

Annual ESG Report 2021



CONSTELLATION

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About the Report

This is our first Annual ESG Report, which we are publishing to share our commitment to ethical, responsible and sustainable action in all of our activities in the oil and gas sector. Our goal is to provide employees, shareholders, customers, suppliers and society as a whole with an understanding of how we mitigate risks and seek opportunities to be more efficient in managing environmental, social and corporate governance (ESG) in relation to our business.

The information here regards the entire company and covers the period of January 1 to December 31, 2021 - the same scope used in drafting the annual consolidated financial statements. Focused on transparency and objectivity, we follow best market practices and we adopt the principles and standards of the Global Reporting Initiative (GRI), an international organization, in compiling data on the disclosure items prioritized.

The Report was built as a joint effort, with all administrative and operational areas at our company participating. Data was surveyed and consolidated by employees and was reviewed and approved by leadership prior to publication. For this edition, we did not subject the report to external verification of information.

We aim to consistently evolve in both managing and communicating corporate sustainability and ESG aspects in our business. That is why we would like to invite anyone interested to share comments and suggestions on our Report by e-mail at gtsustentabilidad@theconstellation.com.

This report has been prepared in accordance with the GRI Standards: **Core option**

Message from the CEO

With operations spanning 40 years, Constellation began 2021 with a new path toward growth and consolidation of its business. Our leaders worked together to build a new strategic plan, in line with the trends and challenges in our sector, and set plans in place to achieve eight strategic initiatives that will take us to an even higher level of quality, efficiency and competitiveness.

Throughout the last year, we have worked on a variety of action plans and were able to reach 100% capacity in our fleet of offshore rigs and a contract backlog of over 14 years. This positive result is fundamental to strengthening the financial health, a solid cash position and support for long-term business.

Since 2020, the Covid-19 pandemic and the sharp drop in the price of Brent Crude once again impacted the oil and gas sector, bringing additional challenges in restructuring corporate debt. That is why we have been working with our creditors to definitively resolve this issue

and to resume investments. In March 2022, our restructuring was approved by 100% of creditors, showing the confidence in and strength of our company.

The pandemic also brought new operational challenges. Promotion of people's health and safety is one of our company's values, which is why we established employee testing and monitoring protocols and procedures, held educational campaigns and adopted measures to minimize the risk of infection aboard rigs.

During the entire health crisis, we have always acted responsibly to maximally mitigate the risks of accidents and leaks, protecting the health and safety of people and the environment.

Our industry has also been transforming to respond to the growing demand of customers and society at large for steps to be taken in managing aspects of environmental, social and corporate governance (ESG).



Rodrigo Ribeiro
Constellation CEO

Operational excellence, safety as a value, and the aim of reducing greenhouse gas emissions are fundamental to supporting the business today and in the long term

In this context, we are undertaking a commitment to contribute to advancing the upstream oil and gas chain. The goal of achieving maximum efficiency in operations is one of the pillars supporting our strategy. When we execute activities with lower stoppage rates and lower fuel consumption, not only are there gains from reduced costs, but we make a decisive contribution to a more sustainable production model.

At Constellation, we hold the record for the fastest build of a pre-salt well in Brazil. We finalized all of the actions needed for drilling and completion in 18 days, in the Sul de Gato do Mato campaign. In practice, we contribute with operational excellence to fewer greenhouse gas emissions and to less waste and effluents generated.

One of the biggest trends influencing our sector is the transition to a less carbon-intensive energy matrix. This shift is a long-term journey, on which we can contribute all of the knowledge, operational excellence and capacity for innovation we have acquired in oil fields.

Our team of employees recognizes the importance of the ESG agenda and is committed to moving our practices forward in line with the needs and expectations of customers and society. We will look for increasingly efficient and secure innovations and alternatives to deliver our services in a more and more sustainable way and with operational excellence.

Our company's engagement with actions like the UN Global Compact is important to promote shared experiences and knowledge on the challenges of sustainability. In 2021, with the backing of all of our leaders, our company became a signatory to this initiative to accelerate our journey.

Constellation's strength lies with our team, which uses our values to effectively, efficiently, safely and ethically deliver results. When we look ahead, we see a path filled with opportunities for an increasingly sustainable business model with an even more positive impact on our society.

We are Constellation!

Rodrigo Ribeiro
Constellation CEO

About Constellation

Our company is a leader in Brazil in the oil and gas well drilling and completion segment. We began operations over 40 years ago, in 1981, and have been building history ever since, working on more than 1,000 offshore (pre-salt and post-salt) and onshore wells.





We are experts in offshore operations. We have eight drilling rigs, allowing us to work in environments with water depths of up to 3,600 meters. We also have eight land rigs for onshore operations, four of which can be transported by helicopter to access remote fields.

Our offices in six countries have administrative offices or operational units to operate this portfolio. Our Brazilian office is located in Rio de Janeiro, with offices located abroad in Luxemburg, Panama, the Netherlands, India and the USA. Along with the Rio das Ostras and Manaus operations bases, these facilities make up the structure supporting the company.

At the operations base in the municipality of Rio das Ostras (RJ), we integrate the best resources to manage our offshore operations. This unit has a large warehouse and material supplies area, as well as facilities for training and support and the RTOC (Real Time Operations Center). The RTOC joins teams of specialists with an advanced system of hardware, software, sensors and cameras for daily and real-time oversight of our operations. Through these integrated systems and the use of algorithms, an intelligence database is created to make operations more efficient and secure (learn more on page 37).

The operations base in the city of Manaus (AM) provides support for onshore drilling operations.



Mission

Add value to stakeholders, by actively participating in the energy segment, providing services related to the Oil and Gas activities and achieving results accomplishing corporate excellence and a positive return to shareholders.

Vision

To be remarkable in operational and safety performance, achieving high quality standards in the Management of Quality, Environment, Health, Safety and Social Responsibility, strengthening the brand and ensuring the sustainable perpetuation of the business.

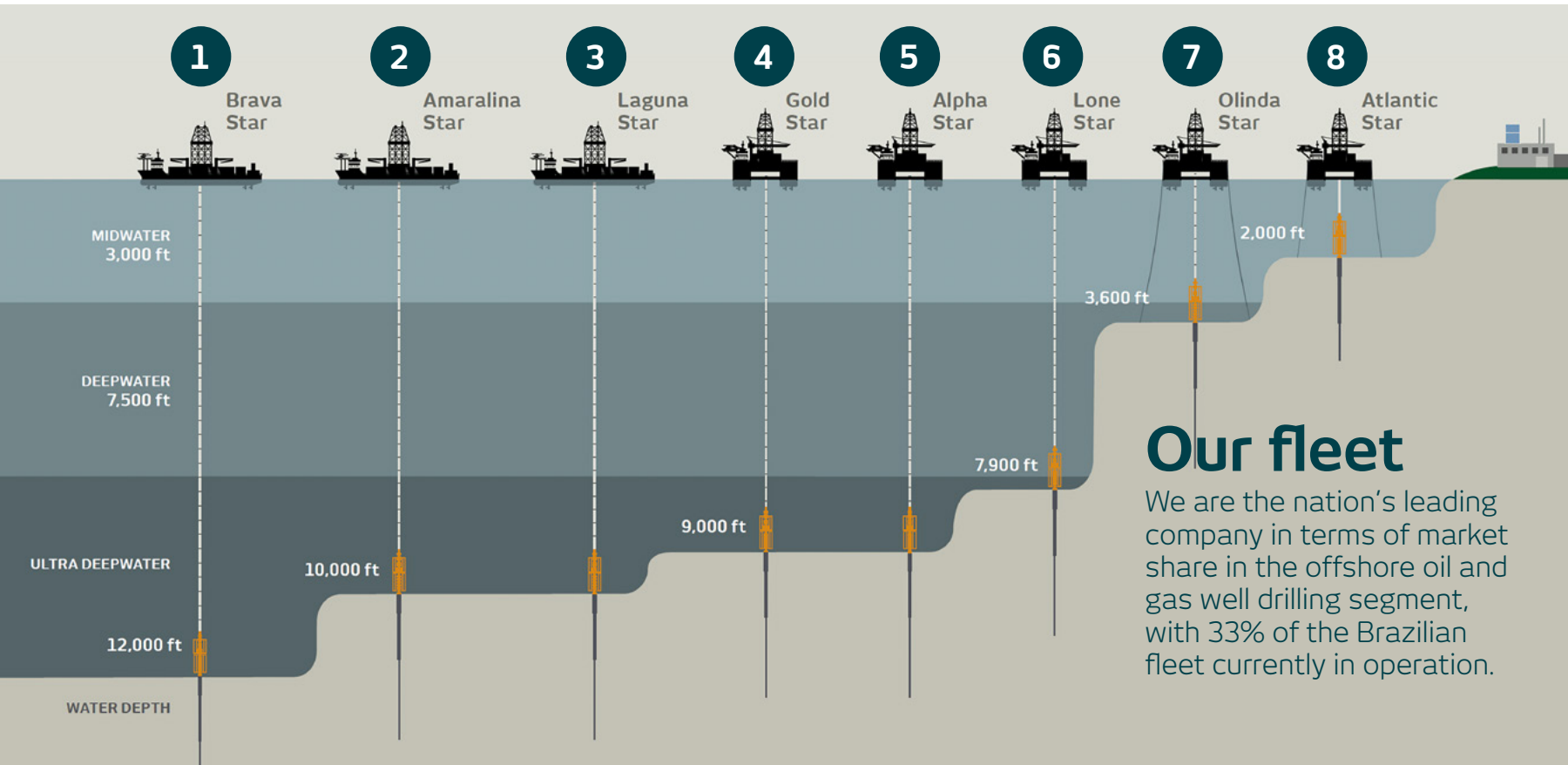
Values

- **Safety:** respect for life and a fundamental condition for business sustainability.
- **Work:** value that honors and dignifies; acknowledged by merit.
- **Reliability:** honoring commitments.
- **Qualidade:** whatever has to be done has to be well and safely done.
- **Lealdade:** integrate with professionalism and commitment.

Our locations

In 2021, our entire fleet of offshore rigs was active in fulfilling contracts executed with customers in the exploration and production segment. Most of Constellation's operations were conducted in oil fields along the Brazilian coast; however, we also finalized drilling and completion operations on wells along the coast of India. In September 2021, we restarted operations on the QG-VIII onshore rig.

Offices abroad



Our fleet

We are the nation's leading company in terms of market share in the offshore oil and gas well drilling segment, with 33% of the Brazilian fleet currently in operation.

- 1 Brava Star**
Customer: Petrobras
Contract to 2023
- 2 Amaralina Star**
Customer: Petrobras
Contract to 2024
- 3 Laguna Star**
Customer: Petrobras
Contract to 2025
- 4 Gold Star**
Customer: Petrobras
Contract to 2025
- 5 Alpha Star***
Customer: Petrobras
Contract to 2022
- 6 Lone Star**
Customer: Petrobras
Contract to 2025
- 7 Olinda Star**
Customer: ONGC
Contract to 2023
- 8 Atlantic Star**
Customer: Petrobras
Contract to 2024
- QG-VIII**
Customer: Eneva
Contract to 2022

*Contracted by Enauta as from Q4 2022

Financial restructuring

Since 2014, the offshore drilling sector has been impacted by fluctuations in the use of the fleet for exploration and production activities. A variety of economic and financial factors were decisive in this scenario, particularly the sharp drop in prices per barrel of oil from 2014 to 2015, immediately following a cycle of intensive investments in rig building and modernization.

Within this context, our company filed a request for judicial reorganization on December 6, 2018, which was granted by the courts on this same date. The judicial reorganization plan, as negotiated with creditors and approved by the General Shareholder Meeting, was certified by the courts on July 1, 2019.

One of the core conditions in restructuring capital and resuming rig activities, which reached 100% use in 2021, was re-balancing financial liabilities.

Measures already implemented include divestment from FPSO assets, leading to funds of around US\$ 150 million, as well as an over US\$ 100 million investment from shareholders and creditors.

Nevertheless, the Covid-19 pandemic and another slump in Brent prices (which reached historical lows in 2020), meant that the original plan had to be restructured, as the premises in the agreement had been affected. The amendment to the original plan was submitted to creditors in 2021, and on March 24, 2022, our Amendment to the Judicial Recovery Plan was unanimously approved by a general meeting of creditors. The Plan includes a commitment executed with specific creditors to inject US\$ 60 million into the company, in addition to lowering the current debt from US\$ 1.8 billion to approximately US\$ 920 million. This result is proof of the extraordinary level of trust and commitment from all of Constellation' stakeholders, making it possible to fully engage in achieving and executing new business opportunities.

