

Sustaining HSE efforts — the Noble way

NOBLE CORPORATION IS known for its proactive health, safety and environmental (HSE) initiatives. In 2002, the company became the first drilling contractor to report publicly on its HSE and other sustainability efforts, putting it on the cutting edge of a business trend.

Commonly used by organizations to voluntarily communicate information on environmental and other nonfinancial performance issues to employees, customers, shareholders and stakeholders, corporate sustainability reporting is recognized as an important mechanism for improving sustainable performance. This is based on generating business value through measurement and management of environmental risks and opportunities, and reporting this information in a way that responds to the growing expectations of customers, business partners, investors and the public.

Although sustainability reporting is a relatively new approach to communicating about environmental performance, its uptake has been strong and is increasing steadily. Corporate reporting exemplifies the growing trend in acknowledging the importance of sustainable performance and open and transparent communication.

“At Noble, we believe that transparency is critical for sustainable business,” said **Kerric Peyton**, the company’s manager of HSE and Quality. “We’re transparent financially, and we think we should also be transparent in HSE. We want to demonstrate accountability.”

TAKING THE NEXT STEP

The effort began four years ago when Noble – always looking for additional areas of improvement – identified public disclosure as the next proactive step it could take in its HSE efforts. Working with Chairman, CEO and President, **James C Day**, the effort has been well received and has become another successful effort for the company.

“Sustainability reporting was the missing link between the HSE and social initiatives we support,” Mr Peyton said. This effort has become a valuable tool to engage all of Noble’s internal and external constituencies.



Four years ago, Noble identified public disclosure of environmental and other nonfinancial performance as the next proactive step it could take in its HSE efforts. The company has been publishing annual reports. Shown above is the company’s 2003 report, which can be accessed on.

Externally, there has been a great deal of positive response from Noble’s customer base, and the company has also seen enthusiasm from institutional firms that make up a large portion of Noble’s shareholder base.

Internally, this report provides Noble employees the opportunity to better understand the company’s efforts throughout worldwide operations.

“It brings a sense of accomplishment to the people who contributed to achieving

Noble’s goals, such as reducing our global greenhouse gas emissions,” Mr Peyton said.

“For example, a mechanic onboard a rig in the Middle East sends in how much fuel is consumed on that rig every day. At the end of the year, we’re able to calculate the amount of carbon dioxide emissions released to the environment from his rig and the entire company, as well as efficiency savings we made over the previous year. When the mechanic reads the sustainability report, he knows what

these efforts have resulted in and what he is part of on a larger scale.”

Before the accomplishments could be celebrated, hard work on the part of many employees was required. Collecting the data is one of the more involved tasks in sustainability reporting.

“You can’t report on metrics that you don’t measure. One of the biggest challenges was getting together numbers for some of the metrics that are not compulsory but are an element of solid sustainability reporting,” Mr Peyton said.

To report on its global greenhouse gas emissions, Noble needed to know exactly how many gallons of fuel were burned. With fuel usage being a metric that no regulatory body requires, Noble had to go the extra mile of recording that data independently.

Noble’s data demonstrates that in 2003 and 2004, the company’s total greenhouse gas emissions rose, primarily due to a significant increase in operating days. The estimated emissions per day, however, decreased, and Noble attributes the reduction to improvements in engine efficiency.

Although sustainability reporting is a growing trend worldwide, to date Noble remains the only drilling contractor to report publicly on these initiatives.

Another important ingredient is top management leadership and commitment. As quoted in the company’s 2004 report, Mr Day expressed one of Noble’s key philosophies – to always do the right thing – by saying, “Irrespective of Wall Street’s focus on short-term expectations for operating costs and ultimately cash flow, this company will continue our commitment to lead this industry with our initiatives. We will set the example of being a company that is focused on our employees, safety and health and on minimizing our impact on the environment.”

Noble’s annual sustainability reports highlight the company’s basic HSE philosophy – that good HSE performance is good business and that people are Noble’s most important assets.

Noble cites four critical factors to HSE success. First, safety must be considered a value in the organization, and that cannot be compromised for the sake of operations. While priorities may change from time to time, core values provide lasting impact.

Second, performance must be measured and then benchmarked because you cannot manage what you do not measure. Once you have a baseline, you can begin to implement strategies to improve your performance. The goal is eventually to manage HSE performance, rather than having the performance manage you.

Third, create a competitive environment. Every facility should want to have the best performance in the company. To drive internal competition, Noble uses annual award programs such as the

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Chairman’s Award. Rigs that exemplify Noble’s expectations of performance in all areas of operations are recognized annually by the company’s chairman.

Fourth, develop a solid HSE management system based on internationally recognized standards, then achieve third-party certification.

Some of the outstanding HSE results that Noble has achieved are:

- ISO 14001 certification for its entire global fleet of eligible rigs;
- OHSAS 18001 certification for nine rigs;
- Baseline engine emissions for the entire global fleet;
- Became the first offshore drilling contractor to participate in the **Environmental Protection Agency’s** Climate Leaders Program by reporting greenhouse gas emissions to an internationally recognized registry.

In addition, Noble implemented a behavior-based safety program to help achieve its long-term goal of an accident-free workplace. It focuses on making HSE awareness second nature to employees. And because it’s a self-reporting program, it encourages every employee to think like an HSE supervisor.

The company has also established Competency Assurance Goals. They are:

- To establish and document the training requirements necessary to provide a competent offshore labor force for Noble operations; and
- To provide the mechanism to ensure personnel are competent in those activities required for each specified offshore position.

Not only is Noble’s Competency Assurance recognized by all operators, it’s also been part of the regulatory requirement in the EU for several years and is the only independent program approved by the **Offshore Petroleum Industry Training Organization (OPITO)**, the national training organization for oil and gas extraction in the United Kingdom.

In 2004, the **National Safety Council** awarded Noble its inaugural Robert W Campbell Award. Noble was selected for leadership and excellence in business and financial performance by integrating HSE performance into operations.

In March 2005, Noble won the International Regulators’ Forum’s Carolita Kallaur Award in recognition of its leadership in development of the Northwest European Health, Safety and Environmental Case template. The award was presented by **Taf Powell**, Head of the **Health & Safety Executive’s Offshore Division**.

Additionally, the **Dow Jones Sustainability Index** selected Noble to be an index component. The index tracks the performance of more than 300 companies in 24 countries that lead their industries in terms of corporate sustainability.

“We will continue to build on and expand our HSE efforts, which will be reflected in future sustainability reporting efforts,” Mr Peyton said. “Sustainability is doing business today to ensure a healthy business environment tomorrow.”

Noble’s sustainability reports can be publicly accessed online at www.noblecorp.com. ■