

# SUSTAINABILITY REPORT

Published May 2025



**CITADEL DRILLING**



# TABLE OF CONTENTS

## CEO STATEMENT

PAC<sup>2</sup>T Values  
About Citadel  
Board of Directors

## ENVIRONMENT

Pathway to Net Zero 2050  
Data Collection  
Initiatives  
Positive Environmental Impacts

## SOCIAL

Community Involvement  
Diversity & Inclusion

## GOVERNANCE

Board of Directors  
Ethics & Integrity  
Code of Conduct  
Human Rights  
Fighting Against Forced /Child Labour  
IT

## HEALTH & SAFETY

Serious Injuries & Fatality Prevention  
Emergency Preparedness

## ESG METRICS



**CITADEL DRILLING**

# MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER



**DANIEL HOFFARTH**

Chief Executive Officer

Citadel Drilling Ltd.

I am honored to present our 3<sup>rd</sup> annual Sustainability Report and have this opportunity to represent Citadel Drilling, a drilling company and Opla Energy, a tech advanced performance drilling company that are committed to driving positive environmental, social, and governance (ESG) outcomes in our industry.

At Citadel and Opla, we believe that our success is intrinsically tied to the health and sustainability of the communities in which we operate. As such, we are committed to continuously improving our environmental performance, prioritizing the health and safety of our employees, and promoting transparency and accountability in our governance practices. The ESG file remains as a priority for our Board of Directors, Executive, Management and every employee in the company.

The world is witness to the energy sector continuing to recalibrate and reconstruct business practices as our industry continues to evolve to create a strong, responsible and sustainable future. For the Companies, new changes in energy policies and social expectations have brought forward complexity, the need to think creatively, and the breaking of new ground. This everchanging environment has unlocked new opportunities to continue strengthening our business strategies and practices. As a leader, witnessing transformations like these allows me to develop an even deeper appreciation of the resiliency, talent, and dedication of our team.

To achieve our ESG goals, we have implemented a number of initiatives, including reducing our carbon footprint, investing in sustainable technologies, ensuring equity and inclusion in our workforce, and engaging with local communities to meet their needs and expectations. We recognize that there is always more we can do to drive positive impact, and we remain committed to working collaboratively with our stakeholders to identify and pursue opportunities for improvement.

I look forward to the future, as we are committed to our social and environmental goals, the well-being and safety of our employees, and the satisfaction of our clients. Knowing with confidence that our values, our technology and our people, are the building stones that will shape our success.

Thank you for your support as we strive to create a more sustainable future for all.

Sincerely,

*Daniel Hoffarth*

Daniel Hoffarth

CEO, Citadel Drilling



**CITADEL DRILLING**

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# PURPOSE, VALUES AND VISION

## CITADEL'S PURPOSE

We are passionate about listening to our employees and clients to deliver an extraordinary drilling experience!

## CITADEL'S CORE VALUE PAC<sup>2</sup>T

### PERFORMANCE:

Delivery through safety, service and innovation with professional staff.

### ACKNOWLEDGEMENT:

Celebrating the successes of our team and clients!

### COURAGE:

Having the ability and confidence to challenge and be challenged!

### COMMUNICATION:

We understand and listen to our people and clients through timely and respectful communication.

### TRUSTWORTHY:

I am accountable for my actions.

## CITADEL'S CORE VALUE PAC<sup>2</sup>T

We are committed to providing exceptional VALUE TO OUR CLIENTS, utilizing technology, innovative action, and the expertise of our people, enabling us to establish our reputation as the drilling industry's BEST-in-class service provider.



**CITADEL DRILLING**



# ABOUT CITADEL

Citadel was formed to address the ongoing needs of oil and gas producers in Canada and the USA that require safe, programmable and more efficient drilling rigs with high pressure, increased horsepower and improved pumping capacity combined with an experienced and competent team of Rig Technicians to fully optimize their drilling programs.

We are part of the modern energy wave – a smart, dynamic company built on fresh ideas from experienced professionals.

Our headquarters are in Calgary, with our operations centers in Odessa, Texas and Leduc, Alberta. Citadel Drilling is service-focused and caters to our client's needs with a fleet of modern, technically advanced [AC triple \(TA<sup>2</sup>CT\) rigs](#). These are self-moving drilling rigs that execute 15,000-25,000 foot vertical and horizontal plays. 100% of our rigs have been designed to optimize efficiencies and reduce expensive downtime and labor costs. The capability of our equipment maximizes the efficiency of our environmental footprint. Our design has incorporated ergonomic and safety aspects to improve the safety of our operations.

Our TA<sup>2</sup>CT Series 1 features innovative 2450hp Quatro pumps and 7500psi API-certified circulating system that allow operators to design the well without pressure or pump constraints. Has a state-of-the-art catwalk to revolutionize tubular and top-drive handling and the ability to run on optional fuel sources such as dual fuel (up to a 70/30% dynamic blend of natural gas and diesel), high line power capable feature or traditional diesel power, saving the operator time and monetary savings in operating costs.

Our TA<sup>2</sup>CT Series 2 incorporates all of the integrated features, pumping power and pressure systems of our TA<sup>2</sup>CT Series 1 rigs, but does it with a single-piece substructure and lighter mast for ease of moving. Much like Series 1, is designed to focus on any resource play that is of the pad, deep well or long-reach horizontal nature.

We also incorporated [Opla Energy Ltd.](#), which provides innovative managed pressure drilling (MPD) solutions through cutting-edge technology and best-in-class engineering solutions.

