

2020

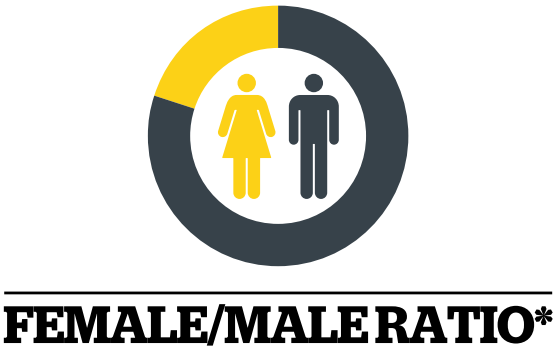
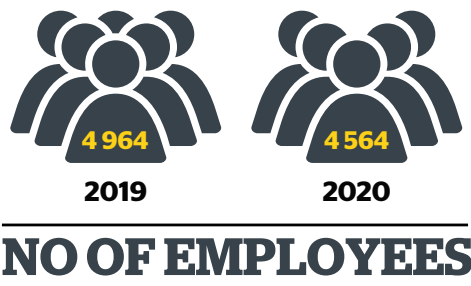
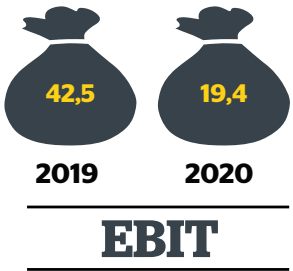
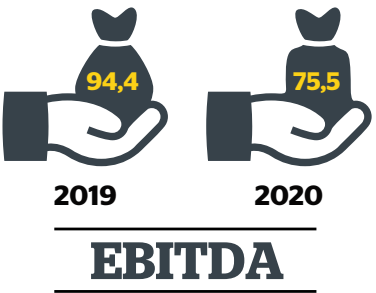
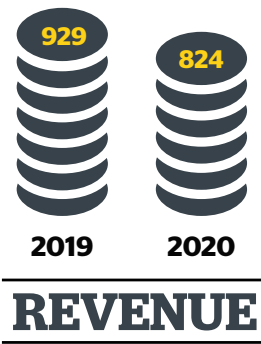
**ENVIRONMENTAL
SOCIAL
GOVERNANCE**

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





Archer in numbers



Safety statistics

Area	2019		2020	
	Loss Time Injuries	Medical Treatment Cases	Loss Time Injuries	Medical Treatment Cases
Eastern Hemisphere	12	15	5	22
Western Hemisphere	5	5	1	8
Archer total	17	20	6	30

*Archer onshore organization

1. INTRODUCTION

Archer is a global oil and gas services company with a heritage stretching back over 40 years. Our focus is on safely delivering the highest quality products and services. Archer operates in 35 countries providing drilling, well integrity & intervention, plug & abandonment, and decommissioning services to its upstream oil and gas clients.

Strengthened by experience and an outstanding record for safety and efficiency, Archer drilling teams secure production on more than 42 offshore platforms in the North Sea and Brazil and operate over 84 mobile land rigs in the Latin America. Our comprehensive drilling and workover services include platform drilling, land drilling, offshore modular rigs, and engineering divisions. Our wireline and well services divisions deliver Archer's top tier technology for well suspension, plug and abandonment, decommissioning, leak detection, and well imaging in over 30 countries worldwide.

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 2020 to 31 December 2020.

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 9.

ESG INSTITUTIONALIZED IN ARCHER

Archer's ESG focus continues to be driven from the top of our company and implemented by all levels. Like our industry, Archer is adapting and embracing the shift towards lower emissions, reduced carbon footprints, continued focus on HSE, targeted diversity, and good governance.

Health, Safety and Environment has long been a key driver for measuring our performance and is one of Archer's key focus areas. As of 2020, we have implemented tailored ESG targets relative to each business unit and management responsibility.

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, assess the risks we face in the marketplace and proactively respond appropriately.

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.

