



Sustainability Report 2021



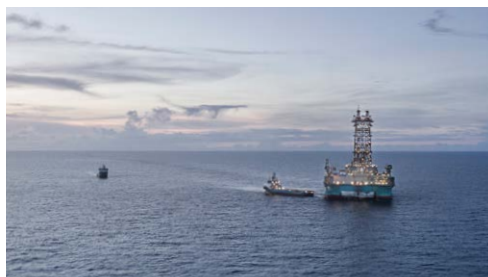
Table of contents

04 Introduction

- 04 A leading sustainability position
- 05 Our approach to sustainability
- 06 2021 Highlights
- 07 The importance of oil and gas

08 Sustainable Energy Future

- 09 Climate and Energy
- 10 Our climate plan – a leader within low emission drilling
- 11 2021 climate performance
- 12 Managing climate risks



Sustainable Energy Future, page 08

13 Caring for People

- 14 Safety
- 15 2021 performance
- 16 Diversity and Inclusion
- 19 HR Development
- 21 Bringing value to local communities

22 Responsible Business

- 23 Ethical business practices
- 25 Responsible supply chains
- 26 Protecting sea and air

28 Governance

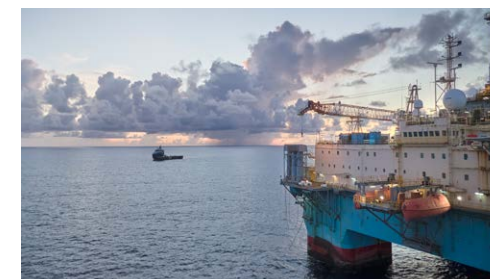
- 28 A solid governance framework for sustainability progress

30 Data

- 30 Ambition and progress
- 31 ESG performance data



Caring for People, page 13



Responsible Business, page 22



A leading sustainability position

The drilling industry is at a crossroads and the world of energy is transforming. Maersk Drilling plays a critical role in ensuring that affordable and reliable energy is accessible to all, while doing so in the most sustainable and efficient way. I am proud of Maersk Drilling's position as an industry leader within sustainability. In 2020, we launched what is viewed as the most ambitious sustainability commitments in the industry. An

all-encompassing strategy built on the three pillars of Sustainable Energy Future, Caring for People, and Responsible Business.

The biggest sustainability challenge of all is combatting climate change. Industries, governments, investors and citizens across the world are demanding accountability and action, and the ability to contribute to emissions

reductions will rightfully become part of the licence to operate in many parts of the world.

Maersk Drilling's core belief is that the energy transition will be deep, fundamental and change many aspects of modern life. But the transition will take time, and there will be a significant need for hydrocarbons for decades to come, and they must be available as a reliable baseload while the more fluctuating sources of wind, solar and other sources of energy are gradually ramped up.

While continuing to deliver responsible drilling services to provide access to energy, we will work hard to reduce the emissions from our operations. We have launched an ambitious target of a 50% reduction in carbon intensity by 2030 and we are working hard to achieve it. It will demand the collaboration and ambitions of the entire value chain and especially our customers, the energy companies.

We have established a dedicated Emissions Task Force to drive progress and leverage some of the pioneering initiatives that Maersk Drilling has already launched such as the world's first electrified offshore rig but will also build on technologies that are still under development, for example new low-emission fuel types like methanol and ammonia.

In parallel with our plan to reduce our own emissions, we have ramped up our activities within carbon storage. In Project Greensand, the most progressive storage project in Denmark, the aim is to reach 4-8 million tonnes of CO₂ stored by 2030, thereby potentially accounting for all of the carbon storage included in the Danish Climate Program. In 2021, we signed an agreement to be the preferred supplier for drilling services to the project. We expect to be able to offer similar services to carbon storage projects in other geographies.

To remain at the forefront, we need to be a company which can drive change, come up with the best ideas, and make sure that these ideas are safely and efficiently turned into customer solutions and solid work practices. To do this we need a diverse and inclusive culture where all people are valued for their contributions. In 2021, we saw good progress on several of the diversity targets with two of them being reached ahead of time.

Similarly, within the all-important safety area, we were pleased to register the third year in a row with zero serious incidents causing permanent personal injury. This is our number one priority, and we will keep a strong focus on keeping our people out of harm's way. We need to progress even further as we experienced several high potential incidents which had the possibility of ending worse than they did.

All in all, we have seen good progress in 2021, despite the many challenges imposed by the global pandemic. In 2022, we will continue to strive higher and it might be on an even bigger scale. In November 2021, Maersk Drilling announced plans to merge with Noble Corporation, creating a bigger player with one of the youngest fleets in the drilling industry. Once the merger is completed, the new company will have twice as many rigs as we do now, with the option to grow the sustainability ambitions on a bigger scale leveraging much of the groundwork that Maersk Drilling has accomplished during many years of strong focus on sustainability.

Jørn Madsen
CEO, Maersk Drilling

Our approach to sustainability

In 2020, Maersk Drilling launched one of the industry's most ambitious sustainability strategies based on three pillars: Sustainable Energy Future, Caring for People, and Responsible Business. During 2021, progress has been made with a special focus on the two main components of the strategy: Climate Action and Diversity & Inclusion.



We strive to minimise the carbon intensity of our business as well as the activities of our customers and our supply chain

TOPIC AREAS:

- Climate Action
- Preparedness for the Energy Transition
- Responsible Consumption

TARGET:

- Emissions Intensity Target (-50%) by 2030



We want to be a safe, diverse, inclusive, and people-centric company

TOPIC AREAS:

- Safety
- Diversity & Inclusion
- Bringing Value to Local Communities

TARGET:

- Onshore Female Leadership Target (30%) by 2023



We are committed to being a good corporate citizen by conducting our business in a way that protects people and minimises adverse effects on the environment and society

TOPIC AREAS:

- Marine & Air Environment
- Business Ethics & Compliance
- End-of-Life – Oil & Gas Assets



Read more about our ambition and progress in the overview on [page 30](#).

ESG REPORTING AND DISCLOSURE AMBITION AND INITIATIVES

We aim to conduct transparent, standardised and impactful reporting and disclosure

2021 Highlights

Maersk Drilling reached several major milestones within sustainability in 2021, by enhancing and solidifying the approach within several different areas. Key achievements from the year are highlighted below, with reference to more detailed information inside the report.



Digital Energy Efficiency Insights

In 2021 an Energy Efficiency Insights (EEI) platform was rolled out on 11 rigs, allowing for real-time digital monitoring of our fleet's energy consumption and emissions. The EEI systems will be a catalyst for optimised operations of the company's rigs with emission savings starting to materialise in the first half of 2022 – read more on [page 11](#).

Project Greensand matured

After the successful completion of Phase 1, carbon storage Project Greensand's Phase 2 was announced, now involving an expanded consortium. The project has an increased target to permanently store up to 8 million tonnes CO₂ per year, with Maersk Drilling appointed as the preferred contractor for drilling rig work until the end of 2027. The substantial emissions reductions expected from Project Greensand is not part of the 50% carbon intensity reduction target of Maersk Drilling's climate plan – read more on [page 12](#).



Diversity target achieved

The 20% onshore female leadership target for the Executive Leadership Team was achieved two years before target. Good progress was also registered on a number of other diversity parameters – read more on [page 16](#).

Cross-organisational Ambassador Group

A dedicated Ambassador Group chaired by the Chief Diversity Officer was created to further ingrain diversity, equity, and inclusion initiatives across the organisation. The group consists of 38 employees both offshore and onshore – read more on [page 18](#).



Rig recycling policy applied

Maersk Drilling's newly established rig recycling policy, with requirements aligning as a minimum with the Hong Kong Convention was applied on the sale of three rigs during the year – read more on [page 27](#).

Low-emission rigs

Newly upgraded low-emission rigs Maersk Intrepid and Maersk Integrator were both in full operation from the first quarter of 2021 with hybrid-battery solutions, contributing positively to the emissions of the fleet. A similar upgrade investment has been approved for Maersk Invincible with operational effect from late 2022. 2021 also included a finalised upgrade of the Maersk Resolute with a Selective Catalytic Reduction (SCR) scrubber system to convert NO_x emissions into harmless water and nitrogen – read more on [page 26](#).



ESG-related supplier assessments

Sustainability as a parameter has been integrated into tender evaluations, where suppliers are assessed on a variety of ESG factors. A sustainability contractual clause has furthermore been added to Supplier Frame Agreements – read more on [page 25](#).

Strengthened ESG reporting

Maersk Drilling expanded the ESG-reporting in 2021. Among the new initiatives was an expansion of the Interim Half-Year Report with a sustainability section, so that Maersk Drilling now reports bi-annually on the most central sustainability metrics covering GHG emissions, Diversity, and Safety – read more on [page 31](#).

The importance of oil and gas

The oil and gas industry plays a key role in providing affordable, reliable and accessible energy to people all around the world.

Throughout the global pandemic, the oil and gas industry has faced significant challenges. To ensure secure supplies of energy during these unprecedented times, offshore workers across the industry have worked tirelessly to guarantee that energy remains reliable, affordable, and accessible for all.

The future of the energy landscape will continue to evolve and oil and gas will be heavily relied upon along the way. Oil and gas will continue to support economic growth and development in local and global communities. The global demand for products derived from oil and gas is vast and will continue to rise in the future.

For the future

The oil and gas industry contributes to the green transition by ensuring dependable and accessible

energy to a growing global population. Considering that coal is still heavily relied on as a global energy source, oil and gas is a safer, cleaner and more reliable replacement. Leaving coal behind will require an expansion into oil and gas and renewables, which will, in turn, improve energy efficiency and accessibility.

Within the coming decades, pressures on the energy system will remain constant to match the growing population and the rise of demand for energy. Countries around the world will continue to depend on oil and gas as a dependable source of energy to support functional infrastructure, as well as economic growth. The energy transition is dependent on oil and gas to supply what renewable energy currently cannot on a global scale: availability, reliability, and affordability.



Transportation

Oil and gas help fuel transportation across the world. Diesel and gasoline are used for trucks and cars that enable transport and logistics. Jet fuel is relied upon for global air travel, and support and movement of cargo. Supporting global trade, oil and gas is used as fuel for cargo vessels to enable sea transport. Even as e-vehicles are becoming increasingly accessible, oil and gas play a role in the production of the e-vehicles. Oil and gas contribute to the green transition in the transportation sector via the materials that are used to make e-vehicles safer, more reliable, and energy-efficient such as batteries and lightweight components.



Petrochemicals

Derived from oil and gas, petrochemicals are used in a variety of ways that benefit our lives. Industrial products made with petrochemicals include dyes, paints, plastics, lubricants and fertilisers. Petrochemicals also play a key role in the agricultural and pharmaceutical industries, which are both linked to improving life quality and overall health.



Oil and gas



Quality of life

Improved living standards are directly related to the safety, affordability and accessibility of energy sources and consumption. Oil and gas enable people around the world to benefit from modern energy consumption in order to increase the overall quality of life. The livelihoods and aspirations of the world's rising population are inherently linked to access and usage of modern, safe, and affordable energy. Until 2050, the global population is expected to grow by approximately 2 billion people and this increase will impact rising incomes that drive the demand for energy services. Oil and gas will continue to be relied upon, to eradicate energy poverty.



Health

Throughout the various branches of the healthcare industry, oil and gas provide materials, transportation and pharmaceuticals that are used for healthcare and sanitation. Specific healthcare tools are made directly from oil and gas feedstocks and impact every aspect of patient care. Throughout the COVID-19 pandemic, the demand for hydrocarbons has increased to support Personal Protective Equipment (PPE) and other medical and hygiene-related supplies to save lives.



Sustainable Energy Future



We strive to minimise the carbon intensity of our business as well as the activities of our customers and our supply chain



7 AFFORDABLE AND CLEAN ENERGY



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



17 PARTNERSHIPS FOR THE GOALS

Climate and Energy

Climate change represents one of the biggest challenges of modern society. Maersk Drilling is committed to doing its part by leading the drilling industry's climate action initiatives.

After more than a hundred years of societal progress based on hydrocarbons, the transformation to a low-carbon economy requires monumental changes. A multitude of new technologies must be developed and scaled to replace today's carbon-intensive products and services. The transition must take place in a way that does not compromise the livelihoods and development aspirations of less affluent parts of the world.

