suppliers and customers to respect human rights. We do not currently operate in territories defined as conflict areas or indigenous lands. Our Vendor Code of Conduct sets out our expectations.

We take the respect of human rights seriously and intend to ensure compliance with the new Norwegian Transparency Law, although it does not strictly apply to us. This law requires companies to carry out and report on their human rights due diligence, as well as how effective it is.

This means that in 2022, we will:

- Identify a list of human rights priorities
- Institute human rights due diligence to manage these priorities, in line with the UNGPs and OECD Guidelines for Multinational Enterprises
- Report on the actions we take to manage our human rights impacts
- Ensure our staff receive business and human rights training
- Continually review our management of human rights issues

We will focus our due diligence efforts on better understanding our supply chain and the human rights risks within it. We will map our supply chain to identify the suppliers that have the largest potential negative human rights impact.

Following the mapping process, we will seek to engage with these suppliers and carry out collaborative assessments of their human rights performance. Where human rights issues are identified, a root cause analysis will be undertaken to better understand how to stop the negative human rights issues. Where necessary, remedies will be provided and our practices changed, where these have led to negative impacts.

Through this process we hope to build the capacity of our suppliers so that they better understand their human rights obligations. This should allow us to more easily map our supply chain past our tier 1 suppliers into tiers 2 and 3, allowing us to have a better understanding of our true human rights impact.

Training & Development

Shelf Drilling recognises that having a competent, and trained workforce is vital to our ability to deliver outstanding performance. We aim to provide continuous technical knowledge and soft skills training to our people to ensure they acquire the necessary competence for their development and success.

For offshore employees, Shelf Drilling provides access to a comprehensive training and development program that enables employees to progress from entry level positions through 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 channelled into four main categories:

On the Job Training:

21 courses comprising 268 modules. A multilingual combination of theoretical and practical training courses delivered through SkillGRID, a cloud-based Learning Management System (LMS) SkillGrid available on the rig, in the office and at home for easy employee access.

Competency Assessments:

Organized internally to ensure specific offshore critical position skills and competencies are maintained.

Over 30 Shore-Based Professional Courses:

Provided by approved third-party vendors, in accordance with highest and latest industry standards and applicable technical, geographical, or case-specific regulations.

Seven Regulatory and Marine Licensing Training Courses:

Provided by third-party vendors, as per IMO, Class and Flag states competency requirements for offshore operations.

88%
Training
Compliance

(Including shipyards
and project rigs)

Progress towards the next level as well as compliance with the defined training targets is tracked through our online reporting system. Specific programs – such as the Offshore Development Program – aim to fast-track the promotion of high potential offshore 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.



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

For onshore employees, Shelf Drilling encourages ongoing, continuous dialog between employees and supervisors to drive employee performance and development. Performance is constantly appraised, discussed and improved, as we promote an open, ongoing feedback culture. We believe that the annual performance appraisal process typically required by other companies defers discussions that should otherwise occur in real-time when the performance event (positive or negative) occurs. Further, in a rapidly changing business environment, a formal annual process of setting objectives and reviewing performance hinders the agility that companies like Shelf Drilling are required to demonstrate. Performance Management Guides based on this philosophy have been developed specifically for offshore and onshore employees and are accessible to all employees.

Given our lean organizational structure, development plans are specific to the individual, their current role and potential future opportunities rather than a broad, company-wide or standardized approach. As a result, other than compliance training described in the next section, no company-wide training is provided or required.

We established this employee performance management and development philosophy at Company inception and believe that this has been a significant contributing factor to our success throughout the industry cycles.

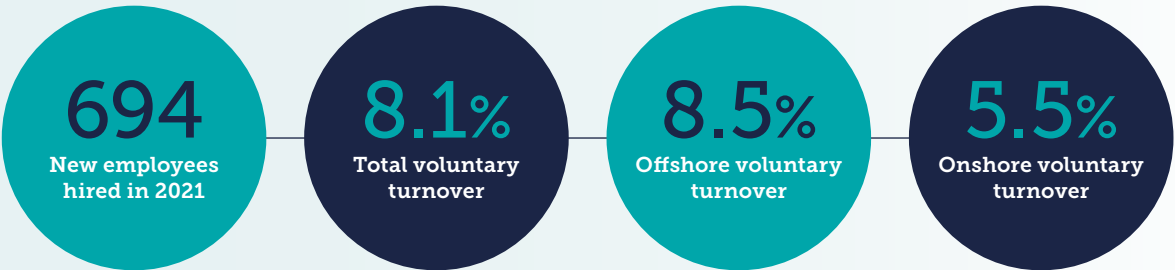
Talent attraction and employee retention

We want to be able to attract and keep the best talent and to help them develop to achieve their full potential. To achieve this, in 2021 we continued to focus on developing our offshore talent through our fit-for-purpose Talent Management strategy which ensures the right people are in the right positions across the organization. With competitive compensation and benefits programs, we ensure that we continue to identify qualified high potential talents by leveraging our employee referral program with a strong focus on the development of national talent.

Retention and development initiatives in 2021:

- **Employee Engagement:** Frequent and Direct communication from leadership to field employees, through frequent CEO videos messages on state of the company and business updates. Increased management sites visits for direct feedback on worksite.
- **Wellbeing:** Continued focus on physical, emotional & psychological wellbeing.
- **Mobility:** Operational readiness to respond to rapid changes in the travel environment, and limit extended time away from home, for offshore employees.
- **Succession Planning:** Commitment to internal promotion & development (320 promotions in 2021)
- **Resourcing:** Continue to identify and integrate multi-skilled talents to rapidly adapt to changes in operations requirements.
- **Compensation & Benefits:** Regular reviews of compensation elements and benefits to ensure competitive packages for the employees.
- **New Countries Start up:** In 2021 two (2) rig contracts in new locations in Angola and Congo were announced resulting in the creation of around 180 new rig based national positions. Rig Acclimatization Programs were developed and delivered for both rigs, and crews from Angola and Congo were mobilized to the UAE shipyard to gain exposure, training, and experience on the rigs prior to the operational start in their home countries.

Retention Highlights



Our People Through COVID-19:

The Return to Normalcy

The pandemic presented industry specific challenges for our rig-based employees resulting in extended periods working offshore, standing by in the host country, or at home on prolonged field breaks.

Our rig-based and operations teams' ability to continue to embrace adaptability, resilience, and flexibility in the face of adversity have ensured business continuity throughout 2021, often overcoming challenging situations.

Our understanding of the psychological and sociological impact of the pandemic on individuals and their families continues to unfold because of isolation, mental fatigue, family disruption and changing economic and personal circumstances.

As a Company our commitment to supporting the physical as well as the psychological and emotional wellbeing of our employees is a primary concern, and we are continuing to invest resources to create awareness about Mental Health First Aid, to adequately support our people.