2020 KEY ACHIEVEMENTS

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

- Our employee's ability and effort to adapt to the COVID-19 situation.
- Implementation of wastewater treatment units in Argentina.
- Adoption of a lower emission truck fleet in Argentina.
- Securing the Equinor mechanical wireline contract through an alliance model to create efficiencies, reduce persons offshore, and consequently reduce emissions.
- Implementation of One Archer plug and abandonment strategy to reduce rig time, persons offshore, emissions, and close wells safely with the minimum of environmental impact.
- Archer carried out ~300 offshore well operations remotely via an onshore base, saving those Archer personnel from travelling offshore.
- Strengthening our safety culture through the implementation of the Big 5 initiative
- Adoption of Archer's Human Rights Policy
- Strengthening of Archer's compliance with International Trade Sanctions

STRATEGIC DIRECTION

In 2021 we have established three overarching strategic directions for Archer. All our business units and cross divisional activities will be focused on supporting and developing:

- **Low carbon agenda**
- **Resilient oil and gas offering**
- **Green Energy**

LOW CARBON AGENDA:

Archer is 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. With this model we lower the number of persons on board offshore installations, reduce rig hours, and eliminate multiple trips into the well. This directly reduces emissions, reduces carbon footprint, and improves industry sustainability over traditional methods.

In 2020 we have conducted more than 300 remote operations through our IO center, and have started a project for the development of carbon capture and storage solutions (CCS).

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 when the fields are already 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 and will be more economically sustainable than our peers with greater exposure to the greenfield market.



Dag Skindlo
Chief Executive Officer, Archer Limited

In a growing late-life and plug and abandonment market we believe we are well positioned to be a strategic partner by developing and delivering technology, efficiency, lowering cost and reducing emissions.

GREEN ENERGY

Archer will explore business opportunities within the green and renewable energy space. We will continually identify synergies with our current operations, assess competitive advantages and competence, and assess new markets.

All business decisions are taken on a financial basis in line with our environmental, social and governance foundation.

This is Archer sustainability.

2. SUSTAINABILITY ACCOUNTING STANDARDS DISCLOSURES

Topic	Accounting Metric	Unit of Measure	2020	2019	Code
Emissions Reduction Services & Fuels Management	Total fuel consumed	Gigajoules (GJ)	459,927	854,753	EM-SV-110a.1
	Percentage renewable fuel	%	10%	10%	
	(1) % fuel consumed by on-road equipment and vehicles	%	2.2%	2%	
	(2) % fuel consumed by off-road equipment	%	97.8%	98%	
	Brief summary of the of strategy or plans to address air emissions-related risks, opportunities, and impacts	See chapter	4	4	EM-SV-110a.2
	Percentage of engines in service that meet Tier 4 * compliance for non-road diesel engine emissions	Percentage (%)	0%	0%	EM-SV-110a.3
Water Management Services	(1) Total volume of fresh water handled in operations	m³	17,751	45,314	EM-SV-140a.1
	(2) Percentage of water recycled	%	7.8%	4%	
	Brief summary of the strategy or plans to address water consumption and disposal-related risks, opportunities, and impacts	See chapter	4	4	EM-SV-140a.2
Chemicals Management	Volume of hydraulic fracturing fluid used	Thousand cubic meters (m³)	N/A	N/A	EM-SV-150a.1
	Percentage hazardous	Percentage (%)	N/A	N/A	EM-SV-150a.1
	Discussion of strategy or plans to address chemical-related risks, opportunities, and impacts	See chapter	4	4	EM-SV-150a.2
Ecological Impact Management	(1) Average disturbed acreage per oil well	Acres	0.047	0.04	EM-SV-160a.1
	(2) Average disturbed acreage per gas well	Acres	0.047	0.04	
	Discussion of strategy or plan to address risks and opportunities related to ecological impacts from core activities	See chapter	4	4	EM-SV-160a.2

Topic	Accounting Metric	Unit of Measure	2020	2019	Code
Workforce Health & Safety	(1) Total recordable incident rate (TRIR)	Rate	0.85	0.58	EM-SV-320a.1
	(2) fatality rate	Rate	0	0	
	(3) near miss frequency rate (NMFR)	Rate	0	4.7	
	(4) total vehicle incident rate (TVIR)	Rate	0.4	0.015	
	(5) average hours of health, safety, and emergency response training for (a) full-time employees (b) contract employees (c) short-service employees	Hours	(a) 11.5 (b) N/A (c) N/A	(a) 12.5 (b) N/A (c) N/A	EM-SV-320a.2
	Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle	See chapter	5	5	
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 0	USD 2.3	EM-SV-510a.1
	Description of the management system for prevention of corruption and bribery throughout the value chain	See chapter	8	6	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	8	6	EM-SV-530a.1
Critical Incident Risk Management	Description of management systems used to identify and mitigate catastrophic and tail-end risks	See chapter	5	4	EM-SV-540a.1

Activity measures

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

3. ESG GOVERNANCE

In order to ensure consistent management of ESG factors, Archer has 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. Furthermore, the 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
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



SOCIAL AND HUMAN CAPITAL

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



BUSINESS MODEL & OPERATIONS

- Business Model Resilience
- Financial results
- Responsible operations




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 five UN Sustainable Development Goals (SDGs) where we believe Archer has a direct impact: We have selected SDG 8, 12, 13, 14 and 16 as these goals are closely tied to the industry we are a part of and they represent material topics for which we monitor.