The oil and gas industry has a vital role to play in the transition towards a sustainable future:

- The industry must produce hydrocarbons in the most responsible way possible. Upstream operations account for around 2%¹ of the world's human-made greenhouse gas (GHG) emissions and investments are required to reduce emissions from processes and equipment. Often, close collaboration and partnerships amongst the players in the offshore ecosystem are required.
 - The industry has a golden opportunity to develop carbon capture and storage solutions based on its unique insights into geology, reservoir management, CO₂ injection for enhanced production and well control.
- These transition effects offer both opportunities and risks to Maersk Drilling and set the scene for the company's long-term strategy.

¹ Rystad, October 2021, 'Breaking down upstream's 1 GT CO₂'

The offshore ecosystem

Partnerships and cooperation in the offshore ecosystem is key to creating a supportive framework for low-emission solutions



International organisations, governments and local authorities
Regulation and public infrastructure can steer and accelerate the transition. Establishing the right incentives and infrastructure to support low-emission solutions – such as electrification of ports and fields – are necessary to trigger the adoption of new technologies.



Operators
Several of the leading oil and gas companies are increasingly conscious about their carbon footprint and focus on reducing scope 1, 2, and 3 emissions. The pace of oil and gas sector decarbonisation will increase if more operators pay a premium for low-emission services.



Fuel suppliers
Accessibility and availability of alternative fuels will be largely dependent on scaling of known, but not yet commercially attractive, technologies.



Drillers and other suppliers
There is significant potential to increase global adoption of energy efficiency and low-emission technologies and best practices. Many of the technologies are available but their adoption is hampered by low investment capabilities by the rig owners and increasingly short contract periods.



Finance institutions
Emissions-linked financing is already used by other industries and is successfully adopted by the drilling industry in Norway. The right public or private finance sector initiatives can accelerate the transformation by lowering costs to finance asset and infrastructure development.

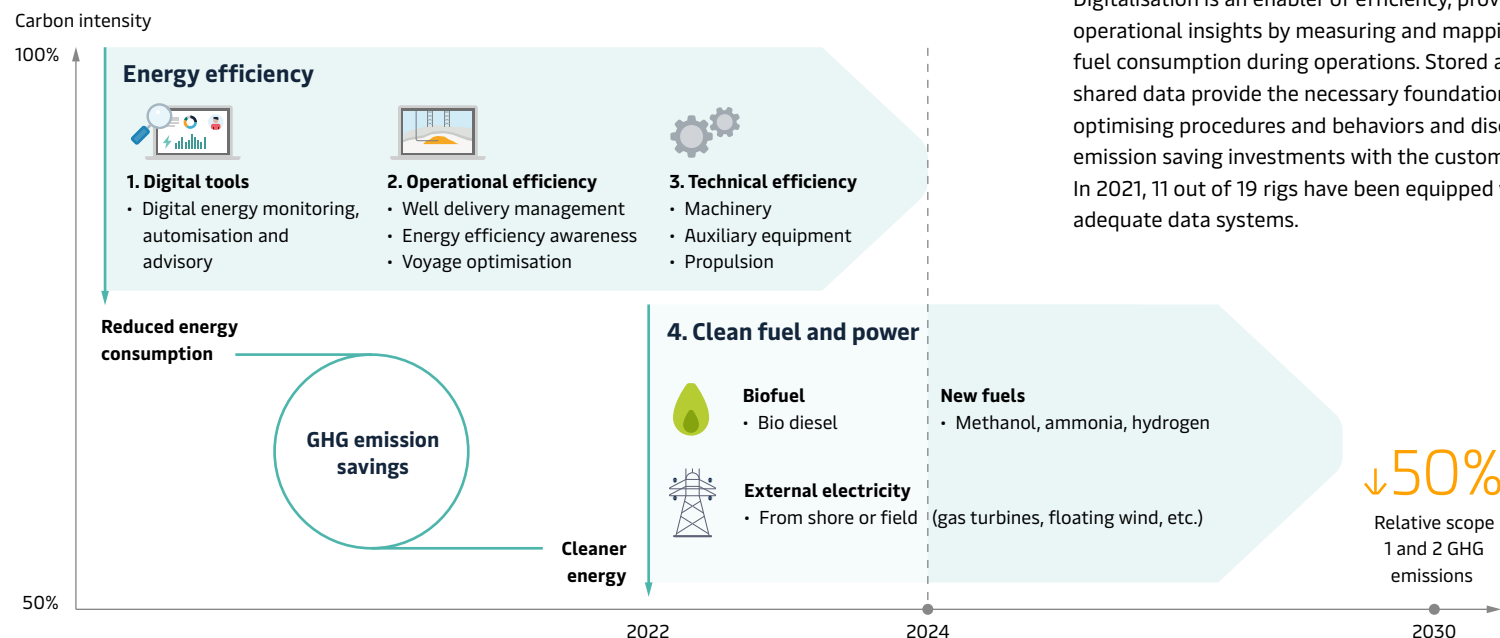


For further information on decarbonisation in the maritime sector, see 'Industry Transition Strategy', 2021 from Mærsk McKinney-Møller Center for Zero-carbon Shipping and DNV Global's Maritime forecast to 2050; 'Energy Transition Outlook 2021'.

Our climate plan – a leader within low emission drilling

Maersk Drilling has outlined four key steps to reach 2030 climate targets – employing both existing and new technologies.

Maersk Drilling is following two main tracks to achieve savings:
Increased energy efficiency and new, low-emission energy sources



In 2020, Maersk Drilling established the drilling industry's most ambitious climate target with the ambition of reducing the carbon intensity of drilling operations by 50% compared to 2019 levels.

During 2021, the focus has been on exploring and mapping the available solutions as well as initiating the first concrete actions to implement saving solutions. In view of the fact that many technologies are in rapid development, a phased approach has been adopted based on the following steps.

Implementation of low-emissions technologies is still challenged by a lack of supporting regulatory frameworks. Furthermore, several of the targeted solutions are in the early stages of development.

1 Establish digital tools to monitor and map emissions

Digitalisation is an enabler of efficiency, providing operational insights by measuring and mapping fuel consumption during operations. Stored and shared data provide the necessary foundation for optimising procedures and behaviors and discuss emission saving investments with the customers. In 2021, 11 out of 19 rigs have been equipped with adequate data systems.

2 Increase operational efficiency

With the right monitoring tools in place, it is possible to identify improvement opportunities and adjust behaviors to operate rigs in a more energy-efficient way. For instance, generators and other equipment can be turned off systematically when not needed for safe operations. In 2021, dedicated energy forums were established and behavioural change programs are planned to be rolled out in 2022.

3 Invest in technical efficiency upgrades

In recent years, a lot of equipment development has taken place with much more energy efficient equipment coming to market. Maersk Drilling is mapping the most cost-efficient solutions to upgrade the existing rigs, ranging from relatively small items such as lighting to major investments in new technologies like battery power to optimise the power needs of the drilling equipment. In 2021, the largest investment of this nature was the launch of the battery power solution on Maersk Integrator.

4 Explore clean fuel and power solutions

Maersk Drilling expects that new fuels will deliver a significant part of the GHG savings needed to reach our 2030 goal, and follows closely the developments of low-emission fuels such as methanol, ammonia, and hydrogen for the offshore sector. Maersk Drilling participates actively in several research projects addressing the application of new solutions such as fuel cells as witnessed by Maersk Drilling's cooperation with Aalborg University and several other major players in the Danish maritime sector.

2021 climate performance

The significant rebound in drilling markets impacted Maersk Drilling's emissions in 2021. Rig utilisation increased and caused total scope 1 and scope 2 emissions to grow by 11.1% to 455.9 tonnes. Of these emissions, 68% related to floaters on contract, 28% to jack-ups on contract and 4% to off-contract activities and onshore operations.

Total revenue grew by 16%, mainly driven by increased activity in the floater market. Revenue growth exceeded emissions growth, leading to an improved overall carbon intensity per revenue dollar, going from 374.4 to 359.8 tonnes CO₂e per revenue dollar.

Our two operational KPIs showed less progress. In the **floater** segment, utilisation increased from 66% to 83%. This generated a high number of mobilisations with several transcontinental long-distance transfers, negatively impacting the emissions profile. Furthermore, operational effects such as operations in strong ocean currents have resulted in elevated fuel consumption for station-keeping, and therefore the average floater emissions per contracted day went up from 102.2 tonnes CO₂e to 123.1 tonnes CO₂e.

The **jack-up** market also improved with utilisation increasing from 62% to 68%, and fewer stacked rigs on contract. In Norway, the newly upgraded

low-emission rigs Maersk Intrepid and Maersk Integrator were both in full operation from the first quarter. Upgrades include hybrid-battery solutions that secure higher energy efficiency of drilling operations. On the other hand, shore power access enabling electrified rig operations was limited meaning Maersk Invincible could only run on clean shore power during the first three months of 2021. Due to these factors, average emissions per contracted day for our jack-ups increased from 35.4 tonnes to 38.1 tonnes.

The higher floater activity increased the fleet's operational carbon intensity because floaters are significantly more emissions-intensive than jack-ups. Emissions per contracted day increased from 62.9 to 76.1 tonnes CO₂e and emissions per drilled meter went up from 1.61 tonnes CO₂e to 2.06 tonnes CO₂e.

In 2022, we will launch our third low-emission rig in Norway and we will see the first effects from the emissions reduction plan that was developed during 2021.

Scope 3 emissions

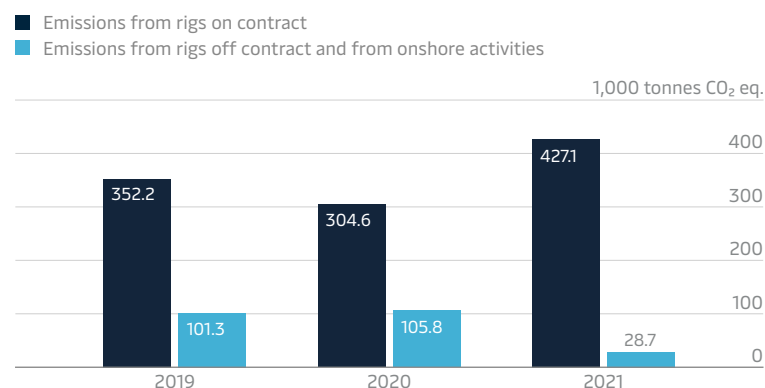
In addition to reporting on scope 1 and scope 2 emissions, Maersk Drilling has started to prepare for consolidation and reporting of its scope 3 emissions. This will be based on a thorough analysis of its main supplier categories in order to enhance the quality of its ESG reporting and disclosure. Key elements are expected to include items such as air transport of personnel, long-distance transport of jack-up rigs, supply services, and equipment manufacture.

Digital insights to improve performance

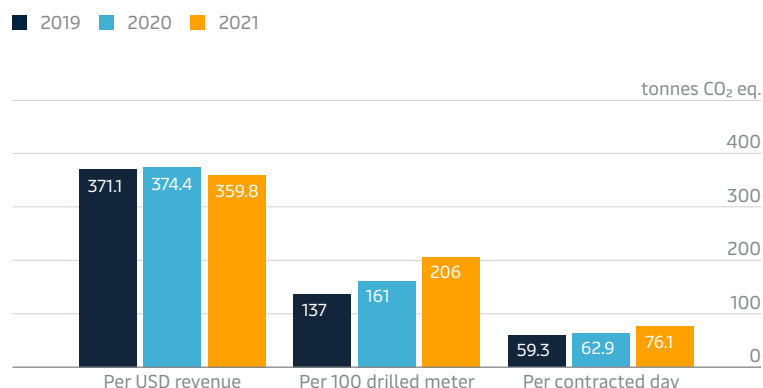
In 2021 Maersk Drilling rolled out an ambitious plan to establish real-time digital monitoring of fleet energy consumption and emissions. By end of 2021, 11 out of 19 rigs in the fleet have been equipped with the Energy Efficiency Insight (EEI) system that provides insights for both offshore operators as well as the onshore-based support functions. EEI enables the end-user to monitor the energy consumption of the rig with detailed data insights into fuel and power consumption versus the rig's operational activity. This allows for benchmarking energy performance against unit type and operating conditions.



GHG emissions 2019–2021



GHG intensity 2019–2021



Carbon management – expanding beyond drilling

Maersk Drilling sees carbon storage as a promising opportunity to build a new activity area with positive climate impact and significant growth potential. In 2020, Maersk Drilling invested in California Energy Systems, which is developing carbon-negative energy based on biomass, and entered the Project Greensand consortium led by INEOS Oil & Gas Denmark and Wintershall Dea. The Greensand project was granted EUDP funding of USD 30 million in 2021.

Project Greensand targets the development of capacity to permanently store up to 8 million tonnes CO₂ per year from 2030, thereby potentially accounting for all the CO₂ storage proposed in the Danish Climate Program as presented by the Danish government in 2020.