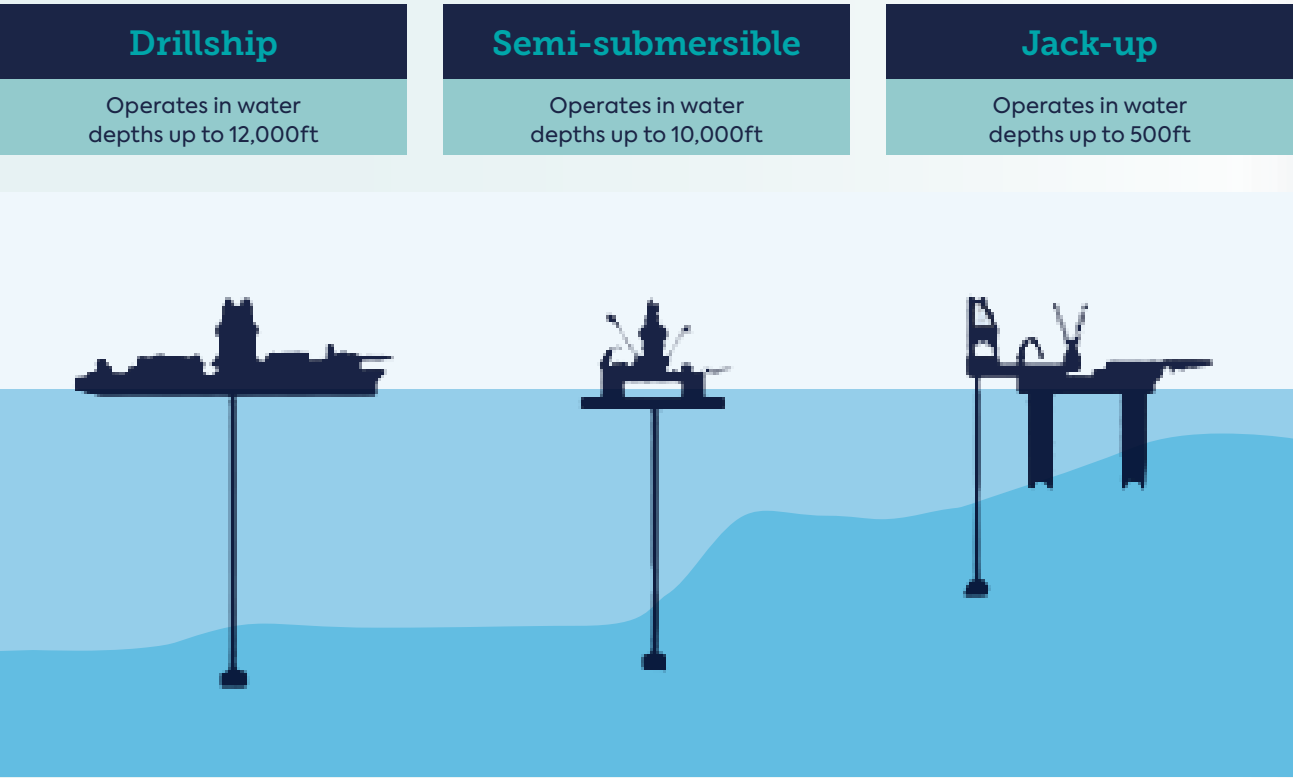
Climate and Environment

Shelf Drilling’s business is to provide rigs and personnel to perform the services required by our customers to drill, workover and abandon their oil and gas wells in support of their programs to reliably and safely produce oil and gas to meet the worlds energy needs. Shelf Drilling owns and operates a fleet of thirty jack-up rigs that can work in water depths up to 375 feet. Shelf Drilling recognizes the value of protecting the climate and our natural environment and operates in compliance with the relevant environmental regulations and strives to reduce any negative impact on climate and the environment from our activities. Shelf Drilling has implemented comprehensive environmental policies, processes and systems and utilizes an integrated

management system to monitor performance throughout all offshore and onshore operations.

Jack-up rigs are towed to a designated work location before the hull and all equipment are jacked out of the water where they may remain on location while performing the services required for periods lasting from days to many months. Unlike dynamically positioned semi-submersibles or drillships, jack-up rigs do not require any power to remain on station. As a result, fuel consumption and emissions are much lower than other rig types operating in deeper waters performing similar operations.

Main Offshore Rig Categories



Jack-up rigs include accommodation for typically 100 to 160 personnel and will have from three to five engines to provide the power to operate drilling equipment, cranes, safety equipment and accommodation for the personnel on board.

Power requirements vary according to the type of activity being performed and the number of engines running is generally optimized to ensure sufficient reserves of power in case of unexpected events.



Climate and Environment Highlights

74,668
Tonnes Diesel Fuel Consumed

239,002
Tonnes Scope 1 CO₂e Emissions

58,996
Tonnes Scope 3 CO₂e Emissions

13,875
Tonnes CO₂e Prevented through Recycling

Power management is therefore a critical element in managing the fuel (diesel) consumption and, consequently, the Scope 1 emissions from our operations. The number of engines on-line at any time is generally set in agreement with the customer's representative on board and is not the exclusive responsibility of the Shelf Drilling Offshore Installation Manager. Optimizing the power and corresponding emissions is therefore a collaborative arrangement between Shelf Drilling and our customers.

Maximum power requirements generally occur when the rig is drilling "intermediate hole" the section from near surface to above the reservoir. This is where the mud pumps, circulating and drilling equipment are all operating at or near their maximum ratings. These hole sections are typically only required in new wells (exploration or development) and are considered part of "greenfield" developments. "Brownfield" activity is associated with working with wells and infrastructure already in place.

This generally means going into an existing well and repairing or relocating the target zone. Plug and Abandonment operations (P&A) involve removing existing well equipment and sealing off producing zones. Power requirements and hence emissions are generally lower for brownfield and P&A operations than greenfield.

Shelf Drilling's rig fleet is primarily engaged to perform brownfield and P&A operations as illustrated in the table below. As a consequence, the emissions from our activities are lower than if we were more involved in greenfield activity.

Shelf Drilling Well Type	Exploration	Development	Work Over	P&A
2019	12	251	69	159
2020	10	187	97	451
Activities Trends	-17%	-25%	41%	184%
2021	19	183	108	1147
Activities Trends	90%	-2%	11%	154%

Out of 1147 P&A wells in 2021, 1,139 have been completed by the rigs in Thailand, where the customized multi activity set up of our rigs, the performance-based culture across the whole process with our customers and third parties, have enabled us to establish Factory Style operations, delivering outstanding and ever improving performance.

In order to ensure we reduce the emissions from our operations, we recognize the need to increase understanding of climate change within our rig crews and management teams. This is why we aim to promote awareness, knowledge and innovation by educating our employees on how they can support the Company's efforts including the minimizing and reduction of waste from our operations. Shelf Drilling looks to maximize the recycling of equipment which makes good business sense while further limiting the impact on the environment. This includes the recycling of rigs at the end of their useful life which will be done in accordance with the Company's policy on rig recycling and relevant international standards, including the Hong Kong and Basel Conventions.



