

2021

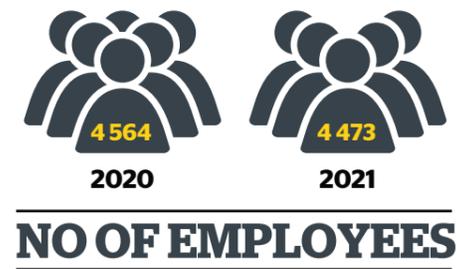
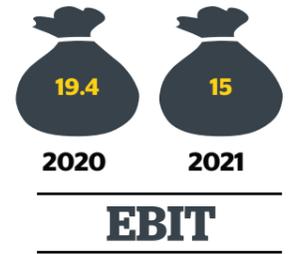
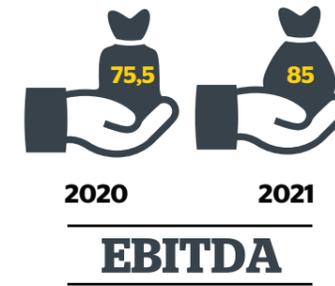
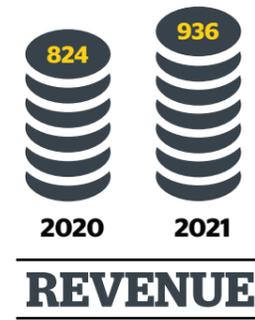
**ENVIRONMENTAL
SOCIAL
GOVERNANCE**

THIS REPORT HAS BEEN PREPARED BASED ON
THE REQUIREMENTS OF THE SUSTAINABILITY
ACCOUNTING STANDARDS BOARD





Archer in numbers



Safety statistics

Area	2020		2021	
	Loss Time Injuries	Medical Treatment Cases	Loss Time Injuries	Medical Treatment Cases
Eastern Hemisphere	5	22	5	9
Western Hemisphere	1	8	1	4
Archer total	6	30	6	13

*Archer onshore organization

1. INTRODUCTION

Archer Limited (“Archer” or the “Company”) is a global drilling and well services company with a heritage stretching back over 50 years. Our focus is on safely delivering the highest quality products and services. Archer operates in 40 countries providing drilling, well integrity & intervention, plug & abandonment, and decommissioning services to our energy clients.

Strengthened by experience and an outstanding record for safety and efficiency, Archer drilling teams secure production on more than 35 offshore platforms in the North Sea and Brazil and own 67 mobile land rigs in Latin America. Our comprehensive drilling and workover services include platform drilling, land drilling and well services. Our well services division delivers Archer’s top tier technology for well suspension, plug and abandonment, decommissioning, leak detection, and well imaging in over 40 countries.

Archer is publicly traded on the Oslo Stock Exchange under the ticker ARCH.

ABOUT ARCHER’S ESG REPORT

Our ESG report is aimed at providing investors, banks, clients, and other stakeholders with access to additional financial information and a summary of our ESG related activities and initiatives. The report has been prepared in accordance with the framework established by the Sustainability Accounting Standards Board (SASB) for Oil and Gas Services. The data in this report is for the period 1 January 2021 to 31 December 2021.

As the standards issued by SASB for Oil and Gas Services apply primarily to our Land Drilling operations in Argentina and Bolivia, most of the quantitative data gathered is for this part of the business. For full list of assumptions, see Chapter 10.

ESG INSTITUTIONALIZED IN ARCHER

Archer’s ESG focus continues to be driven from the top of our company and implemented by all levels. During 2021 Archer has continued its effort to identify initiatives that lead to lower emissions and reduced carbon footprint. Some of these have already materialized as noted in 2021 key achievements. Archer’s continued focus on HSE, targeted diversity, and good governance has been furthered strengthened with specific initiatives through the year.

Health, Safety and Environment is one of Archer’s key drivers for measuring performance and our target of zero injuries is supported by the Archer yearly QHSE focus plan, which contains tailored ESG actions relative to each business unit.

Archer continues to maintain strong organisational governance through an emphasis on zero tolerance for corruption and focus on conducting our business with high ethical standards. We will continue to plan for, monitor and assess the risks we face in the marketplace and proactively respond appropriately. We have strengthened our focus on human rights in 2021 and will continue our initiatives in this regard.

As a global organization, Archer recognizes that we have a responsibility to contribute to sustainable development through our business activities. Our responsibilities and commitments are described in our management system, Archer’s Code of Conduct and our ESG guidelines.

2021 ACTIVITIES AND ACHIEVEMENTS

In 2021 we executed on several key ESG strategies and key target initiatives. The global uncertainty and upheaval in 2020 created an opportunity for Archer to implement initiatives and refine goals for 2021. The following are highlights of our key achievements in 2021:

- Global CO2 emission reduced by 25% from 2019* to 2021.
- Adopted Archer’s Human Rights Policy
- Evaluation of fuel additive on our land drilling units, with a potential fuel reduction of 6-9%
- Strengthened our safety culture and improvement of our HSE results through the Big 5 initiative. The company TRIF was reduced by 50% and the high potential incident trend from 0.07 to 0.02.

*2020 excluded as exceptional drop in activity due to Covid



- Implementation of Solar PV array at Archer’s HQ in Stavanger.
- Guaranteed renewable electricity used in all locations in Norway.
- Developed a new rig concept for P&A operations. The rig will consume considerable less energy than alternative rig solutions.
- Global training of Archer’s employees and contractors in our Code of Conduct. Over 3000 personnel trained in compliance and governance.
- Conversion of standard lighting fixtures for perimeter lighting in Argentina base facilities to LED. Approximately 70% complete in both locations.
- Expanded remote operations through IO centers, reducing persons offshore and carbon footprint.
- Established a condition-based maintenance system for our clients, optimizing the maintenance

- program, increasing equipment’s lifespan, and reducing the use of chemicals and spare parts.
- Energy Management KPIs included into the Archer Key Performance indicator system.
- Cross-training of Archer personnel, both internal and external, reducing persons offshore, and consequently reduce emissions.
- Introducing Zegeba, a software handling operational checklists, reducing amount of paper used on daily basis
- Design and implementation of Safe Frame, for safe WL rig up. Safe Frame provides double securing when rigging the BHA in a wireline operation. This is a game changer for safer WL operations

2. STRATEGIC DIRECTION

In 2020 we established three overarching strategic directions for Archer. Since then, all our business units and cross divisional activities has been focused on supporting and developing our: Low carbon agenda, Resilient oil and gas offering & Renewables and transition.