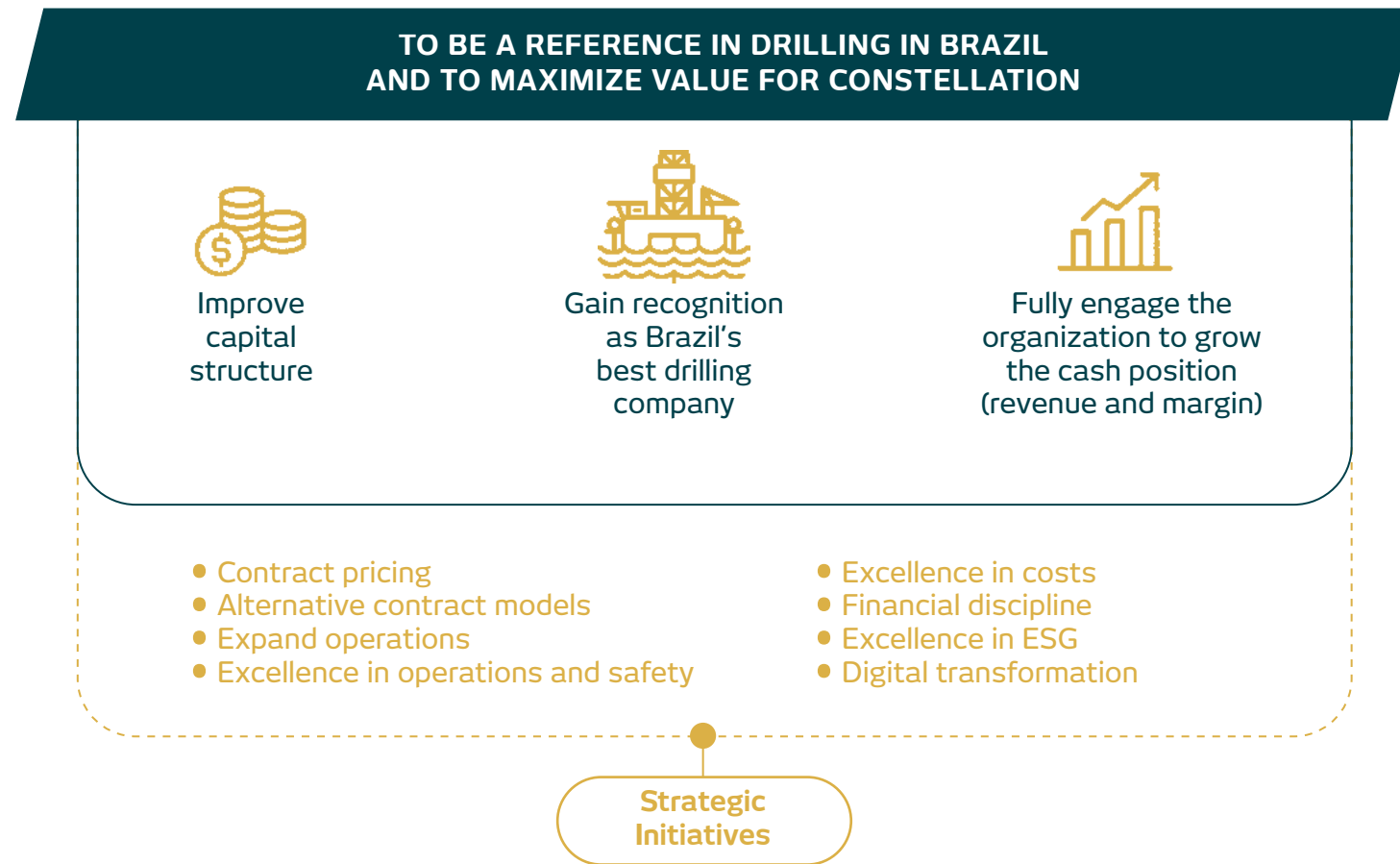
Our strategy

We are leaders in offshore rig operations in Brazil and we aim to strengthen our position. We aspire to be recognized as Brazil's best drilling company, with the fortification of our financial situation and the engagement of teams in finding solutions to serve customers in an even more sustainable way, with efficiency, quality, safety and social and environmental responsibility.

To make our strategy a reality, in 2021 we established a set of strategic initiatives split into eight key areas. This plan was formulated in using a multidisciplinary approach, with different administrative and operational areas participating, led by the Executive Board.

Competitiveness, innovation, digitalization, operational excellence, financial discipline and a sustainable vision are the foundation used to build this strategy.

Our Strategy 2021-2025



Energy transition



Climate change is one of the most important topics of debate among the world's society. The need to mitigate the effects and impacts of global warming has accelerated the search to transition to an energy matrix containing more renewable sources and has engaged different actors, such as investors, governments and major corporations. At Constellation, we believe that the oil and gas sector plays a strategic part in resolving this issue.

Energy security is essential to sustainable development, and over the coming decades, the supply of less polluting fossil fuels will continue to be fundamental. In India, where we have had exploratory offshore operations over the last four years, most of the energy consumed is still generated by burning wood and coal. So increasing the supply of light oil, and especially of natural gas, significantly contributes to lowering greenhouse gas emissions in India - the world's third largest energy consumer.

Brazil holds a prominent place in the context of the energy transition. Its pre-salt reserves make it a leader in the oil and gas sector, with enormous potential for exploration, which means potential for demand to rise for offshore rigs. Operation of these fields can moreover incorporate new technologies with the potential to lower emissions per barrel produced, consolidating the country as a favored long-term producer in the oil and gas industry.

Positive outlooks for the Brazilian market, especially related to opportunities to drill in ultra deep pre-salt waters, guide our strategy, oriented toward growth, cash generation and creating solid long-term value. We aspire to continue to play a leading role in this new moment in the oil and gas industry, looking for more and more carbon efficiency in our operations.



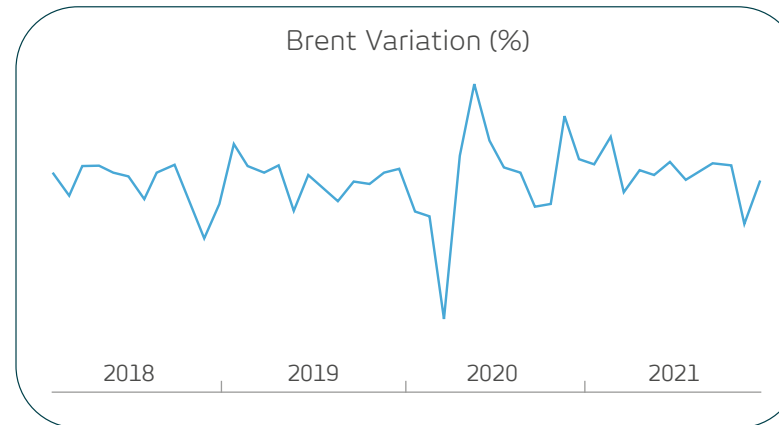
Industry context

The offshore drilling sector has been subject to sharp ups and downs since 2014, as a result of abrupt variations in the price of a barrel of oil. These changes increased risks and led to structural changes in relations with exploration and production companies, with shorter term contracts, tighter margins and transfers of risks.

With international prices stabilizing from 2018 to 2019, the industry began to resume its pace of growth and activity, yet it was once again destabilized by the Covid-19 pandemic.

A drop in demand for oil and gas in 2020 took the price of Brent to historical lows, leading to suspension of activities on various exploration and production fronts.

In 2021, with advancements in vaccinations against the coronavirus and the resumption in economic activities in several countries, a new cycle of growth began to take shape for the drilling sector. The return on operators' investments tends to create opportunities to fulfill contracts with a longer term and added services, which are more financially attractive.



The operational scale of our company, along with cost competitiveness and knowledge of the Brazilian coast, is a competitive edge and one of the leverages for coping with the growing competition in our industry. We therefore make operations feasible by developing new business and maintaining excellence in operations and safety, leading to creation of long-term value.

ESG Commitments

Since the foundation of our company, in 1981, the commitment to sustainability, especially considering the responsibility for the safety of people, assets and the environment, has always been at the base of our activities. Over these decades, we have set a course toward innovation and constant improvement to enhance quality and efficiency in drilling activities carried out in deep and ultra deep waters.



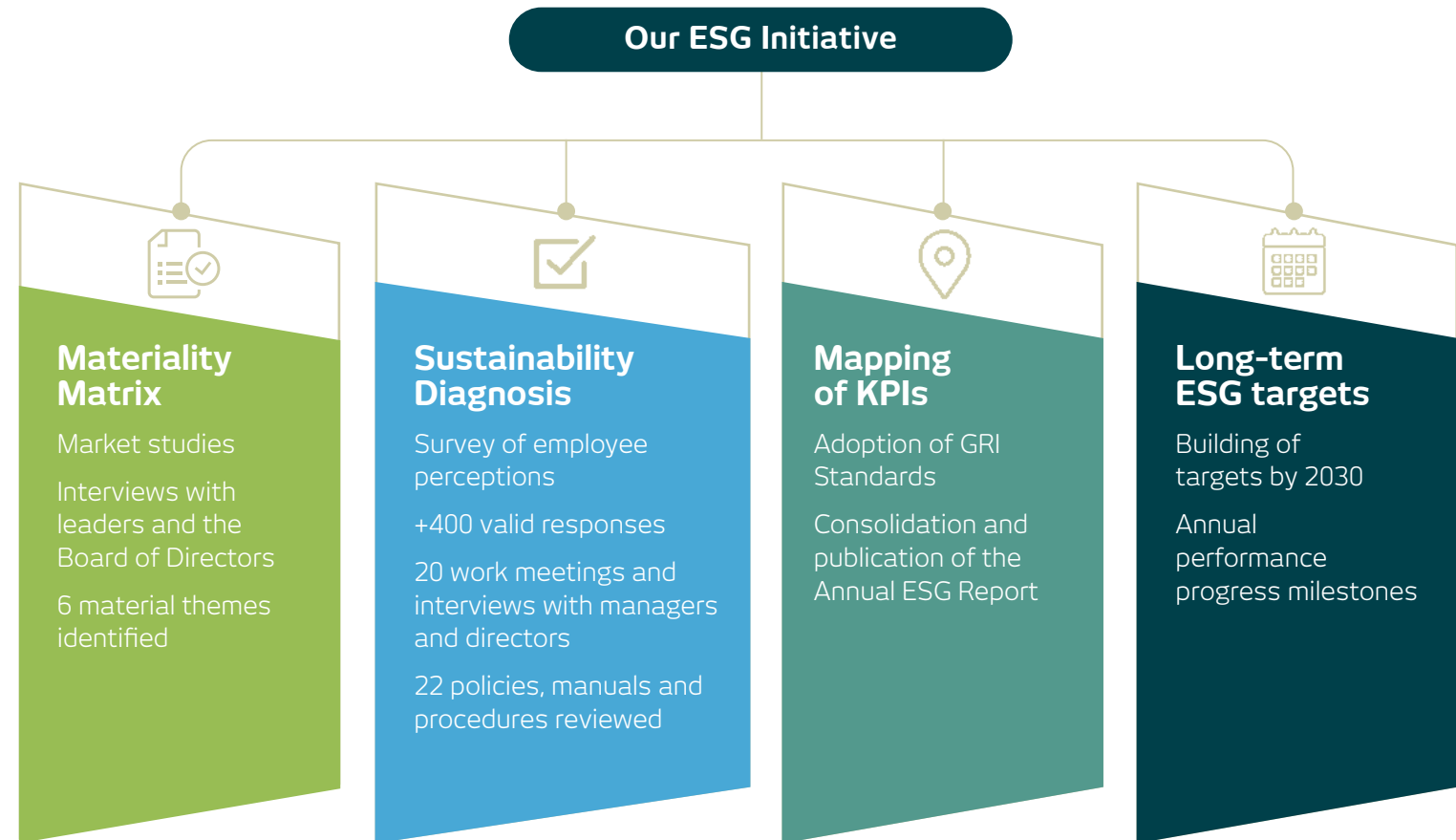
From 2020 to 2021, we began a wide-ranging project to build our **ESG Initiative**, an acronym covering mechanisms for managing the risks and impacts of environmental, social and corporate governance. This is one of eight key initiatives mapped in our strategic planning, with a focus on creating and maximizing the company's value.

The first stage of the ESG Initiative consists of conducting a study to determine the matrix of themes that are most important to our ESG management. The **Materiality Matrix** was built using assessment of industry benchmarks, reports issued by customers and market peers, and consultations with managers, directors and members of our company's Board of Directors. See the topics in the Materiality Matrix and their correlations on page 17.