Greenhouse Gas Emissions
& Environment

Shelf Drilling is committed to reducing emissions from our operations as well as their impact on the environment. Shelf Drilling sets these expectations through policies including our Sustainability Policy which sets the overall framework and expectation for all employees. The policy was approved by our Board in 2020 and is published on our website.

Specific policies exist for a number of areas such as the Emissions and Energy Conservation policy that applies to all rigs and installations which includes the requirement for the development of a rig-specific Power Management Plan to optimize power generation and reduce emissions. Environmental performance is tracked in our HSE reporting system, and a monthly HSE report is produced for Management and the Board, and any incidents are reported to the relevant authorities. In addition, sustainability related updates were integrated into the Company Management System and all supporting policies, requirements and procedures are rolled out to the field in the fourth quarter annual update. Bridging documents were prepared that highlighted the changes and communications held with rigs and shore-based management teams to ensure understanding and alignment.

Since inception, Shelf Drilling has had quarterly HSE steering committees on our rigs and shore-based offices. In 2021, we added sustainability to the responsibilities of these committees as a way of gathering and sharing lessons learned across the company and fleet. The committees were renamed to reflect the additional focus and responsibilities and guidelines developed and distributed.

A management sustainability steering committee was also established in order to develop and oversee the implementation of the goals that were presented and approved by the Board. The management committee also worked to develop the emissions reductions targets based supported by external advisors to generally follow the methodology of the SBTi.

Based on an analysis by the management committee, assigning potential savings from a number of opportunities, an ambition of reducing our 2021 average daily per rig Scope 1 emissions by 20% over the next 5 years was reviewed and approved by the Board. For 2022, we have set a target to reduce the average daily per rig Scope 1 emissions by 4% in the fourth quarter of 2022 compared to the 2021 average.

In 2021, the Environmental Sustainability Metrics & Reporting Standard was developed and rolled out. This Standard provides a detailed and comprehensive description of all sustainability related data capture for our rig crews and shore-based teams (how, where, why). This, along with the update to our HSE reporting software that was developed and implemented, will ensure accuracy, consistency and completeness of Scope 1, 2 and 3 emissions data, waste, and unplanned releases.

Effective management of power generation and fuel consumption is key to reducing our Scope 1 emissions. The behaviour of our rig crews, Supervisors and shore-based management teams is a key element to reducing our emissions. As a consequence, Shelf Drilling focused on the following activities to drive reductions in our emissions in 2022 and beyond:

- Launched a Sustainability module for our OJT on-the-job training program,
- Developed an engine emissions tracking, reporting and analysis tool,
- Rolled out the requirements for a Sustainability Steering Committee on all rigs and shore-based facilities, and
- Created a management steering committee to oversee all sustainability related actions,
- and
- Established short and long-term Scope 1 emissions reduction goals

The training module was rolled out in multiple languages to our almost 3,000 employees and contractors. The target of 90% having completed the training by the end of September was achieved and current completion rate at December 31, 2021 was 96%.

While the overall fuel consumption on the rig is captured by our HSE Dashboard, this does not provide any information regarding the individual performance or consumption data for each engine on the rig - between 3 and 5 depending on the rig type and any modifications made since manufacture. The majority of the rigs in our fleet do not have an electronic engine management system, as a result there is no integrated data capture system available. In 2021 we developed a tool that enables rig crews to reliably capture the relevant engine parameters in order to understand past power consumption practices and to better plan for future requirements to reduce excess power being generated on board (with corresponding excess emissions). The tool was rolled out at the end of 2021 replacing the manual process we had established earlier. We have established ongoing training for the rig crews to use the information in a meaningful way.

Our Ambition:
To reduce our 2021 average daily per rig Scope 1 emissions by 20% over the next 5 years.

Digitalization

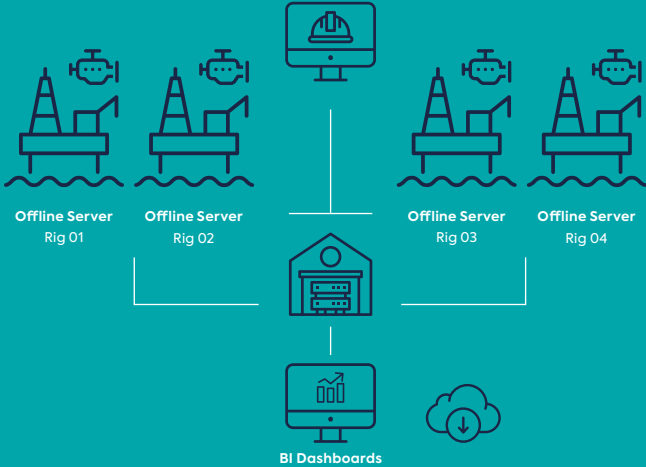
Engine Emissions Tracking System

Shelf Drilling continued to expand its digitalization efforts in various functions this year.

As part of our ongoing emissions reduction drive, we implemented a new system – “Engine Emissions Tracking System”, to facilitate the tracking of engine hours and fuel consumption across our fleet of rigs.

The system streamlines how we capture each engine’s key readings, which is then automatically synchronized and consolidated in the cloud server, creating a central repository for our engine emissions information. The application is pre-configured with data validation features and version control to promote data accuracy and integrity.

This tool includes interactive dashboards to monitor our performance over time and assist rig teams in meeting our reduction goals.



In 2022 we will work with other industry partners to develop an emissions intensity measure that will provide a more consistent and effective measure of the emissions reduction efforts and impact.

In 2021 we continued to work with our supply chain to better understand our Scope 3 emissions and expand the range of areas we capture. One example here is our cloud support

services where we were able to establish an emissions profile for our ERP, email, data storage and other key IT cloud-based services. While we believe that our reported Scope 3 emissions cover a significant part of our overall supply chain emissions in 2022 we will perform a detailed review across the fifteen categories identified in the Greenhouse Gas Protocol.

Emissions Highlights



Ambition	2022 Targets	Achievements		
		2021	2020	2019
Reduce our 2021 average daily per rig Scope 1 emissions by 20% over the next 5 years	Reduce fourth quarter of 2022 Scope 1 per rig per day average emissions by 4% over the 2021 average.	20.3* tCO ₂ e	22.9* tCO ₂ e	N/A
Enhance the management and monitoring of our potential negative impacts on the environment	Establishment of Sustainability Steering Committees on each rig	Yes	No	No
	100% of our rigs to be ODS-free and use green freon by year 2025	90%	88%	75%
	Start the process of tracking the volume and chemical content of water-based mud or drilling cuttings that may be discharged to sea	Yes	No	No
	0 unplanned overboard discharge events annually	0	2	1

*Average per rig per day CO₂e emissions.

