


An aerial photograph of the West Carina offshore supply vessel, oriented vertically. The vessel's deck is densely packed with various pieces of equipment, including cranes, storage tanks, and structural frameworks. At the top of the vessel, there is a prominent green helipad with a yellow 'H' in the center. The text 'WEST CARINA' is visible on the deck near the helipad, and '9PKA' is written above it. The vessel is positioned next to a concrete pier or breakwater on the left side of the frame. The surrounding water is a deep, dark blue.

# Sustainability Report 2022

Seadrill 

## KEY PERFORMANCE SUMMARY <sup>1</sup>

### GHG emissions (Scope 1 & 2)

Metric tonnes CO<sub>2</sub>e

586,469

### GHG intensity

Metric tonnes CO<sub>2</sub>e / Contracted day

84.21

### CDP rating

B

### Lost Time Incident Rate (LITR)

0.14

### Fines or significant environmental incidents

0

### Diversity (onshore/offshore)

Number of nationalities

61 / 41

### Number of rigs

Owned / Managed

14 / 7

### Average fleet age

10.8

### Fleet operational uptime

97.57%

### Footage drilled

Feet

1,050,831

### Wells drilled

98

### Tier 1 well control events

0

<sup>1</sup> Data correct as of December 31, 2022

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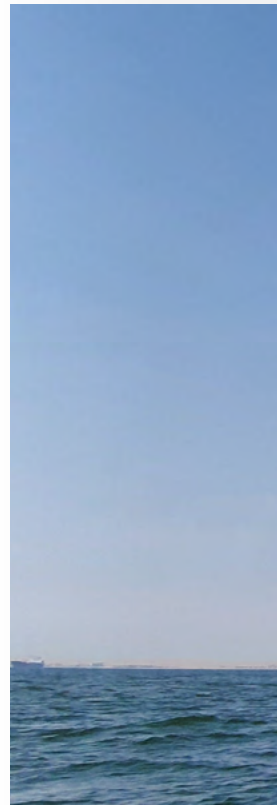
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This report (published December 7, 2023) is Seadrill's second sustainability report. The report meets the disclosure requirements of the Sustainability Accounting Standards Board (SASB) Oil and Gas – Services Standard (2018). Recommended disclosures of the Taskforce on Climate-related Financial Disclosures (TCFD) are included. This report is prepared in accordance with the GRI Oil and Gas Sector standard. The report presents the environmental, social, and governance (ESG) performance of Seadrill Limited, together with its consolidated subsidiaries, along with its management approach to material sustainability topics, for the 2022 calendar year. Determination of sustainability impacts and material ESG topics for reporting was undertaken by an independent advisor, in consultation with Seadrill staff and stakeholders, and was approved by the Board. The materiality determination method used was aligned with the GRI Materiality Standard GRI 3 (2021).

For information related to our sustainability reporting, please contact our Sustainability group at [sustainability@seadrill.com](mailto:sustainability@seadrill.com)



# Upholding sustainability commitments where we operate is essential for addressing the challenge of climate change.



At Seadrill, we recognize the profound responsibility that comes with operating in the dynamic and challenging environment of offshore oil and gas drilling. In our steadfast commitment to sustainability, we embark on this journey of progress by presenting our 2022 Sustainability Report, a testament to our unwavering dedication to environmental stewardship, operational excellence, and the well-being of our people and the communities in which we operate. As we navigate the ever-evolving energy landscape, we remain resolute in our pursuit of sustainable practices, innovation, and a cleaner future for our industry. This report not only encapsulates our achievements and progress but also serves as a beacon of transparency, guiding our vision for a sustainable tomorrow.

Seadrill's 2022 Sustainability Report is organized around our four focus areas – Environment, Safe Operations, Social, and Governance – and reflects our dedication to aligning our operations with the UN Sustainable Development Goals (SDGs) as we strive to integrate sustainability into our business practices.

### Environment

While renewable energy sources are increasing their share in the global energy mix, oil and gas will maintain their dominance of the energy landscape for many years to come. Hydrocarbons continue to serve as indispensable components, ensuring accessibility to affordable energy. They are also integral to a myriad of products that underpin our modern way of life,

including pharmaceuticals, transportation, and cutting-edge technology. That said, everyone in the oil and gas value chain, must reduce its impacts to the environment. At Seadrill, we are committed to reducing greenhouse gas emissions across our operations. Across our fleet, we are approaching the challenge from multiple fronts: implementing robust energy efficiency plans, embracing energy-efficient and low-carbon technologies, and investing in digitization and analytics to optimize drilling performance.