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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
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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.
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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.
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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.
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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.



THE GLOBAL GOALS





4. 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

In 2020, Archer started the process of mapping the energy consumption in all Archer locations to define energy reduction initiatives. Central to our strategy is an approach that evaluates 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 lower carbon footprint. In 2020 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 2021 with the following activities and targets:

- Integrating Wireline and Platform Drilling crews and the reductions in total persons on board will save approximately 600 tons of Co2 per installation.
- Remote operational support for well services will save approximately 12 tons Co2.
- Further initiatives to reduce persons on board offshore installations, including VR glasses to reduce the need for third party service personnel to travel to the offshore installation.

SUPPLY CHAIN

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

We will evaluate and assess our suppliers using ESG related 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, and 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 2020 Archer executed several initiatives to control and improve energy performance:

- Office and workshop consolidation of locations saved 2891 Gigajoules of energy consumption.
- 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 the 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 of the transportation that we perform. The following key performance indicators have been established to measure performance for this initiative:

- Consolidated transportation. During 2020, Archer saved 1817 long distance transportation trips due to better planning enabling consolidated planning. Approximately 60% of the short distance transportation in Norway was consolidated. In Argentina, we reduced our light vehicle fleet by 10%, with 11 of the 41 vehicles converted to "pool" use, reducing overall vehicle usage by 24%.
- Use of Euro VI / Tier 4 trucks. In Norway 95% of the long transportation was performed using with energy efficient Euro VI trucks.

- Argentina will in 2021 increase their focus on reducing the number of kilometres traveled by light personnel vehicles
- Minimize travel
- 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 2020.

WATER MANAGEMENT

Archer recognizes the critical importance of water 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.

In Argentina we installed a waste water treatment plant in our Neuquén base in 2019 to recycle wash-down water. We experienced savings of up to 30% in the use of fresh water in the drilling base in 2020. We installed yet another waste water treatment plant in our Comodoro Rivadavia base during 2020. This plant will be commissioned and activated during Q1 2021. We are also reducing fresh water usage in field-based living quarters by improving maintenance of treatment systems, as well as controlling and reducing leakage from fresh water circulation systems.

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 to control and reduce the total exposure to chemicals is to limit the number 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 chemical handling training in order to familiarize themselves with the health hazards of the chemicals and biological substances.

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

OUR TECHNOLOGY

Renewable Energies and 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 upmost importance.

Archers’ range of technologies are designed to deliver better wells by extending well life, maximizing well performance and minimizing environmental impact. Integrity is one of the most important aspects of CCS wells to ensure that the carbon stays in the ground for eternity.

Geothermal wells are also playing an important role as a renewable energy resource in achieving the Paris climate goals. Archer has a broad range of technologies and innovative solutions to deploy in Geothermal wells.

A combination of CCS & Geothermal Technologies can contribute to achieve faster the required reduction in CO2 emission 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.

