



QHSE Program 2023



COSL

Drilling Europe AS

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Message from the CEO / President

Dear COSL Drilling Europe Team,

We have had yet another exciting, very hectic year behind us with good efforts from all of you. Great to see many new employees joining the CDE-family. Good solid performance from both the COSLPioneer with Ithaca Energy and the COSLInnovator now well established with CNOOC in the UK. We have furthermore strengthened our UK Organisation as we are here to stay.



The COSLPromoter finished its 10-year SPS and took on OKEA drilling program very successfully.

For 2023, we look forward to having all three rigs working throughout, once the COSLPromoter commences the FLX-contract with Equinor, to where we have already added work-scope and expect more to come. We have furthermore signed an LOI for the COSLPioneer in UK, where it is currently reserved up to June 2030! Also, for the COSLInnovator, we have signed contract after CNOOC, that secure work until 2024/2025. We have now job security and a great momentum to build on. We see a very strong market going forward and have secured good contract-backlog for our rigs. In 2023, we will do 10-year survey for both the COSLPioneer and the COSLInnovator, so there will be plenty of activities throughout. Here we have taken very firm measures to turn the rigs around safe and efficient. CDE will work on several improvement projects, including our digitalization initiative, further reducing our carbon footprint, by working to that anything we do must be Value Added in order to have competitive cost levels.

We need all of you to strictly adhere to our Company Management System by applying to our Policy & Procedures throughout. Use the Risk card thoroughly ensuring we have identified all risk, everybody know their tasks, have the right tools, measures in place and ask through the planning many "what if's". Then use our Time Out for Safety (TOFS) actively. Any changes; regroup by simply stop your work and re-align by change of plan reflecting actual changes or new situation. TOFS is you Stop Authority, meaning Stop-Duty.

Our success depends on all of us doing our part in delivering Safe, Efficient, Low Carbon, Value Added performance by procedural compliance throughout, being the preferred drilling contractor meeting or exceeding our customer expectations.

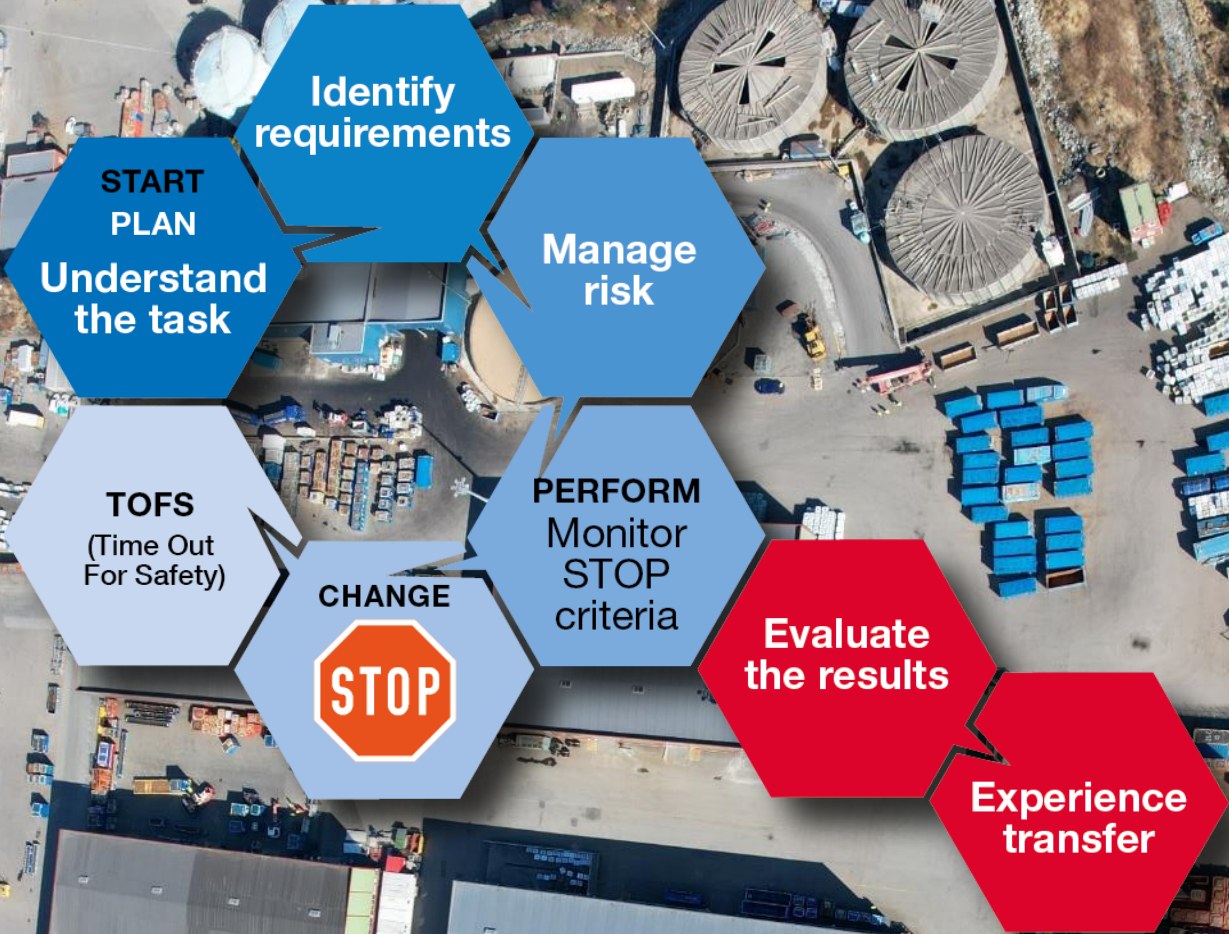
Going forward there are many opportunities, and we will be working on enhancing our competency and succession plan for you, our most important asset, our personnel, crews, offshore and onshore.