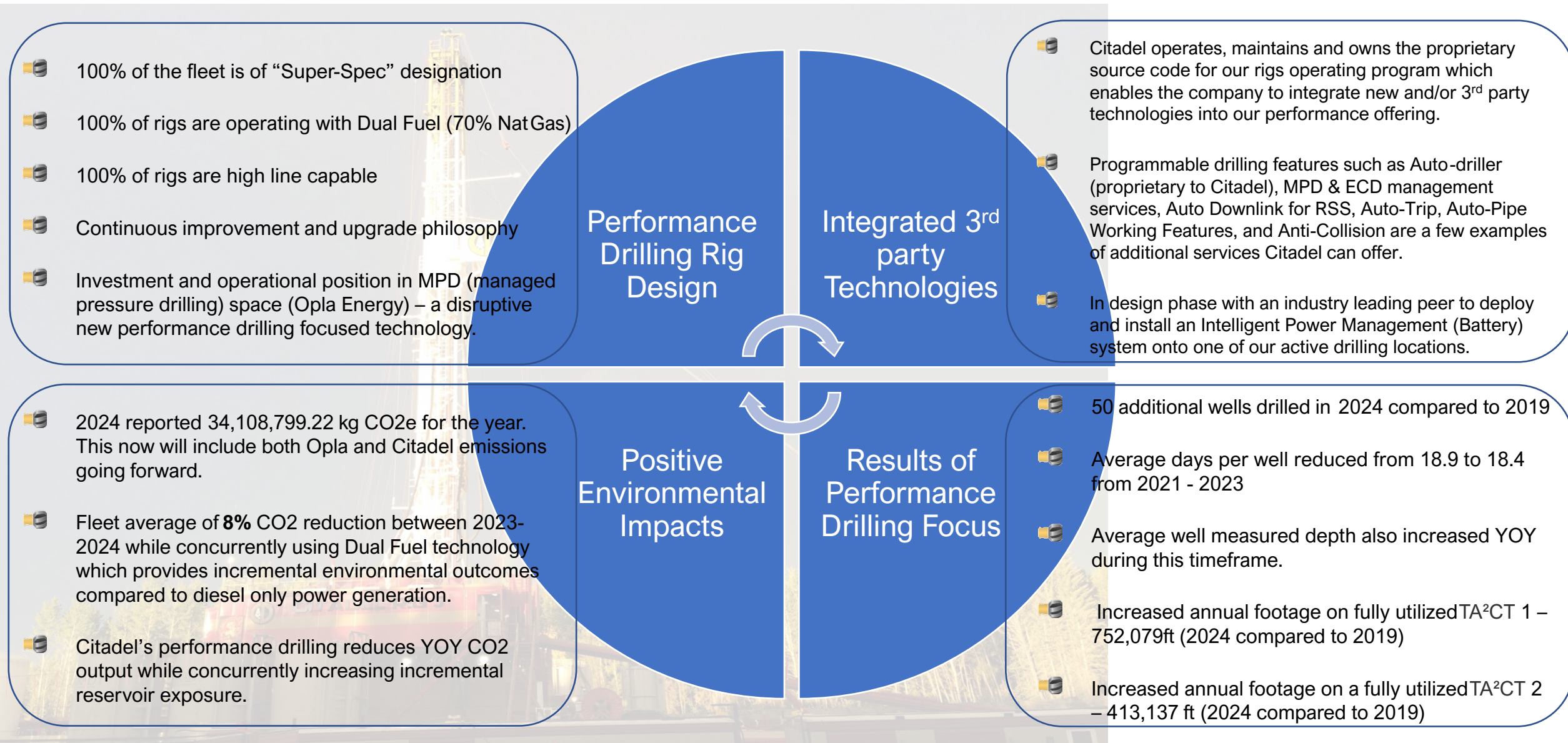
Our business is based on cooperative teamwork – from our founding management team to our dedicated, loyal and professional crews in the field. As a private company, we make decisions based on our corporate values; we provide a collaborative, open and relaxed work environment where respect for one another is key, and every voice is heard. We continue to work hard and strive to remain a forward-thinking, well-planned, well-funded and well-supported company passionate about growing a safe and successful future for our people and our clients. Incorporates several integrated features within its modern box-on-box substructure to increase the safety and efficiency of the drilling process, from rig moves to day-to-day operations.