In the second stage of the ESG Program, we carried out a **Sustainability Diagnosis** to identify topics where there were opportunities to enhance our performance and take on a leading role in our industry. We revisited all of our processes, policies and internal manuals to map out key topics and aspects that are already established in our governance rituals.

We also surveyed all of our employees' perceptions of sustainability and held managerial discussions with our leaders to identify existing controls and indicators associated with ESG themes.

Construction of the ESG Initiative was led by a multidisciplinary group of employees, who met within the Sustainability WG (Working Group). The Sustainability WG spearheads initiatives carried out with the support of an external consultant with expertise in this area



ESG Commitments for 2022

The study mapped both our strengths and areas that are a priority in order to seize opportunities for improvement. We therefore established short-term goals, which will come to fruition throughout 2022, aimed at accelerating transformation of our culture and our positioning on ESG.

The main delivery by the ESG Initiative in 2022 will be the determination of **long-term goals** (up to 2030) related to topics most relevant to the oil and gas drilling sector, such as reducing emissions, making our teams more diverse and contributing to development of local communities. We also plan to structure and approve our Sustainability Policy, with guidelines for accelerating the sustainability strategy in line with our stakeholders' expectations.

Keep what is already good

- **ZERO leaks**
- **ZERO operational accidents**
- **100% of professionals (employees and outsourced workers) embarked with all mandatory training**
- **100% of employees trained on the Compliance Program**
- **Strengthen the action of the Diversity and Inclusion thematic commission, implemented in 2021**

Improve in the short term

- **Develop an energy efficiency pilot project proposal for rigs aimed at reducing GHG emissions**
- **Enhance creation of the GHG inventory, revising premises and emission sources**
- **Fortify governance practices through the creation of the Corporate Governance Handbook and by implementing the Constellation Governance Portal**
- **Implement the GHG Emissions thematic commission**

Materiality Matrix

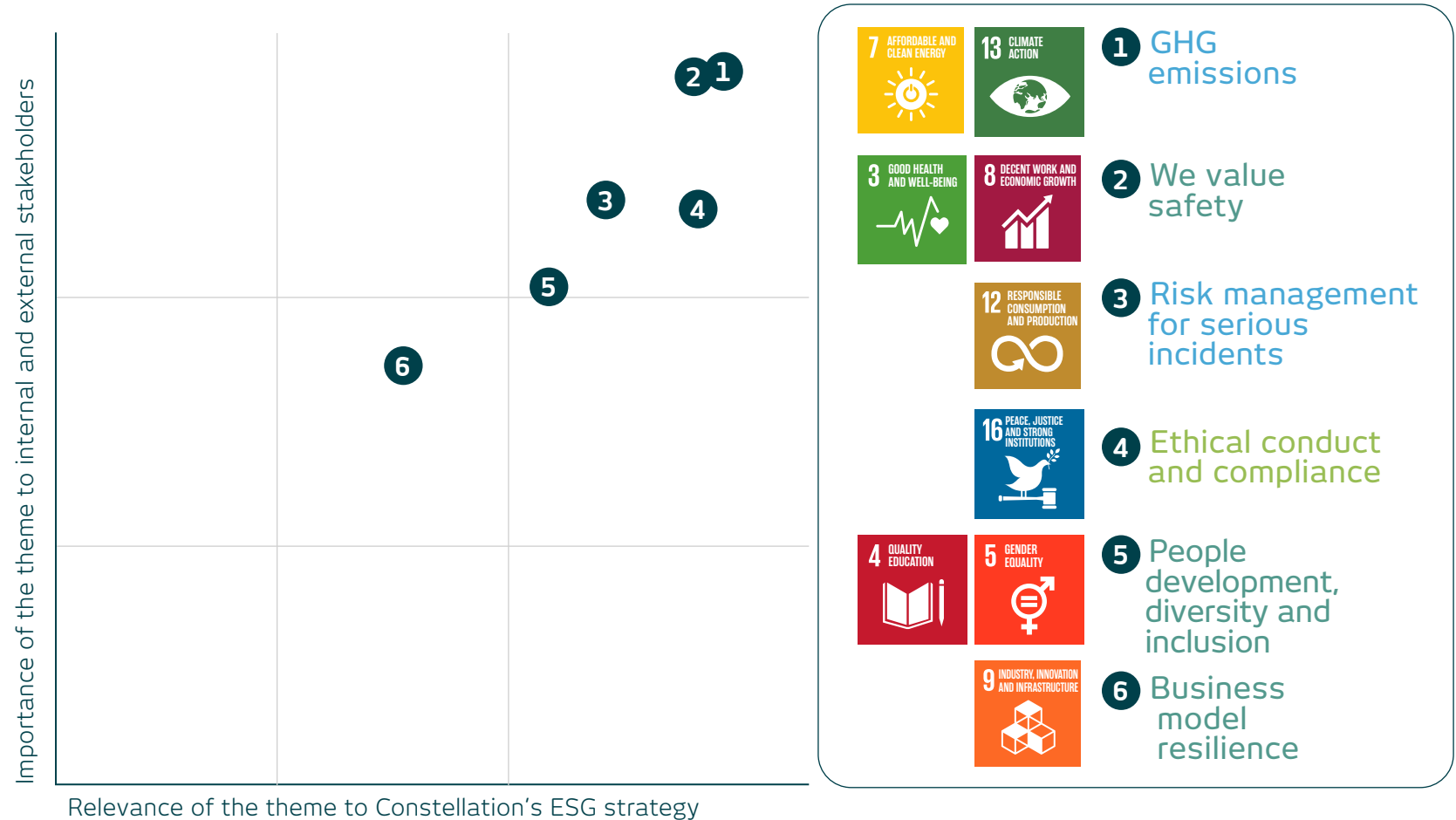
The Materiality Matrix is one of the tools guiding the actions and projects we prioritize under the scope of the ESG Initiative. It was assembled in 2020, using industry studies and analyses of reports issued by market peers and customers. After analysis, qualitative interviews were held with managers, directors and members of the Board of Directors.

We also consider the main demands and expectations from our company's stakeholders, mapped and consolidated in the Stakeholder Relations Procedures (see more on page 52). Finally, we analyze the principles and guidelines in frameworks known for sustainability management and communication - Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

Based on these inputs, a set of 16 themes were laid out in a two-dimensional matrix that considers how relevant each topic is to our ESG performance along with internal and external stakeholder expectations. This allowed us to identify six themes to prioritize in our operations.



Sustentabilidade CONSTELLATION



Participation in the sustainability agenda

One of the first results from the ESG Initiative was the acceleration in our company's capacity to become part of movements in the industry and in civil society, aimed at sustainable development.

In 2021, we joined the UN (United Nations) Global Compact and took part in some Platforms of Action, initiatives promoted by the Global Compact Network Brazil aimed at integrating the business sector into the 2030 Agenda and into the 17 SDGs (Sustainable Development Goals). We attended four forums during 2021: SDG Action, Climate Action, Human Rights Action and Anti-Corruption Action.

Since 2015, we have also taken part in initiatives developed by ABESPetro (Brazilian Association of Oil Services Companies). In 2021, our CEO was elected as Chairman to this organization, serving a two-year mandate (2022-2023).

Among the initiatives conducted by ABESPetro, one of the most relevant to promotion of the 2030 Agenda is a partnership agreement with Firjan SENAI to train and instruct people with disabilities to work in the oil and gas sector. This action is included in the Cooperation, Inclusion and Development Agreement that the company executed with the Labor Prosecution Service in 2019 and which is effective for 48 months.

In addition to these institutions, our company is a member of IADC (International Association of Drilling Contractors) and IBP (Brazilian Petroleum and Gas Institute) committees and forums. We participate in the IBP's Social Responsibility Commission, in its Climate Change Commission and in other working groups related to the oil and gas industry development. We are also one of the companies active in the working group set up by Petrobras to reduce emissions.



Health and safety

Safety is one of our company's values. Our highest priority in all activities is to ensure a safe operation for people, assets and the environment, taking every measure necessary to identify and mitigate the risks involved.



Our targets for 2022



ZERO leaks

ZERO operational accidents

RATE OF TOLERANCE
APPROVED FOR 2022

- LTIR (lost time incident rate) **0.28**
- TRIR (total recordable incidents rate) **0.37**

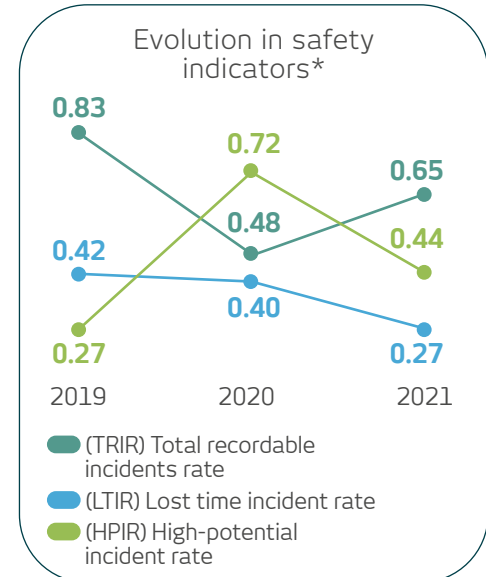


We value safety

In 2021, with the entire offshore fleet operating and onshore rig activities resuming, the number of hours worked rose, along with the exposure to safety risks, in relation to previous periods. Even with this more challenging scenario, expanded by the continued restrictions put in place by the Covid-19 pandemic, we ended the year with improvement in HPIR and LTIR, and there were no significant leaks in our operations.

Our safety indicators have also evolved year-over-year. In 2021, we reached the lowest lost time incident rate (LTIR) since 2016, and we will have even more challenging targets. One of our main challenges is aligning outsourced workers with a culture of safety.

To do this, we work in partnership with companies we engage to verify compliance with our standards by using assessment of contracts and audits.



*Calculated using a factor of 200,000 hours of risk exposure.

Integrated Management System

Drilling activities in oil and gas fields have a high degree of risk exposure. To manage these aspects with excellence, we put together and installed an IMS (Integrated Management System), which determines guidelines, processes and tools for managing aspects and risks related to quality, occupational health and safety, and impacts on the environment. The IMS guarantees standardization of procedures and controls across all of our operations, while also meeting the expectations and demands of our customers and other stakeholders.

Our IMS holds third-party certification. The system complies with the ISO 9001 (quality), ISO 14001 (environmental management) and ISO 45001 (occupational health and safety) standards, as well as the ISM (International Safety Management) and ISPS (International Ship and Port Facility Security) standards. In addition to these, we are certified under API Spec Q2, which establishes specific parameters for quality management and mitigation of potential risks for drilling services providers.



The IMS is implemented and certified at all eight offshore drilling rigs and at the support base in the municipality of Rio das Ostras (RJ), as well as at our offices in the state's capital



100%

of employees and outsourced workers are covered by IMS safety procedures

Focused on efficient cost management, we decided not to renew certificates that had been previously held for onshore rigs and the support base in the city of Manaus (AM), since these assets are used sporadically and on a smaller basis; nevertheless, the same IMS parameters, processes and controls continue to be used in their activities. We therefore guarantee that 100% of employees and outsourced workers on activities critical to the business are covered by IMS standards and safety procedures.

One of the procedures established under the IMS is the model for managing crises that could impact operations or occupational health and safety. The Specific Manual - Crisis Management Plan sets forth actions to be taken to install management committees and working groups, while also defining action plans and monitoring processes.



ALARP: how we measure and mitigate our risks

Safety risks in the oil and gas industry are mitigated using a set of physical barriers, control mechanisms and behavioral attitudes. All of these integrated measures are aimed at keeping each risk identified within an acceptable limit - or ALARP (As Low As Reasonably Practicable).

ALARP methodology was developed in the 1960s and is widely used in the drilling sector, guiding policies, procedures, barriers and other mechanisms we have adopted to ensure a safe and efficient operation.

Risks to health, safety and the environment are identified and registered in HSE Case documents and Aspects and Impacts Spreadsheets, showing the risks that exist in the company's routine and exceptional activities. Tools and processes also make it possible to assess and track the associated degree of risk and its impacts, applicable controls for mitigation, and the residual degree of risk in relation to mitigation.

Strategic initiatives

A safe work environment is built based on two fronts: a **culture of safety**, practiced and strengthened by employees and outsourced workers; and **physical and technological barriers** that are robust and updated to prevent incidents from occurring.

In 2021, we worked with guidance from our strategic plan on a series of initiatives aimed at enhancing and continually improving these two fronts. Investment in these actions is in line with demands from our customers, setting minimum requirements, parameters and targets for the drilling services we provide.