### Safe Operations

At Seadrill, Safety Conscious is a core value that we all live day-in and day-out, offshore and onshore. Our relentless pursuit is to send every team member home safely at the end of his or her hitch. I am particularly proud of our safety program, "Start Safe and Finish Strong," which has been instrumental in raising awareness of safety issues on our offshore rigs. This program ensures that safety remains our top priority and equips our employees with the knowledge and resources they need to maintain a safe working environment. Through ongoing safety training and proactive measures, we are committed to safeguarding the well-being of our employees and contractors.

### Social

Seadrill is built on the passion and talent of our people. We hire based on capability and skill, and we are focused on building an inclusive culture that encourages, supports, and celebrates the



diverse voices of our people. It fuels our innovation and connects us closer to our customers and the communities where we operate. Training and development are core to our people strategy and, in 2022, we built a brand-new, state-of-the-art training facility, inclusive of a high-fidelity drilling simulation system that provides an immersive and realistic training experience.

## Governance

The Seadrill Board of Directors holds the responsibility of providing strategic oversight and ensuring effective governance of all company activities worldwide. Under their leadership, Seadrill meets and exceeds expectations of sustainable, ethical business practices. We remain attuned to the evolving investor and regulatory expectations regarding sustainability reporting, including requirements from the SEC, the EU's Corporate Sustainability Reporting Directive, and the International Sustainability Standards Board. Seadrill received a notable B score in the Carbon Disclosure Project (CDP) submission, reflecting our commitment to reducing our carbon footprint and addressing climate-related risks.

Seadrill ended 2022 on a strong note, marked by near-full fleet utilization and the announcement of the acquisition of Aquadrill. We relisted on the NYSE and Oslo Børs markets and made significant improvements to our balance sheet by paying down debt. Our operational and financial performance was impressive, with a technical utilization rate of 95% and operating revenues and adjusted EBITDA in-line with guidance.

Today, the Seadrill drive to set the standard in offshore drilling remains as strong as ever. I want to express my gratitude to the workforce, partners, and stakeholders for their support, and highlight their collective efforts in setting new standards in offshore drilling, upholding sustainability commitments, and positively impacting the communities where they operate. We welcome your feedback as we strive for continuous improvement and progress in the years to come.

**Simon Johnson, CEO**



## ABOUT SEADRILL

# Seadrill Limited is a world leader in offshore drilling

From shallow to ultra-deep water, in both harsh and benign environments, we are setting the standard in safe and efficient offshore drilling.

### What we do:

We deliver offshore drilling services to our customers globally. This includes the provision of drilling rigs and supporting personnel.

### Our values:

Everyone at Seadrill is guided, day in and day out, by our five values. They provide a shared point of reference for every action we take and every decision we make in support of safe and responsible operations.



## OUR BUSINESS

Founded in 2005, we operate one of the youngest fleets of all the major offshore drillers, managed by a highly trained and experienced team. Our fleet has the scale, footprint, and flexibility to meet the needs of all our customers in both harsh and benign environments. On December 31, 2022, Seadrill had a backlog of \$2.3 billion, a premium customer base, and approximately 2,600 employees.

We own 14 drilling rigs and manage 7 drilling rigs on behalf of SeaMex and Sonangol.

Our ambition is to be the supplier of choice to our customers and a leader of the next generation of sustainable operations in offshore drilling.

# Global operations centered around three main hubs

We have three main hubs situated in Stavanger, Houston, and Dubai, where we oversee our operating units (OU). Stavanger, Norway, serves as the management hub for our Harsh Environment (HE) asset class, which includes HE floaters and jack-ups in Norway, the UK, and Canada. Dubai, United Arab Emirates, is the management hub for our Jack-ups (JU) business in Asia, Latin America North, and the Middle East.

Houston, Texas, USA, is the management hub for our Floaters (FL) business, which includes floaters in Latin America South, the US Gulf of Mexico, West Africa, and Asia. Additionally, our center-led support services are managed from London, Liverpool, and Houston. Additionally, we have local operational support bases in Central and South America, the Middle East, Asia Pacific, and Africa.