Climate Risk

Shelf Drilling recognizes that climate change brings regulatory, reputational and/or market risks and opportunities for us. This is why we performed a climate risk review to map the Company’s climate risk management in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The climate risk review identified several physical and transitional climate-related risks and opportunities relevant to Shelf Drilling which were subsequently integrated into the Enterprise Risk Management System (ERM) process and included in the annual review and updates presented to the Audit Committee and Board. The following information provides an overview of Shelf Drilling’s responses to the 11 TCFD reporting recommendations:

Governance

The Board of Directors of Shelf Drilling regularly engages with Management to discuss and review climate-related risks and opportunities. In addition to reviewing the output of the TCFD workshop mentioned above, the Board discussed with Rystad and management the risks and opportunities associated with energy transition across several climate change scenarios. The Board also reviews and approves key sustainability related policies that incorporate climate-related risks to the business. The Audit Committee of the Board regularly engages with management and directly oversees the outcome of the annual Enterprise Risk Assessment, including climate-related risks, and their associated mitigation measures. Management regularly engages with industry

experts in developing recommendations for the Board on climate-related risks and opportunities, including those identified above. Management is also responsible for overseeing the mitigation measures implemented for the risks identified within the Enterprise Risk Management as well as tracking associated KPIs. Management also performs a detailed annual review of all ERM risks, including those associated with climate change. The CEO chairs the management ERM committee that includes all executive management in preparing the outcome of the annual review for presentation to the Audit Committee and Board. In preparing for the annual review that is discussed and presented to the Board, management engages with Ernst & Young as part of their outsourced internal audit engagement, bringing an external and broader industry view to the process.

Strategy

The primary physical climate-related risks for Shelf Drilling are associated with more extreme weather conditions, which could include extreme temperatures in the Middle East and/or an increasing frequency of cyclones/ typhoons in India and South East Asia. Extreme weather events could lead to loss of efficiency and increased risk of accidents to personnel plus the potential for delays or accidents when moving rigs between locations or countries. Extreme weather may also result in supply chain delays as well as the potential for increased insurance premiums as the industry may be exposed to more incidents.

Transition risks include the potential for increased regulation and taxes as the world shifts to a low carbon economy. This could include the introduction of a carbon tax in the areas where we operate which could impact our operating cost or reduce the opportunity set as customers re-evaluate their projects. In addition, as investor appetite for carbon intensive industries diminishes, the cost of capital to finance our industry (customer and service sector) may become prohibitively expensive leading to a loss of opportunities.

Climate-related business opportunities for Shelf Drilling primarily consist of the potential for an increasing volume of the world’s production coming from the Middle East, an area where Shelf Drilling has a significant presence. Oil production from the Middle East is at a lower cost and lower emissions (CO₂e per barrel) when compared to most other areas making this an efficient source of the world’s supply. Other opportunities include an increasing volume of P&A as an increasing number of shallow water developments cease production, especially in South-East Asia where Shelf Drilling has developed a leading position in this key market. We also anticipate in the longer term an increasing number of Carbon Capture and Storage opportunities in the areas where we operate.

As a result of the opportunity set in P&A, Shelf Drilling has invested in acquiring and significantly upgrading two rigs to be uniquely positioned to provide factory-style P&A services in Thailand. These two rigs were dedicated to P&A work throughout 2021 and have exceeded the expectations that we and our customer set at the outset regarding efficient execution of the P&A programs.

In 2021, the Board discussed with Rystad Energy and management the potential impact of climate change and the energy transition on oil demand and the subsequent potential impact on jack-up rig demand across a range of scenarios. Following this review, and given our sole focus on shallow water, the areas where we operate and our leading position as a low-cost supplier of services to our customers, we see continued demand in the long-term for our services across the scenarios considered.

Risk Management

The risk identified during the TCFD workshops were reviewed by management and assigned a risk owner consistent with the process undertaken for all business risks within the ERM process. The risk owner and ERM coordinator identified the inherent and residual likelihood and impact of the risk along with the associated mitigation measures that were developed. These risks were then embedded in our overall ERM process where regular, and at least annual, reviews are performed as described earlier. Each risk owner has the responsibility for overseeing the mitigation measures as well as monitoring any specific measures or KPI’s that have been identified. In general, given the nature of the key risks identified, this is largely restricted to monitoring key sources of information to track developments that may indicate an increasing likelihood of the risk occurring.

This monitoring is a key element of the at least annual review that is performed, assessed and ultimately presented to the Board.

As described above, all climate-related risks are fully embedded within our company ERM process with oversight by management, the Audit Committee and Board.

Metrics & Targets

In 2021, as part of the updated CDP submission, Shelf Drilling developed various models for the risks and opportunities identified above in order to quantify the potential financial impact and cost of response.

As an example, in assessing the potential impact of extreme weather events, models were reviewed to estimate the number of days over 50 degC as well as the increasing likelihood for cyclones etc. this was then converted to a range of potential outcomes with regards to one or a number of rigs being idle or otherwise delayed as a result of these events. These models continue to be refined and we will look to develop specific measures or tracking metrics in future. In 2021 this was limited to the outputs from various studies that were commissioned on the energy transition, P&A and CCS markets.

Within this report we have provided disclosures on our Scope 1, Scope 2 and Scope 3 greenhouse gas emissions. As described previously, in 2021 we developed an engine emissions tracking and monitoring tool to record and maintain the emissions from our operations in a more accurate and efficient manner. This tool will also play a vital role in assisting our rig teams in driving to our emissions reduction targets in 2022 and beyond. We have also continued to enhance the extent of our Scope 3 data capture and further work will be conducted in the coming year to fully assess our Scope 3 emissions in line with the Green House Gas Protocols.

Shelf Drilling has not set specific targets to manage the climate-related risks and opportunities identified above. We will continue to monitor the risks through the ERM process described previously and will assess opportunities through the ongoing activities of our marketing team and the reports we provide to the Board.

Environmental Impact, Spills & Releases

Spills and releases can have devastating impacts on the environment and we take seriously our responsibility to reduce are negative environmental impacts, with an ambition to have zero spills and releases. Environmental impacts are defined as any element of the Company’s inputs, activities, products or services that can interact with the environment, as well as any change to the environment, whether adverse or beneficial, wholly or partially resulting from the Company’s activities, products or services. Shelf Drilling’s environmental policies are designed in alignment with the ISO 14001 standard. Our rigs as well as our office in India are certified in accordance with ISO 14001. The remaining rigs, yards and offices are also operated under the same environmental management system but have not been independently certified.

All rigs operate under an International Air Pollution Prevention (IAPP) Certificate, indicating that the rig is operating within the requirements of MARPOL Annex VI.

The Environmental Aspects and Impacts Register

Shelf Drilling identifies environmental hazards (aspects) associated with Company operations on both rig installations and shore-based facilities and their potential impact to the environment.

Aspects and impacts are recorded in the Environmental Aspects and Impacts Register along with measures to manage the associated risk.

The Offshore Installation Manager (OIM) is responsible for developing and maintaining the register while the HSE Manager is responsible for reviewing the registers for each installation or facility and the risks associated with individual aspects.

Biodiversity Impacts: Spills & Discharges to the Environment

Shelf Drilling’s policies and procedures work to ensure that no contaminated deck drainage from Company installations reaches the environment. Activities aimed at preventing drainage include developing Deck Drainage Plans, conducting daily monitoring of decks, painting all overboard deck drain points red and keeping all containers with liquid in bunded storage areas.