- **Operational performance**

A multidisciplinary work front focused on the safety and quality of operations. Periodic meetings are held to evaluate customers' QHSE (Quality, Health, Safety and Environment) requirements, identify improvements to processes, communicate and implement action plans with better benefits in a shorter term.

- **Design of Work**

Methodology to visually map the work dynamics that are continually carried out. This makes it possible to standardize flows and strengthen operational discipline, using process governance and mentoring in the operational environment.

- **API Q2 certification for semis**

Enhance the parameters to meet the requirements of the API Q2 standard on semi-submersible rigs (Alpha Star, Gold Star and Lone Star). Action plans were finalized in 2021 and rigs will be adapted throughout 2022. We hold certification for the Amaralina Star, Brava Star and Laguna Star ships, for the Rio de Janeiro office and for the base in Rio das Ostras.

- **Management of third parties**

Establishment of new standards for control of nonconformances, auditing and management of third-party contractors for offshore operations. Activities are focused on promoting a culture of safety, so that those working for these suppliers are at the same level of knowledge and engagement as our own employees.

- **Management of pending issues**

Planning and oversight, through a system, of action plans to resolve pending issues indicated by customers, aimed at guaranteeing fulfillment of contracts and mitigating the risk of activities being interrupted or of penalties.

- **New DROPS procedure**

Implementation of new procedures, following the best methodologies and practices in the industry, to prevent objects from falling. DROPS (Dropped Objects Prevention Scheme) is a global industry-wide initiative establishing guidelines to prevent incidents related to dropped objects, such as tools and others, which is one of the biggest risks in our activities.

Dynamic barrier management

One of the main strategic initiatives we carry out is modernization of the package of safety measures (HSE Case) we use in our operations. Our HSE Case follows the guidelines established by the IADC (International Association of Drilling Contractors), one of our industry's biggest trade organizations.

Since 2021, our HSE Case has included innovative technology for dynamic monitoring and assessment of protective barriers established for each risk mapped.

Barriers are designed based on BowTie methodology, where an easily understandable visual diagram is used to find critical risk events and map the safety barriers needed for mitigation. In 2021, we installed artificial intelligence systems to continually and in real time monitor the conditions of these barriers.

Management of the systemic and operational conditions and calculation of residual risks are now dynamic with the adoption of this tool, according to local work and equipment conditions.



Safety Campaign

A culture of safety in our activities is continually built and fortified. Campaigns and training sessions are held annually with the aim of preparing our employees to recognize risks and act preventively.

Since 2011, one of our main initiatives with this purpose is the **Annual Safety Campaign**. At the start of each year, we determine a theme to prioritize regarding employee awareness, detailing it in communication actions, at managerial meetings and in dialog programs with leaders. To reinforce engagement, all employees sign a Commitment when the campaign launches, on board units or virtually.

The theme of the 2021 Safety Campaign was **"Watch the Signs"**. The goal was to raise individual awareness of the importance of noticing signs indicating risky situations and possible incidents and the need to take preventive action whenever necessary.

This theme was present in every meeting and gathering held during the year with a focus on safety - the QHSE meetings, DDS (Daily Dialog for Safety), weekly calls with rigs and Safety Moments (periodic meetings to analyze indicators and actions for improvement).



2021
Watch the Signs

Safety Campaign themes

- 2011
Our values, our safety
- 2012
Our safety, our assurance
- 2013
For a safer environment
- 2014
Value Life
- 2015
IAP - Learn and Prevent
- 2016
Safety Barriers: your best defense
- 2017
Leadership and Attitude: a matter of principles
- 2018
Safety.com: COMmitment, CONduct, COMpetency, COMMunication
- 2019
Evolution Alert
- 2020
I'm part of this team

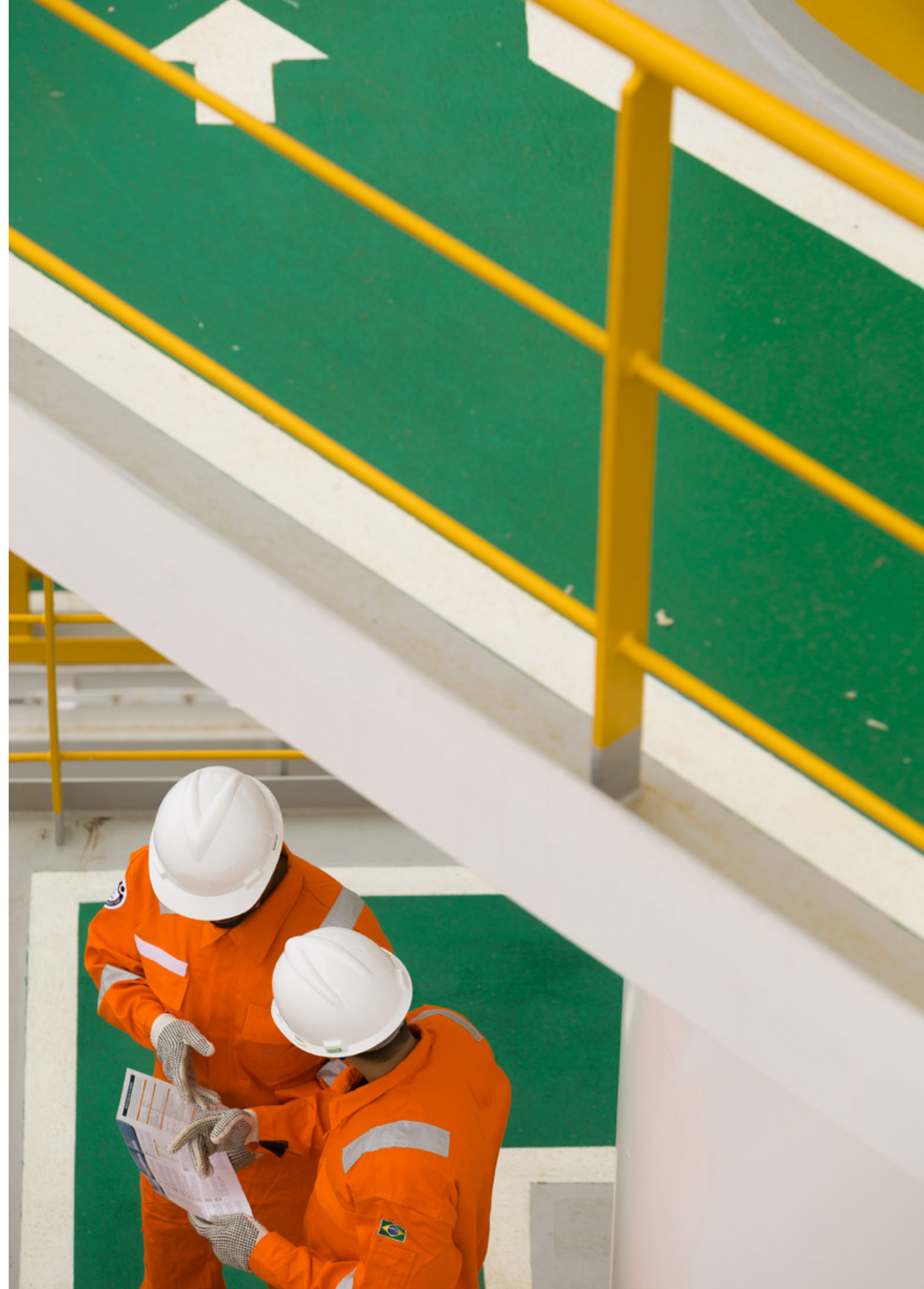
Engagement in the culture of safety

Throughout the year, we developed a variety of initiatives to strengthen the culture of safety between employees and outsourced workers. We have the Internal Accident Prevention Committee (or CIPA, its acronym in Portuguese) or Internal Accident Prevention Committee for Rigs (or CIPLAT, its acronym in Portuguese) at our units. We have set up local Safety Committees at units operating outside of Brazil, where local laws do not stipulate that these commissions be formed.

These groups are made up of representatives elected by employees, with meetings held on a monthly basis to discuss aspects of operational safety. The topics covered and action plans defined at these meetings are kept on the record in the form of minutes and their execution is overseen.

One of the main areas for strengthening the culture of safety among employees, partners and outsourced workers is the Cultural Alignment Workshops. Learn more about this practice on page 42.

Employees are able to suggest improvements and advancements for the Integrated Management System using online forms and questionnaires, QHSE meetings attended by leaders, and letters of notice used to assess risk conditions at operations



Alert Program

The **Alert Program** was created in 2010 with the goal of strengthening employees' behavioral and non-technical skills, focused on safety in activities and operations. In 2021, the Program was revised to increase interaction with leaders, promote closer monitoring of teams and improve communication.

Among advancements was the **HSE Coaching** initiatives, where we carried out behavioral assessments of how leaders

and teams communicate and use the on-board safety management system. One responsibility coaches have is to support leaders in the Assist & Assure process - implementing procedures (assist) and ensuring they are executed correctly (assure).

Target Zero - Step 7 is another Alert Program action. To reduce incidents to zero, we established and share seven steps to be followed for a safe work process.

Target Zero Step 7

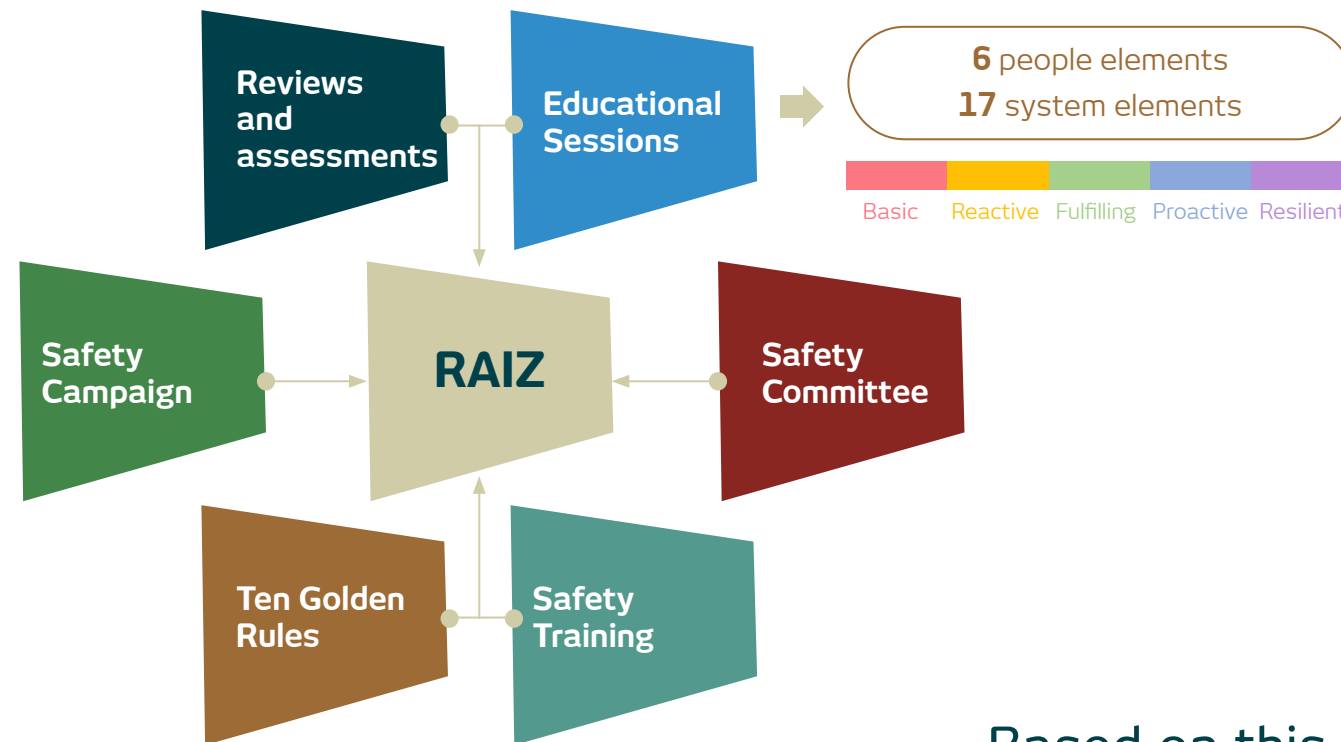


RAIZ Project

The **RAIZ Project** (Risk Assessment | Incident Zero) is an initiative we developed six years ago in partnership with USP (University of São Paulo), aimed at enhancing risk management at our company. The methodology adopted was adapted from protocols and processes developed by the mining sector, considering the specificities and peculiarities of activities in offshore drilling.

The RAIZ Project has an organizational and functional structure at our company, which includes participation on a Safety Committee. This Committee, made up of a multidisciplinary team and led by the CEO, defines safety strategies, policies and programs. Meetings take place on a quarterly basis and also include assessment of the results of initiatives and health and safety performance, defining and monitoring action plans.