LOW CARBON AGENDA

Archer has launched our roadmap to Net-Zero in 2050. We are committed to contributing to the ongoing energy transition. Through continuous development of new technologies and services we will reduce our energy consumption as a key partner in our clients' low carbon agendas.

With a broad portfolio of products and services within slot recovery and plug and abandonment, Archer is in a unique position to deliver lower carbon solutions to our clients. We will accomplish this with more efficient operations, developing cross synergies between Archer businesses, as well as employing complementary service providers. This directly reduces emissions, and improves industry sustainability over traditional methods.

In 2022, Archer will become carbon neutral at all locations outside Argentina and Bolivia.

(GHG protocol scope 1 & 2)

Emissions related to our own facilities and vehicles are limited; in these geographical areas. To achieve neutrality, we are focusing on:

- Operational awareness to reduce the need for energy consumption
- Installing Solar PV systems to produce our own electricity
- Buying electricity from guaranteed renewable sources
- Planting trees to compensate for remaining emissions

By 2030 we will reach a 30% global reduction in CO2 emissions, using 2018 as a baseline. (GHG protocol scope 1 & 2)

Our global roadmap and commitment is to become Net-Zero by 2050.

In Archer we assess and work with our vendors on reducing their direct and indirect emissions. Through these efforts and expected energy advances, Archers' scope 3 will improve and eventually also become zero.

Our biggest challenge, and opportunity for improvement, are the emissions from our Land Drilling operations in Latin America. The power required to operate land drilling rigs is largely produced by diesel generators, which have a greater carbon footprint, than desired.

We have actions and initiatives ongoing to reduce energy consumption and emissions which are already producing savings. Long term, we like other heavy industries, will require new fuel and battery solutions and Archer is committed to adapt as the solutions becomes available at scale.

Ongoing projects in Land Drilling:

- Performing a study with Pan American Energy on electrification of our pulling rigs and connection to highline-power
- Testing fuel additives to reduce fuel consumption
- Recycling 100% of water used in our workshops
- Exploring battery solutions to reduce use of diesel generators and engines.
- Solar panel in certain bases to reduce diesel generated energy generation.

RESILIENT OIL AND GAS OFFERING

The majority part of our business is focused on brownfield development. Brownfield operations are in mature fields that have been developed, where infrastructure is in place, and the fields are producing. At this stage, the investments are typically smaller, but there is more certainty in that decision. In a market where we are likely to see less demand for oil and gas in the long term, oil and gas companies are more likely to prioritize spending in brownfield developments. We are confident Archer's market position in brownfield services is a solid foundation for decades to come.

Archer has a clear strategy to capture a large portion of the growing P&A market in the North Sea, through the combination of our technology, know-how and presence. It is expected that more than 3,000 wells will be plugged in Norway, UK and Netherlands in the coming 15 years. We have a good market position, a longer track record than our competitors, and we will continue to invest in technologies and services for the slot recovery and P&A market.

RENEWABLES AND TRANSITION

Archer is evaluating concrete opportunities within the renewables and transition segments, either through acquisitions, partnerships, organic growth, or a combination thereof. Segments closest to our competence and heritage are geothermal energy and carbon storage. These are segments with significant expected growth. Both these renewable areas require drilling and well services, which are the core of our competence in Archer.

Our target is that renewables and energy transition activity will account for 35% of our revenue by 2040.



Dag Skindlo
Chief Executive Officer, Archer Limited

We strive to take business decisions on a financial basis in line with our environmental, social and governance foundation

This is Archer sustainability.

Archer's Roadmap to Net Zero

Carbon Neutral Operation by 2022

Archer will be carbon neutral in all countries outside Argentina and Bolivia

Global Reduction by 2030

By 2030, we will reach a 30% emission reduction globally, compared to 2018

Renewables & transition - 35% revenue by 2040

Renewable energy and Non-O&G Global P&A and decommissioning

Net Zero by 2050

Our target is to become net zero by 2050

3. SUSTAINABILITY ACCOUNTING STANDARDS DISCLOSURES

Topic	Accounting Metric	Unit of Measure	2019	2020	2021	Code
Emissions Reduction Services & Fuels Management	Total fuel consumed	Gigajoules (GJ)	967,051	459,927	723,878	EM-SV-110a.1
	Percentage renewable fuel	%	10%	10 %	10 %	
	(1) % fuel consumed by on-road equipment and vehicles	%	2%	2.2 %	3,31 %	
	(2) % fuel consumed by off-road equipment	%	98%	97,8 %	96,69 %	
	Brief summary of the of strategy or plans to address air emissions-related risks, opportunities, and impacts	See chapter	5	5	5	EM-SV-110a.2
	Percentage of engines in service that meet Tier 4 * compliance for non-road diesel engine emissions	Percentage (%)	0%	0 %	0 %	EM-SV-110a.3
Water Management Services	(1) Total volume of fresh water handled in operations	m ³	45,314	17,751	33,834	EM-SV-140a.1
	(2) Percentage of water recycled	%	4%	7,8%	5,42 %	
	Brief summary of the strategy or plans to address water consumption and disposal-related risks, opportunities, and impacts	See chapter	5	5	5	EM-SV-140a.2
Chemicals Management	Volume of hydraulic fracturing fluid used	Thousand cubic meters (m ³)	N/A	N/A	N/A	EM-SV-150a.1
	Percentage hazardous	Percentage (%)	N/A	N/A	N/A	EM-SV-150a.1
	Discussion of strategy or plans to address chemical-related risks, opportunities, and impacts	See chapter	5	5	5	EM-SV-150a.2
Ecological Impact Management	(1) Average disturbed acreage per oil well	Acres	0.04	0.047	0.04	EM-SV-160a.1
	(2) Average disturbed acreage per gas well	Acres	0.04	0.047	0.04	
	Discussion of strategy or plan to address risks and opportunities related to ecological impacts from core activities	See chapter	5	5	5	EM-SV-160a.2