Releases to Air: Shelf Drilling tracks the release of Ozone Depleting Substances (ODS) released through leaks in air conditioning systems.

In 2021, approximately 90% of our rigs were ODS-free and used green freon.

Releases to the Sea: The operations performed by our crews in executing the customer’s well program may require the use of a drilling mud or brine. Drilling mud can be either water-based or oil-based and is provided by the customer or mixed on board the rig using chemicals also provided by the customer.

Used drilling mud may either be cleaned and reused for subsequent operations or discharged to sea (for water-based mud only) or shipped back to shore for treatment or disposal by the customer. Shelf Drilling does not track the volume or chemical content of water-based mud or drilling cuttings that may be discharged to the sea, some of which may have ecological impacts.

Shelf Drilling’s policies do not allow for discharge of any water or fluids containing hydrocarbons.

Unplanned discharges of drilling mud or other fluids are recorded along with estimated volumes and reported within our HSE Management System. In 2021, we had no unplanned discharge events from the rig which resulted in a discharge to the sea, two minor loss of containment events occurred with all fluids being retained and captured on board the rig. Shelf Drilling maintains a register of all chemical products used in maintaining the rig and associated equipment. Relevant Material Safety Data Sheets are maintained for all chemicals stored or used on board our rigs along with appropriate personnel protective equipment for employees handling these products. Our environmental policies include a “green product list”, in which we identify products that should be used where possible in order to minimize potential impacts to the environment.

Waste & Water Management

Fresh water used on our rigs (for example, in cleaning and cooking) is produced from sea water using water makers installed onboard the rig. The volume of fresh water generated onboard is not recorded but 100% of the water is recycled and discharged back into the sea after it has gone through the sewage treatment plant and has been treated as per MARPOL regulation. Fresh water quality is analyzed every quarter in our laboratories. Drinking water is currently shipped from shore in plastic bottles. As an example, in Saudi Arabia, each rig in our fleet currently uses over 18,000 small plastic drinking water bottles and 275 large five-gallon water bottles per month.

In 2021 we successfully completed a pilot project to generate drinking water onboard the rig along with the relevant protocols to ensure installation and testing meets our stringent quality and testing requirements. We are currently developing a plan to extend this to other rigs in our fleet to significantly reduce the plastics used by our rigs.

Minimizing other waste from our operations remains a focus to further reduce our impact on the environment. We piloted a project to reduce the amount of waste generated by the catering service on board the rigs. This pilot is currently under evaluation prior to extending to other areas of operation to further test the feasibility.

What this pilot demonstrated was that our catering service is already efficient and optimizing food production and eliminating excess food waste which is ultimately macerated and discharged to the sea.

Energy Transition

In 2019, the Shelf Drillings Board of Directors engaged Rystad Energy to assist in performing a strategic review of the Energy Transition and its potential impact on the demand for oil across a range of climate change scenarios. Following the publication of the IEA’s Net Zero report, the IPCC’s AR6 and announcements by a number of IOC’s, in late 2021 the Board invited Rystad to provide an updated view on the work done in 2019 to further assess the risks and opportunities associated with the energy transition.

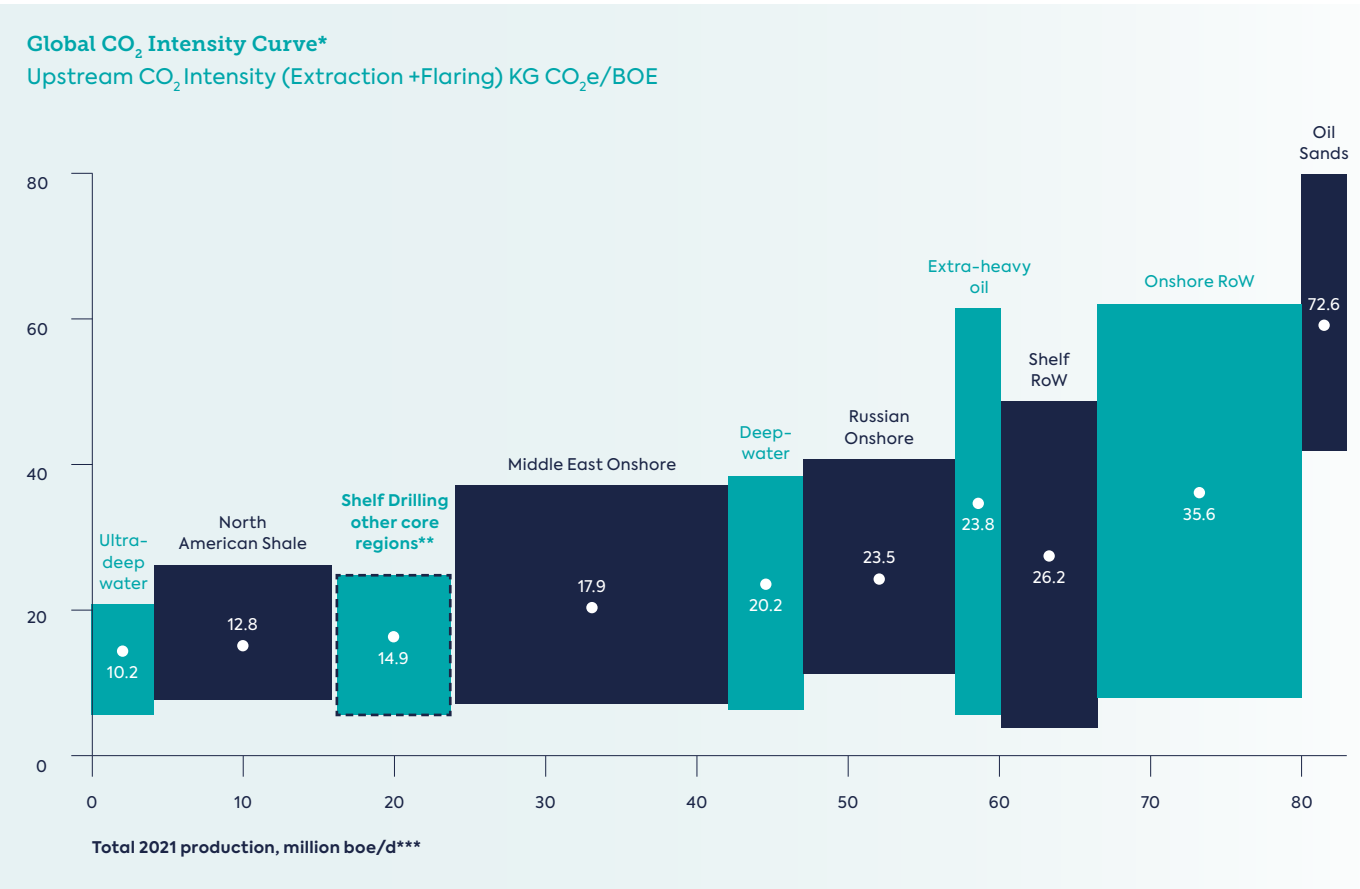
The demand for oil recovered strongly in 2021 and is anticipated to grow across most climate change scenarios through to the end of the decade. While oil demand is projected to peak before 2030, under all scenarios that were considered the percentage of supply coming from the areas where Shelf Drilling operates, and most particularly in the Middle East, is expected to increase.