Within this initiative, our leaders take part in Educational Sessions to assess and understand IMS (Integrated Management System) maturity. The Educational Sessions are held under a semi-distance learning training regime. Six weeks are spent learning on a Distance Education-type platform run by USP, with one week spent on classroom activities held at the school's campus in the city of São Paulo.



Characterization of the IMS is finalized during the last two days of this classroom interaction. In this characterization phase, 23 structural elements (6 for People and 17 for System) are assessed according to the level of maturity that they have at the company - on a scale of 5 levels (Basic, Reactive, Fulfilling, Proactive and Resilient). The assessment, done by different groups of employees, leads to greater precision in diagnostics.

+ 550
employees trained

+ R\$ 4 million
invested

Benefits

- Automation of simulated management
- Change management
- Implementation of third-party assessment

Based on this characterization, projects and improvements are proposed for the 23 elements evaluated to achieve the level of resilience. The Educational Sessions have already engaged upwards of 550 people since 2012, and around 1,200 continual improvement actions were proposed

Fighting Covid-19

The Covid-19 pandemic brought not only economic and financial impacts to the oil and gas sector, but also complex challenges to the continuity of operations essential to supplying energy sources to society. From 2020 to 2021, we took a variety of measures and developed action plans to protect the health of our employees and outsourced workers, particularly in offshore activities. These actions cost around US\$ 15 million.

Oriented by our IMS, we established three multidisciplinary committees, committed to planning and directing adoption of measures to prevent illness, under the coordination and deliberation of the General Crisis Committee - formed by the company's Executive Board. The committees met daily (including weekends and holidays) during the early months of the pandemic, in 2020, and during the most critical moments in 2021, holding more than 500 meetings by the end of

2021. With advances in vaccination and with case numbers falling, meetings were gradually reduced to a weekly basis.

In an effort to maintain our employees' health, these committees create documents and manuals on mandatory procedures for use at our units, such as the Plan to Combat Covid-19 and the Emergency and Medical Response Plan | Covid-19. We have established a remote work policy at offices and operational bases, where all

administrative staff began working in the home office modality, integrated by virtual collaboration systems. We set up a protocol for returning to offices, guaranteeing adaptation of infrastructure for social distancing, distribution of kits with masks and 70% alcohol hand sanitizer, instructions for teams and performance of tests to detect coronavirus.

We also created a Covid-19 Information Center, gathering all of the materials and information produced by the company on this topic. Employees were also informed of procedures and mechanisms through live online broadcasts with our CEO and with Dr. Sergio Cimerman, the Scientific Director of the Brazilian Society of Infectology.

We also donated R\$ 870,200 in equipment to expand a testing laboratory in Macaé (RJ). This donation is part of an initiative by Nupem - Institute for Biodiversity and Sustainability at UFRJ (Federal University of Rio de Janeiro), aimed at raising funds to expand testing capacity, speed up issuance of results, and promote research on the virus and the disease in the northern region of the state of Rio de Janeiro.

Highlights in the fight against Covid-19

- Monitoring of employees during time off and triage prior to boarding
- Adoption of individual rooms in hotels for quarantine before and after boarding
- Implementation of acrylic barriers in cafeteria seating and plans to eliminate agglomerations during simulations and meetings
- 33,003 PCR tests done
- 2,951 employees blocked by Pre-Boarding Protocol
- 100% of employees vaccinated with at least two doses



Mental health

One of the biggest impacts the pandemic had on all production activities is related to employees' emotional stability. According to data from the Special Secretariat for Social Security and Labor, requests for time off from work because of psychiatric disorders (such as depression and anxiety) rose by nearly 30% in 2020, compared to 2019.

To confront this challenge and prevent impacts on our team, we revised and deepened various procedures that influence the workplace and human factors. We developed programs and training focused on growing knowledge beyond the technical aspects of the operation.

In 2021, we promoted the Stress and Fatigue Management Program, with training for managing ergonomics and strengthening of non-technical skills, such as communication and day-to-day decision-making in operations. We also continued the Support Program in 2021 along with the psychological support for employees and dependents that started in 2020.

With the support of an outside consultant, we held CRM (Crew Resource Management) training, focused on developing an understanding of human factors related to occupational safety. This initiative emphasized the importance of non-technical skills for a safer and more efficient operation.

We will continue to expand investments in actions to promote and strengthen employees' mental health. In 2022, we are intensifying these initiatives through different programs, planned to provide emotional support and assistance for teams:

- **Communications workshops**
- **Leader awareness and development**
- **Psychosocial diagnosis**

We have tele-medicine services, facilitating remote access to medical appointments, to care for teams (employees and outsourced workers) at operational units. We also provide a 24-hour medical care call center, which can even be used by off-duty workers.



Reduced emissions

Combating the climate changes caused by the increased concentration of greenhouse gasses (GHGs) in the atmosphere has become one of the most urgent demands for the world's society in the 21st century. The Paris Agreement, signed in 2015, engaged countries in seeking solutions to prevent the planet's average temperature from rising by more than 2°C. The entire oil and gas sector is at the center of this change, directly impacting drilling and completion service providers.



Our targets for 2022



Enhance the inventory of GHG emissions with the market's best methodologies and practices, to direct reduction actions at offshore operations

Establish a quantitative and long-term target for reducing our GHG emissions



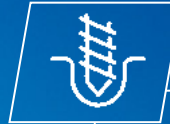
Operational efficiency

The burning of fossil fuels as a source of energy is one of the reasons why there is more carbon in the atmosphere. Global dependency on hydrocarbons is still high, due to the need for a secure and predictable energy supply. The energy transition that is in progress aims to replace oil with renewable resources, which are still more expensive to obtain and can fluctuate significantly, since they depend on a range of natural and hard-to-predict factors - mostly rain, wind and sun.

In the long term, the growth and consolidation of renewable resources will bring significant changes to our industry and our business model. In the short term, where our technical competencies and solutions are still extremely necessary for the public, we believe that our biggest contribution is to make the process of producing oil and gas less carbon-intensive and more efficient from an energy standpoint.

That is why we are looking at innovations and developing projects geared toward raising energy efficiency and consequently reducing fuel consumption on our rigs. Advances in this area will be achieved through technologies that enhance operational processes or cut the time interval necessary to drill or complete wells.

This effort to evolve has been carried out in partnership with our customers. We are one of the companies active in the working group set up by Petrobras to reduce emissions. The Brazilian producer is one of the 12 major companies that are part of the OGCI (Oil and Gas Climate Initiative), a collaborative international platform for topics like efficiency in operational emissions, reducing methane losses, and carbon capture and sequester.



In the Sul de Gato do Mato exploration campaign, held in 2020, we finalized the GdM4 well in just 18 days. This is the fastest drill time on record for Brazil’s pre-salt layer, considering the time between spud in and total depth.

This case was presented at the 2021 Offshore Technology Conference. In partnership with Shell Brazil (project customer), we published a study on “Driving Superior Performance in Brazil’s Pre-Salt Layer - the Challenges, Solutions and Achievements of Shell Brazil and Exploratory Well Providers in Brazil’s Pre-Salt Region.”



Atmospheric emissions

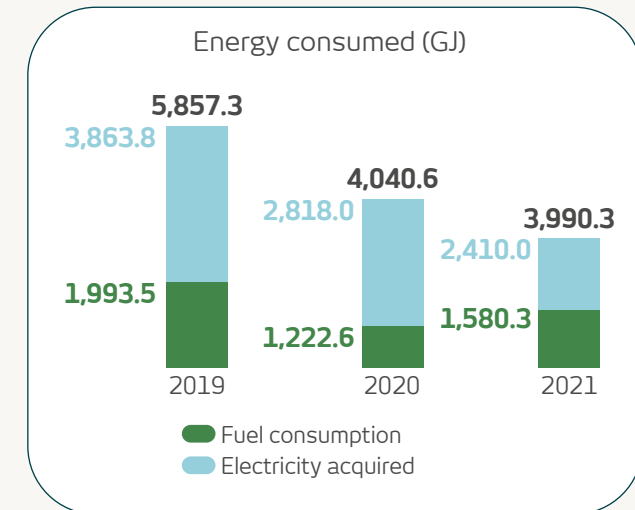
We used the standards established by the IPCC (International Panel on Climate Change) to monitor and control GHG emissions associated with our operational activities. Our goal for 2022 is to enhance premises and controls in this calculation, while sharing our Public Emissions Record inventory, under the auspices of the Brazilian GHG Protocol Program and in line with best market practices.

Most of our emissions (96.3% in 2021) are classified under Scope 3, because they are related to rig drilling activities contracted by customers for exploration and production activities. Diesel consumption is therefore one of the biggest factors in emissions calculated and in relation to which we are able to take actions aimed at reduction, through operational efficiency.

One project being studied with this in mind is the installation of systems to recover and store energy in our rigs, using batteries and other transforming equipment. This means we will use less diesel to power drilling equipment, resulting in lower GHG emissions. This type of technology is already used in Formula 1 cars, for example, giving them more powerful engines while using less fuel.

In 2021, total Scope 3 emissions rose by 29.5% year-over-year, as a result of greater rig occupation. Intensified operations also led to an increase in gas consumption, as seen in the 27.2% rise in gross Scope 1 emissions. While Scope 2 fell by 19.3% compared to 2019, due to the restricted access to offices and bases, adopted in the context of the Covid-19 pandemic.

We are evaluating technologies to recover and store energy in rigs, with the potential to reduce direct consumption of diesel in equipment



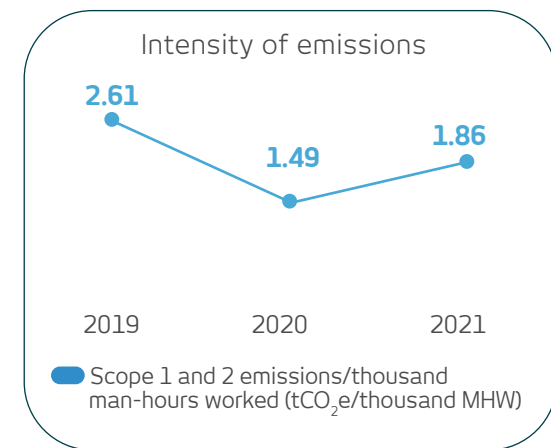
Total GHG emissions (tCO ₂ e)	Base Year 2021	Base Year 2020	Base Year 2019
Scope 1			
Gross emissions	8,779.0	6,899.8	8,759.3
Biogenic emissions	164.1	12.9	21.9
Scope 2			
Localization approach	40.6	50.3	79.3
Scope 3			
Gross emissions	231,835.1	179,065.2	119,031.0
Biogenic emissions	90.4	177.7	216.7



Intensity of emissions

Occupation of rigs is subject to fluctuations over the years, influenced by the duration of contracts and by the type of activity performed. That is why when assessing our intensity of emissions, we consider the amount of GHG emitted in direct operations (Scopes 1 and 2) over the total hours worked in our activities.

From 2019 to 2021, the rate of emissions per thousand hours worked was 24.4% higher, reflecting the growth in gross emissions in Scope 1.



Asset management

Excellence in asset management is one of the core elements in guaranteeing operational efficiency and the least possible environmental impact in our activities. Our team works with a focus on guaranteeing optimized useful life and maximum availability of equipment, with complete safety and discipline in cost management.

With this management model, we have reached new records in our industry. In 2021, the Brava Star drillship reached a depth of 7,700 meters, a record depth in Brazil, and it crossed 4,849 meters of the salt layer, the most ever drilled up to that point. These milestones were reached during drilling of the Monai exploratory well (block ES-M-669), in the Espírito Santo Basin's pre-salt layer.

Our goal is always to reach the lowest downtime rate on our rigs and to increase satisfaction for the customers to whom we provide our services. To do this, we implemented the CAI (Customer Assessment Indicator), a rate grading the level of customer satisfaction in relation to our performance in executing services and fulfilling contractual requirements. The CAI is monitored on a monthly basis, integrating different indicators and criteria in order to orient actions for operational improvement and better asset availability.



Our asset management covers ten dimensions

Physical optimization and optimization of the asset lifecycle

- 1 Design & construction
- 2 Structural and corrosion management
- 3 Planned maintenance and reliability
- 4 Integrity and performance assessment
- 5 Change management
- 6 Outsourcing
- 7 Mandatory requirements
- 8 Innovation and technology
- 9 Central review, rig stacking and docking planning
- 10 Controls (measurement and audits)

Information security

In the first half of 2021, we assessed the maturity of our information technology and safety practices and systems, in light of improved parameters and frameworks in the market. As a result, we established 15 action plans for the three-year period of 2021-2023, as consolidated in the Information Security Master Plan.