In CDE, we demand all of you to be visible leaders by taking active leadership in how we work, the COSL way. Good communications throughout.

We all support you in conforming with our Safety Standards and expect: 100% Compliance to 100% of our Policy & Procedures 100% of the time. This is our licence to drill.

Take care of each other and think of your colleagues, family & friends working safely throughout.

Frank Tollefsen
CEO / President



CDE QHSE Policy



Quality, Health, Safety & Environment (QHSE) Policy

COSL Drilling Europe delivers world class low carbon offshore drilling services to our customers, by working in accordance with our core values; Honesty, Motivation and Cooperation.

Our main goal is to achieve:

No damage to personnel, the environment and asset

All personnel are expected to be pro-active and use the RISK Card, meaning:

- Plan all activities to understand the task and hazards, identify requirements and manage risk
- Perform any activity in accordance with the plan, stop and perform a "time-out-for-safety" (TOFS) if there are changes, evaluate and gain control of the changes in risk before deciding whether it is safe to continue
- Complete the activities, evaluate the work performance and identify areas of improvement
- Register lessons learned to ensure continuous improvement and experience transfer

We:

- Take the time necessary to plan and perform all work safely
- Have clear, visible and pro-active leadership through active engagement in planning and execution of all activities, with involvement of relevant stakeholders
- Expect everyone to exercise their Stop Work Authority and Duty and perform a TOFS to correct hazardous situations
- React to undesirable HSE trends and events
- Commit to reduction of our environmental impact through optimized usage of the COSL Energy Control System (ECS) and safeguarding the environment against pollution
- Further develop our employees' competence and facilitate active participation and consultation
- Ensure compliance with applicable regulations and requirements
- Comply with the company management system (CMS) requirements
- Cooperate with our clients, the authorities and other contractors to reduce risk and continuously improve QHSE performance
- Acknowledge that non-conformities and incidents may happen and commit ourselves to correct and avoid reoccurrence

A handwritten signature in blue ink, appearing to read "Frank Tollefsen".

Frank Tollefsen

CEO / President, COSL Drilling Europe AS

Focus areas

CDE carries forward the efforts to reach our ultimate goal of No Incidents, thereby achieving no personnel injuries, no well control incidents, no dropped objects, no uncontrolled discharges to environment and no security breaches.

With this we strive to ensure that we adapt to changes and manage our activities in a safe and effective manner.