According to Rystad Energy, the average carbon dioxide equivalent (CO₂e) emission intensity across Shelf Drilling’s core operating areas is among the lowest CO₂e emission rates of all regions. The Middle East, West Africa and India

is 14.9 Kg CO₂/BOE, relatively lower than other oil supply sources and regions. Shelf Drilling has significant market share with 87% of its fleet operating in these regions.

Shelf Drilling’s strategy of sole focus on shallow water drilling with our key operating regions being among the lowest cost supply globally, combined with the majority of our operations being in brownfield activities, means that our business is not exposed to the same level of risk as greenfield exploration and new development projects leading us to believe that our business is resilient across the energy transition scenarios considered.

The Energy Transition is projected to create an increasing demand for decommissioning idle oil and gas production facilities. Shelf Drilling has invested heavily to develop a leading position in plug and abandonment capabilities with two rigs in Thailand acquired and heavily modified to perform these services in a “factory style” approach. In 2021, 86% of our total operations (by number of wells) were in brownfield projects while 78% were P&A. While the timing of P&A projects is uncertain, the increase in P&A activity in 2021 over 2020 demonstrates the potential for this market as the Energy Transition unfolds.



* 25 – 85 percentile range
** Shallow Water Middle East, West Africa and India
*** Only including assets defined as oil fields
Source: Rystad Energy UCube January 2022; Rystad Energy research and analysis

Responsible Business Conduct

Shelf Drilling is committed to honest, transparent and ethical conduct and believes that this is a necessary requirement to have a sustainable, long-term business.

As such, we have embedded these values in our way of working with customers, suppliers, employees, shareholders and the communities in which we operate.

Our commitment to responsible business conduct is outlined in our Code of Business Conduct and Ethics (Corporate Code) which defines the standards for how we do business. The Corporate Code, in compliance with local laws and regulations, is based on the following fundamental themes.



Commitment to conduct our operations 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

The Board of Directors has specifically directed the issuance and implementation of the Corporate Code and retains ultimate responsibility for it. Any waiver or exception to the Corporate Code must be approved by the Board.

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.

All who work for or represent Shelf Drilling, including all employees, suppliers, contractors, agents and partners, are expected to comply with the Corporate Code, and to ensure that our business is run in an ethical and sustainable manner. The Corporate Code is periodically reviewed and updated in keeping with national and international advances. Any changes to the Corporate Code are duly communicated to all employees, who also must complete recertification of the Corporate Code and its supporting policies on an annual basis. In 2020, we made updates to our Corporate Code to integrate sustainability-related matters. To enhance transparency of our disclosures, we have made available a copy of our updated Corporate Code on our sustainability webpage.

Anti-corruption & Bribery

Anti-corruption

Shelf Drilling has zero tolerance for corruption and has adopted a Global Anti-corruption Policy, which commits us to comply with all applicable anti-corruption laws and regulations, including the U.S. Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act. Our Global Anti-corruption Policy requires all employees and third-party representatives to comply with applicable anti-corruption laws and regulations in countries where we conduct business. We have internal controls and procedures in place and conduct training to ensure, to the maximum extent possible, compliance with laws and regulations. This policy is supported by the following three documents which provide detailed guidance regarding key risk areas.



Facilitating Payments

Facilitating payments are small payments to government officials whose duties are essentially ministerial or clerical in nature, for the purpose of expediting or securing the performance of routine, non-discretionary government functions.

Under the Shelf Drilling Anti-Corruption Facilitating Payments Policy, facilitating payments are not permissible and are strictly prohibited, except in limited circumstances such as an imminent threat to health or safety. All emergency payments of this nature are internally reviewed and approved and accurately recorded in our records. No facilitating payments of any kind were recorded in 2021.

Anti-money Laundering

The Company does not permit its funds, assets, or property to be used in an illegal manner and therefore will not permit any money laundering or support of terrorism in any way. The Company performs appropriate background checks on business partners and affiliates and will report suspicious transactions or incidents to appropriate authorities.

The training program is updated regularly and consists of e-learning courses, virtual and in-person trainings, together with updates through e-mails, posters and newsletters.

In 2021, training courses on Appropriate Electronic Communications, Financial Crimes Module, Cybersecurity and Anti-bribery Compliance were rolled out for identified employees and/or vendors.

Whistleblowing/Speak Up

Shelf Drilling is committed to promoting and sustaining a culture where everybody feels comfortable reporting concerns in good faith and without fear of retaliation. Through our ongoing Speak Up initiative we encourage our employees and third-parties to ask compliance and ethics questions, raise concerns and report any actual or suspected misconduct, unethical or illegal behavior, or violations to our Corporate Code and its supporting policies or applicable laws, or seek advice on how to handle such situations.

Shelf Drilling has established various channels through which employees and third-parties can report their concerns. The employees are always encouraged to talk openly and freely with their supervisors first. Alternatively, they can reach out to the Head of Compliance and Ethics or the Executive Vice President. The Company has also made available the reporting system Shelf Drilling EthicsPoint Helpline, which enables confidential reporting of complaints, concerns and incidents either through the telephone (toll-free) or through a web-based form. The helpline is operated 24/7 by an independent third-party provider to help maintain confidentiality and, when requested, anonymity. In 2021, we further expanded and upgraded the helpline to enable reporting in multiple languages, with the addition of helplines in Angola (Portuguese) and Congo (French). The helpline is accessible by all stakeholders including suppliers, agents, and partners. A link to the helpline is also available on our website and intranet.

All incidents are reported to the Audit Committee of the Board, an investigation team is assigned, all correspondence dealt with in strictest confidence and investigation conclusions and resulting actions taken are reported back to the Audit Committee. Such actions may include, where relevant, appropriate disciplinary action. In 2021, eight new incidents were reported, all of which were duly investigated and closed after appropriate follow-up.

Compliance Training & Awareness

2021 Online Training Focus Areas

Module/Course	Employees Trained
Recertification of Code of Business Conduct & Ethics	2,603 ⁷
Financial Crimes Module	606
Appropriate Electronic Communications	604
Cybersecurity	604
Anti-bribery Compliance	481

In order to maintain our ethical standards, employees are required to complete annual training programs in relation to the Corporate Code, Global Anti-corruption Policy and other supporting policies. For the annual recertification, the target completion is 95% of the existing employee base with 100% completion for Managers and above. For other mandatory training courses assigned to identified employees, we aim for 100% completion.

⁷ Excludes new hires in 2021.