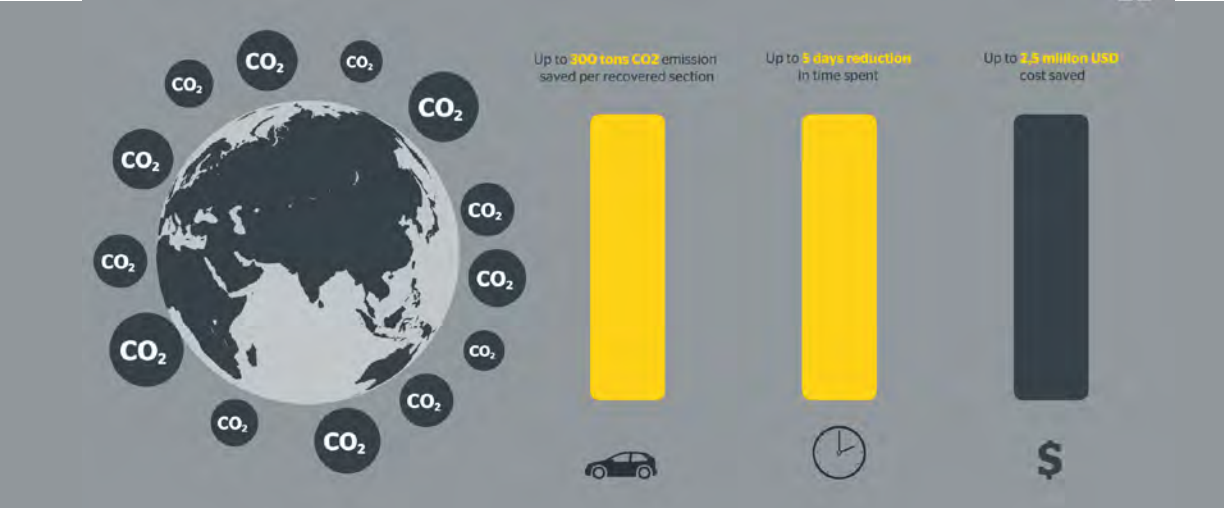
Thor® Casing Cleaning & Recovery System

The THOR® system is designed to perforate, clean and recover casing, all in a Single Trip. The method is based on removing friction in casing annulus to recover the casing. THOR® delivers a step change in performance for pulling the longest casing strings.

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is based on removing friction in casing annulus to recover the casing. THOR® delivers a step change in performance for pulling the longest casing strings.

The system is based on the market leading Perforate and Wash technology from Archer Oiltools. The TCP gun system is unique and penetrates the first casing without harming the second casing and keeping the full integrity of this casing.



The THOR® System delivers safe and ultra-efficient operations. This can result in up to 5 days of rig time reduction which equates to 240 ton of CO2 emission savings per recovered section.

ComTrac®

ComTrac® is designed to meet an evolving selection of conveyance challenges by the innovative application of composite materials in a revolutionary, cost efficient intervention system. With an all-electric drive system, the increased payload per intervention, along with extended reach capability, enables operators to economically develop their valuable assets while minimizing environmental impact.

In 2020 a perforation campaign utilizing the ComTrac® system resulted in 70% less runs compared to wireline, with 17 days of operational time saved.

The ComTrac® system will continue to prove the benefit by the high strength and low friction in the carbon rod. The abilities and the advantages of the ComTrac® system gives our customers a solution to intervene complex wells and provide the confident to continue to drill extended reach wells with maximum reservoir contact from existing field. Being able to intervene with the ComTrac system will have a major saving in field development and environmental savings.

In 2021 the goal for Archer is to reach total depth in wells up to 12.200 m and prove that the ComTrac® is the only intervention technology in the market for these applications.

Integrated Operations

Since 2015, Archer has made it possible to run operations offshore without Archer personnel themselves being on board the rig. Integrated Operations (IO) ensures a high standard of operational quality and safety and delivers a significant reduction of personnel-on-board (POB) to operators using advanced real-time technology and a substantial reduction of carbon footprint globally.

In 2020 alone, Archer performed more than 300 Integrated Operations worldwide spreading from Canada and the Gulf of Mexico to the North Sea and the Caspian Sea. Archer has increased the scope of products and solutions delivered with IO over the recent years with a 100% success rate.

Archer’s IO operations saved approx. 20,000 tons of CO2 emissions in 2020.





5. 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.

Two of the main elements in the Archer 2020 HSE plan was the implementation of IOGP's Life-Saving Rules and Archer's safety culture program named The Big 5.

The Lifesaving Rules is developed by IOGP based upon analyses of serious incidents across our industry. The rules describe key actions to prevent fatal injuries during 9 higher risk activities. Archer started the roll-out in Q1 2020 using video material, presentation material and group work tasks. The adherence to the Lifesaving Rules were verified using internal inspections and management hands-on activities.

The Big 5 is an Archer initiated safety culture program, the focus for the program is the personal motivation each of us have to stay incident free.

The main theme is to stay incident free so that we can go back home and do what we love the most. The Big 5, are each employee's 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 initiative was rolled-out in Q4 2020, kicked off by a video from Archer's CEO.

Compared with 2019, the 2020 TRIF trend had a slight increase, but decreasing towards the end of the year.

The LTI trend decreased from 0.4 to 0.14 during 2020. All the incidents Archer experienced during the year had minor personal impact. Most incidents can easily be avoided, which is why we keep consistent and high QHSE focus. To ensure this is highlighted and to ensure we reach our success criteria the following actions will be put in place and monitored during the 2021:

- 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.