Among the ongoing initiatives in this Plan are three projects that are worth mentioning. The first covers real-time monitoring of vulnerabilities and risks in information security for preventive decision-making, using a system that includes global databases on cybersecurity trends, among other sources.

Under the people pillar, we started an internal campaign in 2021 dealing with the topic of information security and trained employees in key positions. For 2022, we are planning staff-wide training. In addition, we have made advances on digital transformation actions, such as implementing robotic process automation (RPA).

RTOC: safety and performance in real time

In 2012, we set up an operations support center to monitor activities and reduce total cost of ownership (TCO), reducing stoppages that negatively impact the downtime indicator. Progress in digitalizing and modernizing equipment and communications systems has made it possible for this structure to evolve into what is now the RTOC (Real-Time Operations Center).

With this infrastructure, we integrated an advanced set of hardware and software for daily oversight of operations and aimed at continual improvement. Our team is therefore able to cross-reference different data to assess the performance of procedures and the integrity and efficiency of safety barriers, with a faster response time.

One of the main gains from the RTOC is the routines created for BOP (BlowOut Preventor) tests. This is one of the most important pieces of equipment in our drilling activities, since it serves to close the well in order to prevent leaks in an emergency situation. With the technology used, there is no need for a well isolation tool, which makes processes and analyzes more agile.

At the RTOC, we have panels for monitoring basic operational indicators in real time. These instruments can be customized to observe specific activities and can also be accessed by on-board teams, working as “speedometers” in supporting adjustment of operational parameters.

All data from the systems analyzed by the RTOC is recorded and available for our engineers to analyze. This information supports plans to continually improve our performance.

The RTOC has over 120 active alarms for monitoring operational systems and equipment.

- Drilling rigs (winch, top drive, pipe handling tools, etc.)
- BOP and Subsea equipment
- Energy Generation and Dynamic Positioning System
- Rapid response to scenario assessments
- Integrated view of data to support continual improvement
- Communication protocols to make information available
- Safety of processes and protective barriers



People and diversity

The drilling and well interventions sector has a significantly lower number of women working in operational activities compared to men. Our company has the challenge of promoting inclusion and diversity among teams, with equal opportunities for all, contributing to society's sustainable development.



Our targets
for 2022



Hold our first
diversity census

Improve our
position on the
pillars in the
GPTW survey



Diversity and inclusion

Our company ended 2021 with 1,647 direct employees, 80% of whom held operational roles and 20% administrative roles. Women account for 41% of the administrative staff, but make up just 2% of operational roles. In addition to direct employees, at the end of 2021 we had 29 interns and 44 minor apprentices, 44% of which were women.

The theme of Diversity and Inclusion (D&I) has been gaining strength at Constellation and is seen as an important

pillar in the sustainability of the business. In 2021, we created a D&I commission, made up of volunteer employees and focused on proposing projects and action plans aimed at promoting and valuing this theme at the company.

Our goal is to increase female representation in activities related to offshore rig operations, as well as in leadership roles, with transparency and cultural change to guarantee integration of these professionals into our team.

Diversity by job level*

Job level	2021		2020		2019	
	Men	Women	Men	Women	Men	Women
Executive Board	4	1	4	1	5	0
Management	31	7	29	7	30	8
Coordination	30	16	31	12	29	10
Operational supervision	220	3	205	3	178	3
Administrative staff	133	111	126	98	115	88
Operations staff	1.076	15	1.042	12	912	11
Total	1,494	153	1,437	133	1,269	120

*There were ten men and one woman at the end of 2021 serving at the governance level (Board of Directors, Advisory Committees and Executive Board).

We also held our first Pulse survey on Diversity and Inclusion, conducted by the GPTW (Great Place to Work) consulting firm, which is recognized for its excellence in processes to support corporate human resources management. Based on the results of this survey, we identified opportunities for improvement and defined priorities for actions plans to promote diversity.

We are also committed to building and sharing our Diversity & Inclusion Policy and to revising selection processes for the Intern Program and Learning and

Training Program, focused on strengthening a culture of diversity and inclusion. Our plan includes creation of a calendar to share inclusive causes and raise awareness among leaders and all teams.

With these actions, our goal is also to strengthen our commitment to respecting human rights and fighting discrimination. At our company and in the value chain, we have a Reporting Channel available to all publics, receiving notifications of cases of harassment and discrimination (see more on page 48). There were no reports involving these practices in 2021.

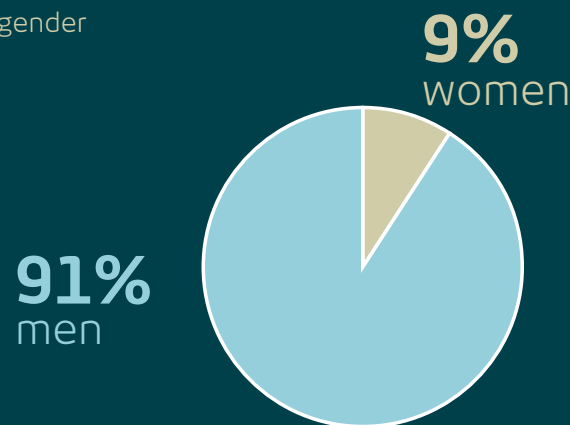
Inclusion of people with physical disabilities

We seek to create opportunities at our company and to grow hirings of people with physical disabilities. On this front, we support the ABESPetro initiative to train and develop professionals with disabilities to work in the oil and gas sector, in partnership with the Senai of Macaé (RJ). Training classes had been suspended because of the pandemic, but were resumed in November 2021.

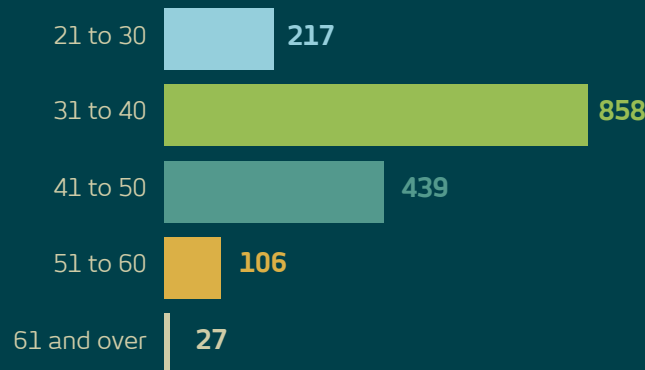
We also ended the year with 15 young apprentices who have physical disabilities, 11 of whom were hired in 2021. In the last two-year period, we also hired six people with disabilities to work at the Rio das Ostras base and at our offices in Rio de Janeiro. In offshore operations, where operational risks are higher, the inclusion of people with disabilities is still a challenge that requires study and analyses in order to guarantee personal safety.

Employee diversity in 2021

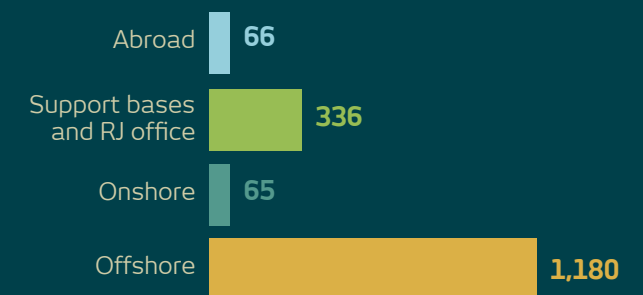
By gender



By age group



By area of operation





Appreciation and development

In managing human capital, we seek to value and recognize the outstanding professionals at our company who deliver results aligned with our corporate values. On this front, we have the **Constellation Competency Management** pillar, based on a set of skills, knowledge and attitudes that guide the actions and behavior of all employees - our organizational competencies.

Development of organizational competencies among our leaders is essential to strengthen the values that form our corporate culture. These organizational competencies are based on the **Performance Evaluation Process** that we carry out each year.

All employees who have been with the company for at least 90 days take part in the process, which uses a tool that makes it possible to perform a data- and evidence-based self-assessment and manager assessment. Based on this input, employees and their direct managers hold a feedback meeting and establish actions for development of the IDP (Individual Development Plan).

Management of human capital

ORGANIZATIONAL CULTURE

COMPENSATION

CAREER DEVELOPMENT

TALENT MAPPING

COMMUNICATION

The Performance Evaluation Program also supports the annual **Talent Mapping** and **Succession Planning** cycles, in key administrative and operations roles.

In searching for a self-development process as well as for an input for talent development and mapping processes, 53 employees (including coordinators, new managers and operational engineers) performed an assessment in 2021, continuing the exercise begun the year prior at the managerial and executive levels.

Through the Leader Accountable Workshop, we engage all of our administrative managers with the goal of driving the development of high-performance teams, with management cycle models and tools.

Prioritizing internal talent is part of our corporate culture. In the last year, 191 employees were promoted to new roles.

Professional development is supplemented by the training and education actions we are continually developing. From 2020 to 2021, these initiatives were impacted by the Covid-19 pandemic, which made it impossible to hold group events. We expect training to return in 2022, once a more flexible work routine returns.

Even so, average training hours for employees rose by 30% in 2021 compared to the year prior. This growth is the result of contracted rigs becoming operational, which is why most training was related to aspects of the offshore operation. The company invested R\$ 18.9 million in qualifying and developing employees (including logistics and training expenses).

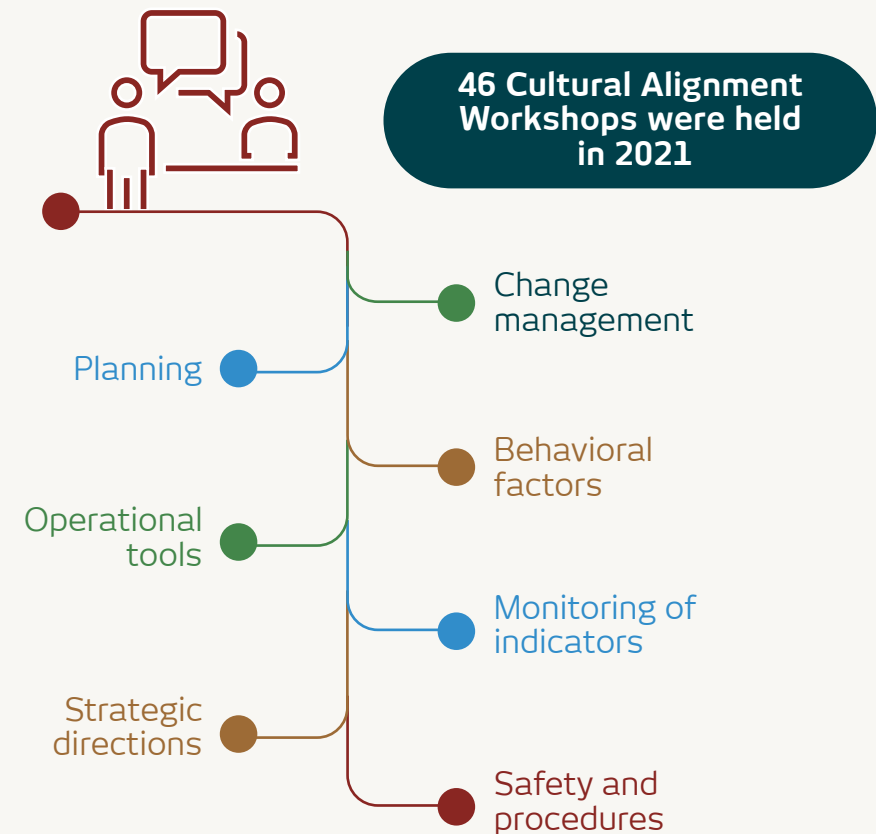
Average hours of training per year, per employee*

	2021	2020	2019
By gender			
Men	94.9	77.8	70.8
Women	92.8	17.2	39.4
By job level			
Executive Board	96.4	18.8	0.0
Management	102.4	0.0	2.0
Coordination	87.9	13.4	36.6
Operational supervision	94.5	60.2	80.8
Administrative staff	93.0	15.8	35.8
Operations staff	95.1	92.4	77.1
Total	94.7	72.7	68.1

*Calculated as total training hours provided in the year divided by headcount on December 31.

Cultural alignment

Cultural Alignment Workshops are one of the main tools we have to promote integration and synergy between teams, strengthen our organizational culture and share knowledge. These meetings, which involve all partners, outsourced workers and employees, cover different themes:



Ethics and governance

Our company is a privately-held corporation, with a governance structure aimed at building and consolidating a strategy geared toward generating long-term value. Decision-making and risk management processes are organized to fortify our corporate culture, focused on safety and on a commitment to people and the environment.