The CO₂ will be captured onshore and transported to sea. Storage in offshore reservoirs brings significant advantages since the geological structures are well understood, existing infrastructure can be reused, and the injection sites are situated far away from populated areas.

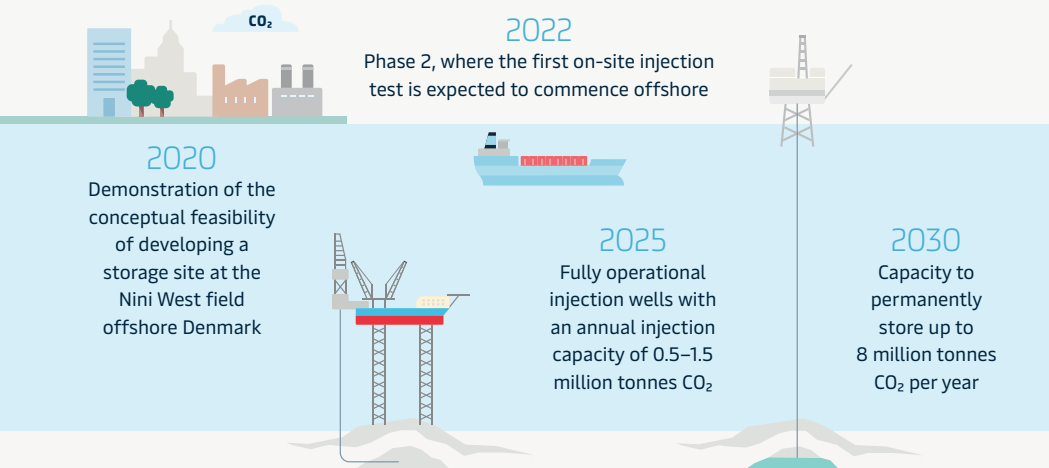
In Phase 1 of Project Greensand, the four initial consortium partners including Maersk Drilling demonstrated the conceptual feasibility of developing a storage site at the Nini West field offshore Denmark. This assessment was independently certified by the DNV classification society.

During Phase 2, the project will enter the pilot phase where the first on-site injection test is expected to commence offshore in the end of 2022. The goal is to have the first fully operational injection wells with an annual injection capacity of 0.5–1.5 million tonnes CO₂ ready in 2025.

Maersk Drilling has entered a framework agreement with the consortium leaders that confirms Maersk Drilling as the preferred contractor with a right to all drilling rig work involved in Project Greensand until the end of 2027.



Read more about Project Greensand [here](#).



Managing climate risks

Maersk Drilling's strategic work encompasses the short-, mid-, and long-term opportunities and risks relating to current and potential new markets. ESG factors such as climate-related effects are an inherent part of this work, as they increasingly influence the dynamics of drilling activities. Examples include new customer sustainability requirements, carbon pricing, as well as a risk of a decrease in demand for drilling services in the longer term.

Climate risks – an integral part of our risk management system

Climate-related risks are identified and managed as part of the Enterprise Risk management

system, in the same way as other risks affecting Maersk Drilling.

The climate-related risks include both physical risks – in the case of Maersk Drilling, the increased risk of severe weather impacting the future operations of Maersk Drilling's rigs – but more importantly, transition risks e.g. in the form of emerging market developments, changing political framework conditions and reputational stigmatisation due to the climate issue. In the table below, the main risk categories have been outlined, specifying the most significant risk factors for Maersk Drilling.

Climate related risk factors

Acute physical	Market	Emerging regulation	Technology	Financial	Reputational
<ul style="list-style-type: none"> Increasing frequency and severity of storms 	<ul style="list-style-type: none"> Oil and gas demand Future size of offshore drilling market 	<ul style="list-style-type: none"> Carbon pricing Stringent regulation of offshore activities and related emissions 	<ul style="list-style-type: none"> Electrification Alternative fuels Carbon storage solutions Digitalisation and efficiency progress 	<ul style="list-style-type: none"> Access to capital, e.g. debt financing or insurance 	<ul style="list-style-type: none"> Access to human capital via retention of key personnel and attraction of new talent



Caring for People



We want to be a safe, diverse, inclusive, and people-centric company

5

GENDER
EQUALITY



8

DECENT WORK AND
ECONOMIC GROWTH



10

REDUCED
INEQUALITIES



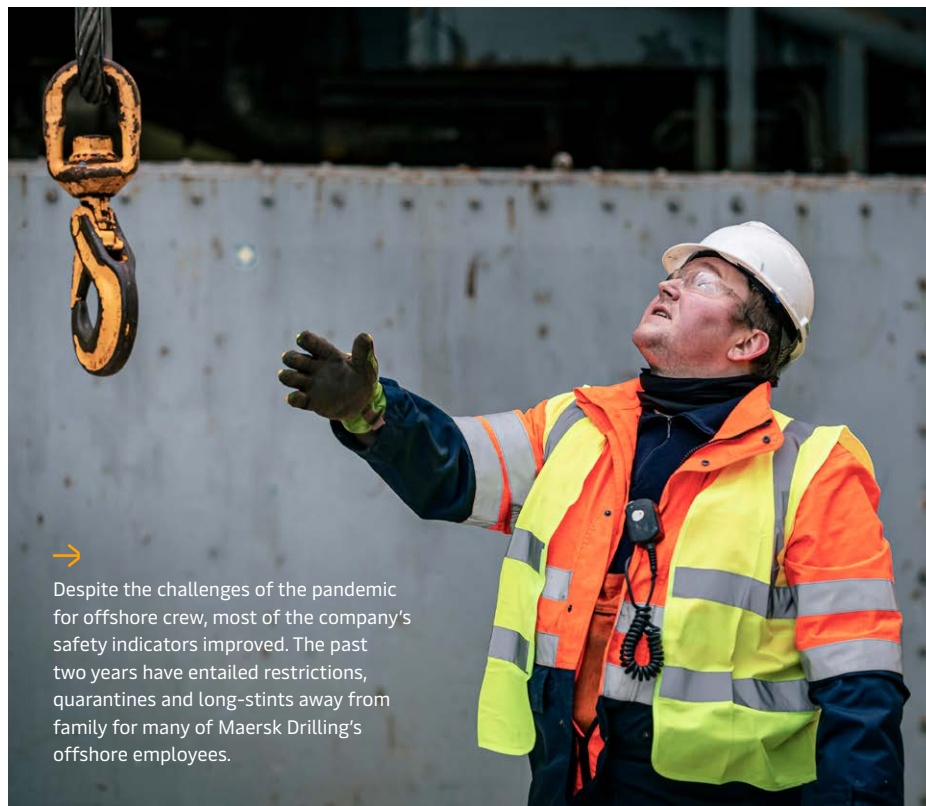
17

PARTNERSHIPS
FOR THE GOALS



Safety

For Maersk Drilling, safety is the number one priority. It is a fundamental commitment, rooted in Maersk Drilling's values.



Despite the challenges of the pandemic for offshore crew, most of the company's safety indicators improved. The past two years have entailed restrictions, quarantines and long-stints away from family for many of Maersk Drilling's offshore employees.

Safety permeates everything Maersk Drilling does and stands for, onshore and offshore, and it is the condition for delivering reliable and efficient operations to customers. The ambition is to constantly reduce the potential severity of all incidents and, most importantly, achieve zero serious incidents causing permanent personal injury.

Managing safety in drilling markets undergoing change

In recent years, the global drilling markets have changed substantially with shorter drilling contracts and frequent crew changes as drillship and jack-ups move to new countries. This results in additional challenges to the safety work. With new crews boarding the rigs, it is imperative to make sure that they possess the skills and competencies necessary to operate with the highest safety standards.

The shorter contract periods challenge all drilling operators, and the industry is rallying to find a joint solution. Across the industry more and more drillers are using the *Life Saving Rules* developed by the *International Oil & Gas Producers Association*. This makes it easier to integrate new personnel from a safety standpoint. Throughout 2021, Maersk Drilling has actively supported this development and strengthened efforts on communicating how the company's safety strategy and the *Life Saving Rules* are aligned.

Safety as Capacity

With the core safety strategy *Safety as Capacity*, Maersk Drilling explores new ways of avoiding serious incidents. The goal is to strengthen employees' capacity to manage the safeguards and controls and avoid incidents from happening or escalating. *Safety as Capacity* is being recognised by customers and Maersk Drilling is discussing collaborative ways of working.

Safety as Capacity was launched in 2018, following a tragic accident in connection with a lifting operation onboard Maersk Interceptor. In 2021, the Norwegian authorities closed the case, issuing an administrative fine that was accepted by Maersk Drilling.

At the heart of the approach is the core belief that the traditional way of establishing safety barriers and relying on procedures, systems and controls is not enough. It must be supplemented with a bottom-up approach focusing on individual employees and the specifics that surround the work situation. The insights and experience of the frontline must be shared and discussed in a culture that fosters learning. In 2021, Maersk Drilling continued to award proposals from the frontline with ideas to streamline operations, lower environmental impact and reduced risk exposure. A total of 50 ideas were received during the four quarterly award rounds.

In 2021, a focus was placed on the analysis of the particular workspaces and tasks with above-average incidence frequency including follow-ups on improvement measures based on best practice across the rig fleet. An example of this is the frontline implementation of the Safe zones, minimising exposure on the rig floor by strictly enforcing that no entry must take place in red zones, unless accepted by the designated gate-keeper and only when absolutely unavoidable.

Furthermore, we continued the work to embed the *Control of Work* system which has recently been rolled out to the entire fleet. The system simplifies work executions and secures a robust process with greater efficiency. Another project during the year was the full implementation of the *Competency Assessment System* which ensures that our people have the adequate training and skills to support safe and efficient operations.

2021 performance

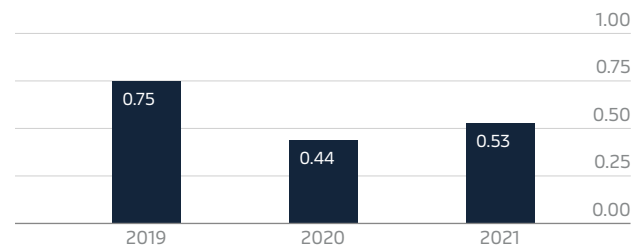
There were no serious incidents and it has now been almost three years since Maersk Drilling has had an incident causing permanent personal injury.

On the other key metrics, the developments were more mixed with good progress on the frequency of all incidents (TRC) which reached the lowest level in more than ten years. Maersk Drilling saw a slight increase in the frequency of lost time incidents (LTI) after a very low level was reached in 2020.

In regards to the newly introduced KPI – potential severity of incidents – which includes also the near-misses, the development was not improving as intended. Maersk Drilling is working to reduce the number of near misses with high potential.

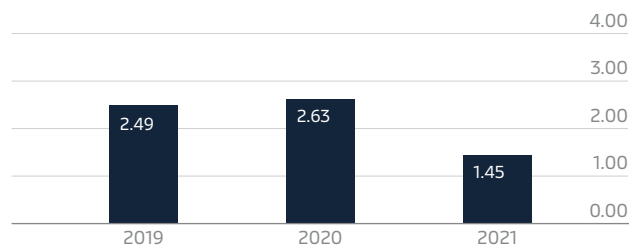
Our safety performance 2019–2021

LTI frequency



LTI measures the frequency of LTIs and fatality incidents per million man-hours divided by total hours worked. Lost Time Incident (LTI) is a work-related injury or illness to an employee which a physician or licensed health care professional recommends days away from work due to the incident.