**CITADEL DRILLING**

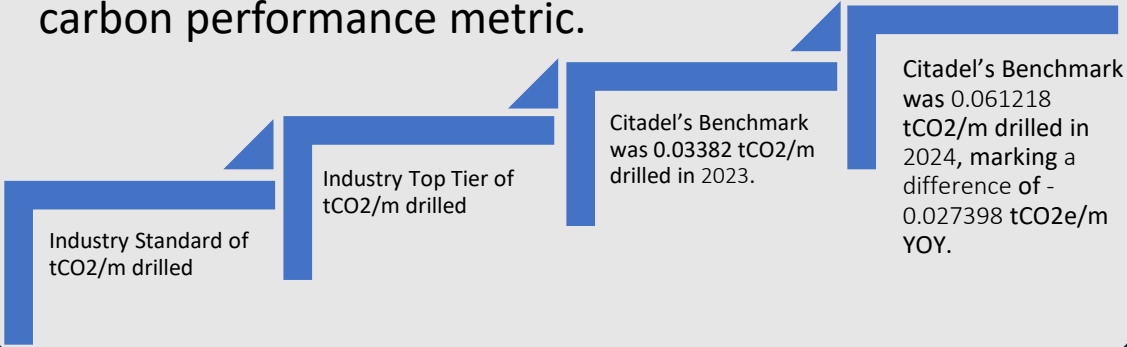


# ENVIRONMENTAL IMPACTS RESULTING FROM CITADEL'S PERFORMANCE FOCUS



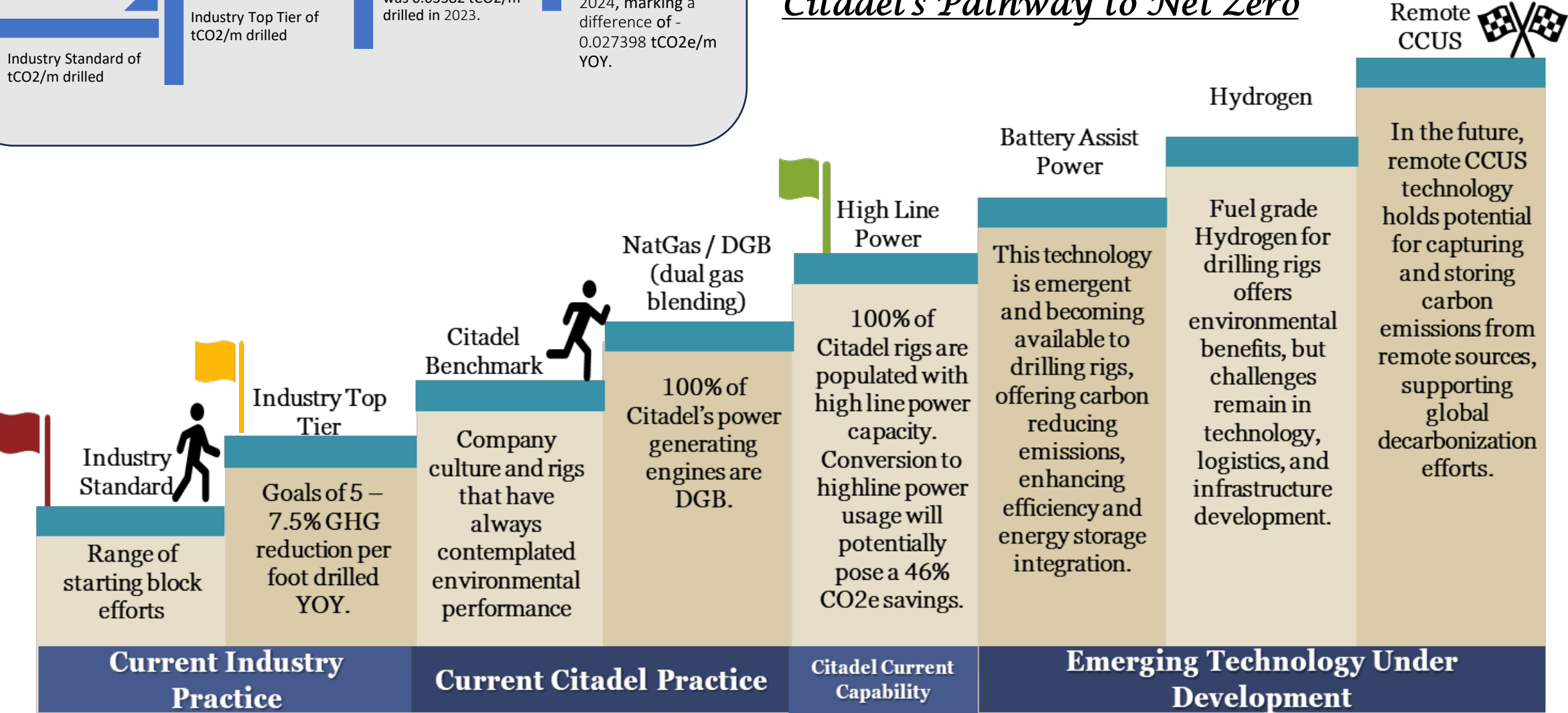


Going forward, Citadel will be tracking Industry Standard and Top Tier tCO2/ meter drilled as a carbon performance metric.



**CITADEL DRILLING**

*Citadel's Pathway to Net Zero*



# HIGHLIGHTS OF 2024



**CITADEL DRILLING**

AVERAGE DOWNTIME  
RATE OF 0.68% SINCE  
INCEPTION

THE HIGHEST  
UTILIZATION  
PERCENTAGE IN THE  
INDUSTRY

\$720.4 M INVESTMENT  
IN THE LOCAL  
COMMUNITIES  
WHERE WE OPERATE

A TOTAL OF 609  
WELLS  
11,455,597 ft  
DRILLED (3,500,000  
m)