Our goal for 2022



To fortify governance practices with the **Corporate Governance Handbook** and by implementing the **Governance Portal**



Governance structure

We have a five-member Board of Directors that meets once each quarter. When strategic topics need to be discussed, such as our company's financial restructuring and crisis management during the Covid-19 pandemic, this body adopts a routine that is closer to the company.

Since 2012, resolutions made by the Board of Directors have been supported by four advisory committees - Audit, Compensation, Finance, and Strategy and Sustainability. These bodies are responsible for analyzing and making recommendations

on the topics related to their competencies. In addition, we have a Safety Committee (see more on page 28) and a Conduct Committee (see more on page 48), whose members include representatives from the corporate governance level.

The Audit Committee, like its peers, holds a non-deliberative role and is, among other things, tasked with assessing internal audits and internal controls systems, in addition to evaluating the company's financial reports and accounting statements.

From 2019 to 2021, the Board of Directors held approximately 130 meetings to oversee, evaluate and deliberate on strategic topics



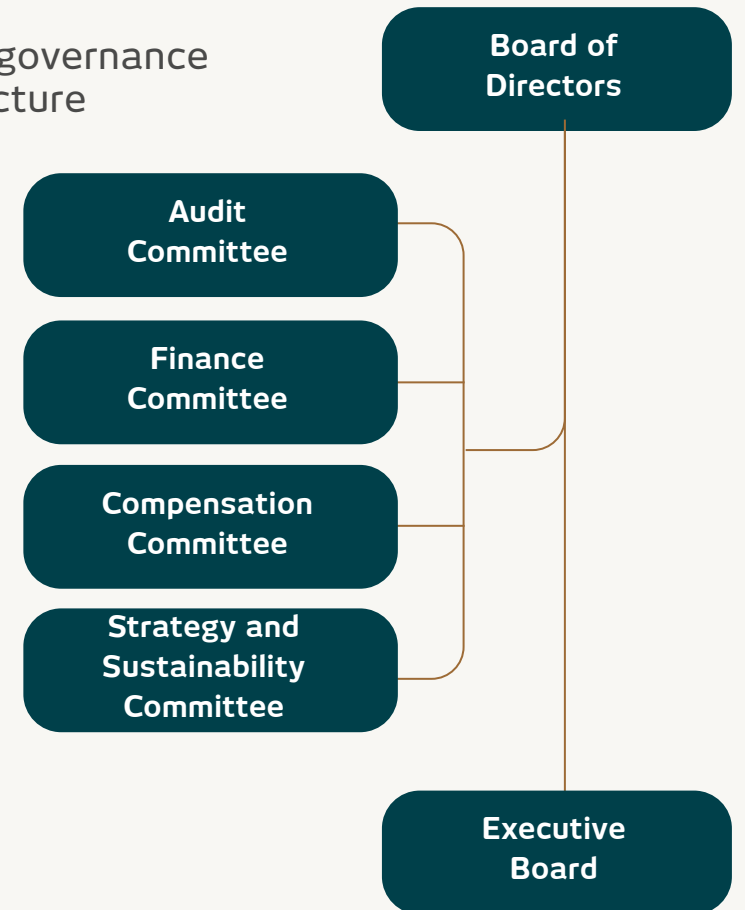
The Strategy and Sustainability Committee, in turn, has been monitoring the structure of plans and initiatives aimed at building the company's culture of ESG. In 2022, the committee will take part in the process of approving and aligning long-term goals to be proposed to enhance our performance on this front.

Our Executive Board had five members in 2021 and was reinforced in early 2022 by the creation of the Legal Division. Under the leadership of the CEO, the executives have complementary competencies and share management of action plans aligned with the strategy and approved by the Board of Directors. These officers' experience with and knowledge of the oil and gas sector are a relevant competitive advantage for our company.

In 2022, our goal is to structure and consolidate the Corporate Governance Handbook and the company's Governance Portal. With these tools, practices for decision-making and traceability of decision processes will be made even clearer and more transparent for all employees, strengthening our corporate culture.

In 2022, we intend to consolidate our Corporate Governance Handbook and the company's Governance Portal, which will contribute to transparency and traceability in decision-making

Our governance structure



Ethics and compliance

Ethics and compliance with all applicable standards and laws are required for operational excellence in our sector and are a part of how we conduct our activities. Since 2014, management of this theme has been strengthened by the creation of the **Compliance Program**, developed and enhanced under the coordination of the Compliance area, which reports directly to the Board of Directors.

A series of standards and procedures orient how we work to inform, engage and train our employees on ethical conduct and compliance. Chief among these is our current **Code of Ethics and Conduct**, originally published in 2014 and continually revised to address new issues and deepen the view of themes relevant to our business.

Communication of the Compliance Program's standards and procedures takes place, among other channels of communication and awareness, through annual training for employees (covering 100% of the staff and

including directors), outsourced workers, suppliers and members of the Board of Directors and its Advisory Committees. Because of Covid-19, since 2020, a variety of actions on this front were adapted to the digital environment, maintaining efficacy for information and spreading our culture of compliance.

Training covers the main aspects of the Compliance Program, especially the Code of Ethics and Conduct, the Ethics and Conduct Channel, the Anti-Corruption Policy and the Gifts and Entertainment Policy. Since 2020, training has included a specific chapter on the corporate governance model and procedures.

In 2021, training also included the Privacy and Personal Data Protection Policy. Training is adapted to a virtual format for operations (Distance Learning A) and administrative (Distance Learning B) staff, with a specific emphasis on topics with more connection to these workers' daily lives.

The latest revision of the Code of Ethics and Conduct was in 2021, expanding the view of aspects of privacy and data protection

Throughout training, each participant answers questionnaires to assimilate content and, at the end, after showing familiarity and agreeing to comply with the company's main policies, they receive a certificate of conclusion. Participants can also respond to a satisfaction survey after concluding training, helping us to identify opportunities for improvement.

In addition to training, all information on the Compliance Program is available on the corporate website and the company's intranet. The section contains a frequently

asked questions (FAQ) area, to clarify the biggest questions on our policies and procedures.

Communication of the Compliance Program is also complemented by an annual communication plan that involves a variety of corporate channels - corporate TV, social media, news section on the intranet, posters, etc. We also have a dedicated e-mail (compliance@theconstellation.com) for employees and outsourced workers to send questions and comments.



Combating corruption

One of the main objectives of the Compliance Program is to contribute to fighting cases of corruption. Since 2020, this aspect has covered corporate risk management, as managed by the Risks and Internal Controls area. The Compliance area contributes to identifying scenarios where the company may be exposed, considering 100% of operations and activities.

One of key action plan for mitigating this risk is intensification of measures to assess and monitor the supplier chain. Procedures for third-party registration,

procurement and due diligence, including mechanisms to identify when procedures are not being followed (by-pass) at any step in the contracting process.

All new suppliers registered since 2020 had already been certified and assessed according to our compliance guidelines. Other partners are gradually going through this process, according to contracts that are being renewed or amended.

Contracts for old suppliers that were not contracted in the last 12 months are automatically blocked.

Reactivation of active status is only granted after an integrity analysis is performed, a procedure that has accelerated compliance in our supply chain.

No cases of corruption were identified or confirmed in our company's operations. In the event that this risk materializes, we have procedures set forth in internal rules for holding violators responsible, which range from verbal and written warnings to termination of the labor contract with cause, in addition to perpetrators being subject to any criminal liability.

Ethics and Conduct Channel

The Ethics and Conduct Channel is an open tool for people to report case, attitudes and behaviors that do not comply with our values, our policies or the law in general. Those making reports, which are received by an external and independent company, can choose to remain anonymous.

All reports are forwarded to the company and analyzed by the Compliance area. Cases are also considered by the Conduct Committee, the Audit Committee and the Board of Directors, when applicable, according to their respective governance competencies. The Conduct Committee, formed by two executives, the head of Compliance and a board member, holds regular quarterly meetings (and extraordinary ones whenever necessary) to analyze the reports received by the Ethics and Conduct Channel.

We have processes that guarantee an appropriate treatment flow and that eliminate conflicts of interest (whether real or apparent). With operations having grown starting in 2020, along with more widespread communication of the tool in corporate channels, the number of reports and contacts with the Ethics and Conduct Channel have increased.



Supplier relations

Our supply chain is made up of different types of companies, with a greater concentration of expenditures on suppliers of parts and equipment for projects and maintenance, logistics services, transportation of materials and people, and general services - such as legal advising and general maintenance.

We have set up unique mechanisms and criteria to assess and monitor suppliers, aimed at management and mitigation of risks in our supply chain. Contractors are classified as "critical" and "non-critical."

At the end of 2021, we had a total of 1,564 active suppliers in our database. Of these, 296 companies are classified as critical suppliers - those which, due to the nature of their activities, pose greater risks of impacting the quality of operations and the health and safety of people or the environment.

All of our suppliers, regardless of their criticality, are subject to analysis of legal documents and to the compliance assessment process (see more on page 47).



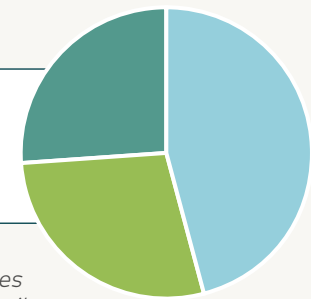
Our supplier assessment processes follow special parameters according to each partner's level of criticality

Supplier assessment and monitoring

Criteria	Not critical	Critical
Registration form	Comprehensive	Comprehensive + specific
Basic Documentation	Basic	Comprehensive + specific
Audit (on-site)	Not required	Required
Compliance assessment	Required	Required
Management system	Not required	Required: ISO certification or management system implemented

Supplier distribution by location¹

- 46% abroad
- 28% local
- 26% nacional



¹Local suppliers are those with headquarters abroad, but with offices and administrative structures in Brazil.

Report Annexes



Supplements to GRI disclosures

GRI 102-8 and 102-42 | Information on employees and other workers and Collective bargaining agreements

At the end of the year, our company had 1,647 direct employees, approximately 19% more than in the last two years. All employees in Brazil (96% of total employees) are covered by collective bargaining agreements or accords executed with unions representing trade classes. At units abroad, employees are not subject to these types of agreements. In addition to direct employees, we had 277 workers at the end of the year working as interns, apprentices and outsourced workers.

Outsourced workers carry out support activities at administrative buildings (cleaning, reception, gardening and maintenance) and catering services at rigs. They are not related to critical processes at the company or to activities with a high occupational risk.

Staff*	2021		2020		2019	
	Men	Women	Men	Women	Men	Women
By contract type						
Indefinite term	1,436	144	1,425	128	1,254	115
Fixed term	58	9	12	5	15	5
By age group						
20 and under	0	0	0	0	1	0
21 to 30	177	40	195	29	193	27
31 to 40	793	65	782	69	681	62
41 to 50	400	39	355	28	292	23
51 to 60	101	5	87	4	85	5
61 and over	23	4	18	3	17	3
Total	1,494	153	1,437	133	1,269	120

*All work full time.

Employees by region and labor contract

Geographic region	2021		2020		2019	
	Indefinite term	Fixed term	Indefinite term	Fixed term	Indefinite term	Fixed term
North	22	49	17	0	71	0
Center-West	2	0	2	0	2	0
Southeast	1,508	0	1,483	0	1,233	0
Abroad	48	18	51	17	63	20

GRI 102-3 | Location of headquarters

Constellation Oil Services Holding S.A. is headquartered in Luxembourg.

GRI 102-48, 102-49, 102-51 and 102-56 | Restatements of information, Changes in reporting, Date of most recent report and External assurance

This is the company's first Annual Sustainability Report. Therefore, there is no information requiring restatement or correction, nor there any changes to the content, scope and coverage of this report. Information and data related to GRI content were verified by areas and revised by the Executive Board, but they were not subject to external verification.

GRI 102-43 and 102-44 | Approach to stakeholder engagement and Key topics and concerns raised

We have an internal procedure establishing the main stakeholders that have relationships with our company as well as the criteria for meeting key demands and expectations from these publics. These publics were not directly approached when drafting this Report. This scope of consultation is planned to take place in 2022. The expectations and needs of each stakeholder are raised through interaction with leaders of areas related to each of these stakeholder groups.