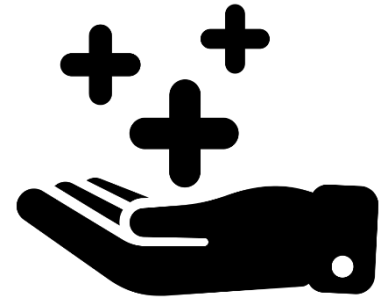
No incidents

- 🚫 Injuries to personnel
- 🚫 Well control incidents
- 🚫 Dropped objects
- 🚫 Uncontrolled discharges
- 🚫 Security breaches



Proactive

- 👍 Plan ahead, always be in front
- 👍 Capture, share and implement learning
- 👍 Adapt to changes
- 👍 Assurance activities



Value added

- 💰 Cost-Benefit mindset
- 💰 Energy efficiency
- 💰 Supply chain optimisation
- 💰 Strategic relationships
- 💰 Efficient time management

We will continue building on our experiences and update our processes to clearly define a system which is reasonable and valuable for the offshore workers. We are depending on all employees to involve themselves and contribute to build a solid company culture and ensure that CDE maintains our position as one of the preferred suppliers of Drilling services.



Objectives and Targets

CDE has established reporting and monitoring processes covering our objectives and targets for the following aspects:

- ❖ **Quality**
Focusing on managing our quality systems, processes and compliance with applicable requirements. Customer focus. Implementation and follow-up of assurance activities.
- ❖ **Occupational Health & Safety**
Monitoring and follow-up of OH&S performance. Assurance through measurements, studies and analysis. Implementation of measures.
- ❖ **Environment**
Reduction of environmental impact through implementation of technical, organisational and operational measures. Collaboration with our customers and sub-contractors. Measure performance towards established sustainability targets.
- ❖ **Energy**
Energy review towards established base line. Training and system understanding. Implementation of measures to increase energy efficiency.
- ❖ **Operational Performance**
Measuring operational performance. Timely sharing of performance data. Capturing operational learnings for experience transfer. Implementation of efficiency and consistency measures.
- ❖ **Supply Chain**
Implementation of smart logistical solutions to reduce carbon footprint. Supplier follow-up, collaboration and assurance activities.
- ❖ **Finance**
Follow-up and reporting. Development of processes and implementation of assurance activities. Budget follow-up and Cost control.
- ❖ **Training & Competence**
Management and monitoring of training and competence status. Development of internal training & competence processes.

Specific reporting and monitoring processes are applied to analyse our ability to reach our objectives and targets.

For further information regarding specific objectives & targets reference is given to DM# 313698 CDE Objectives and Targets.

Key Performance Indicators

CDE recognises that using KPI's allows Management to make judgement on areas of concern and allocate appropriate resources.

The KPIs are measured and analysed monthly. In case the limits are exceeded, or a trend is forming in the wrong direction, necessary actions will be identified and carried out to stop development of bad performance.

Each rig/ project may establish specific KPI's in addition to the Company specific KPI's.

Lagging indicators/ Reactive KPI's	Goal	
Serious Incident Frequency (SIF)	0	
Lost Time Injury Frequency Rate (LTIFR)	0	
Uncontrolled Environmental Discharges (reportable)	0	
Dropped Objects (> 40 Joule, reportable)	0	
Onshore Sick leave (COSL Employees)	< 3%	
Offshore Sick leave (COSL Employees)	< 5%	
Personnel turnover (COSL Employees)	< 8%	
Operational Up-Time Drilling Units	> 95%	
Average fuel consumption during normal operations (average in tons/ day)	DP	Posmoor
	< 20	< 14

Leading indicators/ Proactive KPI's	Goal
Number of Safety Observations reported per month/ unit	≥ 1000
Number of Proactive PDO Inspections/ Checks pr. Month	≥ 300
Number of Safety Talks per month per unit	≥ 300
Number of senior management visits offshore per Unit per year	> 3
Number of onshore rig management visits offshore per Unit per year	> 12

KPI Definitions can be found in L1-HSE-20501 HSE Management Manual



Management System Certifications

CDE has chosen to certify our Company Management System (CMS) in accordance with the following ISO standards.



ISO 9001 Quality Management

applies a number of quality management principles to enhance our ability to consistently deliver products and services that meet customer, as well as statutory and regulatory demands



ISO 14001 Environmental Management

provides a framework to proactively identify and understand the environmental aspects of our activities, products and services and associated environmental impacts, and deliver environmental performance improvements in line with our objectives and policy commitments



ISO 45001 Occupational Health & Safety

provides a framework for identification of hazards and assess occupational health and safety risks related to our activities and services, determine the necessary controls and set clear objectives and targets for improvement of our OH&S performance



ISO 50001 Energy Management

provides a framework for reducing environmental impact, including greenhouse gas emissions without affecting operations, by improving energy performance, including energy efficiency, use and energy consumption



ISO 9001 • ISO 14001
ISO 45001 • ISO 50001

CDE Safety Standards

CDEs Safety Standards are one of our main tools established to aid us in reaching our ultimate goal of no damage or harm to personnel, environment and asset.