242 EMPLOYEES IN  
THE U.S. & CANADA  
IN 2024

2024 - 624,363  
MANHOURS & 7,282  
SAFETY DAYS



# CITADEL IS ROBUST

Technology Focused Drilling Contractor

Execution Driven = 100% Super-Spec Rigs

Integrated Advanced Digital Automation

Tier 1 Rigs With Tier 1 Field Technicians

Experienced, Innovative and Safe

High Performance Value Based Culture

Continuous Technology Advancement

Top Utilization in the Industry

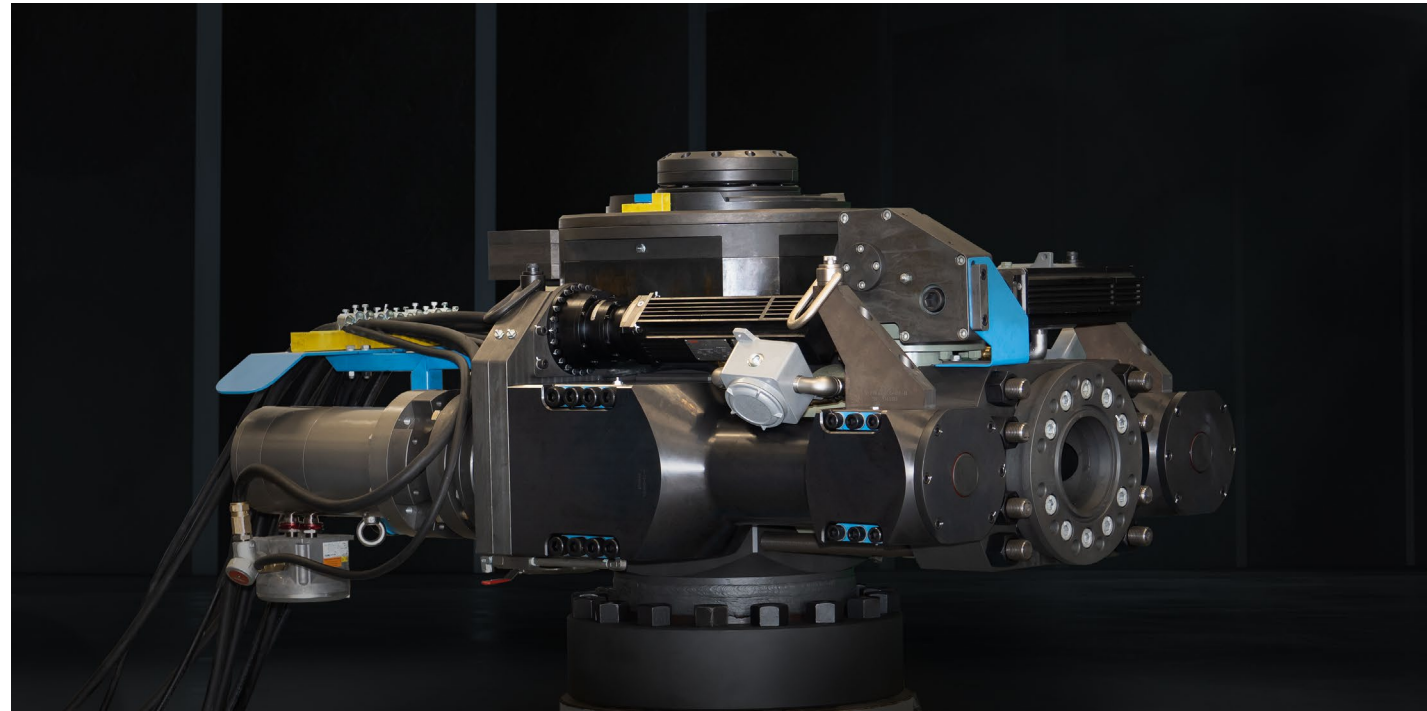


**CITADEL DRILLING**

*“The best fruit at the market gets picked first”*

# INVESTMENTS INTO PERFORMANCE TECHNOLOGIES

As a company, we recognize the critical importance of sustainability and environmental stewardship. We believe that it is our responsibility to act in the best interests of our planet and future generations. One of our focal points to achieve this is to identify and execute on new and emerging technologies. To this end, we have made a significant financial commitment to invest in a new business unit (Opla Energy) that will help us achieve our sustainability goals. Our investment in this new venture represents a major step forward in our ongoing efforts to reduce our environmental impact and promote sustainable practices throughout our operations through increasing drilling performance and lowering emissions by leveraging technology. We are proud to report on our progress towards these goals and are committed to continuing to make positive contributions to the environment and society as a whole.





# Opla Energy represents a significant contribution to the ESG performance of Citadel and the Energy Industry overall.





# PATHWAY TO NET ZERO 2050

## PHASE 1 2024-2030:

- Converting diesel/gas power generation to electric base.
  - This phase would include the addition of step-down transformers to engage highline power as the power source for drilling operations
  - This is conceptually and physically possible today with current barriers being the power grid consistency and availability in the areas in which we work.
  - We do need to recognize that high line power does come with a carbon footprint and will be needing to be cognizant of energy source in reporting.
- Reducing Fossil Fuel Use: Citadel will adopt a more sustainable approach to drilling by reducing our reliance on fossil fuels. This will involve using alternative fuels such as biodiesel to power our drilling rigs.
- Enhancing high line power supply with battery backup supply where inconsistent or intermittent surge power requirements can be best met without service interruption.
- Increased Energy Efficiency: Citadel will continue to adopt energy-efficient technologies such as LED lighting and high-efficiency motors to reduce our energy consumption and energy waste.
- Enhanced Drilling Performance: Drilling operations conducted at a higher level of performance (reduced amount of time) will continue to have a major impact on CO2 output. Through strategic investments, such as Opla Energy where we continue to pursue and explore methods of performance drilling, Citadel is able to produce a higher volume of reservoir exposed with the same or less year over year emissions.

## PHASE 2 2025-2050:

- Hydrogen fuel cell technology has the potential to significantly improve the CO2 performance of companies that rely on remote diesel-based power systems, such as drilling companies:
  - High Efficiency: Hydrogen fuel cells are highly efficient, converting the energy from hydrogen into electricity with an efficiency of up to 60%, compared to the 25-30% efficiency of diesel engines. This means that less fuel is needed to generate the same amount of electricity, resulting in fewer emissions and lower costs.
  - Scalable Technology: Hydrogen fuel cell systems can be scaled to meet the power needs of remote sites, from small-scale portable systems to large-scale stationary installations. This makes them suitable for a variety of applications, including powering drilling rigs and other remote infrastructure.
  - Clean Energy Source: Hydrogen fuel cells generate electricity by combining hydrogen and oxygen, producing only water vapor and heat as byproducts. This means that hydrogen fuel cells are a clean energy source, producing no carbon emissions or other pollutants.
  - Current drawbacks are a lack of infrastructure, proven remote track record and cost.
- **Remote based Carbon Capture:**
  - Carbon Capture and Storage: Citadel will invest in carbon capture and storage technology to capture and store carbon emissions from our drilling operations. As this technology evolves and remote equipment, transport and disposal models enter the market, this will provide Citadel an excellent opportunity to continue to reach our goal of a net zero profile by 2050.
- **Carbon Offsetting:**
  - Citadel will be evaluating best options to offset carbon emissions by investing in carbon offset projects such as reforestation, renewable energy projects or energy efficiency projects. This can help achieve a net-zero status by balancing our emissions with carbon sequestration.



In conclusion, achieving net-zero emissions is a critical goal for our drilling company and a fundamental part of our commitment to sustainability. By implementing the strategies outlined in this report, we are taking a bold step towards a more sustainable future. We recognize that reaching net-zero emissions will be a significant challenge, but we are committed to working tirelessly towards this goal. We will continue to explore new technologies and innovative solutions, collaborate with industry partners, and engage with our stakeholders to drive progress towards a more sustainable future. We are confident that by taking these actions, we can make a positive impact on the environment, communities, and the economy while providing essential drilling services to our clients.