- 📍 Center-led support services
- 📍 Floaters OU, Houston
- 📍 Harsh environment OU, Stavanger
- 📍 Jack-ups OU, Dubai
- 🔵 Floaters
- 🔴 Harsh environment
- 🟡 Jack-ups

<sup>2</sup> Map reflects global operations as of December 31, 2022

# We operate one of the youngest fleets of all the major offshore drillers

We operate one of the youngest fleets of all the major offshore drillers, managed by a highly trained and experienced team. Our modern fleet boasts an average age of 10.8 years and offers the size, coverage, and adaptability necessary to fulfill the requirements of our customers in both challenging and favorable environments. Our business strategy revolves around technological advancements and digital transformation, both core to our operations. By harnessing real-time data from our fleet, we make data-informed decisions that enhance performance, safety, and efficiency. Our versatile fleet comprises drillships, jack-ups, and semi-submersibles. We make targeted investments in rig upgrades to provide improved efficiency, reduced emissions, and enhanced performance for our customers.



**Seadrill aims to maintain all of our major equipment in line with Asset Lifecycle Management, providing the right maintenance, at the right time, to the right equipment.**

ALCM, short for Asset Life Cycle Management, is a method used to determine the remaining useful life of capital equipment. It involves analyzing operational data and utilizing control systems to assess the work performed by the equipment. By combining condition monitoring results and wear measurements, Seadrill can detect early signs of equipment wear and schedule maintenance accordingly. Seadrill has obtained certification from the American Bureau of Shipping as a Recognized Service Supplier in Condition Monitoring. This certification includes traditional condition monitoring techniques and machine learning methods.

PLATO is Seadrill's comprehensive solution for data acquisition, aggregation, and analytics. It utilizes a "digital twin" concept to create a virtual model of the physical rig and collects real-time equipment data from the rig's control networks. This data-rich platform allows us to develop products that can revolutionize the management of operations across our fleet, aligning with our business priorities.

The PLATO EEM portal combines real-time vessel operational data to enable emissions monitoring. This was enabled by upgrades to our vessel management system giving us to access previously inaccessible data, that has driven to a rapid advance in our energy efficiency analytical capabilities. In 2022 we were able to bring 3 rigs online – the Sonangol Quenguela, West Jupiter and West Carina and absorb this data into our PLATO platform. We currently collect real time data such as:

- Diesel engine loading (KW)
- Distribution transformer loading (KW)
- Environmental and vessel data (wind speed, vessel speed, etc.)
- Equipment running statuses
- Fuel tank volumes
- Thruster loading (KW)

Additionally, we have access to data such as power consumption metrics for individual drilling motors (drawworks, top drives, and mud pumps) from the drilling control system. The generation and equipment loading values are passed to our Metrics Generator tool to calculate kilowatt hours for the entire ship.

The combination of this information provides detailed insights into rig energy consumption, allowing us to measure the impact of energy-saving technologies on our vessels. We categorize energy usage into core load groups such as Hotel Load, Propulsion, and Drilling. Our future plans involve delving deeper into individual equipment consumers within these groups.

<sup>3</sup> Fleet data correct as of December 31, 2022



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Our modern fleet of technologically advanced drilling units provides high operational reliability. Combined with our proven operational track record, we are well positioned to secure new drilling contracts and continue relationships with existing customers.