The Safety Standards are based on industry best practice and consist of one-pagers explaining the process, requirements and safeguards involved in different work activities. We are not introducing additional requirements in the Safety Standards as they are referring to already existing requirements within our Company Management System (CMS).



1 - Daily risk management
CDE Safety Standard

2 - Job Safety Preparation
CDE Safety Standard

3 - Housekeeping
CDE Safety Standard

4 - Well Control
CDE Safety Standard

5 - Prevention of Dropped Objects
CDE Safety Standard

6 - Lifting and pipe handling operations
CDE Safety standard

7 - Red zone on drill floor
CDE Safety standard

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- 7.1 Planning activities in red zone
- 7.2 Red zone management on the drill floor



CDE Digital

CDE has launched a digitalisation project which covers a range of modernisation and improvement initiatives within the following three main groups:

1. **Central Maintenance Center (CMC)**
2. **Drilling Performance Excellence**
3. **Energy Management System (EMS)**

These improvement programs in order to have a true “Value Added” approach in everything we do. This coupled with being in front of our competition and indeed to secure contracts.

Central Maintenance Center

Through our Central Maintenance Center (CMC) we are digitalising our maintenance system by utilising new technology and on-line monitoring. The main goal is to improve the quality of our maintenance processes and put our efforts on maintenance which adds value.

A team has been established to develop this together with CDE offshore and onshore personnel, and highly qualified subcontractors like Kongsberg (same as on the EMS), and others. In short we will be improving our routines based on condition and indeed if equipment is used (away from calendar based), and to simplify the system and administration of it.



CENTRAL MAINTENANCE CENTER

- **DIGITALIZATION, AUTONOMOUS MAINTENANCE**
- **INTEGRATED OPERATIONS**
- **CONDITION BASED**
- **REMOTE CONTROL & DIAGNOSTIC'S**
- **COSL ENERGY MANAGEMENT SYSTEM**

COSL

Drilling Performance Excellence

We are working on several initiatives including;

- ❖ performance monitoring and experience transfer
- ❖ fully remote operations
- ❖ more use of CBM (e.g. BOP, Risers)
- ❖ Riser Monitoring System
- ❖ CASING Running by CDE-crews using our NOV Cyber-base

We are also installing NOVOS and MMC on one of our units and will be looking at enhancing our Integrated Operations (IO) with our subcontractors and customers shore-based operations centers.



Energy Management

The Energy Management System has been implemented onboard all our units and we are seeing great results. We save cost by running less machinery and utilities at any given time, reduced fuel consumption, and maybe most importantly; With our Offshore Drilling Units we offer the Energy-companies in the North Sea: Low Carbon drilling solutions.

We have been recognized in the industry as well as with the regulators to be true pioneers in this area and can offer the lowest (=best) carbon emission drilling operations.

For the EMS, we will be refining this further in 2023. We need all units to maximise the use of the system and to fully engage in CDE Energy Management Program and initiatives throughout. More detailed information will be released as these initiatives develop.

In the future we can offer pure electric 0-emission drilling operations with our units!



Personal responsibility

All employees, and personnel working on COSL projects, have an individual and collective responsibility for QHSE performance in their respective jobs. In addition to taking care of ourselves, we need to take care of each other.

We all have a responsibility to react to unsafe behaviour. If any of us observe unsafe behaviour we are obliged to stop, TOFS, and provide guidance to the person in question. We must also remember to give positive feedback when we observe safe behaviour, as this will reinforce a positive HSE culture.

Our Core Values

The success of COSL Drilling Europe depends on the abilities and the best efforts of all employees. We shall be known for involving all employees and for promoting honesty, motivation and cooperation throughout the organisation.

Honesty

Honesty creates security and confidence.

Honesty and openness among workers creates good relations.

No hidden agenda, saying what we think - and we mean it.

Motivation

Motivation creates satisfaction and growth.

Motivation makes us thrive.

Motivation is the soil in which our ideas grow. When our ideas grow, our dreams come true.

Motivation is our motive force.

Co-operation

Co-operation creates results.

Co-operation creates an organisation of winners, pride and determination.

When we co-operate, you will develop - and so will we.



Office Locations and Contact information

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**COSL Drilling Europe operates
low-carbon rigs for the future**

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