TRC frequency



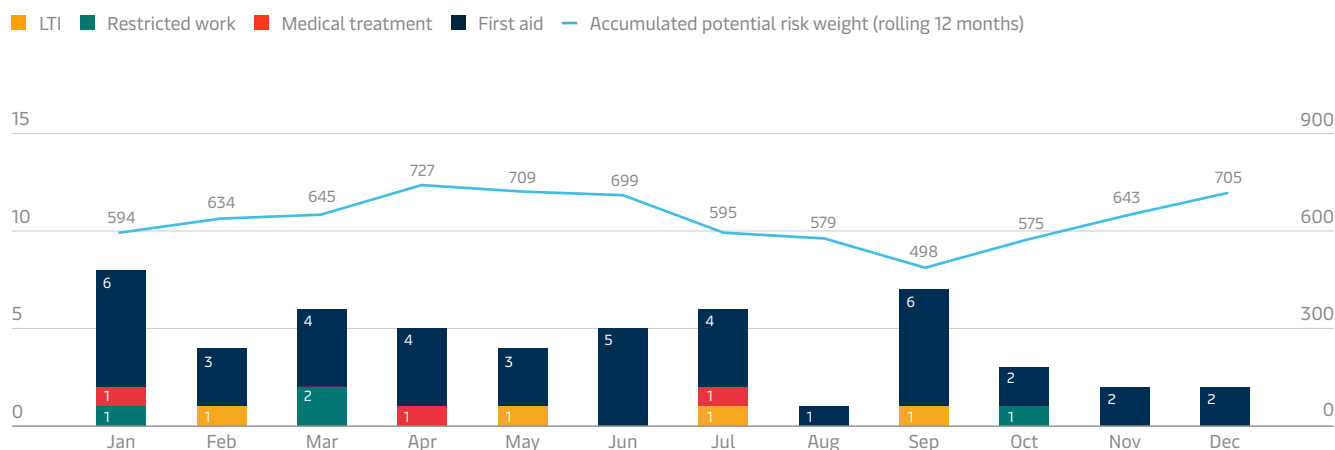
TRC measures the frequency of all recordable incident data (medical treatment cases, restricted work cases, lost time incidents and fatalities) per million man-hours divided by total hours worked.

Serious injuries frequency



Serious injuries frequency (Sif) is measured as fatalities and injuries with partial or permanent disability per million man-hours divided by total hours worked.

Personal injuries and potential risk weight



Diversity and Inclusion

Maersk Drilling is committed to fostering a culture where all employees can contribute meaningfully and feel included.

Targets for female representation in onshore leadership by end-year 2023

30%

across leadership levels

25%

for senior leaders

20%

for the Executive Leadership Team



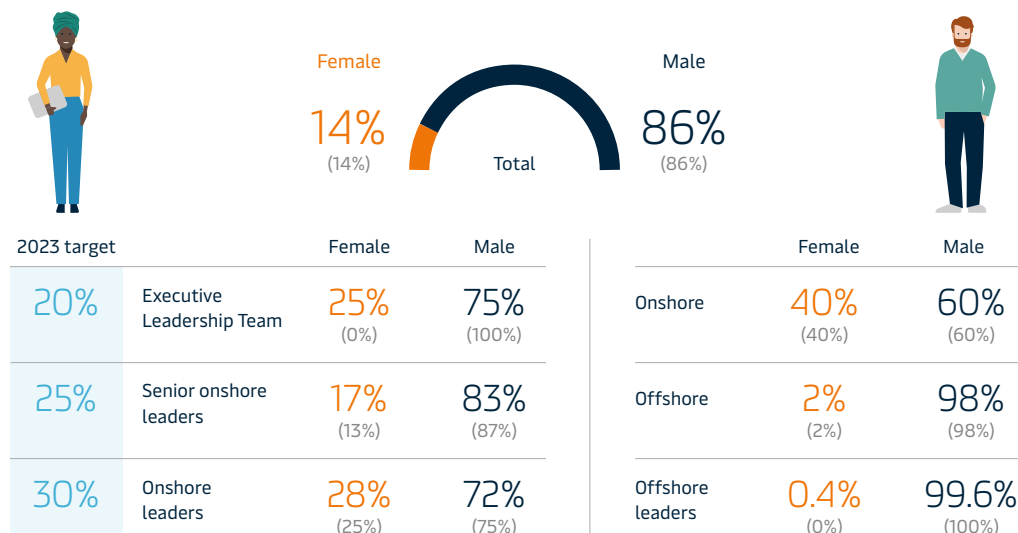
Maersk Drilling aims to ensure that employees can thrive and meaningfully contribute to the company regardless of gender, nationality, religion, sexual orientation, socioeconomic background or disability. Not only is treating employees with respect deeply aligned with Maersk Drilling's values and the way business is conducted, but our people comprise the core of Maersk Drilling's business.

Mobilising diverse skillsets and perspectives is and continues to be a competitive advantage and a critical driver of the company's ongoing transformation. Building an inclusive environment is a crucial enabler of this, and therefore, Diversity and Inclusion formed one of two key focus areas of Maersk Drilling's sustainability strategy, alongside Climate Action, in 2020.

Progress on the D&I plan

A dedicated D&I plan, comprising an ambitious onshore female leadership target as well as four intervention areas was designed to be achieved over a three-year period. These intervention areas address structural barriers surrounding HR processes and policies for attracting, recruiting, developing, retaining, and appointing diverse talent.

Gender distribution in 2021 (2020)



Maersk Drilling is addressing the industry-specific challenge of female underrepresentation through a dedicated onshore female leadership target by 2023, which is broken down across leadership levels. Additionally, to emphasise the focus on this area and drive visible progress towards 30% representation across all onshore leadership levels by 2023, a specific minimum target of 27% female representation has been integrated into Maersk Drilling's annual scorecard.

Maersk Drilling is currently seeing good progress on our targets. In 2021, the share of female employees stayed the same from 14% in 2020 to 14% in 2021. Onshore, women represent 40% of the workforce. Female leaders made up 28% of onshore leadership in 2021 compared to 25% in 2020. Offshore, women only make up 2% of the workforce.

Lastly, Maersk Drilling successfully exceeded the Executive Leadership Target of 20% two years ahead of deadline, reaching 25% female representation from 0% in 2020.

Board diversity

Maersk Drilling is focused on ensuring end-to-end diversity, all the way up to its Board of Directors. This includes ensuring a diverse representation of gender, nationality, international experience and qualifications among its members. Maersk Drilling's target to have at least 1/3 of the Board of Directors comprise non-Danish citizens is currently satisfied. The current composition of the board, excluding employee-elected members, is two females and four males, as well as four non-Danish citizens represented.

Investing in a gender-balanced operational division

A key challenge when working towards ensuring gender equality in the operational side of business lies in the historical nature of the oil and gas industry being traditionally male-dominated. For this reason, it has been difficult to hire females who know the ins and outs of the industry and possess the seniority upon appointment to immediately take on leadership roles.

To mitigate this issue for the future, Maersk Drilling has integrated ESG considerations by setting targets for 30% female and non-Scandinavian representation in talent programmes for 2021, and is dedicated to building a diverse talent pipeline with employees who know the business and can be honed into leadership positions through succession planning. There is good progress on this target, in particular with 55.6% female representation on our rig manager track, exceeding the target by far.

Maersk Drilling has furthermore invested in its female leadership pipeline by providing

opportunities to develop through Above & Beyond's *Female Fast Track Programme* – a programme designed for emerging female managers who showcase future leadership potential or have recently landed a leadership position.

"I think we all consider the type of working life that suits our preferences and our personal lives. It doesn't matter if you are a man or a woman – some enjoy the pace and challenges that operations entail, whereas it is not the type of working environment or tasks that appeal to others. I spoke openly about what I wanted for my career and what position I wanted to move to. On top of that, I had two wonderful Rig Managers who supported my candidature internally in Maersk Drilling and who helped me lay the groundwork for becoming an assistant Rig Manager."

Kirsti Russell Vastveit, Assistant Rig Manager, Maersk Integrator



Diversity of shareholder-elected board members 2021



Intervention areas

Maersk Drilling's intervention areas address structural barriers surrounding HR processes and policies for attracting, recruiting, developing, and appointing diverse talent. In 2021 the company has focused on the following:

- Restructuring and implementation of a new recruitment process to remove legacy bias
- Posting all open leadership vacancies externally and requiring diverse top slates – of the top three candidates, one has to be female, and one non-Scandinavian
- Addressing structural barriers by setting and achieving a 30% female and non-Scandinavian target in talent programmes
- Conducting a dedicated D&I awareness month for SDG 5: Gender Equality, to further facilitate the conversation surrounding an inclusive working environment
- Inclusive leadership integrated into the curriculum of the Leading in Maersk Drilling programme for leaders
- Participation in the public conversation surrounding diversity, equity, and inclusion through inter alia Maersk Drilling's membership with the Diversity Council

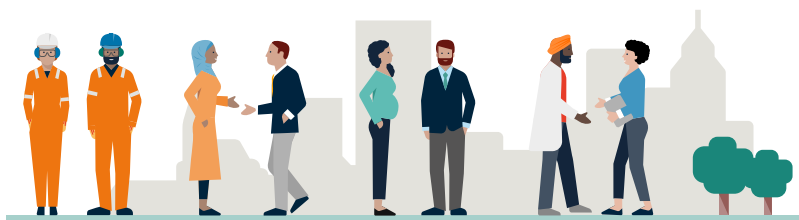
Ingraining D&I through a dedicated Ambassador Group

In Autumn of 2021, a dedicated Ambassador Group chaired by Chief Diversity Officer Nikolaj Svane, was created, to further ingrain diversity, equity and inclusion initiatives across the whole organisation. 38 employees spanning 14 nationalities and 11 different departments both offshore and onshore have come together to facilitate local implementation, as the ambassadors individually focus efforts on the specific needs and challenges in their respective functions.



"The Ambassador Group is an important enabler for consistent two-way conversation and awareness-building between management and role models across functions, to ensure end-to-end inclusion across Maersk Drilling. Inclusion is not merely a top-down exercise, but a state of mind that all employees must adopt, and our ambassadors are taking on the challenge to make space for all to thrive."

Nikolaj Svane
Chief Strategy and People Officer



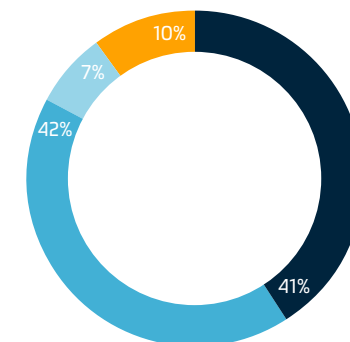
Nationality distribution 2021 – total population

■ Europe (outside Scandinavia) ■ Scandinavia
■ Southeast Asia ■ Other

Maersk Drilling has a highly international workforce with

62

different nationalities represented. Less than half are Scandinavians, a share which has been relatively stable in recent years.



Role modelling for women in STEM

A key element to breaking barriers for underrepresented individuals is by promoting the visibility of those minority groups. Through the observation of successful role models, minority groups increase confidence in their ability to succeed and get past barriers that may stand in their way. The underrepresentation of women in science, technology, engineering and mathematics (STEM) fields and education is a widespread issue around the globe, and therefore Maersk Drilling has participated in the *Lead the Future* campaign in collaboration with Diversity Council, the Danish Technical University, and the IT University of Copenhagen in 2021. This campaign aims at supporting STEM education for women, and several female Maersk Drilling talents participated as role models for STEM-related careers, to increase said visibility.





HR Development

Maersk Drilling places a key importance on ensuring that employees throughout the entire organisation have opportunities to express their level of engagement, are continuously training to deliver safe and efficient operations, and are in a work environment that fosters high-quality business performance.

People, performance and engagement

Investing in people development and engagement through continuous conversations is a way for Maersk Drilling leaders to create sustainable people performance. The overall goal is to enable employees to make the biggest impact through clear priorities and build capacity to have even bigger impact in their role, now and in the future.

Maersk Drilling's Compass Survey allows the company to regularly track employee engagement levels and implement the necessary actions to maintain a positive employee experience. A new approach to engagement surveys was launched in 2018, and this lighter and more frequent survey model has helped drive better dialogue between managers and staff. The Compass system generates an employee net promoter score (eNPS). The eNPS ranges from -100 to 100 and reflects the employees' willingness to recommend Maersk Drilling as a good place to work.

In Q3 of 2021, it was decided to change the frequency of the survey from quarterly to twice a year, to allow

enough time for teams to have conversations and work on engagement actions deriving from the survey. For this reason, a comparative basis between Q3 2020 and Q3 2021 will be reported on, of which the latest results were incurred.

The Compass surveys in 2021 illustrate a positive improvement on the eNPS scores. The score improved from -12 in Q3 2020 to 5 in Q3 2021, with the onshore population moving from -5 to 2 and offshore moving from -16 to 7. This exhibits a positive turnaround on the eNPS scores, with Q3 2021 being the highest eNPS score recorded so far. The development can be attributed to factors such as flexible working location for onshore employees and high engagement on team levels across the organisation.

A continued focus on operational excellence

Maersk Drilling offers an array of training for employees including industry standards to secure safe and efficient training. The training covers a range of capabilities – inter alia for operational excellence.

Employee turnover

Overall, there was a minor increase in attrition for offshore during 2021 compared to 2020, but still at a healthy level of 6% throughout the year compared to 4.5% in 2020. This year's onshore voluntary attrition rate has risen significantly to 15.8% compared to 6.6% in 2020. These results are in line with global external trends for this time period. Furthermore, the onshore turnover rate has also been impacted by an increase in resignations in November and December, following Maersk Drilling's recent announcement regarding a planned merger with Noble Corporation.