Rig & Equipment Recycling & Reuse

Shelf Drilling is committed to responsible rig recycling practices in accordance with the relevant international standards, such as the Hong Kong Convention, to ensure they do not pose any unnecessary risk to human rights, human health and safety or to the environment. The rig recycling policy that was approved by the Board in 2020, is posted on our website and describes how we manage the documentation, selection and supervision of the entire recycling process.

In 2021, Shelf Drilling continued to optimize the size of our fleet. As a priority, we look to dispose of rigs for non-drilling purposes or to owners or areas that do not compete with ourselves. We closed the sale of the Shelf Drilling Journey to ADNOC that was announced in late 2020 and also sold the High Island VII for conversion to an accommodation unit following the termination of its drilling contract in the UAE. In addition, we sold for recycling four rigs that were held for sale as of the end of 2020. In three of these cases, we undertook a lengthy process to obtain the relevant paperwork for jack-up recycling that we believe were the first to be issued by the originating country. In the fourth instance this was not required as the originating country is not a signatory to the Basel Convention.

Equipment Reuse: Prior to recycling any rig, Shelf Drilling removes substantial volumes of equipment for refurbishment and reuse by our operating fleet. This can include major components such as blowout preventers to smaller components such as electric motors or valves. In addition to reusing our own equipment, we have actively sourced equipment in the second-hand market that goes through the same refurbishment process. This is a cost-effective way to maintain our fleet and results in a significantly reduced impact to the environment due to less scrapping and less demand for new equipment, for example.

In 2021, Shelf Drilling purchased over 1,000 old items with an estimated steel content of 750 tonnes. Additionally, we also reused 25,000 items from within the company weighing 8,500 tons of steel. By enabling the reuse of 9,250 tons of steel, Shelf Drilling has prevented approximately 13,875 tonnes of CO₂e emissions.

Responsible Procurement

At Shelf Drilling, we strive to ensure that our supply chain reflects the same values that we do. The first step to ensuring responsible procurement and sustainability management through our supply chain is partnering with the right vendors or third-parties who are aligned with our corporate values and policies.

Responsible Vendor Onboarding:

The following policies and procedures ensure responsible vendor onboarding at Shelf Drilling.

- 1. Vendor Code of Conduct:** Shelf Drilling Vendor Code of Conduct (Vendor Code) sets out our business conduct and ethical performance requirements for all third parties, who conduct or intend to conduct business with and/or on behalf of Shelf Drilling including its agents, representatives, consultants, business partners, suppliers and any other similar parties, including, but not limited to, their directors and employees. All third-parties must comply or explain deviations with the Vendor Code's provisions during the onboarding process. Furthermore, Shelf Drilling liaises with all third-parties to engage their own vendors/sub-contractors and ensure adherence to our Vendor Code, thereby effectively creating a cascade of ESG management through our supply chain. Our Vendor Code is available on the Company website.
- 2. Due Diligence and Onboarding:** Shelf Drilling conducts extensive due diligence when identifying or onboarding new vendors as outlined by various policies and procedures including the Supply Chain Procedures Manual and Third-Party Due Diligence Procedure. Depending on the nature of service and the location where it is provided, different onboarding process levels are triggered. Our vendor onboarding process has the capability of mapping 29 risks, including ESG-related risks.
- 3. Master Service Agreements:** Depending on their type, vendors may also be required to enter into a Master Service Agreement (MSA). We have a suite of templates for different arrangements including onshore and offshore services and staff augmentation.

Shelf Drilling's Vendor Code of Conduct sets out the core expectations from our vendors who must:

- Act with integrity in all business dealings
- Not enter into other agreements that put them in a position of conflict with their contractual or other obligations to Shelf Drilling
- Not give or accept gifts and entertainment benefits which would be considered excessive by an objective observer
- Not give or accept facilitation payments, bribes, kickbacks or any other type of improper payment
- Understand and ensure compliance with all applicable laws and regulations
- Treat all their employees ethically and fairly and show respect for human dignity and the rights of the individual
- Provide work environments that are safe for workers and minimize their impact on the environment
- Not disclose sensitive information about Shelf Drilling or the contract without our written consent

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. Each quarter, a number of audits are performed to ensure that these standards are being met. Vendor selection is based on our experience with the vendor in question, criticality of the service or goods provided, or issues reported by our rig teams.

Vendor Feedback Mechanism – Supplier Development

Vendors that provide personnel to our rigs are assessed by the rig supervisors, who provide feedback. Quality of service along with HSE concerns are included in the feedback and in 2020, 100% of service vendors were assessed through this process.

Contractors

In certain geographies we engage third-party labor providers for junior crew and other positions on our rigs. Prior to selection, all labor agencies go through our due diligence process outlined above, which includes commitments to treat their employees ethically and fairly as well as adhering to the International Bill of Human Rights and the 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

Shelf Drilling is highly selective in choosing which shipyards are used for major maintenance or upgrades to rigs when taken out of service.

Shipyards are expected to follow our HSE system or bridging documents are prepared where this is not the case. Onsite teams are assigned to monitor compliance with standards.

Privacy & Data Security

We are required to manage and process information related to our employees, customers and vendors in the ordinary course of business, and our operations depend upon secure retention and the secure transmission of information over public networks. This information is subject to the continually evolving risk of intrusion, tampering, and theft. We have a dedicated cybersecurity team and program that focuses on current and emerging data security and data privacy matters.

Shelf Drilling has implemented a privacy program adopting the EU General Data Protection Regulation (GDPR) standards. 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. In 2021, the Company carried out an assessment of its privacy and data protection framework, to update and enhance it in line with the GDPR standards. We also continue to assess and invest in the growing needs of our cybersecurity team through the allocation of skilled personnel, ongoing training, and support of the adoption and implementation of tools and technologies coupled with cybersecurity risk management frameworks. The Company rolled out an enhanced training course on cybersecurity for identified employees in 2021. There were no reported data breaches in 2021. We continue to monitor the evolving privacy regulations, particularly in the Middle East, to ensure due and timely compliance with the same. In 2022, the Company will be rolling out data privacy awareness sessions for identified employees.