# ESG

## ENVIRONMENTAL

- Climate Change
- Energy and Resource Efficiency
- Land Management
- Waste Management
- Emissions Tracking
- Water Use

## SOCIAL

- Health & Safety
- Inclusion & Diversity
- Human Rights
- Fair Labor Practices
- Community Engagement
- Demographics

## GOVERNANCE

- Corporate Governance
- Anti-Corruption
- Organizational Transparency
- Board Composition and Effectiveness
- Risk Management
- Shareholder Rights
- Ethics and Integrity





# ENVIRONMENTAL INITIATIVES BY CITADEL:

- Citadel prioritizes the continual development of technology and use of automation to improve efficiency and promote “energy waste reduction” efforts.
- Performance and the speed at which we drill continues to be the #1 manner in which to reduce CO2 per foot of reservoir provided. This is an important metric as this philosophy measures and relies on the ability to deliver access producing reservoirs at a reduced cost and volume of CO2. Therefore, maintaining a focus on all areas of process improvement that increase productivity will result in less CO2 being produced to access greater volumes of energy bearing geology.
- Only contractor to be able to offer 100% of rig inventories with Bi-fuel(DGB) engine systems and High Line ready status (ability to use the existing power grid and not run any onsite power generation equipment, eliminating CO2 output on drilling location).
- Dark skies compliant to reduce wildlife impact and comply with observatory needs.
- Generator load-sharing programs to ensure optimal power loading of engines and generators which reduces emissions and optimizes fuel consumption.
- “Transit Optimization” through pad drilling. 100% of Citadel rigs have integrated pad walking abilities and most flexible rig layout options in the industry, enabling a greater number of wells per pad. This reduces the amount of new drilling locations needed and minimizes surface environmental footprint.
- Industry-leading spill containment is designed into every building on every rig.



**CITADEL DRILLING**





# THE FIRST STEP – COLLECT AND UNDERSTAND THE DATA

## **ESG ASSURE™ & ESG VERIFY™**

In conjunction with an internal set of standards, metrics, and analytics Citadel utilizes ISNetworkworld ESG offerings such as ESG Verify™ and Assure™ to manage, collect, and analyze ESG policies and metrics. This enables our leadership team to create a holistic view of sustainable activity, and efficiently monitor our ESG goals.

ISNetworkworld is a third-party compliance company designed to meet internal, client, and governmental record-keeping and compliance requirements by collecting health, safety, procurement, quality and regulatory data. Through which, we meet our client's compliance requirements as well as our contractors are required to meet ours.

ESG Assure™ is a suite of tools and data that allows for the identification of impactful metrics and KPIs in sustainability management, provides transparency and facilitates progress toward sustainability goals by tracking ESG information throughout the supply chain and compiling the findings to provide an overview of the organization's efforts.

ESG Verify™ is part of ESG Assure™ offerings, and it is used to collect and house internal documentation such as ISO and other certifications, diversity certificates, environmental, social and governance policies, and in conjunction with ESG Plus documentation are reviewed, tracked, related interviews and surveys are conducted, action items and gaps are also identified and resolved.

Management has also been actively engaged as members of the IADC Sustainability Committee responsible for creating a guidance portfolio that represents the industry-recommended standards and metrics that all drilling contractors should measure and report on.

<https://www.iadc.org/committees/sustainability/>





Citadel Drilling will record according to GRI (Global Reporting Initiative) evaluation and accreditation program. GRI is Citadel's preferred system due to the flexible framework for creating standalone sustainability of non-financial reporting and integrated ESG reports.

GRI – Global Reporting Initiative - The Global Reporting Initiative is an international independent standards organization that helps businesses, governments and other organizations understand and communicate their impacts on issues such as climate change, human rights and corruption.

To see an overview of the GRI Standards applicable to the oil and gas sector to which Citadel will be aligning its efforts, please visit: [https://www.iadc.org/wp-content/uploads/2022/03/GRI\\_Presentation\\_Oil-and-Gas-Sector-Standard.pdf](https://www.iadc.org/wp-content/uploads/2022/03/GRI_Presentation_Oil-and-Gas-Sector-Standard.pdf)

Citadel has completed our initial phase of emissions measurement prior to setting targets. The company is electing to focus on measuring and illustrating year over year performance improvements and environmental impact reduction efforts or “intensity targets”.

Many of the measures that Citadel's competitors are working to achieve today have been a part of the Citadel story since its inception and were incorporated into our original building design, such as DGB generators, bi-fuel boilers, and spill containment (as referenced in the previous spider map of the ARC presentation).



**CITADEL DRILLING**





# SOCIAL

At Citadel Drilling, we recognize that our social impact extends far beyond the walls of our business. We are committed to leveraging our resources, expertise, and influence to positively impact the communities in which we operate and beyond.

As a responsible corporate citizen, we believe that it is our duty to prioritize the well-being of our employees, customers, and society at large. It is our duty to promote a strong company culture where our employees' workplace experience is aligned with our company PAC<sup>2</sup>T values. It is our aim to provide transparency and accountability around our efforts to promote social responsibility and sustainability across our operations. We are dedicated to building a culture of respect, fairness, and inclusion, where all stakeholders are treated with dignity and empowered to achieve their full potential.

We are committed to continuously improving our social impact, and we welcome feedback and engagement in this journey.





# SOCIAL

Citadel is committed to enriching and positively impacting the communities and industries where we are present. We support the local business and the health and wellness associations that assist the communities in the geographical areas where we work.

We have spent \$720.4M CAD in the local communities' that we work, since 2013.

We actively collaborate with the industry associations such as:

- International Association of Drilling Contractors (IADC) with representation on the HSE, Sustainability, Advanced Rig Technology, MPD, and the North American Advisory Panel Committees.
- SPE associations and events
- AADE associations and events
- Permian Chapter of the IADC
- Canadian Association of Energy Contractors (CAOEC)
- Certified Professional of Human Resources (CPHR)
- Society of Human Resources Management (SHRM)



**CITADEL DRILLING**



## Citadel & Opla

We have completed the 2024/2025 donations to charitable organizations that are important to Citadel, Opla and our employees.