In 2021, a total of **10,741** training days were carried out across Maersk Drilling compared to 6,481 in 2020. The increase in the number of training days is reflective of Maersk Drilling's effort to revamp training efforts following a period of training efforts being restricted due to the COVID-19 pandemic, as well as increased activity levels for company units. This is a true testament to the continued emphasis that the company places on ensuring that employees deliver drilling services of high quality to customers.

Smarter Ways of Working

To deliver better business performance and having absorbed learnings from working patterns during the global pandemic, Maersk Drilling has embraced hybrid working onshore, to innovate and collaborate better across teams. This is a central element of the broader "Smarter Ways of Working" initiative rolled out during 2021. It is important to work together and create conditions for sustainable work performance, which encompasses flexibility to work from home,

improvements to work-life balance and inclusivity through the enhanced integration of personal life.

Employee turnover

Maersk Drilling is carefully working to recalibrate as pandemic regulations have begun to change and lessen. Throughout previous and ongoing challenges, Maersk Drilling has continued to work on improving retention rates by engaging with employees and taking action based on the feedback received. A challenge that the onshore organisation has faced in 2021, is tackling high turnover rates as the pandemic eased down. This challenge mirrors that of companies and industries across the world, and is founded in the widespread global trend of a moving workforce, which has been characteristic of the year. Furthermore, the onshore turnover rate has also been impacted by Maersk Drilling's recent announcement regarding a planned merger with Noble Corporation.

Comprehensive toolbox for transformational leadership

The ever-important task to facilitate employee development, engagement, organisational effectiveness, diversity and inclusion, and capability development lies with company leaders.

Maersk Drilling takes a proactive approach to equip leaders with the necessary tools to succeed in their roles and facilitates the "Leading in MD" programme, bringing together offshore and onshore leaders to develop transformational leadership skills. Leading in MD was reactivated in 2021 as COVID-19 restrictions were lifted. A key element of the programme is to promote corporate values as well as Maersk Drilling's 4Cs leadership framework: Curiosity, Courage, Collaboration and Conversation. So far, there have been 243 leaders through the programme and another 191 are pending to participate.

In addition to Leading in MD, Maersk Drilling has developed and conducted virtual leadership sessions for all leaders on how to lead and engage teams both virtually and with distance throughout 2021. Seven "Stress Awareness Prevention" sessions have also been conducted for leaders and employees to help train and provide tools for general health and wellbeing throughout unprecedented times.



"I truly hope the skills and aspirations from the program will help me transform into a better leader. One who is strong, caring, honest. Someone who is not afraid to take hard and fast decisions, as well as show the team any shortfalls, enabling them to learn and give their best to Maersk Drilling. With this new knowledge, all leaders and the organisation will have a chance to solidify and excel in a new culture, which will welcome a seamless transformation and adaptation in these everchanging times."

Yury Pleshov Deputy OIM, Maersk Developer who attended one of the most recent programmes

Bringing value to local communities

Facilitating a positive impact on the local communities in which Maersk Drilling operates is a vital aspect of the sustainability approach. In addition to aligning with the Maersk Drilling sustainability strategy, bringing value to local communities aligns with company values.

The well-established commitment to bring value to local communities remains a key focus and area of impact. Maersk Drilling achieves this by using a variety of different methods which include, investing in and building local competencies and local procurement practices. Examples of local content targets and requirements include the percentage of the local workforce and sourcing from local suppliers. Although local content requirements are specified, Maersk Drilling consistently works to exceed targets when possible. By doing so, Maersk Drilling aims to build on long-term collaborations with both customers and suppliers who also place value on local contributions.

Building local skills

Maersk Drilling places a great importance on involving and developing local offshore competencies in order to ensure safe, efficient and reliable operations in existing and emerging oil and gas markets. These regions include parts of Latin America, Africa, and South East Asia. In terms of achieving safety and efficiency, delivering services up to the highest standard possible

requires the presence of local colleagues who have the required skillset. Maersk Drilling understands the importance of local content as a vital element of operating at the highest standard for customers. This commitment includes contributing to building skills and competencies by investing in engagement and training of the local workforce.










In 2021, Maersk Drilling met or exceeded local staff requirements in 86% of the countries.

Procuring local products and services

To support domestic economies, decrease the company's environmental footprint, and secure local supply for the offshore sector, Maersk Drilling strives to procure locally when possible. Working closely with local suppliers means that Maersk Drilling contributes to training and skill development in order to meet the requirements set out by international oil and gas customers and local authorities.

In 2021, Maersk Drilling reached or exceeded local procurement requirements in 83% of the countries.

Exceeding local requirements in 2021

	Local staff			Local procurement		
	Requirement 2021	2020	2021	Requirement 2021	2020	2021
 Angola	70%	65%	63%	n/a	30%	34%
 Australia	40%	87%	92%	40%	67%	73%
 Azerbaijan	n/a	84%	n/a	37%	36%	71%
 Brunei	67%	64%	68%	42%	43%	30%
 Gabon	49%	57%	n/a	30%	n/a	5%
 Ghana	53%	62%	60%	40%	55%	58%
 Guyana	20%	34%	n/a	20%	n/a	30%
 Suriname	n/a	n/a	14%	n/a	n/a	29%
 Trinidad/Tobago	52%	48%	53%	n/a	25%	30%

Investing in Suriname

Several efforts have been pursued in Suriname in 2021. To leave a positive contribution on its society, a Starter's Day was held at Maersk Drilling office in Paramaribo for over 20 Surinamese catering crew that joined the Maersk Valiant in June 2021. The event has been an important element of Maersk Drilling's local contribution efforts by giving new catering crew the opportunity to gain an in-depth understanding about Maersk Drilling. Local catering crew were invited to take part in the day's itinerary to learn about Maersk Drilling's safety culture and company values, responsible

procurement policy and the standards required to work as a supplier in the oil and gas industry. By contributing to the training of local crew, Maersk Drilling plays a part in developing emerging economies while benefiting from the skillsets and talent that is brought by local crew and staff. Looking forward, Maersk Drilling has planned a promotion of four Stewards to Roustabout positions, which provides further job exposure and training opportunities within the community. To further contribute to the local community, a charitable contribution to an orphanage in Paramaribo has also been made.

"Maersk Valiant and Maersk Developer operating in Suriname have made a good effort to bring value to local communities. From the very start, we were committed to employing local catering crews and in order to give them a good introduction to Maersk Drilling values and safety culture a Starter's Day was organised in Paramaribo. The crew was very engaged in all activities of the day and gave us great feedback about the experience. The development of the oil and gas sector in Suriname is an exciting opportunity for the country. We always seek to power future success hand in hand with local communities and will be looking at further opportunities to contribute."

Natalia Krygier Assistant Rig Manager





Responsible Business

We are committed to being a good corporate citizen by conducting our business in a way that protects people and minimises adverse effects on the environment and society



8

DECENT WORK AND
ECONOMIC GROWTH

14

LIFE
BELOW WATER

16

PEACE, JUSTICE
AND STRONG
INSTITUTIONS

17

PARTNERSHIPS
FOR THE GOALS

Ethical business practices

Staying aligned with our core values, Maersk Drilling remains committed to doing business the right way.

Maersk Drilling has a dedicated commitment to complying with applicable regulations on anti-corruption, competition and anti-trust, trade and economic sanctions, export controls, protection of personal data, and human and labour rights.

Maersk Drilling's high standards for business ethics are upheld at a worldwide level when interacting with customers, suppliers, regulators, governments and other parties. Regardless of the fact that the approach to business ethics is robust, Maersk Drilling is devoted to reassessing processes to ensure that they are representative of the compliance objectives and the organisation's structure.

Upholding human and labour rights

Maersk Drilling strives to protect everyone who interacts with the company to minimise any adverse effects that operations could have on society. Maersk Drilling continuously respects and adheres to human and labour rights and consistently aims to raise the bar even higher and build on the heritage of responsible business practices.

Human and labour rights assessment parameters are an integrated part of the strategic pre-market-entry risk picture. Furthermore, in 2021, Maersk Drilling has increased screening efforts regarding human and labour rights due diligence for suppliers.

Maersk Drilling strictly adheres to:



Fundamental labour conventions of the International Labour Organisation (ILO)



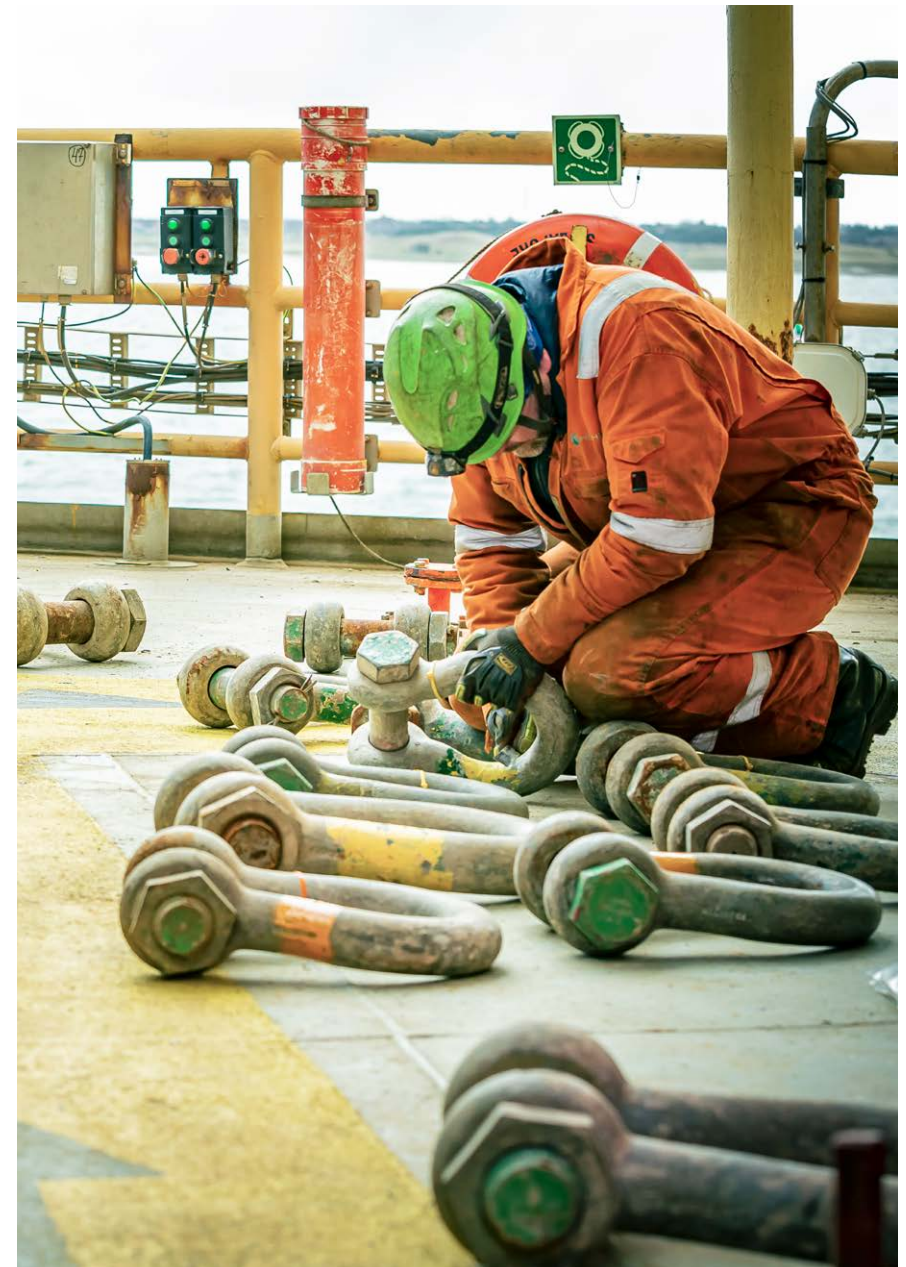
UN Declaration of Human Rights



Dedicated principles of the UN Global Compact



Maersk Drilling reports in accordance with the United Kingdom Modern Slavery Act and is guided by the dedicated Modern Slavery Policy. Find it on our website [here](#).



25

reports in 2021 were processed and follow-up action were conducted as appropriate.

