

Sustainability accounting

principles applied

1.1 Reporting period

Our reporting covers the period from 1 January to 31 December 2021.

1.2 Reporting scope

The overall scoping principle for the report is operational control. The operational control scope defines which activities to be included in the consumption measurements and other sustainability metrics.

In connection with acquired or sold off activities in the reporting period, the inclusion of sustainability data will follow our financial consolidation methodologies. In 2021, the rigs have been sold off.

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.

Our Greenhouse Gas (GHG) reporting is based on the Greenhouse Gas Protocol.

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 2021 Annual Report.

1.4 Data collection

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

- a) Meter readings are conducted by each rig to determine in- and outflow of fuel and register monthly consumption.
- b) External power data for rigs have been obtained from either a) the operator in case of operating rigs or the stacking location provider in case of stacked rigs connected to quayside power.
- c) External power or district heating consumption for onshore facilities have been obtained via invoices from the utility provider (preferred option) or by calculation based on FTE numbers using conversion factors.
- d) Data regarding number of employees, women in leadership, gender and nationalities are generated from our HR systems.
- e) Data regarding number of training days are based on records of bookings tracked in our internal systems (cancellations, no-show, and training not registered in TalentSoft is not be included). Training days include courses required according to training matrices across all categories for our offshore personnel. Training type included is classroom, virtual, onboard and external e-learning. For onshore personnel all training registered in TalentSoft is included. Internal e-learning is not included due short duration of

learning event. Agency personnel permanently assigned to Maersk Drilling unit as part of core crew rotation are included. Due to change in core system to TalentSoft, 2021 numbers may not be directly comparable to previous years.

- f) 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.
- g) Fuel and power data for rigs 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.

1.5 GHG emission – inventory, conversions and calculations

Maersk Drilling follows the Greenhouse Gas Protocol's classification of GHG emissions

- Scope 1: Direct emissions stemming from MD's own consumption of fuel and gasses etc.
- Scope 2: Indirect emissions stemming from the energy used for producing electricity and district heating, which is bought
- Scope 3: Indirect emissions from third party activities related to MD's business (supply chain incl. customers and vendors incl. outsourced activities)

With reference to the general scoping for MD's sustainability reporting outlined above, the operational control approach option in the GHG Protocol is applied to determine which emissions to include in the scope inventories.

Our **GHG scope 1 emissions** inventory consists of:

- a) fuel consumptions measured by our rigs
Reported volumes are converted to metric tonnes and the corresponding emissions are calculated via default conversion factors. The CO₂ conversion factors for 2021 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>]
- b) Fugitive emissions
Fugitive emissions from HFCs from refrigeration systems have been calculated based on purchased amount over 5 years. Based on this data, monthly intensities have been calculated and the estimated leaked amounts have been converted into GHG emissions applying relevant global warming potential factors (e.g. EU Regulation No 517/2014).

Emissions from flaring activities are not included as they are reported by the operator in line with the overriding scoping principle of operational control, and in accordance with sector specific practice.

Our **GHG scope 2 emissions** inventory consists of

- c) Consumed electricity from rigs operating on external power connections (e.g. shore power) or from stacked rigs connected to quay-side power
- d) Consumed electricity and district heating from buildings and offices

For both categories, the consumed energy is converted to GHG emissions based on location-specific conversion factors.

1.5 Other air emissions

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 NO_x 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 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 total headcount
- Women in leadership is defined as women in management positions across all job position levels
- Women in senior leadership is defined as women in the higher managerial positions from level seven, Vice President and to Senior Vice President
- 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
- Potential risk weight is calculated by applying a score to the potential injury starting at 1 for an FAC and increasing 2.5 times as the severity classification increases
- 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 as well as fugitive emissions
- 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.