

2020 Sustainability

Accounting Principles

1.1 Reporting period

Our reporting covers the period from 1 January to 31 December 2020.

1.2 Reporting scope

The report covers all entities under financial control by Maersk Drilling A/S as referenced in the company overview in the Annual Report 2020.

1.3 Reporting frameworks

The report was prepared using the NASDAQ 2.0 ESG as supporting framework for the selection of ESG parameters and definitions. Where relevant, definitions have been adapted to a Maersk Drilling context, for a fuller description of the definitions, see section 1.7.

The principles recommended by the Taskforce for Climate-related Financial Disclosure (TCFD) have been applied to create our climate reporting. For an overview of the TCFD related sections of our reporting, please confer the TCFD compliance scheme in the 2020 Annual Report.

Our Greenhouse Gas (GHG) reporting is compatible with the Greenhouse Gas Protocol: direct emissions from own assets (Scope 1), indirect emissions from purchased electricity and district heating (Scope 2). Scope 3 GHG emissions are not part of our 2020 reporting.

1.4 Data collection

Collection of data has taken place using the following main processes:

- Data regarding local supplier percentages are based on our procurement system.
- Data regarding number of employees, women in leadership, gender and nationalities are generated from our HR systems.
- Data regarding accidents, fatalities, exposure hours, energy consumption, waste, water and spills are reported through our consolidated system SYNERGI based on submitted data from all reporting entities. The SYNERGI tool is used by Maersk Drilling to report operational safety and environmental data.
- Fuel consumption data are registered in monthly intervals and are specified as either on contract or off contract consumption. The distribution of on contract/off contract days in the SYNERGI database is adjusted to align with the number of contracted days reported in the Annual Report.
- Shore power data for rigs have been obtained from either a) the operator in case of operating rigs or b) the stacking location provider in case of stacked rigs connected to quayside power.

1.5 Emission conversions and calculations

Our GHG scope 1 emissions are calculated indirectly via default conversion factors for fuel consumption from our rigs. The conversion factors for 2020 have been based on the UK DBEIS (Department of Business, Energy & Industrial Strategy) Greenhouse gas reporting conversion factors for 2020.

[<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020>] and European Environment Agency air pollutant emissions inventory guidebook 2019 [<https://www.eea.europa.eu/publications/emep-eea-guidebook-2019/#additional-files>].

GHG scope 2 emissions from buildings and offices are based on location-specific conversion factors for electricity and district heating. Scope 2 emissions are from buildings which are calculated indirectly via conversion factors for headcount numbers, or emanate from rigs connected to shore power

Other air emissions include SO_x and NO_x, which both are calculated based on fuels consumed multiplied by generally accepted conversion factors for the respective fuels adjusted for special cleaning technologies applied.

1.6 Carbon intensity KPIs

We report on progress towards carbon intensity based on three different KPIs:

- GHG emissions per contracted day = on contract scope 1 and 2 emissions/no. of contracted days
- GHG emissions per drilled meter = on contract scope 1 and 2 emissions/no. of drilled meters
- GHG emissions per revenue = total scope 1 and 2 emissions/revenue

In the calculation of carbon intensity per contracted day and per drilled meter, we have omitted rigs on contract during yard stay. We evaluate that this gives a more transparent reflection of our rigs operational performance measured by these two KPIs.

1.7 Definitions applied

- Headcounts are defined as regular employees not on leave, on paid leave and on unpaid leave. Excluded are contractors and temporary staff.
- Gender distribution is defined as women/men headcount as percentage of headcount.
- Women in leadership is defined women in management positions across all job position levels measured as headcount percentage.
- Fatality is a work-related injury or illness that results in death.
- 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.
- LTIf measures the frequency of LTIs and fatality incidents 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 man-hours divided by total hours worked.
- Serious injuries frequency (Sif) is measured as fatalities and injuries with partial or permanent disability per million man hours divided by total hours worked.
- 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.
- Direct GHG is the CO₂ equivalents calculated based on fuel consumption/combustion.

- Indirect GHG is the CO2 equivalents calculated on converted consumed electricity and district heating bought from a third party.
- Amount of waste is the sum of all waste types generated (recycled, hazardous and non-hazardous).
- Amount of water is restricted to water consumed by onshore offices.
- Uncontained oil spills are defined as any type of spills of chemicals or hydrocarbon liquids greater than 1 barrel (0.159 m³) resulting from any unintended, irreversible release associated with current operations towards the external environment.