This year's recipients include the following:

|                           |         |                             |             |
|---------------------------|---------|-----------------------------|-------------|
| Calgary Food Bank         | \$2,000 | West Texas Food Bank        | \$5,000 USD |
| Kids Up Front             | \$1,200 | Midland Fair Havens         | \$4,000 USD |
| YWCA                      | \$750   | Freedom Service Dogs        | \$525 USD   |
| Prostate Cancer Center    | \$500   | Midland Rape Crisis Center  | \$500 USD   |
| KidSport                  | \$500   | High Sky Children's Ranch   | \$500 USD   |
| Calgary Veterans Foodbank | \$500   | Isaiah's Soup Kitchen       | \$500 USD   |
| Edmonton Foodbank         | \$500   | Boy Scouts of America       | \$500 USD   |
| Heart & Stroke Foundation | \$500   | CASA West Texas             | \$500 USD   |
| Diabetes Canada           | \$500   | Boys & Girls Club - Midland | \$500 USD   |
| Saving Grace Society      | \$500   | WPF Seniors Life - Midland  | \$500 USD   |
| Calgary Drop-In Center    | \$500   | Texas Children's Hospital   | \$500 USD   |





# DIVERSITY & INCLUSION

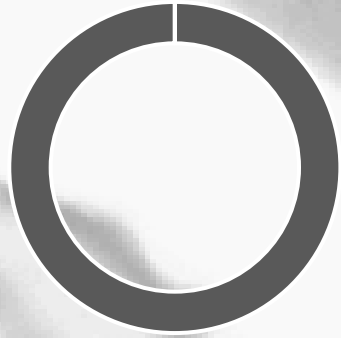
Our success in a competitive industry depends on attracting, mentoring and retaining the most talented, committed, and capable workforce possible. To do so we must ensure there are no barriers in our practices, behaviors or culture that would dissuade any individual from joining Citadel and contribute to their highest potential. We conduct regular workplace culture surveys to help us identify areas of strength and opportunities to improve such that everyone can experience acceptance, have equal opportunities to contribute and advance, and achieve personal and team success.

We will continue to be supported by our PAC<sup>2</sup>T values and the Citadel vision as we strive to create an inclusive workplace where everyone can experience acceptance, have equal opportunities and be successful.

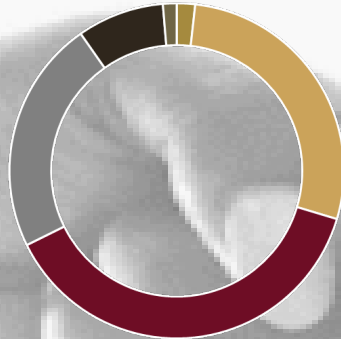


**CITADEL DRILLING**

# DIVERSITY & INCLUSION



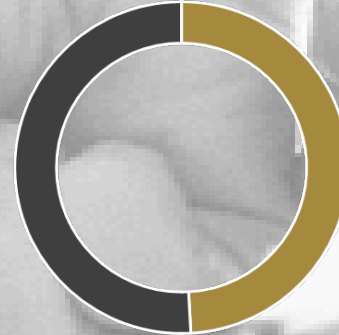
Female Directors (2)



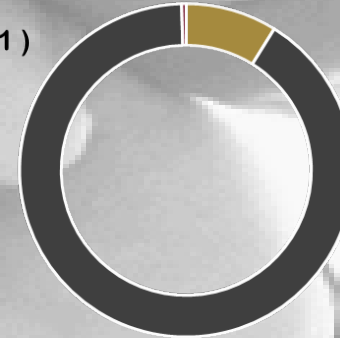
Age Group 18-19 ( 4 )  
 Age Group 20-29 ( 63 )  
 Age Group 30-39 ( 86 )  
 Age Group 40-49 ( 51 )  
 Age Group 50-59 ( 19 )  
 Age Group 60-69 ( 3 )



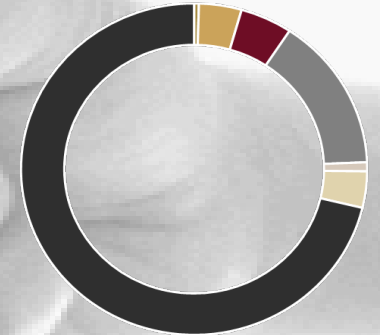
Females in Sr. Mgmt. Positions ( 5 )  
 Males in Sr. Mgmt. Positions ( 14 )



Canadians Employees ( 111 )  
 US Employees ( 115 )



Female ( 20 )  
 Male ( 205 )  
 Non-Binary ( 1 )



American Indian or Alaska Native ( 1 )  
 Asian ( 9 )  
 Black or African American ( 11 )  
 Hispanic or Latino ( 34 )  
 Native Hawaiian/Pacific Islander ( 2 )  
 Two or More Races ( 8 )  
 White ( 161 )





# CITADEL BOARD OF DIRECTORS

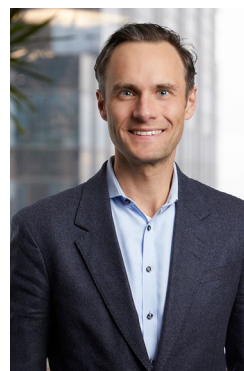
Citadel Drilling Ltd.'s Board of Directors exercises oversight of the management and supervision of the affairs of the Company. The Board of Directors plays a key role in ensuring ESG controls and processes are in place and adhered to. The Board works through Committees to provide a strategic view and advice on key issues to simultaneously represent ESG needs and the best interests of Citadel's stakeholders.



DOUGLAS FREEL



LAUCLAN CURRIE  
CHAIRMAN



PETER CHRISTOPHER

ARC Financial Board Members meet every quarter with the company to help bring structure to the risk prevention strategies and managing processes, as well as supporting the company's ESG goals and responsibilities.