Topic	Accounting Metric	Unit of Measure	2019	2020	2021	Code
Workforce Health & Safety	(1) Total recordable incident rate (TRIR)	Rate	0.58	0.85	0.41	EM-SV-320a.1
	(2) fatality rate	Rate	0	0	0	
	(3) near miss frequency rate (NMFR)	Rate	4.7	0	0.7	
	(4) total vehicle incident rate (TVIR)	Rate	0.015	0.4	0.009	
	(5) average hours of health, safety, and emergency response training for (a) full-time employees (b) contract employees (c) short-service employees	Hours	(a) 12,5 (b) N/A (c) N/A	(a) 11.5 (b) N/A (c) N/A	(a) 7,85 (b) 2,1 (c) 0,0	
	Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle	See chapter	6	6	6	EM-SV-320a.2
Business Ethics & Payments Transparency	Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's most recent Corruption Perception Index	Reporting currency (millions)	USD 2,3	USD 0	USD 0	EM-SV-510a.1
	Description of the management system for prevention of corruption and bribery throughout the value chain	See chapter	9	9	9	EM-SV-510a.2
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	See chapter	9	9	9	EM-SV-530a.1
Critical Incident Risk Management	Description of management systems used to identify and mitigate catastrophic and tail-end risks	See chapter	6	6	6	EM-SV-540a.1

Activity measures

Activity Metric	UNIT OF MEASURE	2019	2020	2021	Code
Number of active rig sites	Number	41	43	42	TR-MT-000.A
Number of active well sites	Number	257	109	243	TR-MT-000.B
Total amount of drilling performed	Meters	593,334	292,571	531,788	TR-MT-000.B
Total number of hours worked by all employees	Hours	12,821,291	8,671,601	9,184,285	TR-MT-000.C

4. ESG GOVERNANCE

In order to ensure consistent management of ESG factors. We have established a set of policies and control processes which safeguards the management of sustainability related factors. Our employees and partners are required to abide by our policies when they are performing their duties for Archer. In accordance with the recommendations set out in the corporate governance code from the Oslo Stock Exchange, Archer has established an Audit Committee, which monitors reports and complaints received by the company relating to internal controls and compliance. The Audit Committee ensures that policies with respect to ethics, risk assessment and risk management are adequate at all times.

Material issue	Internal governance documents
EMISSIONS AND AIR QUALITY	Environmental Policy Energy Management Policy Procedure for identification of environmental aspects and impacts
WATER AND CHEMICALS MANAGEMENT	Environmental Policy Energy Management Policy Chemical management process Waste management procedure
ECOLOGICAL IMPACT	Environmental Policy Energy Management Policy Waste management procedure
WORKFORCE HEALTH & SAFETY	Health Policy Safety Policy HSE processes and procedures
BUSINESS ETHICS & PAYMENTS TRANSPARENCY	Code of Conduct Social Responsibility Policy Human Rights Policy Archer's Supplier Approval Procedure Archer's Procedures for the Retention of Third Party Representatives Whistleblower Procedure
MANAGEMENT OF THE LEGAL & REGULATORY ENVIRONMENT	Code of Conduct International Trade Sanctions Procedure
CRITICAL INCIDENT RISK MANAGEMENT	Risk management process Emergency response plan

MATERIALITY ASSESSMENT

Our materiality assessment helps us to identify and prioritize sustainability issues across our company. An issue is material when it impacts both our business and it is important to our stakeholders. We review our materiality assessment on a yearly basis to ensure it remains a good representation of our business values and the external environment.

Our stakeholders include our shareholders, customers, employees, unions, suppliers, governments and authorities, and business partners.

Through consultations with our stakeholders and internal reviews, we have used the following material issues to support and guide the development of our ESG strategy.



ENVIRONMENT, CLIMATE CHANGE AND OUR LOW CARBON AGENDA

- Energy transition and green strategy
- Waste & Hazardous Materials Management
- Ecological Impacts
- GHG Emissions
- Energy Management



BUSINESS MODEL & OPERATIONS

- Business Model Resilience
- Financial results
- Responsible operations



SOCIAL AND HUMAN CAPITAL

- Employee Health & Safety
- Labor Practices
- Employee Engagement, Diversity & Inclusion
- Human Rights & Community Relations



COMPLIANCE & GOVERNANCE

- Business Ethics and anti-corruption
- Systemic Risk Management
- Management of the Legal & Regulatory Environment
- The majority of the board is independent

As part of addressing sustainability in a broader perspective we have identified 6 UN Sustainable Development Goals (SDGs) where we believe Archer has a direct impact: SDG 7, 8, 12, 13, 14 and 16. These goals are closely tied to our industry and they represent material topics which we monitor.

7 AFFORDABLE AND CLEAN ENERGY



Archer's focus on reducing our energy use in, and GHG emissions from, our operations. We are increasing use of renewable energy and in 2022 we will be producing power for own use through Solar PV solutions in Norway, Argentina and UK. Further we will look to source our other electricity requirements from guaranteed renewable sources. We will continue to explore alternate clean energy business streams such as geothermal and carbon storage

8 DECENT WORK AND ECONOMIC GROWTH



Archer operates in many countries globally. A key goal wherever we work is to provide a safe working environment that fosters productive local employment and workforce development at competitive terms, and enables the countries that we operated to benefit locally through developing the natural resources in a sustainable and efficient way

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



We have environmentally sound and efficient chemical and waste management systems in place, and seek to ensure a sustainable supply of products and services through developing solutions that ensure we work faster, more efficient and safer.

