

# Maersk Drilling UK modern slavery statement for the reporting year 2019

*This statement is made in accordance with Section 54 of the UK Modern Slavery Act 2015 by Maersk Drilling UK Limited, reporting for the period 1 January - 31 December 2019.*

*It provides an overview of Maersk Drilling's policies, processes and actions relating to the management of the risk of modern slavery and should be regarded as complementary to the Maersk Drilling Sustainability Report 2019.*

*For further information on our activities and progress, please see the Sustainability Report 2019.*

## Maersk Drilling's structure and supply chains

Maersk Drilling UK Limited is a wholly owned subsidiary of Maersk Drilling A/S, a leading supplier of high efficiency drilling services to oil and gas companies around the world. On 4 April 2019, Maersk Drilling A/S was separately listed as a stand-alone company on the NASDAQ Copenhagen stock exchange. Prior to being separated as a stand-alone company, Maersk Drilling formed part of the A.P. Moller-Maersk group of companies.

Maersk Drilling operates 22 drilling rigs offshore Europe, Asia, Africa, the Americas, and Australia.

Maersk Drilling creates value for oil and gas companies by drilling high-quality wells in a safe, efficient and reliable way. The total cost related to drilling services typically represents up to 50% of the total well cost and as a result, oil and gas companies are focused on ensuring that the rig operation and well construction are completed as efficiently, predictably and safely as possible. Maersk Drilling provides the drilling rig and equipment as well as the capabilities and human resources to conduct drilling operations, predominantly serving oil and gas companies in the harsh environment jack-up and the ultra deepwater benign environment floater segments.

During a well programme, Maersk Drilling works closely with the operator as well as other oil service companies providing a wide range of services and applications, including formation evaluation, well construction, completion and stimulation and artificial lift for production at the end of the well programme.

## Policy and approach

Maersk Drilling strives to conduct business in a responsible and upright manner, in line with our values which are part of our heritage from the founding Moller Maersk family. As a global company, we are committed to respecting human rights, including the principles set forth in the International Declaration of Human Rights and the Fundamental Labour Conventions of the ILO.

We recognize the importance of maintaining and promoting fundamental human rights, and we strictly oppose any use of forced labour, human trafficking and child labour.

In 2019, we established our current Modern Slavery policy, following the legal separation from the Maersk Group. The full policy can be found at our website [here](#).

Key elements in our approach are our Code of Conduct as well as our Responsible Procurement programme based on our Third-Party Code of Conduct.

## Code of Conduct for employees

The general obligation of each and every Maersk Drilling employee is laid out in our Code of Conduct which encompasses the area of human rights.

It is essential to Maersk Drilling that our people understand how to maintain a high degree of business ethics in our daily operations. In 2019, we further solidified our Code of Conduct for employees, consultants and third parties. To train our employees, the Code of Conduct is presented to new employees at Maersk

Drilling Starters' Day and is included in employment contracts as required behaviour. It is our aim to integrate this into our Employee Handbooks globally.

## Due diligence and risk assessments in our supply chain

Managing our supply chain risks is of special importance due to less direct oversight and control of working conditions and recruiting practices. At Maersk Drilling, we are committed to working with our business partners to promote responsible practices throughout our supply chain around the world. We expect that all our partners will act in accordance with our values and share our commitment to conducting business in an ethical, legal and socially and environmentally responsible way.

Through our Responsible Procurement programme which is based on our Third-Party Code of Conduct we work to ensure that our suppliers live up to a number of requirements including labour and human rights

We want to work with suppliers with the lowest risk of adverse impacts on human and labour rights, the environment and anti-corruption. Where there may be gaps, we work with and develop our suppliers to make improvements.

Maersk Drilling has defined several high-risk categories, which guide our supplier assessment and due diligence. Our Responsible Procurement programme includes tools such as questionnaires, desktop supplier assessments, supplier audits and corrective action plans.

### High-risk categories

High-risk categories have been identified based on potential adverse impact on human and labour rights, the environment and anti-corruption. We work with these high-risk suppliers as part of our Responsible Procurement programme, to focus our efforts on the highest risk and improve our suppliers' performance on sustainability:

- **Yards** pose risks from the perspectives of anticorruption, health and safety, human and labour rights, environment and climate, as a result of use of heavy machinery, chemicals, and other hazardous materials.
- **Services** pose reputational risks in part due to the use of sub-contractors. Risks are related to anti-corruption, health and safety, human and labour rights and environmental compliance.
- **Security provided by sub-contractors** poses heightened risk of corruption and potentially exposes security personnel to physical hazards

In 2019, we conducted 15 supplier assessments, compared to 22 in 2018. The lower number reflects our efforts to limit the overall base of key suppliers with only a few additions in 2019. The assessments have focused on human rights and labour conditions, environmental management, process and compliance management, and health and safety. Corrective action plans have been established by the audited companies and non-conformities have been duly handled.

In Maersk Drilling, we hire local employees directly whenever possible. However, when we do not have employment entities at the countries of operation, which mostly applies to shorter contracts, we use **manning agencies** to contract local employees. In these cases, we contractually demand decent working

conditions of our contractors. Our commitment to respecting and promoting human and labour rights is also reflected in our approach to contractors, and we oppose all forms of forced and bonded labour, child labour, human trafficking and all other forms of exploitation.

All our manning agencies are mandated to complete risk assessments and due diligence in line with our Responsible Procurement programme. In 2019, we conducted 8 risk assessment of manning agencies to ensure adherence and compliance.

## **Ethics hotline**

We take seriously any allegations that human rights are not respected in our operations or business relations. Allegations can be reported without fear of retaliation by any person within or outside Maersk Drilling through our Ethics hotline. It enables reporting of a wide scope of human rights concerns, including human trafficking and forced or involuntary labour, child labour, and actions harming persons, their livelihood or properties, related to our operations, suppliers, contractors, third-party agents, and other business partners with a direct link to Maersk Drilling.

In 2019, we received a total of 13 reported cases. All cases have been duly handled, and for those which have been substantiated, appropriate remedial and mitigating actions have been taken to minimise risk of future reoccurrence. None of the substantiated cases were related to the area of modern slavery.

**This statement was approved by the Board of Maersk Drilling UK Limited in June 2020**

**Signed on 24 June 2020,**

Predrag Berlafa  
Director