DANIEL HOFFARTH  
CEO



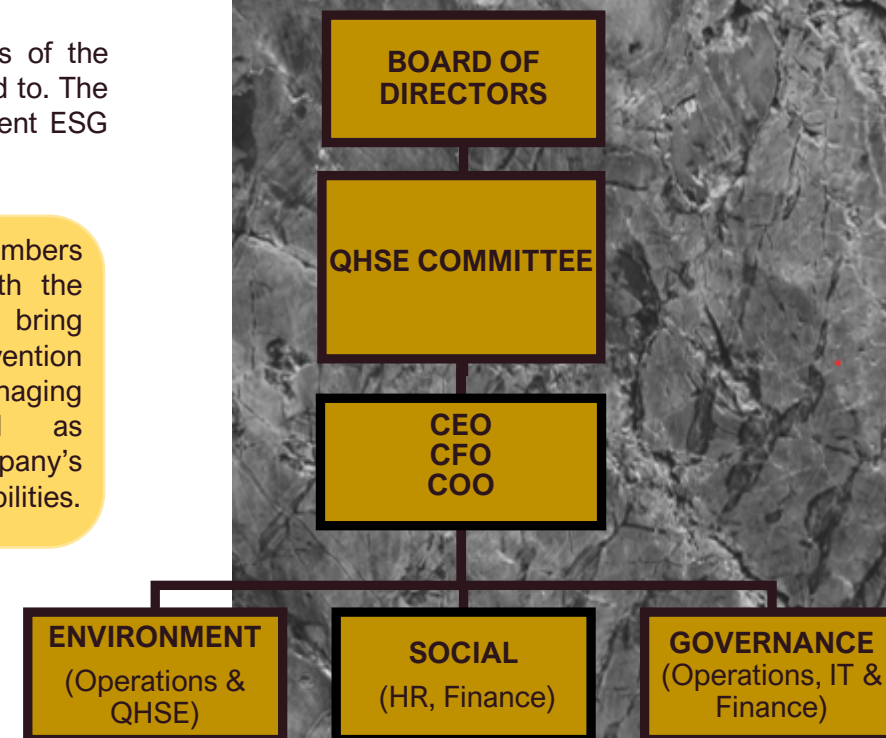
DAVID TODD



ROBERT WAGEMAKERS



COREY ZAHN



## BOARD OF DIRECTORS COMMITTEES

- Quarterly Audit Committee
- Quarterly QHSE Committee
- Compensation Committee



# ETHICS & INTEGRITY



At Citadel Drilling Ltd., we have established unequivocal ethical business expectations for all our stakeholders, including our employees, management team, board members, contractors, and business partners. We are steadfast in our commitment to conducting business operations that exemplify the utmost integrity and ethical conduct. Our unwavering belief is that a reputation founded on honesty, integrity, and accountability is the foundation for our success. We understand that maintaining the highest standards of ethical behavior is essential for building and maintaining trust among our stakeholders, and we remain resolute in our dedication to this principle.

As part of our commitment to the highest standard of corporate governance, Citadel has established procedures for the receipt and handling of concerns related to alleged or suspected violations of our Code of Conduct, other internal governance policies, and any other applicable laws and regulations. We educate our workforce on our Whistleblower procedures. These procedures can also be accessed through our website.



## CODE OF CONDUCT

We are committed to conducting our business lawfully and ethically. The Code of Conduct and the Business Ethics policy reflect Citadel Drilling Ltd.'s commitment to a culture of honesty, integrity and accountability that outlines the principles and policies all stakeholders are expected to comply with. Our Code of Conduct includes guidelines for ethical decision-making, conflict of interest, use of employment for personal gain, outside business or personal activities, confidentiality, protection of company assets, fair dealing, compliance with law and regulations, compliance with the Competition Act, criminal offences, compliance with environmental laws, political activities and contributions, corruption, reporting, and training. Our governance processes ensure the transparency of our business.





## Fighting Against Forced and Child Labor in Supply Chains

The company emphasizes its commitment to preventing forced and child labor in its supply chains. The policy demonstrates the organization's accountability in maintaining ethical sourcing practices and is an important step in the global effort to combat exploitation.

Actions Taken:

**1.Enhanced Vendor Accountability:** Citadel Drilling has taken the steps to integrate a supplier questionnaire into our vendor/supplier platform to ensure vendors align with our values and comply with Canadian legislation, including Bill S-211.

**2.Annual Government Reporting:** Citadel is committed to submitting its annual report and questionnaire to the Government of Canada, in line with the Act's transparency and accountability requirements.

**3.Public Disclosure of Report:** This report will be made publicly available on our website to ensure transparency and stakeholder access to our efforts in preventing forced and child labour.

**4.Policy Integration:** We embedded forced and child labour prevention measures into several internal policies, including our Ethics and Standards of Business Conduct Policy, Harassment and Violence in the Workplace Policy, and Whistleblower Policy.

**5.Training and Awareness:** Expectations regarding forced and child labour have been incorporated into our Code of Conduct training, and we are exploring additional training initiatives for procurement and operational teams.



# IT CYBERSECURITY

As technology advances, the risks associated with it magnify, affecting many areas of an organization. Vulnerabilities in IT infrastructures can represent great risk and can significantly impact the finances, reputation, privacy and digital safety of a company's operations.

The effective management of our cybersecurity is crucial to the safety of our operations. All critical Company data is stored in a domestic data center with location redundancy and is based on a SOC 2 Type 2 framework subject to annual audits.

At Citadel we coordinate our efforts with third-party IT experts to manage our digital environment and put in place a cybersecurity program that includes safeguards, digital awareness and safety training, and regular internal audits to identify any threats to our IT infrastructure.



**CITADEL DRILLING**





# HEALTH & SAFETY

The health and safety of our workers is more than a priority. It is a non-negotiable company value that is owned and governed by our Board of Directors, Senior Leadership team and every employee in the company.

At our company, we prioritize the health and safety of our employees above all else. We are committed to continuously improving our performance in this area by providing our leaders and employees with comprehensive training on best practices for personal competency and hazard recognition. We are especially dedicated to mentoring our new employees and ensuring they receive proper guidance in all aspects of their job.

We closely monitor our safety metrics and analytics to identify areas for improvement and evolution in our process safety practices. We place a strong emphasis on eliminating hazards and strengthening our compliance practices. To this end, we are constantly mentoring and educating our workforce on compliance and behavioral safety. Our unwavering commitment to health and safety extends to all aspects of our operations, and we strive to create a culture that values and prioritizes the well-being of our employees above all else.



**CITADEL DRILLING**

**33% INCREASE  
IN ALL OUR  
HAZARD  
ASSESSMENT  
PROGRAM  
PARTICIPATION**

**624,363  
MANHOURS &  
7,282 SAFETY  
DAYS  
COMBINED**

**9% INCREASE  
IN  
COMPLIANCE  
ELEMENTS  
PARTICIPATION**



# EMERGENCY RESPONSE & PREPAREDNESS

Our Board of Directors and Management Team work closely together to continue strengthening our Risk Prevention and Management practices. We have developed a robust Emergency Management Toolkit to ensure that Citadel Drilling Ltd. is prepared to handle emergency situations that could arise. Our Management Team ensures that our tabletop scenarios are practiced regularly, and that the appropriate training occurs to best educate and support our employees in ERP (Emergency Response Plan) delivery. Our training and tabletop exercises meet and exceed the local legislated and industry recommended safety requirements, at all of our work-sites.