13 CLIMATE ACTION



Archer is systematically working on reducing our own, our clients' and our suppliers' environmental footprint. By focusing on optimizing operations, technology development and integrated solutions, we are directly contributing to reduce CO2 emissions related to the extraction and production of oil and gas.

14 LIFE BELOW WATER



Archer has proprietary tools for well intervention that seek not only to detect leaks downhole with great accuracy, but also to provide a safe and reliable barrier to ensure no leakages of any kind to the environment. Archer is also a proud sponsor of the Ocean Cleanup Project.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Archer has strong anti-corruption policies in place, and we enforce strict supplier and customer due diligence to ensure fair and just business practices are followed. We engage with local communities and unions to achieve consent for matters of local importance.





5. ENVIRONMENT

Archer's business is diverse in nature, from manning services and well intervention technology, to drilling operations using our own land rigs. Central to our strategy is an approach that evaluates the effectiveness of the sustainable environmental practices within our operations, supply chain, and how we partner with our customers to achieve their environmental goals.

Archer follows the guiding principles of ISO 14001:2015 in its environmental management system.

We evaluate external environmental factors and impacts and perform a risk-based analysis triggered by internal or external requirements. Our goal is to reduce emissions, discharges, and waste.

Annual environmental improvement projects are defined on a yearly basis. Objectives with targets and deadlines are set and followed up during the year.

EMISSIONS AND AIR QUALITY

Archer map the energy consumption in all Archer locations to define energy reduction initiatives. Our strategy approach is to evaluate the effectiveness of the sustainable environmental practices within our operations, our supply chain and how we partner with our customers to achieve their environmental goals. This encompasses limiting our carbon footprint, ensuring safe handling of chemicals and waste, and minimizing the ecological footprint of our operations. Key environmental performance indicators, with targets, are defined at a company level and within each business unit.

Archer has a key role in our own and our customer's low carbon agendas through focusing on emission reducing technology, efficient operations and digital services. We will continue to develop and improve within these areas as well as explore business opportunities within clean energy infrastructure and renewable energy.

DEVELOPMENT AND IMPLEMENTATION OF EFFICIENT TECHNOLOGIES

There is mounting pressure on the oil and gas industry to rebuild public and government confidence, in both the technology we use and the level of protection it provides. Archer is responding directly to this need and creating a safer and more efficient oil service industry through the development and use of market leading technology, such as our LOCK® well suspension plugs and VIVID™ acoustic system, used in the

plugging of wells and detection of potential well leaks. Archer will continue to develop services and technologies that reduce energy consumption, carbon footprint, and environmental impact.

HELPING OUR CLIENTS THROUGH ENERGY-EFFICIENT SOLUTIONS

One of Archer's focus areas is to ensure we help our customers reach their emission reduction targets. Archer is in a unique market position to offer our customers integrated solutions through a combination of our platform drilling, well service, and engineering services divisions. Importantly, by having multi-skilled and cross trained personnel onboard, we save our clients both rig time and total personnel on board which results in increased energy efficiency and a decreased carbon footprint.

In 2021 Archer reduced its carbon footprint through increasing offshore operations performed remotely onshore, by integrating engineering projects with our platform drilling crew, and by having wireline operators as a part of the Archer platform drilling crew. Archer will continue this journey during 2022 with the following activities and targets:

- Integrating Wireline and Platform Drilling crews. The reductions in persons on board will save approximately 600 tons of Co2 per installation.
- Introducing the condition-based maintenance system for our customers
- Remote operational support for well services will save approximately 12 tons Co2 annually by reduced transportation.
- Further initiatives to reduce persons on board offshore installations, including VR operations to reduce the need for third party service personnel to travel offshore.
- Reduce fuel consumption by 6% on rigs drilling in Vaca Muerta.

SUPPLY CHAIN

Both when doing projects for our clients and when purchasing equipment for internal use, Archer will include ESG evaluation criteria when procuring new equipment. Archer has established ESG criteria as a part of the supply chain process and our project execution model.

We will evaluate and assess our suppliers using ESG criteria including:

- Emissions for the product, service, and in the supplier's own facility
- Energy consumption of the product, service, and in the suppliers' own facility
- Supply chain management
- Governance, social responsibility & human rights

Our goal is to ensure that our entire value chain has the same drive towards sustainability, energy efficiency, and emission reduction as Archer and its customers do.

ENERGY EFFICIENT WORKSHOP AND OFFICES

In addition to our offshore and field work, Archer has multiple offices and workshops. One of Archer's main goals is to continuously reduce the energy consumption in these facilities.

In 2021 Archer executed several initiatives to control and improve energy performance:

- Solar energy in Archer's main office at Stangeland
- Re-use of wooden pallets for transportation
- Reduce amount of plastic used when transporting equipment
- Installation of energy efficient lighting
- Installation of supplemental oil filters on large stationary engines to extend oil life and reduce oil and filter change frequency

ENERGY EFFICIENT TRANSPORTATION

A significant portion of Archer's carbon footprint in our direct control is related to transportation of personnel and equipment. Through better planning and close cooperation with transportation suppliers, Archer has been able to consolidate and increase efficiency.

The following key performance indicators have been established to measure performance for this initiative:

- Consolidated transportation. During 2021, Archer saved 1826 long distance transportation trips due to consolidated planning. Approximately 60% of the short distance transportation in Norway was consolidated.
- Use of Euro VI / Tier 4 trucks. 79% of long transportation in our Eastern Hemisphere operations was performed with energy efficient Euro V1 trucks.
- Through strict travel approvals, conference and video solutions, and by reducing offshore trips through remote operations onshore we have reduced our over travel dramatically in 2021.

WATER MANAGEMENT

Water is critically important in all our lives. We are committed to supporting our customers in reducing the volume of fresh water utilized in drilling operations, and to ensure that no contaminated water is discharged into the environment.

To facilitate compliance with local regulations for management of hydrocarbon waste and to reduce consumption of fresh water in our drilling bases both in Neuquén and Comodoro Rivadavia, we have installed oily water separators at both locations, enabling us to manage and dispose of hydrocarbon waste, as well as recycling close to 100% of water used for the cleaning of equipment in our shops/ drilling bases.