2021 Disclosures

Topic	Metric	2019 Data	2020 Data	2021 Data	Code
Health & Safety	HSE Performance (1) Number of recordable incidents, (2) Total recordable incident rate (TRIR), (3) Lost Time Incident Rate (LTIR), (4) number of fatalities, (5) near miss frequency rate (NMFR), and (5) serious near miss frequency rate (SNMFR), (6) Total Potential Severity Rate (TPSR)	#Recordable Incidents: 9 TRIR: 0.19 LTIR: 0.06 Fatalities: 0 NMFR: 0.31 SNMFR: 0.4 TPSR: 13.41	#Recordable Incidents: 9 TRIR: 0.19 LTIR: 0.00 Fatalities: 0 NMFR: 0.19 SNMFR: 0.04 TPSR: 2.91	#Recordable Incidents: 7 TRIR: 0.16 LTIR: 0.02 Fatalities: 1 NMFR: 0.09 SNMFR: 0.09 TPSR: 4.92	EM-EP-320a.1 (Customized)
	Health & Safety Management Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle.	-	-	See page 12-15	EM-EP-320a.2
	Emergency Preparedness: Management Systems Description of management systems used to identify and mitigate catastrophic and tail-end risks.	-	-	See page 15	EM-EP-540a.2
	HSE Training Average hours of HSE training provided to onshore and offshore personnel (employees plus contractors).	Offshore: 14.9 Onshore: 1.3	Offshore: 10.9 Onshore: 0.9	20.9 0.8	EM-EP-320a.1 (Customized)
Climate & Environmental Management	Scope 1 GHG Emissions Gross global Scope 1 emissions (Metric tons CO ₂ -e (t), percentage methane).	Fuel Consumption: 81,588 CO ₂ -e:261082 ⁸ CH ₄ : 14.69 (0.01% of total emissions) ⁸ N ₂ O: 17.95 ⁸ Calculations based on EEMS conversion factors are available. ⁹	Fuel Consumption: 80,981 CO ₂ -e:259,139 ⁸ CH ₄ : 14.58 (0.01% of total emissions) ⁸ N ₂ O: 17.82 ⁸ Calculations based on EEMS conversion factors are available. ⁹	Fuel Consumption: 74,688 CO ₂ -e:239,002 ⁸ CH ₄ : 13.44 (0.01% of total emissions) ⁸ N ₂ O: 16.43 ⁸ Calculations based on EEMS conversion factors are available. ⁹	EM-EP-110a.1
	Scope 2 GHG Emissions Gross global Scope 2 emissions (Metric tons CO ₂ -e (t), percentage methane).	CO ₂ -e: 822	CO ₂ -e: 694	CO ₂ -e: 565	EM-EP-110a.1

⁸ Calculations are based on total fuel used (Gas oil) in operations and EEMS conversion factors.

⁹ Calculations based on EEMS conversion factors in metric tons (t): CO₂-e = 3.2, CH₄ = 0.00018, and N₂O = 0.00022.

Topic	Metric	2019 Data	2020 Data	2021 Data	Code
Climate & Environmental Management	Scope 3 GHG Emissions Gross global Scope 1 emissions (Metric tons CO ₂ -e (t), percentage methane).	CO ₂ -e: 33,533 ¹⁰	CO ₂ -e: 34,949 ¹¹	CO ₂ -e: 58,996 ¹²	EM-EP-110a.1
	Emissions Management Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets.	-	-	See page 30	EM-EP-110a.3
	Air Emissions Emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) volatile organic compounds (VOCs), and (4) particulate matter (PM ₁₀). Numbers in Metric tons (t)	1) 4,846.33 NO _x ¹³ 2) 407.94 SO _x ¹³ 3) 163.18 VOC ¹³ 4) Shelf Drilling does not calculate this number.	1) 4,810.27 NO _x ¹³ 2) 404.91 SO _x ¹³ 3) 161.96 VOC ¹³ 4) Shelf Drilling does not calculate this number.	1) 4,436.47 NO _x ¹³ 2) 373.44 SO _x ¹³ 3) 149.38 VOC ¹³ 4) Shelf Drilling does not calculate this number.	EM-EP-120a.1
	TCFD Reporting Reporting on climate related risks and opportunities in line with the recommendations of the Task force on Climate-related Financial Disclosures (TCFD)	-	-	See page 32	TCFD
	Biodiversity Management Description of environmental management Policies and practices for active sites.	-	-	See page 34	EM-EP-160a.1
	Spills & Releases to the Environment Number and aggregate volume of spills and releases to the environment.	Overboard Releases: Number of spills: 1 Aggregate volume: 0.6 bbls Releases to air: Number of ODS releases: 55 Aggregate volume: 524 Kg	Overboard Releases: Number of spills: 2 Aggregate volume: 103.1 bbls Releases to air: Number of ODS releases: 29 Aggregate volume: 215.6 Kg	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

¹⁰ Scope 3 GHG emissions for 2019 include business air travel, transportation of rigs, and supply chain sea freight.

¹¹ Scope 3 GHG emissions for 2020 include business air travel, transportation of rigs, supply chain sea and air freight, and waste.

¹² Scope 3 GHG emissions for 2021 include business air travel, transportation of rigs, supply chain sea and air freight, waste and IT.

¹³ Calculations are based on EEMS conversion factors.

Topic	Metric	2019 Data	2020 Data	2021 Data	Code
Climate & Environmental Management Cntd.	Fresh Water Consumption & Recycling (1) Total volume of fresh water (non-drinking) handled in operations (2) Percentage recycled	All fresh water used on the rigs is converted from seawater. Volume not measured, 100% recycled.	All fresh water used on the rigs is converted from seawater. Volume not measured, 100% recycled.	All fresh water used on the rigs is converted from seawater. Volume not measured, 100% recycled.	EM-SV-140a.1
	Water Management Discussion of strategy or plans to address water consumption and disposal-related risks, opportunities, and impacts.	-	-	See page 34	EM-SV-140a.2
People	Labour rights – Freedom of Association & Collective Bargaining Percentage of total employees covered by collective bargaining agreements.	1.74%	3.05%	1.74%	GRI 102-41
	Local Employment Description of how Shelf Drilling build national content through hiring and developing nationals from the countries of operation, including across leadership teams.	-	-	See page 16	Custom
	Gender Diversity of Management & Board Percentage of individuals within the organization's management and governance bodies according to gender	Board: 0% female Management: 10% female	Board: 0% female Management: 15% female	Board: 0% female Management: 14% female	GRI 405-1
	Training & Development Overall compliance to requirements of training matrix (percentage).	84%	87.5%	88%	Custom
	Recruitment Annual talent attraction.	Offshore: 463 direct employees, 600 contractors Onshore: 32 direct employees, 35 contractors	Offshore: 236 direct employees, 365 contractors Onshore: 23 direct employees, 15 contractors	Offshore: 251 direct employees, 443 contractors Onshore: 15 direct employees, 41 contractors	Custom
	Retention Annual retention in terms of annual voluntary turnover (percentage).	Offshore: 4.7% Onshore: 5.7%	Offshore: 5.1% Onshore: 7.4%	Offshore: 8.5% Onshore: 5.5%	Custom

Topic	Metric	2019 Data	2020 Data	2021 Data	Code
Responsible Business Conduct	Corruption Risk Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index.	0	0	0	M-SV-510a.1
	Anti-corruption & Bribery Management Description of the management system for prevention of corruption and bribery throughout the value chain.	-	-	See page 36	EM-EP-510a.2
	Ethics Number of reported incidents	9	8	8	Custom
	Fines 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.	0	0	0	GRI 419-1
	Responsible Vendor Management Processes and policies guiding the selection and monitoring of vendors and agents.	-	-	See page 38	Custom
	Human Rights Percentage of (1) proved and (2) probable reserves in or near areas of conflict.	0%	0%	0%	EM-EP-210a.1
	Human Rights Percentage of (1) proved and (2) probable reserves in or near indigenous land.	0%	0%	0%	EM-EP-210a.2



**SHELF
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