Stakeholders	Needs and expectations
Customers	- Services with quality
	- Operational excellence
	- No occupational, procedural or environmental incidents
	- No catastrophes
	- No crises
	- Competitive price
	- Commitment to fighting corruption and to ethics
Suppliers and partners	- Maintaining Constellation as a customer
	- Positive assessment of the service/product
	- No occupational, procedural or environmental incidents
	- Positive financial result
Employees	- Quality supply of products and services
	- Appropriate compensation
	- Professional recognition
	- Opportunities for professional career development
	- Maintenance of employment
	- Profit sharing
	- Safe and appropriate workplace

Stakeholders	Needs and expectations
Community and society	- No negative environmental impacts
	- No environmental and occupational incidents
	- Job creation
	- No catastrophes and crises
	- Commitment to fighting corruption and to ethics
	- Commitment to Sustainable Development Goals (SDGs)
Shareholders	- Positive financial result
	- Return on investment
	- No crises and catastrophes
	- Maintain a positive image of the company
Public institutions	- Commitment to fighting corruption and to ethics
	- Commitment to Sustainable Development Goals (SDGs)
	- Compliance with legal requirements
Unions	- No significant negative impacts on the environment
	- No occupational safety and procedural incidents
	- No catastrophes
	- No occupational incidents
	- Fulfillment of worker interests
	- Safe and appropriate workplace
	- Representation in relation to workers



GRI 401-1 | New employee hires and employee turnover

Our staff turnover has remained steady over the last three years. Hirings are mostly aimed at replacing employees who have left the company or at fulfilling new contracts. In 2021, with recovery in the price of oil and renewed growth in the market, the turnover rate rose by approximately three percentage points.

Number of hires and terminations

	2021		2020		2019	
	Hires	Terminations	Hires	Terminations	Hires	Terminations
By gender						
Men	291	227	342	165	515	206
Women	39	18	25	11	27	26
By age group						
20 and under	2	0	1	0	2	0
21 to 30	79	29	95	24	118	37
31 to 40	163	138	197	86	278	133
41 to 50	68	61	62	44	112	43
51 to 60	15	13	12	18	28	15
61 and over	3	4	0	4	4	4
Total	330	245	367	176	542	232

Hiring and turnover rates*

	2021		2020		2019	
	Hiring rate	Turnover rate	Hiring rate	Turnover rate	Hiring rate	Turnover rate
By gender						
Men	19.5%	17.3%	23.8%	17.6%	40.6%	28.4%
Women	25.5%	18.6%	18.8%	13.5%	22.5%	22.1%
By age group						
20 and under	0.0%	0.0%	0.0%	0.0%	200.0%	100.0%
21 to 30	36.4%	24.9%	42.4%	26.6%	53.6%	35.2%
31 to 40	19.0%	17.5%	23.1%	16.6%	37.4%	27.7%
41 to 50	15.5%	14.7%	16.2%	13.8%	35.6%	24.6%
51 to 60	14.2%	13.2%	13.2%	16.5%	31.1%	23.9%
61 and over	11.1%	13.0%	0.0%	9.5%	20.0%	20.0%
Total	20.0%	17.5%	23.4%	17.3%	39.0%	27.9%

*Rates are calculated in relation to the headcount on December 31 of each year. Hiring rate = number of hires divided by headcount. Turnover rate = average hires and terminations divided by headcount.

GRI 403-3 and 403-6 | Occupational health services and Promotion of worker health

Our company has different programs that assess and monitor health conditions for employees and outsourced workers. These initiatives are part of the MCPOH (Medical Control Program for Occupation Health) at each unit, enabling monitoring focused on promoting occupational health and preventing health problems related to work.

We offer the following programs to our employees:

- Vaccination Program: a set of actions aimed at vaccination coverage according to the Ministry of Health’s calendar.
- Hearing Protection Program (HPP): prevention and early detection of damage caused by significant exposure to sound pressure.
- Occupational Ophthalmology Prevention Program: assess employees’ visual capacity or impairment, providing information on the importance of correctly and regularly using PPE.
- Chemical Risk Control Program: prevention and control of health problems for employees exposed to chemical risks.
- Medical Assessment Program for Use of Respiratory Protective Equipment (RPE):

determines whether or not a worker’s health status allows them to use a respirator along with assembly of the rescue team at maritime units.

- Ergonomics Program: aimed at protecting health and physical integrity and, particularly, providing more comfort during the work shift. This is done by focusing on anticipating, recognizing, assessing and consequently controlling the occurrence of ergonomic risks that are present or may become present in the workplace.
- Obesity Control Program: a set of actions aimed at identifying and referring employees for control and treatment when their BMI (Body Mass Index) is equal to or greater than 32.0 and of those with risk factors for developing excessive weight gain, with the likelihood of developing obesity, coronary disease and more.
- Alcohol and Drugs Program: establishes specific standards, concepts, guidelines and procedures related to the inappropriate use of psychoactive substances in the workplace, as a safety measure, to prevent accidents and, more than anything, to protect workers’ lives.
- Noncommunicable Chronic Diseases Program: actions aimed at identifying and referring for treatment any employees with

risk factors for developing noncommunicable chronic disease, such as Plurimetabolic Syndrome, obesity/sedentarism, smoking, hypertension, diabetes, dyslipidemias and hyperuricemia.

- Program to Prevent Musculoskeletal Disorders: a set of actions aimed at early prevention and investigation of musculoskeletal disorders, regardless of whether or not there is occupation risk or any situation involving the worker both inside and outside of work.

We offer our employees and outsourced workers the following programs:

- Program to Assess Activities in Confined Spaces: assessment of the clinical and psychiatric state of employees to enter/work and perform rescues in activities occurring in confined spaces.
- Program to Assess Activities at Height: assessment of the clinical and psychiatric state of employees to work on activities at height.
- First Aid Program: set of permanent actions to provide first level care for health problems at company facilities, through direct service or support at a distance, with the goal of minimizing after-effects and reducing temporary or permanent functional losses.

GRI 403-9 | Work-related injuries

Occupational safety indicators

	2021		2020	2019	
	Company employees	Outsourced workers	Consolidated	Consolidated	
Total man-hours worked	3,322,124	1,408,553	4,730,677	4,625,162	3,351,054
Number of recordable incidents*	18	19	37	32	32
Number of incidents with serious outcomes (excluding death)	0	0	0	2	0
Total rate of recordable accidents	5.42	13.49	7.82	6.92	9.55
Rate of accidents with serious outcomes	0.00	0.00	0.00	0.43	0.00
Severity rate of accidents	51.17	156.19	82.44	212.53	54.91

*There are no fatal accidents on record for the last three-year period.

GRI content index

GRI Standard	Disclosure	Page	Omissions	Global Compact	SDG
GRI 101 Foundation 2016					
General disclosures					
	Organizational profile				
	102-1 Name of the organization			-	-
	102-2 Activities, brands, products, and services			-	-
	102-3 Location of headquarters			-	-
	102-4 Location of operations			-	-
	102-5 Ownership and legal form			-	-
	102-6 Markets served			-	-
	102-7 Scale of the organization			-	-
	102-8 Information on employees and other workers			6	8 and 10
	102-9 Supply chain			-	-
GRI 102 General disclosures 2016	102-10 Significant changes to the organization and its supply chain			-	-
	102-11 Precautionary Principle or approach			-	-
	102-12 External initiatives			-	-
	102-13 Membership of associations			-	-
	Strategy				
	102-14 Statement from senior decision-maker	4 and 5	-	-	-
	Ethics and integrity				
	102-16 Values, principles, standards, and norms of behavior	8 and 46	-	10	16
	102-17 Mechanisms for advice and concerns about ethics	48	-	10	16
	Governance				
	102-18 Governance structure	44 and 45	-	-	-

GRI Standard	Disclosure	Page	Omissions	Global Compact	SDG
GRI 102 General disclosures 2016	Stakeholder engagement				
	102-40 List of stakeholder groups	17	-	-	-
	102-41 Collective bargaining agreements	51	-	3	8
	102-42 Identifying and selecting stakeholders	3	-	-	-
	102-43 Approach to stakeholder engagement	52	-	-	-
	102-44 Key topics and concerns raised	52	-	-	-
	Reporting practice				
	102-45 Entities included in the consolidated financial statements	3	-	-	-
	102-46 Defining report content and topic Boundaries	17	-	-	-
	102-47 List of material topics	17	-	-	-
	102-48 Restatements of information	51	-	-	-
	102-49 Changes in reporting	51	-	-	-
	102-50 Reporting period	3	-	-	-
	102-51 Date of most recent report	51	-	-	-
	102-52 Reporting cycle	3	-	-	-
	102-53 Contact point for questions regarding the report	3	-	-	-
102-54 Claims of reporting in accordance with the GRI Standards	3	-	-	-	
102-55 GRI content index	55, 56, 57 and 58	-	-	-	
102-56 External assurance	51	-	-	-	



GRI Standard	Disclosure	Page	Omissions	Global Compact	SDG
Material topic GHG emissions					
GRI 103 Management approach 2016¹	103-1 Explanation of the material topic and its Boundary	31, 32, 33, 34 and 35	-	-	-
	103-2 The management approach and its components	31, 32, 33, 34 and 35	-	-	-
	103-3 Evaluation of the management approach	31, 32, 33, 34 and 35	-	-	-
GRI 201 Economic performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	32 and 33	-	7	13
GRI 302 Energy 2016	302-1 Energy consumption within the organization	34	-	7 and 8	7, 8, 12 and 13
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	34	-	7 and 8	3, 12, 13, 14 and 15
	305-2 Energy indirect (Scope 2) GHG emissions	34	-	7 and 8	3, 12, 13, 14 and 15
	305-3 Other indirect (Scope 3) GHG emissions	34	-	7 and 8	3, 12, 13, 14 and 15
	305-4 GHG emissions intensity	35	-	8	13, 14 and 15
Material topic We value safety					
GRI 103 Management approach 2016	103-1 Explanation of the material topic and its Boundary	19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29 and 30	-	-	-
	103-2 The management approach and its components	19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29 and 30	-	-	-
	103-3 Evaluation of the management approach	19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29 and 30	-	-	-
GRI 403 Occupational health and safety 2018	403-1 Occupational health and safety management system	21	-	-	8
	403-2 Hazard identification, risk assessment, and incident investigation	22, 23, 24 and 28	-	-	8
	403-3 Occupational health services	30 and 54	-	-	8
	403-4 Worker participation, consultation, and communication on occupational health and safety	23, 25 and 26	-	-	8 and 16
	403-5 Worker training on occupational health and safety	23, 25, 26 and 27	-	-	8
	403-6 Promotion of worker health	30 and 54	-	-	3
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	29	-	-	8
	403-8 Workers covered by an occupational health and safety management system	22	-	-	8
	403-9 Work-related injuries	20 and 54	-	-	3, 8 and 16
Material topic Risk management for serious incidents					
GRI 103 Management approach 2016	103-1 Explanation of the material topic and its Boundary	36 and 37	-	-	-
	103-2 The management approach and its components	36 and 37	-	-	-
	103-3 Evaluation of the management approach	36 and 37	-	-	-

¹The management approach refers to all GRI topics within the material topic "GHG emissions".

GRI Standard	Disclosure	Page	Omissions	Global Compact	SDG
Material topic Ethical conduct and compliance					
GRI 103 Management approach 2016	103-1 Explanation of the material topic and its Boundary	46, 47 and 48	-	-	-
	103-2 The management approach and its components	46, 47 and 48	-	-	-
	103-3 Evaluation of the management approach	46, 47 and 48	-	-	-
GRI 205 Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	47	-	10	16
	205-2 Communication and training about anti-corruption policies and procedures	46	-	10	16
	205-3 Confirmed incidents of corruption and actions taken	47	-	10	16
Material topic People development, diversity and inclusion					
GRI 103 Management approach 2016²	103-1 Explanation of the material topic and its Boundary	38, 39, 40, 41 and 42	-	-	-
	103-2 The management approach and its components	38, 39, 40, 41 and 42	-	-	-
	103-3 Evaluation of the management approach	38, 39, 40, 41 and 42	-	-	-
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	53	-	6	5, 8 and 10
GRI 404 Training and education 2016	404-1 Average hours of training per year per employee	42	-	6	4, 5, 8 and 10
	404-3 Percentage of employees receiving regular performance and career development reviews	41	-	6	5, 8 and 10
GRI 405 Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	39 and 40	-	6	5 and 8
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	40	-	6	5 and 8
Material topic Business model resilience					
GRI 103 Management approach 2016	103-1 Explanation of the material topic and its Boundary	9, 10, 11, 12 and 13	-	-	-
	103-2 The management approach and its components	9, 10, 11, 12 and 13	-	-	-
	103-3 Evaluation of the management approach	9, 10, 11, 12 and 13	-	-	-

²The management approach refers to all GRI topics within the material topic "People development, diversity and inclusion".

Credits

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Sustainability Workgroup of
Constellation

Content, consulting and design

usina82

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