CHEMICALS MANAGEMENT

Archer is dedicated to ensuring a safe and sustainable management of chemicals in order to limit the negative impact that chemicals may have on the global environment and the health of Archer employees.

A key initiative is to limit the volume of toxic chemicals used in operations. Any employee who uses dangerous chemicals must evaluate whether they can achieve the same results using less toxic substances, without using chemicals at all, or by using a different method.

Employees who handle chemicals are required to complete handling training in order to familiarize themselves with the health hazards of the chemicals and biological substances.

Any chemicals that needs to be discharged, are disposed of using government approved contractors.



OUR TECHNOLOGY

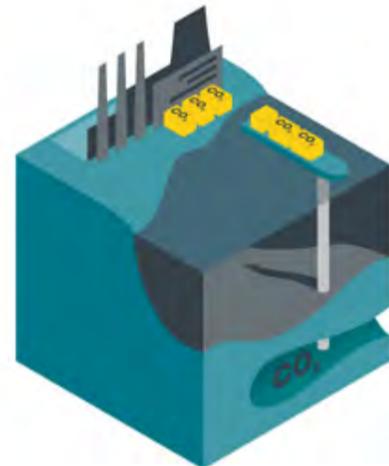
Carbon Capture & Storage

Carbon Capture and Storage (CCS) is critical to meet the Paris Agreement's goal of limiting global warming to well below 2°C. CCS technology can capture up to 90% of the carbon dioxide (CO₂) emissions produced from the use of fossil fuels, preventing the CO₂ from entering the atmosphere by storing it permanently underground.

CCS is one of the few technological solutions that can contribute to a significant reduction in emissions from industrial operations based on coal or gas power, keeping CO₂ out of the atmosphere that would otherwise worsen climate change.

Archer is an industry leader for smart and robust solutions in markets where well

integrity, reliability and time savings are of utmost importance. Integrity is one of the most important aspects of CCS wells to ensure that the carbon stays in the ground for eternity. We are proud to be chosen to deliver our products and services for the next CCUS well on the NCS in 2022.



LOCK[®]+

Archer is delivering the first Next Generation LOCK plugs, called Lock+, to its global operations in 2022. The Lock+ is based on the well-known LOCK series of VO rated retrievable bridge plugs but is optimized for better performance and environmental impact - inspired by legacy, engineered for the future. Part of the design emphasis was to reduce complexity, number of parts and overall size to improve the environmental impact of its production and operation. The result is a significant reduction of required raw materials (eg. metal, water etc.) and energy consumption to sustain and operate the fleet. Lock+ is our engineered solution contributing to the oil and gas industry's transition to a sustainable future.



Geothermal Wells

Geothermal wells are playing an important role as a renewable energy resource. Archer has innovative technologies and solutions to deploy in Geothermal wells. We have delivered our products and services to several geothermal projects, in locations like Iceland, Germany, Italy and Philippines.

A combination of CCS & Geothermal technologies can contribute to faster achieve the required reduction in CO₂ emissions and to decrease the cost by sharing injection wells, using CO₂ instead of water as heat transfer fluid, thereby lowering water consumption and saving pump costs.



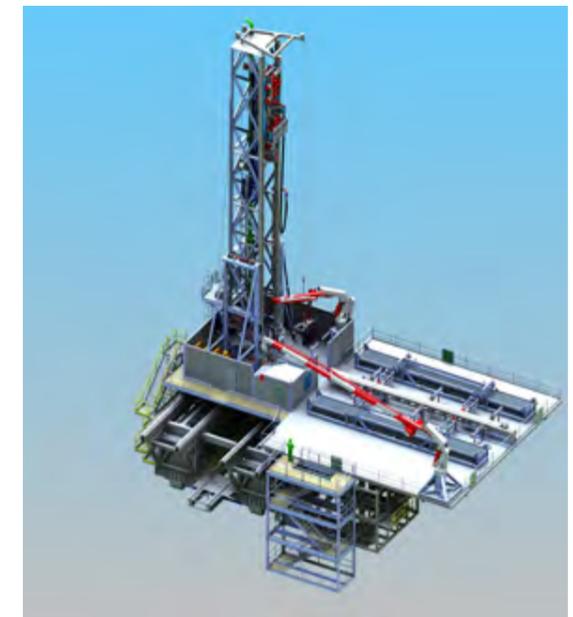
P&A Rig

Our market is changing. We are in constant flux, developing new solutions to new challenges and adapting to the new energy mix. Our brownfield market is no exception, as we see an increasing trend toward enhanced production projects on platforms and a growing market within slot recovery and permanent P&A activities.

Over the last 2 years Archer has been developing a new P&A rig concept, utilizing many years of field practice, client requirements, and lessons learned from our modular rig fleet.

The P&A rig concept has the following benefits over other rig solutions:

- Reduced energy consumption and related carbon footprint
- Safer operations
- Reduced cost
- Increased efficiency
- Integrated and complete service offerings
- Automated system - reducing POB and exposure



We are convinced this design will be brought to market soon and will set the stage for future projects on the UKCS/NCS and internationally.



6. HEALTH, SAFETY AND RISK MANAGEMENT

Archer's HSE philosophy is to establish and maintain an incident-free workplace where accidents, injuries or losses do not occur. Safety is one of our key values. The value is embedded in the way we work in compliance with our procedures, with the authority to 'stop work' if safety is compromised, planning before we act, evaluating performance to ensure we improve, and maintaining a positive working environment.

HEALTH AND SAFETY

Measuring performance is a key element in Archer's continuous improvement process, and results are monitored constantly and systematically. A selection of KPIs reflecting Archer's policies and objectives are reviewed down to installation level and reported to management on a monthly basis.

External and internal audits, verifications, inspections and management visits offshore are carried out to measure compliance towards requirements.

The close monitoring of the KPI results enable analyses of trends and causes, enabling the management to implement corrective actions if and when required. Together with the outcome of audits and inspections and the discussions in our management reviews, these results are used in the preparation of the annual HSE focus plans.