To help employees contribute to achieving Archer's goals and objectives and the employees to develop

their skills and reach their goals, the Performance Management Review (PMR) has been developed. The PMR is carried out to ensure objectives are aligned across the organization and will in such strengthen the Archer culture throughout the whole organization.

MANAGEMENT SYSTEM

To ensure all Archer operations are performed safe and efficiently, our activities are controlled by procedures, all procedures 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.

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 makes use of the Archer Risk Management process. The Archer Risk Management process is designed to ensure that risks related to our operations and business processes are analysed, controlled and monitored in a consistent manner. The context of the risk management process must be adjusted to the nature of the activity and is supported by several procedures based on what is under evaluation. The governing principle is that the risk shall be reduced to a level as low as reasonably practicable (ALARP). The risk factor for all tasks are plotted in a risk matrix, where we seek to lie within the green area of the matrix.

Climate-related risks are identified and assessed within this Risk Management framework. Based on this process, Archer has identified the following risks related to Archer's scope of work:

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

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 climate 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.



6. SOCIAL AND HUMAN CAPITAL

Archer`s Vision is to be our customers` choice for the products and services we provide while being recognized for people who demonstrate our values and deliver excellence.

Archer is a people centric 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 4564 employees operating out of more than 13 office locations in 32 countries worldwide. Our diverse global workforce represents 34 nationalities. 33 employees (0,8% of the workforce) hold a part time position. The majority of our employees are working offshore at rig installations or in field locations at onshore drilling rigs. 21% of the women employees hold leadership positions with the company.

Employees 2020	4564
Offices	13
Countries operating in	32
Nationalities	34
Offshore / Field Employees	3380
Onshore / office employees	1184
Total % of Female Employees in Onshore/office	19%
% of Female Employees with Leadership Roles	21%

Although the nature of our business entails a primarily male workforce, Archer seeks to promote 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 labor standards and employment legislation where we

operate and is committed to the prevention of child and forced labor, 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 facilitates local staff to move into management positions in support of local content and job creation for nationals 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. The conversation is mandatory for all employees. 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, is inclusive and prioritises communication, ensures individual development 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

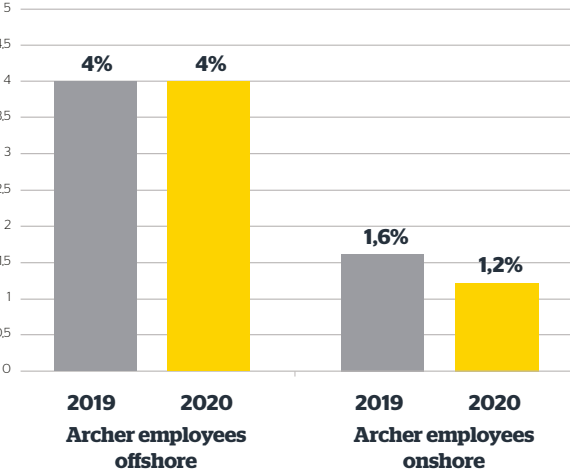
An important part of the Archer HSE program is the Archer training and competence system. To ensure all work is conducted in a safe and efficient manner, Archer has implemented a comprehensive system for training and competence. All employees/roles have a defined set of mandatory training requirements 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.

In 2020 a total of 40,850 hours of technical training was performed. A total of 4,558 hours of leadership training was performed with 321 employees attending the leadership sessions. To strengthen leadership capabilities, we implement a structured leadership training program at local and global levels. The topics for the leadership program are designed to build on company core values and strengthen performance.

ABSENTEEISM

The target for overall absenteeism for the organization is 4%. The sickness absence rate for Archer employees offshore in 2020 was 4%, same results as for 2019, while sickness rate for onshore employees improved in 2020 to 1,2% from 1,6% absence in 2019.