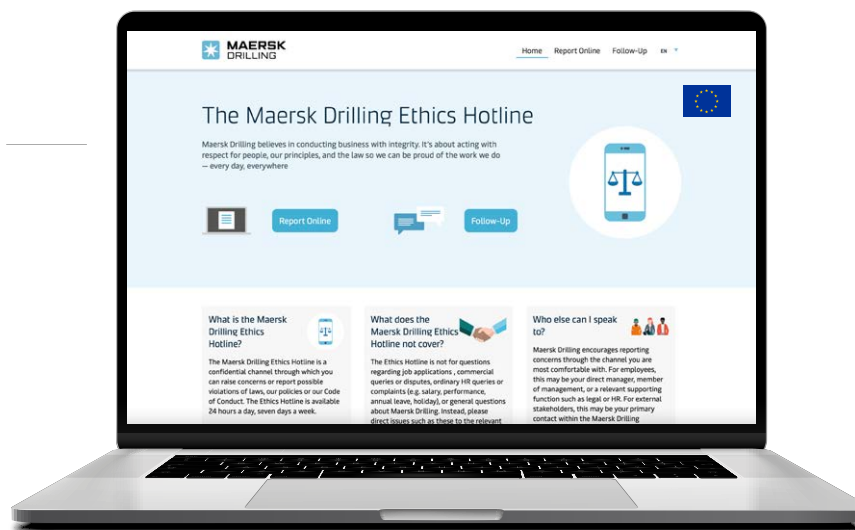
An upgraded Ethics Hotline

Maersk Drilling fosters a company culture of collective responsibility to ensure that operations are in alignment with company values and are in accordance with the law.

If a breach of law, operational procedure or Maersk Drilling's ethical principles is witnessed, and a reporter is hesitant or unable to report through channels such as line management, the legal department, HR representatives, or the executive leadership team, or if anonymity is desired, the Ethics Hotline is available.

Maersk Drilling utilises a secure and confidential reporting tool administered by an independent third-party. In 2021 we processed 25 reports received via the Ethics Hotline or via other means such as e-mail to internal functions, and conducted follow-up actions as appropriate.

Since December 2021, a new EU whistleblower directive has come into force. Maersk Drilling has actively taken steps to comply with the directive as implemented in applicable national laws.



Among other important protections and rights, the EU directive establishes obligations to private companies and public organisations to ensure that whistleblowers who report breaches in good faith are protected against all forms of retaliation.

Furthermore, in 2021 the Ethics Hotline has been updated to allow individuals to submit reports in Spanish and Portuguese, in addition to English and Norwegian. This update includes a back-end translation service allowing for two-way communication with the reporter in their preferred language.



In 2021, the Ethics Hotline has been updated to submit reports in Spanish and Portuguese, in addition to English and Norwegian.

A solid tried and tested toolbox for business ethics

- Updated versions of Maersk Drilling's Code of Conduct for employees, suppliers and consultants, as well as Third-Party Code of Conduct for suppliers – Spanish and Portuguese versions were made available in 2021, in addition to English
- Anti-corruption due diligence
- Shorebase awareness training on anti-corruption risk in new jurisdictions (eight conducted in 2021 for commencements in Brunei, Gabon, Ghana, Guyana, Malaysia, Suriname, Trinidad & Tobago, and South Korea)
- Internal live training sessions on anti-corruption, export controls, competition law and data protection for functions most sensitive to these compliance risks
- Daily trade sanctions, export controls counterparty and transactional screenings
- Legal compliance risk assessments for potential new jurisdictions covering inter alia corruption, exposure to financial and trade sanctions, level of protection of personal data, the general rule of law and internationally accepted reports regarding the observance of human rights

Responsible supply chains

Not only is Maersk Drilling dedicated to ensuring high standards for sustainability across its own operations, but the company's environmental and social impact extends across its entire value chain, including the multitude of suppliers that are procured and engaged with every year.

By focusing vigilantly on responsible supply chains, Maersk Drilling plays a key role in influencing positive outcomes on human rights, labour rights,

environment, and anti-corruption with suppliers. The company's approach to responsible supply chains has been designed to promote continuous improvement by partners in the company's supply chain, through a tried and tested toolbox including qualification questionnaires, desktop supplier assessments, supplier audits, and corrective action plans. Throughout 2021, Maersk Drilling audited 11 of its key suppliers. Based on these audits, six major-, 15 minor non-conformances,



18

Responsible Procurement
Supplier Assessments were
completed in 2021.

and 18 observations were made – all of which have been closed or are actively being followed up on through corrective action plans.

In 2021 Maersk Drilling kicked off an internal review of its existing Responsible Supply Chain approach, with the aim of developing and enhancing its existing supplier qualification tools. As a direct result, a sustainability-related contractual clause is included in all newly negotiated Supplier Frame Agreements, and is being negotiated into all existing Frame Agreements. Additionally, sustainability as a parameter has been integrated into tender evaluations, where suppliers are assessed on a variety of factors for example whether they have an established sustainability strategy and their approach to measuring GHG emissions.

In the beginning of 2022, Maersk Drilling will assess an extension of its responsible supply chain plan, including a revised sustainability approach towards warehousing, logistics, equipment and travel. Additionally, to gain a comprehensive overview of the company's climate footprint, Maersk Drilling is also preparing a tender process to identify a third-party provider who has the potential to assist the company and its suppliers in tracking scope 3 indirect emissions. The overall aim is to work closely with key suppliers to capture and reduce indirect emissions across the supply chain through a digital tool.

Partnering for an ESG-related supplier qualification process

In 2021, Maersk Drilling automated its screening efforts regarding due diligence for 150 suppliers through its partner ISNetwork (ISN). ISN assists in ensuring that subcontractors comply with industry, regulatory, international and Maersk Drilling's standards for suppliers. ISN furthermore provides data-driven assurance and verification services towards supplier-published ESG performance statistics, enabling Maersk Drilling to better assess the environmental and social impact of potential suppliers.

"Through our partnership with Maersk Drilling, we can combine Maersk Drilling's already established, robust and market-leading supplier due diligence process with our own which brings together a number of advantages. From the outset it was evident that Maersk Drilling has a strong background in ensuring a diligent supplier assessment and qualification process. We are collaboratively taking that one step further, through the integration of ESG-related parameters for supplier assessments."

David Bibby Senior Manager EMEA Operations, ISN



High-risk categories

Due to the nature of Maersk Drilling's business, the risks provided by each supplier naturally differ dependent upon the scope of their supply. Maersk Drilling categorises suppliers differently with regards to potential adverse impact on human rights, labour rights, and the environment, and the below types of suppliers pose higher risks than others. Suppliers within these categories are managed by the company with greater focus on qualification and heightened due diligence processes.



Yards

Resulting from the use of heavy machinery, chemicals, and other hazardous materials, yards pose risks from the perspectives of health and safety, human and labour rights, environment and climate.



Services

Reputational risks exist in part due to the use of sub-contractors. Risks are related to health and safety, human and labour rights, and environmental compliance.



Security

Security services provided by sub-contractors potentially expose personnel to physical hazards.



In 2021, Maersk Drilling finalised the installation of a Selective Catalytic Reduction (SCR) scrubber system onboard the Maersk Resolute. The system injects urea into the exhaust gas to convert NO_x into harmless water and nitrogen.

Protecting sea and air

Maersk Drilling's ambition is to provide responsible offshore drilling services, while minimising the environmental impact of operations on sea and air.

Environmental management systems

The main areas targeted relate to spills, recycling and end-of-life, air emissions, and the use of chemicals onboard our rigs.

Maersk Drilling's activities are governed by the Health, Safety, Security, Environment (HSSE) Policy as well as the Corporate Major Accident Prevention Policy. The HSSE function, together with other relevant staff groups, work in close cooperation with the rig teams which are all equipped with a dedicated HSSE advisor.

As a core element, every new drilling operation is preceded by a thorough Environmental Impact Assessment which assesses and quantifies the impact of Maersk Drilling's activities and describes mitigation and control measures.

To apply best industry standards in the environmental management approach, Maersk Drilling applies the international standard ISO 14001:2015.

Air emissions

Apart from greenhouse gases, the main substances in focus for air emission management are SO_x and NO_x which are both present in the exhaust from the main engines.

Both SO_x and NO_x emissions have adverse effects on air quality and contribute to eutrophication, a particular issue in some shallow water coastal areas like the North Sea that have important biodiversity. Maersk Drilling is using low-sulphur fuels as specified in the MARPOL convention as well as cleaning equipment to alleviate these impacts.

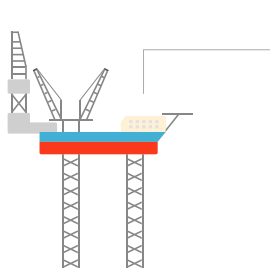
In 2021, Maersk Drilling finalised the installation of a Selective Catalytic Reduction (SCR) scrubber system onboard the Maersk Resolute in connection to a drilling campaign in the Dutch North Sea. The system injects urea into the exhaust gas to convert NO_x into harmless water and nitrogen. This made the rig able to comply with the 95% reduction in NO_x emissions demanded by the Dutch authorities.

2

spills above 1 barrel recorded in 2021.

349

risk assessments of chemicals created in 2021, compared to 210 in 2020.



In 2021, Maersk Drilling launched a new policy for responsible rig recycling. Find it on Maersk Drilling's website [here](#)

With the new equipment on Maersk Resolute, Maersk Drilling now has four North Sea jack-ups equipped with SCR units, reducing NO_x content in their exhaust systems.

Spills

Major spills may have long-lasting adverse negative effects on ecosystems and their related economic and recreational activities. Maersk Drilling's goal is to have zero spills of hazardous materials into the environment.

The risk of major spills is small but can never be completely eliminated. The main risk factors are:

- Loss of well control
- Loss of drilling fluid
- Bunkering of fuel or materials from supply ship to rig

Maersk Drilling has set up rigorous procedures and systems to eliminate these risks to the largest extent. A loss of well control with hydrocarbons spill – by far the incident which would cause the most severe impact – has never been experienced by Maersk Drilling. Maersk Drilling works relentlessly to minimise the other risk areas.

Maersk Drilling evaluates closely – through incident and investigation processes – any incident or near-miss that can help improve the performance.

In 2021, Maersk Drilling experienced two spills to environment with volumes exceeding the threshold of one barrel. Both involve spills of drilling mud. Investigations were carried out to identify the root cause of the accidents and both cases were linked to equipment failures. Maintenance and inspection systems were upgraded accordingly to prevent such incidents in the future.

Recycling and end-of-life

The oil and gas sector is a major consumer of materials and equipment, leaving an important task in securing that recycling as well as end-of-life of installations, equipment, and materials are handled in a responsible way. Maersk Drilling is active on several levels, from the secure decommissioning of depleted oil and gas fields installations to the optimal handling of house waste from rigs.

Rig recycling

In 2021, Maersk Drilling launched a new policy for responsible rig recycling. The policy complies with the requirements of the Hong Kong Convention which is the leading international agreement within the field of ship recycling. The policy defines clear principles for Maersk Drilling's own handling of the recycling process, and includes criteria for selecting a responsible recycling facility as well as ensuring transparent communication with concerned stakeholders. The policy also defines recycling requirements in relation to the selling of a rig to third-parties, stipulating a two-year period where the buyer commits to recycle according to the Hong Kong convention.

In 2021, three jack-ups left the Maersk Drilling fleet and, in line with the new policy, all divestment contracts contained relevant recycling clauses. All rigs are expected to continue their active service life under the new owners.

Reducing waste

Minimising waste is important in order to protect the marine environment, save resources and reduce landfill. Maersk Drilling has developed thorough processes for sorting and handling of the waste generated by the drilling rigs. It is an important task to secure optimal handling

when the waste is onboard the rigs. Furthermore, Maersk Drilling regularly engages in dialogue with customers on reduction and segregation of waste before it goes to the customer who is responsible for taking it to land-based facilities.

The waste onboard the rigs are broadly classified into hazardous, non-hazardous, and recycled wastes. The main contributors to these are bore cuttings and chemicals used during drilling operations, domestic wastes like paper, plastic, metal cans, etc. and waste generated from maintenance activities on board and while in shipyards. In 2021, the waste amounts were relatively stable compared to 2020.