The annual HSE focus plans include project specific goals but will also reflect common Archer goals and global initiatives.

The main element in the Archer 2021 HSE plan has been the further follow-up of the Archer safety culture program, The Big 5. Through different initiatives during the year, Archer reinforced the message in the program.

The Big 5 is an Archer initiated safety culture program, focused on the personal motivation for each of us to stay incident free. The Big 5, are each employee's five most important reasons to stay safe at work. The question we ask is, how will a serious injury impact your life and your Big 5.

The Big 5 will continue to play a central role in the Archer HSE plan for 2022, to achieve a continued improvement in the Archer TRIF trend.

Archer continued its focus on the International

Association of Oil and Gas Producers' (IOGC) Life-saving Rules. The rules describe key actions to prevent fatal injuries related to 9 different high-risk activities. Archer rolled out 4 information packages related to the rules in 2021 using video material, presentation material and group work tasks. Compliance with the Life-saving Rules were verified using internal inspections and management hands-on activities.

Compared with 2020, the 2021 TRIF trend had an impressive drop from 0.85 to 0.41. The LTI trend decreased from 0.14 to 0.13 during 2021. All the incidents Archer experienced during the year had only minor personal impact.

We will continue the following actions and monitor them through 2022:

- Management leadership inspections
- The Big 5 implementation
- Safety leadership
- Hazard hunt training
- Life-saving rules training packages

An important part of the Archer HSE program is the Archer training and competence system. To ensure all work is conducted in a safe and efficient manner, Archer has implemented a comprehensive system for training and competence. All employees/roles have a defined set-up of training requirements that they need to go through as a part of the induction program. In addition to this, Archer also has a competence assurance program, to ensure that people using equipment at work must be adequately trained and deemed competent, before they are able to operate equipment without supervision.

MANAGEMENT SYSTEM

To ensure all Archer operations are performed safe and efficiently, we have implemented operational and safety procedures which resides within our management system. The Archer management System (known as "Compass") is an integrated quality, health, safety and environmental operational system which provides the management, employees and other relevant parties clear and consistent management information and defines the Archer processes and procedures and how they work together. It also defines process owners and where and how the organization interfaces with customers and forms the basis for improvements in work processes. The Compass management system manual acts as the top-level managing document in Archer. Archer's Compass management system has been assessed and accredited to ISO 9001:2015 and ISO 14001:2015, and we work in accordance with ISO 50001.

RISK MANAGEMENT

Archer has a holistic approach to risk management encompassing the identification, assessment, and prioritization of risks followed by coordinated and focused application of resources to minimize, monitor, and control the probability and/or impact of harmful events.

In order to be able to identify and mitigate catastrophic and tail-end risks Archer uses its Risk Management process. The Archer Risk Management process is designed to ensure that risks related to our operations and business are analysed, controlled and monitored in a consistent manner. The risk management process is adjusted to the nature of the activity and is supported by several procedures based on the context. The governing principle is that risk should be reduced to a level as low as reasonably practicable (ALARP).

Climate-related risks are identified and assessed within this Risk Management framework. We have identified the following risks related to our operations:

Physical Risks

- Extreme weather, floods, and drought
- Changes in natural resources (water scarcity)
- Pandemics

Market Risks

- Change in consumer and investor behaviour
- Less investment and lower margins
- Changes in resource/input prices
- Disruption of supply chain

Technology Risks

- Uncertainty related to technological development and deployment
- Cyber Security

Reputational Risks

- The industry faces reputational challenges
- Recruitment
- Share price

Regulatory and Liability Risks

- Increased liability risk with high financial impact
- Carbon tax, energy regulations, product efficiency regulations

The Company risks are monitored on a continuous basis and responded to appropriately. Our ESG and operational planning is tailored to proactively assess and mitigate the effect of these risks.



7. SOCIAL AND HUMAN CAPITAL

Our global workforce`s dedication to demonstrating our values and delivering excellence to our clients has been impressive throughout 2021. Throughout the pandemic, increased digitalization and flexibility has been essential to solve difficulties with reduced mobility and home office requirements. Employee surveys indicate that this flexibility was positive, which allowed our employees to better handle their personal lives and cope with the pandemic.

Archer is a people business, therefore the social dimension in the ESG framework is very important to us. We firmly believe that our people are our most valuable asset. Creating a sustainable and safe workplace is key to the success of our company.



LABOR CONDITIONS, DIVERSITY AND EQUAL OPPORTUNITY

Archer is a diverse global organization with 4473 employees operating out of more than 13 office locations in 40 countries worldwide. Our diverse global workforce represents 42 nationalities. Only 24 employees (0.5 % of the workforce) hold a part time position which is 0.1% less than 2020. The majority of our employees are working offshore or in field locations. Female employees make up 21 % of our onshore workforce, with 18 % of those female employees holding leadership positions.

Employees 2021	4473
Offices	13
Countries operating in	40
Nationalities	42
Total % of Female Employees in Onshore/office	21%
% of Female Employees with Leadership Roles	18%

Although the nature of our business entails a primarily male workforce, Archer seeks to remedy the under representation of women by setting targets for diversity in recruitment. We are fully committed to the principle of equal opportunity and comply with the letter and spirit of all laws regarding fair employment practices and non-discrimination, which is outlined in our Human Rights policy and Code of Conduct.

Included within our Human Rights policy is our commitment to respect the principles in the UN

Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the ILO Core Conventions on Labour Standards. Archer complies with established international labour standards and employment legislation where we operate and is committed to the prevention of child and forced labour, non-discrimination in the workplace, the right of freedom of association and assembly, and the right to collective bargaining.

Archer is a member of employer associations where applicable. Union agreements have been established with employee organizations at locations where required, due to union presence.