Emergency Response Plans assist in the proper management of an event or crisis, with the goal of minimizing losses. The effective management of these also allows normal operations to be resumed as soon as possible. Having trained, knowledgeable and experienced leaders in place to guide our business units in case of an emergency is non-negotiable.

Our employees, teams and management focus on following as tools to manage any situation that is in or out of scope of our normal day to day operations:



**PREVENTION** – Incident prevention through initiatives such as Life Saving Rules, Safety Stand Down, Training, Audits, Policy Reviews, Compliance KPI's, Behavioral Based and Short Service Employees Programs, etc.



**MITIGATION** – Comprehensive risk management strategies and planning, effective hazard assessment and risk mitigation systems, robust MOC system, seamless engineered and technological solutions.



**PREPAREDNESS** – ERP training, monthly and quarterly drills, diligent emergency equipment and supplies inspection, emergency systems included in monthly KPI's and coordination with clients.



**RESPONSE** – Our personnel is trained in controls, evacuation & rescue procedures, robust notification and communication structure for all type of emergencies.



**RECOVERY** – Maintain a robust business continuity plan and corporate emergency response plan in place.





# ESG METRICS

| QHSE HIGHLIGHTS                         |        |
|-----------------------------------------|--------|
|                                         | 2024   |
| Total proactive QHSE measures submitted | 29,212 |
| YOY proactive measure count improvement | 2,603  |
| 10-year Total Lost Time Incident Rate   | .16    |
| 10-year Total Fatality Rate             | 0      |
| 2024 Total Recordable Incident Rate     | 1.90   |

| SAFETY                                                               |      |
|----------------------------------------------------------------------|------|
|                                                                      | 2024 |
| Total Fatality Rate                                                  | 0    |
| Total Serious Incidents Rate                                         | .32  |
| Total Lost Time Incident Rate                                        | .32  |
| Total Recordable Incident Rate                                       | 1.90 |
| Current TRIR (July 2025)                                             | 1.27 |
| Percentage of Employees trained in company policies and procedures   | 100% |
| Regulatory Safety Citations (OSHA - Electrical – other than serious) | 2    |

| BUSINESS METRICS                           |           |
|--------------------------------------------|-----------|
|                                            | 2024      |
| Total LTD Investments in local communities | \$627.8mm |
| LTD Employment Opportunities               | 762       |
| Total FTE Staff Position Created           | 242       |
| Total Hours Worked                         | 624,363   |
| Wells Drilled                              | 127       |
| Downtime Average Percentage                | 0.61%     |



**CITADEL DRILLING**

# ESG METRICS

| ENVIRONMENT                                                                                                                                                           |                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
|                                                                                                                                                                       | 2024                              |
| Greenhouse Emissions (Combined with Opla)                                                                                                                             | 33,868.43 MT of CO <sub>2</sub> e |
| Scope 1 Emissions (Combined with Opla)                                                                                                                                | 446.14 MT of CO <sub>2</sub> e    |
| Scope 2 Emissions (other) (Combined with Opla)                                                                                                                        | 33,422.29 MT of CO <sub>2</sub> e |
| Total Reportable Spills                                                                                                                                               | 0                                 |
| Total Reportable Volume                                                                                                                                               | 0                                 |
| Total amount of other spills                                                                                                                                          | 0                                 |
| Regulatory environmental Citations                                                                                                                                    | 0                                 |
| Additional feet drilled in 2024 compared to 2019 (both years have comparable utilization)                                                                             | 1,165,216ft. (220 miles)          |
| Annual CO <sub>2</sub> reduction total as an outcome of performance drilling results (based on case study of 2022-2023 metrics) (Scope 2 operational based emissions) | 5,293 MT of CO <sub>2</sub>       |

| COMMUNITY INVOLVEMENT                                      |          |
|------------------------------------------------------------|----------|
|                                                            | 2024     |
| Total LTD Investments in local communities since inception | \$720.4m |

| DIVERSITY AND INCLUSION                                           |      |
|-------------------------------------------------------------------|------|
|                                                                   | 2024 |
| Total percentage of population reporting as females in company    | 9%   |
| Total percentage of population reporting as non-binary in company | <1%  |
| Total percentage of population reporting as males in company      | 91%  |
| Total percentage of females in corporate positions                | 24%  |
| Total percentage of females in the field positions                | 2%   |
| Total percentage of males in corporate positions                  | 76%  |
| Total percentage of males in the field positions                  | 98%  |





# HUMAN RIGHTS

Citadel recognizes the crucial need to uphold the highest human rights values in our organization and rely on our core values of PAC<sup>2</sup>T (Performance, Acknowledgement, Courage, Communication, Trustworthy) as the pillars from which we operate and conduct our businesses.

Our PAC<sup>2</sup>T values encompass our commitment to our Human Rights principles, and these are reflected in our Respectful Workplace and Code of Conduct policies. These policies apply to our workforce, subsidiaries and contractors, and are designed to protect our employees, our clients and business partners, and the public in the communities where we work.

At Citadel Drilling, we take compliance with our Respectful Workplace and Code of Conduct policies very seriously. Our policies are designed to provide clear guidance on how to maintain a respectful, inclusive, and ethical workplace. To ensure that these policies are upheld, we have implemented a process for reporting any non-compliances through our anonymous integrity hotline, commonly known as the Whistleblower line. All our employees have been thoroughly trained in our policies and can access them anytime via our website.

In the event that any issues are reported, we conduct a thorough investigation to address the matter appropriately. All reported incidents related to human rights non-compliances are investigated and communicated to our Board of Directors with complete transparency. To further reinforce our commitment to accountability, all Whistleblower calls are directed to a designated member of our Board of Directors directly. Our company firmly believes that adherence to our policies is critical to maintaining a culture of respect and ethical behavior, and we are dedicated to always upholding these values.



**CITADEL DRILLING**

## GUIDING HUMAN RIGHTS DOCUMENTS:

- Respectful Workplace Policy
- Code of Conduct
- Whistleblower Procedures