Chemical Management

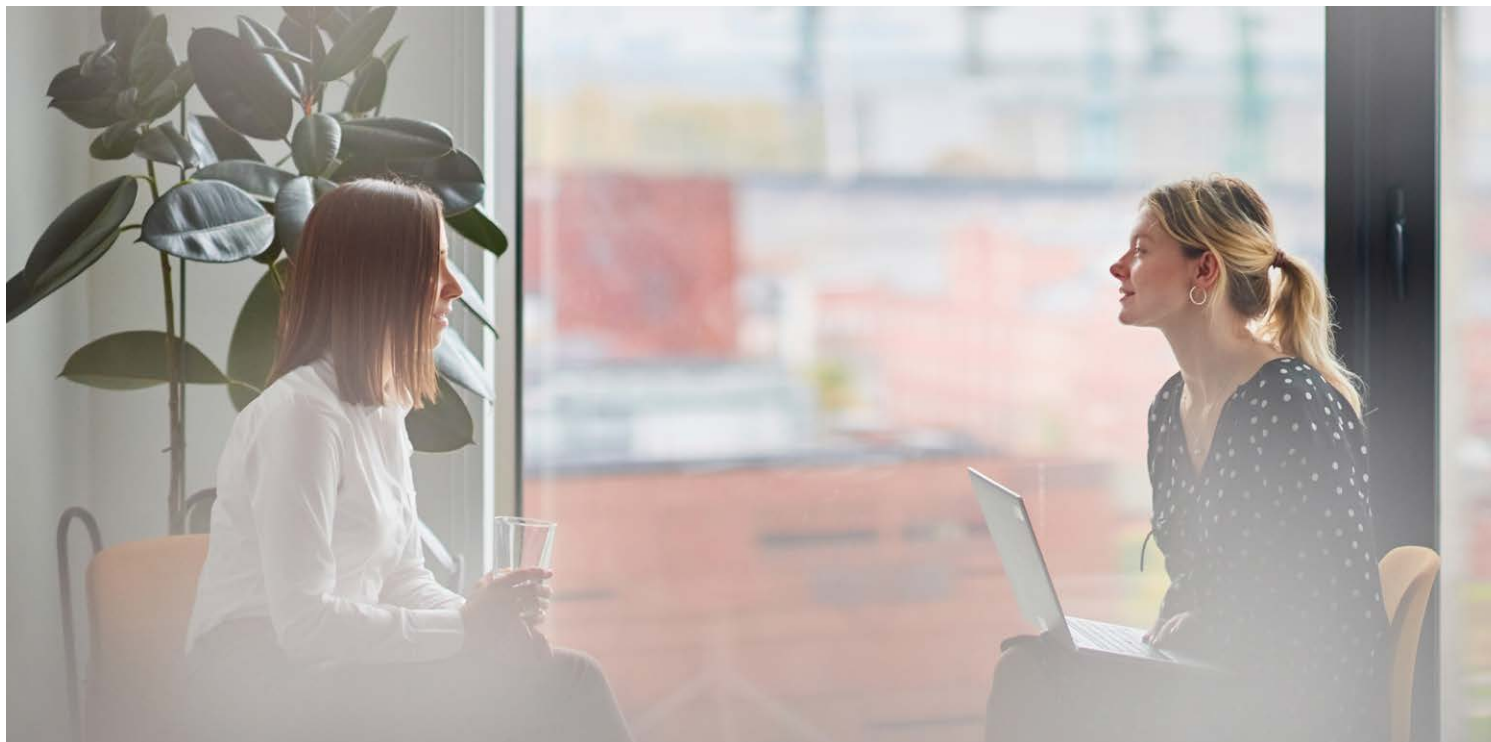
The safe use of chemicals on the rigs is an important part of the environmental management system. Chemicals can potentially pose a risk both to the environment and to Maersk Drilling's people's health and safety.

When working with chemicals, Maersk Drilling applies a three-step approach to minimise risks. Firstly, Maersk Drilling seeks ways to avoid the use of chemicals when at all possible. Secondly, Maersk Drilling aims at using the least harmful substances available for the required functionality. And lastly, where needed, Maersk Drilling provides the necessary protection equipment and training to handle the chemicals.

The chemical management team conducts risk assessments of all chemicals used by Maersk Drilling as well as third parties, and chemicals with a high risk factor are replaced with less hazardous chemicals wherever available. In 2021, the number of risk assessments was 349 compared to 210 in 2020.

A solid governance framework for sustainability progress

At Maersk Drilling, sustainability is an integral part of daily business operations and management systems.



Governance structure

The Board of Directors holds the overall responsibility for Maersk Drilling's sustainability progress and impact. Sustainability issues, including risk and opportunities related to Climate and Energy Transition, are regularly discussed as an integral part of the strategic development work.

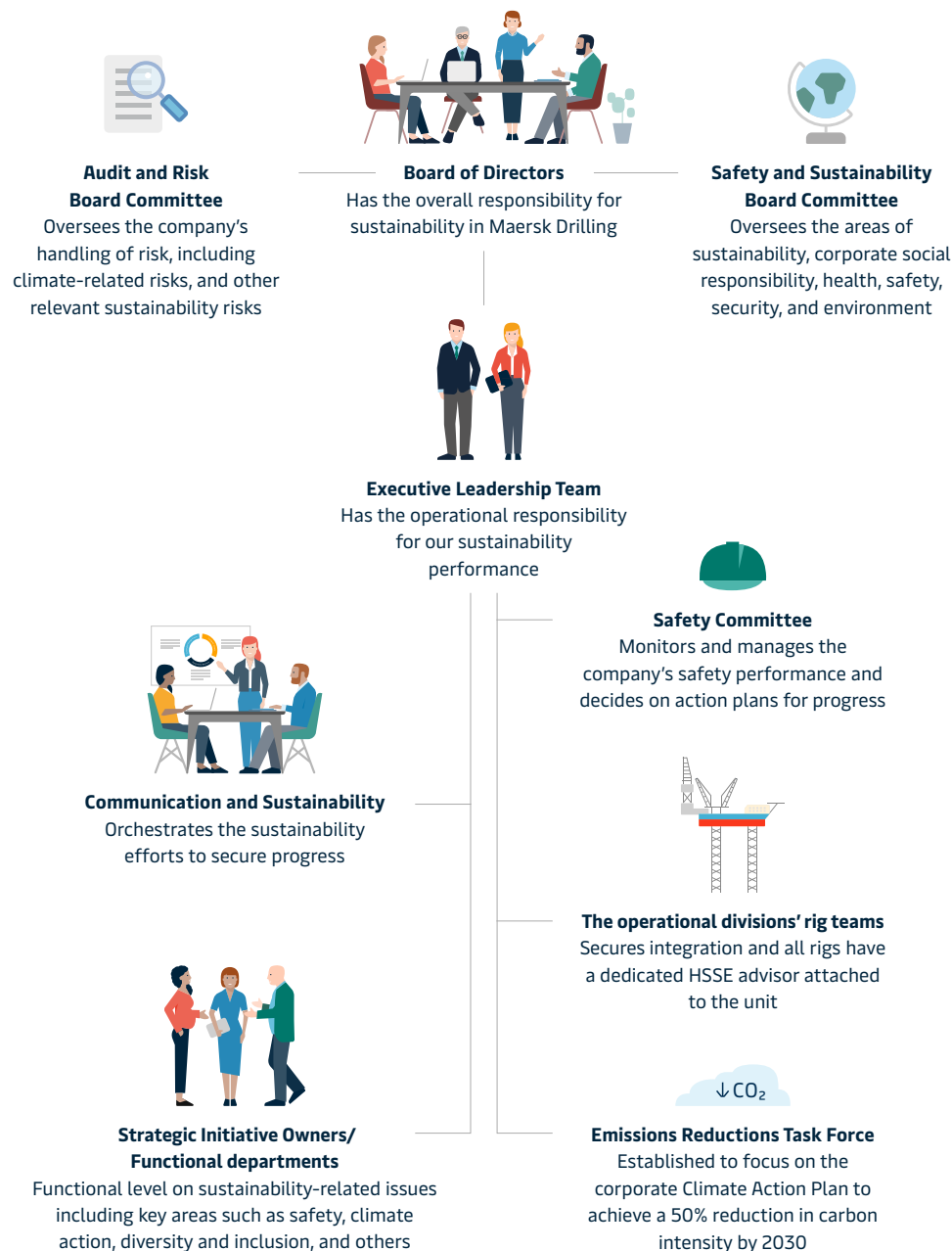
The Board has established a permanent Safety & Sustainability Committee overseeing the areas of sustainability, corporate social responsibility, health, safety, security, and environment.

The committee, comprising the Chairman and two other board members supplemented by ad-hoc participation from management meets at least twice a year, focusing on the identification, management and mitigation of risks and opportunities. This entails assessing strategies, policies, activities, management systems and strategic progress, as well as reviewing the annual Sustainability Report.

In addition to the Sustainability Committee, the Audit and Risk Committee integrates sustainability as part of the risk factors in their risk management work. The committee convenes at least 5 times a year to advise and make recommendations on risk management. Climate-related risks are tracked, categorised and reported in line with the recommendations of the Task Force on Climate-related Financial Disclosures.

The Executive Leadership Team holds the operational responsibility for Maersk Drilling's sustainability performance.

← The orchestration of the sustainability efforts is anchored in the corporate department for Communication and Sustainability.



The orchestration of the sustainability efforts is anchored in the corporate department for Communication and Sustainability. The department is responsible for proposing strategic initiatives, following up on strategic progress, as well as reporting in accordance with the legal obligations.

The heads of the relevant corporate functions are responsible for securing execution of their part of the sustainability strategy and for reporting on risk and performance within these respective areas. The operational divisions' rig teams secure integration and all rigs have a dedicated HSSE advisor attached to the unit.

In connection with the launch of Maersk Drilling's new sustainability strategy, an Emissions Reductions Task Force was established to focus on the corporate Climate Action Plan to achieve a 50% reduction in carbon intensity by 2030. The taskforce meets monthly to exchange insights, discuss market developments, follow up on priorities, and take action on plans to secure progress. The taskforce includes members from all relevant functions including two operational divisions, commercial functions, technology and innovation teams, the sustainability team as well other key staff functions.

Managing risks and impacts

Risks are identified and managed in accordance with procedures laid out in the Enterprise Risk management system, in the same way as other risks affecting Maersk Drilling.

In accordance with the framework, major risks are reviewed on a bi-annual basis. A distinction is made between risks with expected impact in the near term (12–18 months) and emerging risks with a longer-term impact. This approach captures both physical risks – in the case of Maersk

Drilling, e.g. any increased risk of severe weather impacting the future operations of our rigs – but more importantly, transition risks e.g. in the form of emerging market developments, changing political framework conditions and reputational stigmatisation due to the climate issue.

The Executive Management assesses risks on an ongoing basis to address mitigation and contingency planning activities. Risks are reported to and discussed with the Board of Directors on a regular basis and top risks are reported annually to external stakeholders through the Annual Report.

Performance framework

Sustainability is integrated into Maersk Drilling's corporate strategy, business planning, risk management, and decision-making processes. The performance scorecard assures an appropriate and effective link between strategic priorities, goals, and actions. Maersk Drilling measures progress and results through a combination of qualitative and quantitative measures, resulting in a corporate performance score. This performance score influences the collective bonus element of executive and staff remuneration.

ESG Integrations

ESG considerations are increasingly integrated into Maersk Drilling's investments. In 2021, a new system was launched, securing that all relevant investment proposals submitted for the Investment Committee contain an assessment of sustainability impacts.