PERFORMANCE MANAGEMENT

Archer actively facilitates local staff to move into management positions in our global operations. We promote internal candidates to give development and career opportunities within the organization. An annual Performance Management Review process is in place to help the conversation between managers and employees and to ensure common objectives, accelerate performance, and to help the organization identify individual development, learning needs and opportunities. Managers and employees are encouraged to create individual development plans, needed to enhance current performance and prepare for future roles.

LEADERSHIP & SUCCESSION PLANNING

We expect managers at all levels to lead by example, be actively engaged with their teams, and inspire their employees to live the Archer values. As role models, managers reinforce the importance of following our leadership expectations and standards. We expect our managers to ensure they make enough time to actively demonstrate strategic leadership. An Archer leader actively promotes and demonstrates the importance of OneTeam and OneArcher priorities. They are inclusive, prioritises communication, and ensures individual develop-

ment through developing experience, mentoring and involving the team in strategy development.

Succession planning and leadership development is a key priority in the development of Archer. A global succession planning process has been put in place to support this in addition to identifying high potential candidates for future leadership and key functional positions.

TRAINING AND DEVELOPMENT

An important part of the Archer HSE program is the Archer training and competence system. To ensure all work is conducted in a safe and efficient manner, Archer has implemented a comprehensive system for training and competence. All employees/roles have a defined set of mandatory training requirements as a part of their induction program. In addition to this, Archer has a competence assurance program, to ensure that people using equipment at work are adequately trained and competent before they operate equipment.

To strengthen and demonstrate the OneTeam and OneArcher approach, we focus on cross training our offshore personnel in the North Sea to operate as multi skilled operators and support several product lines. This contributes to our low carbon agenda by reducing personnel traveling offshore. During 2021, 32 employees from our Platform Drilling division were cross-trained over to the Wireline division. Fully trained, they will be qualified to work offshore within two product lines. The training program consist of 3 modules 5 days each, in addition to two offshore trips, to get hands-on experience as part of the crew. 7.440 hours of training has been spent on part one of the program. The training program is fulfilled with 2 x 2 weeks hands-on offshore training. In total, our employees have undertaken 12.740 hours of training for this initiative in 2021.

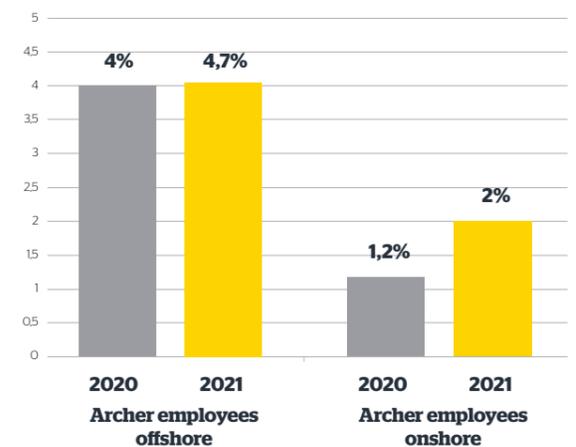
In addition, a total of 86.912 hours of technical training was performed within the global organization. 512 mid and senior managers spent 5.168 hours on leadership training. To strengthen leadership capabilities, Archer is developing a structured leadership training program. The topics for the leadership program are designed to build on Archer core values, our safety culture as well as strengthening job performance.

ABSENTEEISM

The target for overall absenteeism for the organization is 4,0% for offshore & field personnel and 2% for onshore personnel. During the pandemic sick leave was understandably slightly higher than normal.

The sickness rate for Archer offshore employees within Eastern Hemisphere ended at 4,7%, slightly higher than 2020. Sickness rate for onshore employees ended below 2% for the year.

SICKNESS ABSENCE RATE



8. CORPORATE SOCIAL RESPONSIBILITY

We encourage and engage employees and their families to participate in activities and voluntary initiatives for reduced environmental impact and increased social responsibility within local communities.

Other community support activities by Archer employees in 2021 included:



8. CORPORATE SOCIAL RESPONSIBILITY

During 2021 there have been a lot of initiatives to improve and participate Archer's Social Responsibility agenda. A key initiative in 2021 was to increase our support of Clean Shores, which is focused on removing waste from coastlines around the world. Archer employees in Norway, UK, Australia, Malaysia, Argentina and Brazil volunteered hundreds of hours in 2021 to remove tonnes of plastic and other waste from their local coastlines or river banks. The Clean Shores activity will continue as part of our annual sustainability program in 2022. Other initiatives our employees have been involved with are men's mental health/prostate cancer charities in the UK, tree planting in Argentina, socioeconomic development project for minorities and indigenous people in Malaysia, Social Aid Campaign in Brazil, and "knit for a warmer community" campaign in Norway.





9. ANTI-CORRUPTION AND BUSINESS ETHICS

Integrity is one of our core values and conducting business honestly, lawfully, and ethically is fundamental to our continued success. Integrity drives everything we do and is critical to upholding our reputation in the marketplace. Issues like corruption and business ethics are more important than ever in our industry, and issues we take a zero tolerance approach to.

We believe that our aim to deliver value to our shareholders is best accomplished through operating with the highest ethical standards and employing stringent corporate governance. Archer expects and requires that all our employees, contractors, suppliers, partners and clients observe the highest standards of integrity when conducting business.

Archer has a zero-tolerance policy towards bribery and corruption as stated in our Code of Conduct. This applies to all group companies and all officers, directors, employees, third-party consultants, and anyone acting on our behalf, wherever they are located.

Assessing and monitoring business processes, training and controls are fundamental tools in implementing our anti-corruption policy. We perform regular risk-based diligence, analysis, and monitoring of our business activities to ensure compliance. Appropriate risk-based communication and training on bribery, corruption, and our Code of Conduct is provided to employees and business partners as part of their on-boarding and ongoing development.

Any suspected deviation from our policies, Code of Conduct, or any applicable laws, rules, or regulations is to be reported in accordance with the Code of Conduct through line management or by submitting a complaint through our whistleblower hotline. Reported concerns are evaluated and investigated by our Internal Audit, HR, and/or Legal Department as appropriate. Investigation reports and call statistics, anonymized where appropriate, are shared with the Audit Committee on a quarterly basis.