SICKNESS ABSENCE RATE

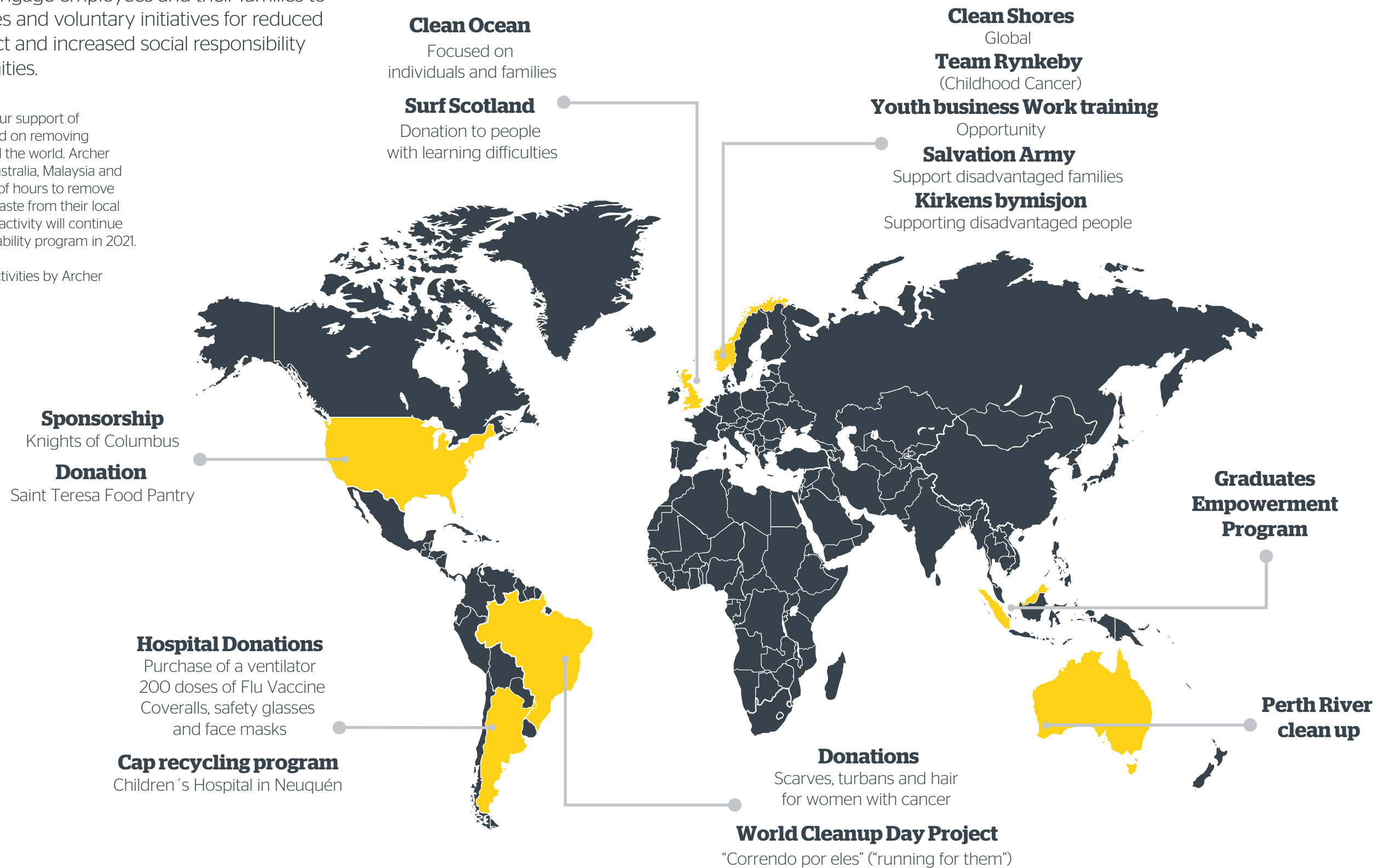


7. CORPORATE SOCIAL RESPONSIBILITY

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.

A key initiative in 2020 was our support of Clean Shores which is focused on removing waste from coastlines around the world. Archer employees in Norway, UK, Australia, Malaysia and Brazil volunteered hundreds of hours to remove tonnes of plastic and other waste from their local coastlines. The Clean Shores activity will continue as part of our annual sustainability program in 2021.

Other community support activities by Archer employees in 2020 included:





8. 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.
- Training of the organization: Archer's legal and compliance function ran 26 separate legal and compliance training sessions for the Archer organisation in 2020. Global Code of Conduct training for the Archer organisation will be performed in 2021.

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 2020 net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Reporting currency	0 USD

9. 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% renewable fuel.

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 2020 in Land Drilling in Argentina.

Number of active well sites: Based on aggregate number of wells drilled during 2020 in Land Drilling in Argentina.

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

Total number of hours worked: 4,864,861 hours worked in Land Drilling, while 3,806,740 number of hours worked in the Archer Global.





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