Ambition and progress



	Sustainable Energy Future			Caring for People			Responsible Business		
Ambition	We strive to minimise the carbon intensity of our business as well as the activities of our customers and our supply chain			We want to be a safe, diverse, inclusive, and people-centric company			We are committed to being a good corporate citizen by conducting our business in a way that protects people and minimises adverse effects on the environment and society		
Topic areas	Climate Action	Preparedness for the Energy Transition	Responsible Consumption	Safety	Diversity & Inclusion	Bringing Value to Local Communities	Marine & Air Environment	Business Ethics & Compliance	End-of-Life – Oil & Gas Assets
Numerical targets	50% emissions intensity reduction target by 2030	–	–	Zero serious injuries as well as a continued decline in the severity of all incidents	• Onshore female leadership target by 2023 (30%) • Board diversity target by 2022	–	Zero spills of hazardous materials into the environment	–	–
Main initiatives	<ul style="list-style-type: none"> Establishment of an Emissions Task Force to focus on decarbonisation of drilling activities. Formalise a partnering strategy to leverage future green tech and start-up networks. 	<ul style="list-style-type: none"> Inclusion of climate change and energy transition into our risk management system and consistency with the TCFD framework. Leverage innovation capabilities to explore potential offerings that align with the energy transition. 	<ul style="list-style-type: none"> Enhance global responsible consumption efforts. 	<ul style="list-style-type: none"> Implementation of our <i>Safety as Capacity</i> strategy. 	<ul style="list-style-type: none"> Implementing our Diversity & Inclusion Plan based on four focus areas. Focus on attracting and retaining competent and engaged people. 	<ul style="list-style-type: none"> Develop a centralised approach to contributions, to ensure long-lasting impact in local communities. 	<ul style="list-style-type: none"> Ensure that well-control and spill prevention processes and training reflect industry best practices. Progress to remove NO_x and SO_x from the atmosphere. 	<ul style="list-style-type: none"> Increased focus on ESG factors in supplier assessments and digitalisation of Responsible Procurement activities. Increased focus on human and labour rights in country-entry risk assessments. 	<ul style="list-style-type: none"> Increase transparency and formalise approach to responsible rig recycling in alignment with major conventions.
Progress	<ul style="list-style-type: none"> Our carbon intensities showed a mixed development with one improving and two worsening. Total GHG emissions increased by 11% due to the pickup in activity after the pandemic. One additional low-emission rig entered operation in 2021. Rollout of Energy Efficiency Insights (EEI) platform to 11 rigs. 	<ul style="list-style-type: none"> Adherence to TCFD framework in climate reporting. Climate risk integrated into enterprise risk management system. Carbon storage Project Greensand entering its second phase. 	<ul style="list-style-type: none"> Continued efforts to optimise the control, cleaning, and reuse of drilling fluids and cuttings. Waste amounts were slightly higher at 19.2 tonnes compared to 16.2 tonnes in 2020. 	<ul style="list-style-type: none"> We registered a low level of safety incidents, with an LTI frequency of 0.58 and TRC frequency of 1.59 which is the lowest for more than 10 years. Our goal of zero serious injuries was reached, however the continued decline in severity of all incidents was not satisfied, due to a relatively high number of near-misses. 	<ul style="list-style-type: none"> Improvements in gender diversity. Percentage exceeded and reached 2-years before target for executive team. 10,741 training days completed – increase from 6,481 in 2020. Improved eNPS from -12 in Q3 2020 to 5 in Q3 2021. 	<ul style="list-style-type: none"> Our efforts to contribute locally registered higher/lower fulfillment for local staff and/or higher/lower fulfillment for local procurement compared to 2020: 86% of requirements for local workforce achieved. 83% of requirements for local procurement achieved. 	<ul style="list-style-type: none"> 2 registered spills compared to 4 in 2020. One additional jack-up rig upgraded with NO_x cleaning equipment. 	<ul style="list-style-type: none"> Complied with applicable laws and regulations, and conducted assurances and audits throughout our operations. Steps taken to comply with the EU whistleblower directive as implemented in applicable national laws. Sustainability parameters incorporated into supplier processes. 	<ul style="list-style-type: none"> Implementation and application of our responsible rig recycling policy based on the principles of the Hong Kong Convention as a minimum. Three rigs sold in accordance with the policy, both continuing their active service life under new ownership.
Page	page 10	page 12	page 11	page 14	page 16	page 21	page 26	page 23	page 27
SDGs impacted									



ESG data

Maersk Drilling significantly strengthened the ESG disclosure activities during 2021 with a more robust internal reporting organisation as well as an expanded range of external reporting activities. Major initiatives launched during the year included full reporting into the Climate Disclosure Project platform, adherence to the Task Force on Climate-related Financial Disclosures framework, and the full integration of sustainability performance into the Interim Report for the Half-year. Maersk Drilling was also appointed NASDAQ ESG partner based on its efforts to support NASDAQ's ESG reporting development activities.



ESG performance data

Environmental performance*

	2021	2020	2019
Energy consumption (rigs on contract)**			
Fuel oil (1,000 tonnes)	128.9	90.6	105.7
Electricity (1,000 MWh)	7.0	4.5	n/a
Energy consumption (TJ)	5,511.0	3,873.0	4,500.6
Fuel intensity (tonnes fuel oil/contracted day)	22.9	18.7	17.8
Energy consumption (other)**			
Fuel oil (1,000 tonnes)	7.1	30.8	30.1
Electricity (1,000 MWh)	8.2	5.1	2.0
Energy consumption (TJ)	332.0	1,330.9	1,287.4
Carbon intensity**			
CO ₂ /Contracted Days (tonnes CO ₂ eq./contracted day)	76.1	62.9	59.3
CO ₂ /Revenue (tonnes CO ₂ eq./Million USD)	359.8	374.4	371.1
CO ₂ drilled meter (tonnes CO ₂ eq./drilled meter)	2.06	1.61	1.37
GHG emissions (rigs on contract)** (1,000 tonnes CO₂ eq.)			
Direct GHG emissions (scope 1)	418.8	294.4	343.6
Fugitive GHG Emissions (Scope 1)	8.3	7.7	8.6
Indirect GHG emissions (scope 2)	0.1	2.4	n/a
Total (On contract)	427.1	304.6	352.2
GHG emissions (other)** (1,000 tonnes CO₂ eq.)			
Direct GHG emissions (scope 1)	23.1	100.2	97.7

Notes

Marine Diesel Oil (MDO) and Marine Gas Oil (MGO).

Electricity from shore.

Direct energy and indirect imported energy. Energy consumption encompasses fuel oil, gas fuels, other fuels (diesel, gasoline, kerosene, and heating oil), and biofuel as well as the consumption of electricity / district heating.

Tonnes of fuel oil per contracted day.

Marine Diesel Oil (MDO) and Marine Gas Oil (MGO).

Includes purchased electricity consumed by onshore offices, and by rigs while off contract.

Direct energy and indirect imported energy.

Scope 1 & 2 Emissions (On Contract) divided by contracted days.

Total Emissions divided by Revenue.

Scope 1 & 2 Emissions (On Contract) divided by drilled meter.

Total greenhouse gas emissions from sources at facilities owned (partly or wholly) and/or operated by the company. Direct GHG emissions correspond to Scope 1 emissions as defined by the GHG Protocol and WRI/WBCSD.

Includes HFCs consumed in refrigeration systems.

Greenhouse gas emissions that occur at the point of energy generation (owned or operated by a third-party) for electricity, heat or steam imported (i.e. purchased) for use on site. Indirect GHG emissions from imported energy correspond to Scope 2 emissions as defined by the GHG Protocol and WRI/WBCSD.

Total greenhouse gas emissions from sources at facilities owned (partly or wholly) and/or operated by the company. Direct GHG emissions correspond to Scope 1 emissions as defined by the GHG Protocol and WRI/WBCSD.

* For a full description of accounting principles applied, see <https://www.maerskdrilling.com/who-we-are/sustainability>. Maersk Drilling follows the principles recommended by the Task Force on Climate-related Financial Disclosures (TCFD). For a full overview of how we report according to TCFD, see the Annual Report.

** Figures have been restated compared to last year's report due to more complete data.

ESG performance data

Environmental performance*

	2021	2020	2019	Notes
GHG emissions (other)** (1,000 tonnes CO ₂ eq.)				
Fugitive Emissions (Scope 1)	2.7	3.5	2.9	Includes HFCs consumed in refrigeration systems.
Indirect GHG emissions (scope 2)	2.9	2.1	0.7	Greenhouse gas emissions that occur at the point of energy generation (owned or operated by a third-party) for electricity, heat or steam imported (i.e. purchased) for use on site. Indirect GHG emissions from imported energy correspond to Scope 2 emissions as defined by the GHG Protocol and WRI/WBCSD.
Total (Other)	28.7	105.8	101.3	
Total GHG Emissions** (1,000 tonnes CO ₂ eq.)				
Total (On contract + Other)	455.9	410.4	453.5	Sum of offshore (on contract and off contract/yard stay) and onshore CO ₂ eq. impact (scope 1 and 2)
Other air emissions (rigs on contract)				
SO _x (1,000 tonnes)	0.26	0.18	0.21	Sulphur oxide (SO _x) emissions are calculated indirectly using fuel consumption and conversion factor.
NO _x (1,000 tonnes)	9.6	6.81	8.3	Mono-nitrogen oxides (NO _x) emissions are calculated indirectly using conversion factors for energy consumption, and adjusting for cleaning equipment.
SO _x intensity (tonnes SO _x /contracted day)	0.049	0.038	0.036	Tonnes of SO _x emissions per contracted day.
NO _x intensity (tonnes NO _x /contracted day)	1.82	1.41	1.40	Tonnes of NO _x emissions per contracted day.
Other air emissions (other)**				
SO _x (1,000 tonnes)	0.01	0.06	0.06	Sulphur oxide (SO _x) emissions are calculated indirectly using fuel consumption and conversion factor.
NO _x (1,000 tonnes)	0.56	2.42	2.36	Mono-nitrogen oxides (NO _x) emissions are calculated indirectly using conversion factors for energy consumption, and adjusting for cleaning equipment.
Other production consumption**				
Waste (On contract) (1,000 tonnes)	18.2	12.9	10.2	Sum of all waste types generated, recycled, hazardous and non-hazardous, on contract.
Waste (Other) (1,000 tonnes)	1.0	3.3	2.7	Sum of all waste types generated, recycled, hazardous and non-hazardous, off contract.
Total Waste (1,000 tonnes)	19.2	16.2	12.9	Sum of all waste types generated, recycled, hazardous and non-hazardous, total (off + on contract).
Water (1,000 m ³)	8.2	10.3	9.6	Freshwater withdrawn (onshore only).
Spills				
Number of spills to environment (above 1.16m ³)	2	4	2	Any type of unintended release to environment of chemicals or hydrocarbon liquids.

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ESG performance data

Social performance*

	2021	2020	2019
Our employees			
Number of employees	2,481	2,383	2,850
Gender – female/total %	14%	14%	13%
Women in leadership (% based on headcount)	13%	15%	10%
Women in leadership – onshore (% based on headcount)	28%	25%	23%
Women in senior leadership – onshore	17%	13%	10%
Women in Executive Leadership Team	25%	0%	12.5%
Fatalities	0	0	0
Lost-time Incident frequency	0.53	0.44	0.75
Serious Injuries Frequency	0	0	0.25
TRC Frequency Actual**	1.45	2.63	2.49

Notes

Headcounts are defined as regular internal employees excluding garden leave and interns. Excluded are also contractors and temporary staff.

Gender distribution is defined as women/men headcount as percentage of headcount.

Women in leadership is defined as women in management positions across all job position levels (applicable from 2020). 2019 data for women in management consists of level 5 and above. Women in senior leadership is defined as women in the higher managerial positions from level seven, Vice President to Senior Vice President.

Defined as women in management positions across all job position levels onshore.

Defined as women in the higher managerial positions from level seven, Vice President and to Senior Vice President onshore.

Fatality is a work-related injury or illness that results in death.

LTI measures the frequency of LTIs and fatality incidents per million person-hours divided by total hours worked. Lost Time Incident (LTI) is a work-related injury or illness to an employee which a physician or licensed health care professional recommends days away from work due to the incident.

Serious injuries frequency (Sif) is measured as fatalities and injuries with partial or permanent disability per million man-hours divided by total hours worked.

TRCF measures the frequency of all recordable incident data (medical treatment cases, restricted work cases, lost time incidents and fatalities) per million person-hours divided by total hours worked.

Economic & Operational data

	2021	2020	2019
Revenue (USD million)	1,267	1,096	1,222
EBITDA before special items (USD million)	346	289	415
Total assets (USD million)	3,782	3,719	5,517
Number of contracted days	5,615	5,208	6,310
Drilled meters	207,568	188,749	257,228

Notes

Financial data is taken from the audited Annual Report of Maersk Drilling.

The annual accounts and independent auditor's report can be found at: investor.maerskdrilling.com/financial-reports-presentations

Maersk Drilling has screened its consolidated activities in regards to eligibility for inclusion in the EU taxonomy regarding climate adaptation and climate mitigation. Under the EU taxonomy regulation, Maersk Drilling's main business activities related to oil and gas exploration are not eligible for inclusion. Maersk Drilling's activities related to carbon storage (NACE code E 39.00) are eligible but currently constitute less than 1% of both revenue, opex, and capex and therefore considered immaterial in line with the materiality threshold recommended by IFRS.

* For a full description of accounting principles applied, see <https://www.maerskdrilling.com/who-we-are/sustainability>. Maersk Drilling follows the principles recommended by the Task Force on Climate-related Financial Disclosures (TCFD). For a full overview of how we report according to TCFD, see the Annual Report.

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Board of Directors

Claus V. Hemmingsen, Chairman
Robert M. Uggle, Vice Chairman
Martin Larsen
Alastair Maxwell
Ann-Christin Andersen
Kristin H. Holth
Caroline Alting
Glenn Gormsen

Safety and Sustainability Committee

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Ann-Christin Andersen
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