Archer's management system and due diligence procedures for assessing and managing corruption and bribery risks internally and associated with

business partners in its value chain are as set forth in the following policies and activities:

- **Code of Conduct:** sets forth the expectations and requirements from Archer's management to all Archer employees and contractors. This includes chapters on accounting and financial reporting, corruption and bribery, conflicts of interest, facilitation payments, gifts and entertainment, international sanctions, insider trading, export controls, competition and anti-trust, political contributions, and whistleblowing and reporting.
- **Authority Matrix:** sets forth the approval limits from the board of directors of Archer Limited to the employees of Archer, including assuming risk in relation to tendering and entering into joint ventures, and third-party representation agreements.
- **Archer's Supplier Approval Procedure:** sets forth the approval, due diligence, and quality control process suppliers must undergo in our supply chain before they are approved suppliers, including adherence to our Code of Conduct.
- **Archer's Procedures for the Retention of Third Party Representatives:** sets forth an approval and due diligence process before any third party representative may act on behalf of Archer anywhere we do business (including our diligence questionnaires, compliance declarations, and business case evaluation tools).
- **Archer Contract Procedure:** sets forth a detailed threshold of contractual risk, above which executive approval is required.
- **Archer Employee Handbook:** every employee of Archer is subject to this, with versions for each country, region, or employee location (onshore or offshore). It addresses equal opportunity, harassment and bullying, collective agreements, performance management, grievance procedures, and adherence to the Code of Conduct.

- **Human rights policy:** Archer has a policy committing it to respecting the human rights principles enshrined in international agreements. We act according to laws in the jurisdictions we operate, in particular we condemn all forms of child and forced labor wherever we do business. Archer's goal is to maintain a company culture that respects and promotes human rights.
- **International Trade Sanctions procedure:** Our sanctions procedure ensures that we are aware of who we are doing business with and that these parties are not subject to international trade sanctions.
- **Human Rights Policy:** We created a new Human Rights policy in 2021 in order to better define our position on this important issue. In that document we set our goal to maintain a company culture which respect and promotes human rights and specific actions to ensure this is carried out.
- **Training of the organization:** Archer undertook a global exercise in 2021 to train the organisation on its Code of Conduct. We created a bespoke online training module that was completed by over 3000 employees and contractors worldwide. Each participant took between 35-45 minutes to complete the module and passed a test at the end. There was a percentage of employees who were out of scope for this training as they work offshore or in the field and do not have access to computers linked to our internal system. We raised awareness of the issues to this group through toolbox talks as part of our regular safety meetings. The completion percentage for employees in scope was almost 98%. New employees will take this course, and employees who complete it will refresh every 3 years. Further targeted training will be provided in 2022.

MANAGEMENT OF THE LEGAL & REGULATORY ENVIRONMENT

Our industry is subject to numerous sustainability-related regulations and an often rapidly changing regulatory environment. Changes to the legal and regulatory environment are managed by all stakeholders in the network of companies that form a field development, maintenance, operations, or decommissioning project.

The regulatory environment related to relevant environmental and social factors may continue to develop this year, including to non-greenhouse / greenhouse gas emissions, water and effluents, chemical use, ecological impacts, employee health and safety, business ethics and payments transparency. We do not have any particular knowledge of imminent policy change that would affect our business.

Notwithstanding this, if substantial alterations in the current legislative and regulatory landscape are enacted the following risks may materialize: increased compliance costs, increased CAPEX for upgrades to physical assets or working methods to meet regulatory requirements, a change in technical qualifications, or an increase or reduction in work volume.

Opportunities which may appear due to alterations in regulations and legislation include: improved revenue through increased volume, higher rates, and more work through fewer competitors meeting new regulatory thresholds.

Archer's overall strategy in this regard is to continue our business and remain ready to respond to any changes that are enacted. Our technical, QHSE, and sustainability initiatives and results are in the previous and subsequent chapters of this report.

Accounting Metric	Unit of Measure	Data
Amount of 2021 net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Reporting currency	0 USD

10. DISCLAIMER AND ASSUMPTIONS FOR THE SASB REPORTING

The information provided is based on the best data available at the time of reporting. Since most of the SASB reporting applies primarily for our Land Drilling operations in Argentina, most of the quantitative metrics apply for this part of our business, unless otherwise noted below. Our Eastern Hemisphere business either operates client owned equipment, or supplies well intervention tools to clients offshore, and therefore many of the recorded metrics do not fit this part of the business.

The ESG disclosures should be used to understand the overall risk management of sustainability related issues, however, in some areas data are based on estimates, please see comments below

Total fuel consumed: Includes all fuel for vehicles and rigs in Land Drilling in Argentina, along with fuel used in operations in Norway, UK, US, Australia and Malaysia

Percentage renewable fuel: Fuel in Argentina is blended with 10% biofuel

Total volume of fresh water handled in operations: Fresh water usage in Argentina is based on customer estimates and delivery tickets, and includes fresh water used in operations in Norway*, UK, US, Australia and Malaysia

* Also includes office facilities in Stavanger, Norway.

Percentage of water recycled: Based on amount of water treated at camp sites

Volume of hydraulic fracturing fluid used: We do not use hydraulic fracturing fluid in our operations

Average disturbed acreage per oil/gas well: On average, a drilling rig occupies 305m², a working unit occupies 240 m² and Pulling unit occupies 75m². The average is calculated based on the weighted average of the active split between drilling rigs, workover units and pulling units

Average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, (c) short-service employees: Recorded training hours for Land Drilling employees in Argentina, along with estimate for Eastern Hemisphere

Number of active rig sites: Based on number of active drilling rigs, workover and pulling units at year end 2021 in Land Drilling in Argentina.

Number of active well sites: Based on aggregate number of wells drilled during 2021 in Land Drilling in Argentina

Total amount of drilling performed: Meters of wells drilled in Land Drilling in Argentina

Total number of hours worked: 5,672,057 hours worked in Land Drilling, while 3,512,228 number of hours worked in Archer globally.





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