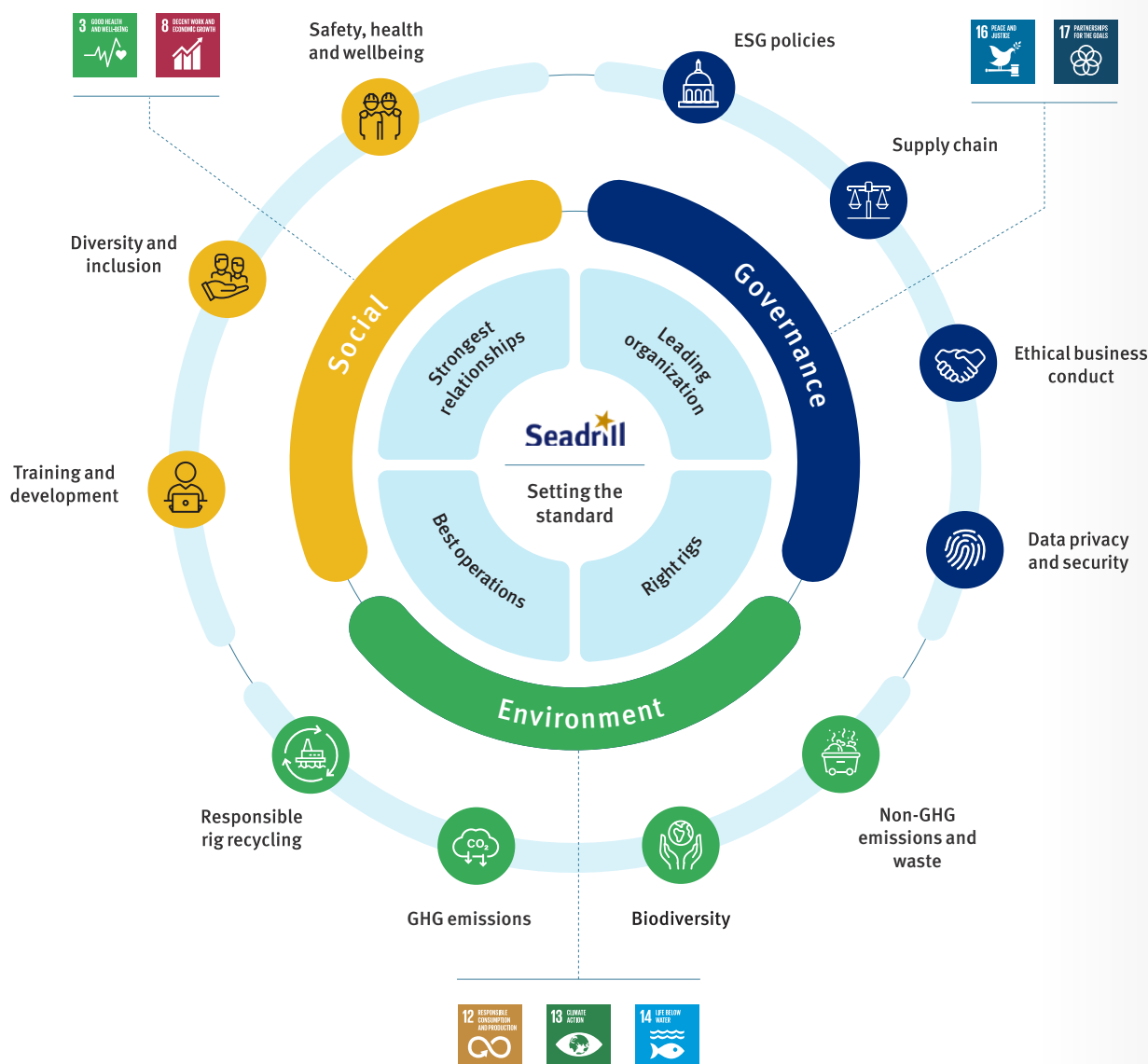
	AVERAGE AGE	FLEET TOTAL	
 <b>Drillships</b>	<b>8.25</b> years	<b>6</b> owned	<b>2</b> managed
 <b>Semi-sub</b>	<b>12.3</b> years	<b>3</b> owned	<b>0</b> managed
 <b>Jack-ups</b>	<b>12.4</b> years	<b>5</b> owned	<b>5</b> managed

# OUR SUSTAINABILITY FRAMEWORK

Our approach to sustainability is directly linked to our core value creation model. Environmental, social and governance (ESG) considerations are embedded in the way we operate our business.

In order to ensure the sustainable future of drilling practices, we prioritize effective governance of our environmental, social, and governance (ESG) concerns. By maintaining strong relationships, implementing best-in-class operations, and utilizing suitable rigs, we uphold the most stringent social and environmental standards. Through active engagement with stakeholders and comprehensive assessments, we have identified our significant

ESG impacts and are taking appropriate actions in response. We maintain transparency by publicly reporting these impacts, our corresponding initiatives, and our progress. Our disclosure of ESG impacts adheres to globally recognized reporting standards, including our contributions towards the United Nations Sustainable Development Goals (SDGs).



# Contributing to the Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) serve as a collective roadmap for promoting peace, prosperity, and sustainability for current and future generations. Comprising 17 goals, they encompass a wide range of objectives, including poverty eradication, improved healthcare and education, reduced inequality, and fostering economic growth. Moreover, the SDGs address pressing issues such as climate change, as well as the

conservation of oceans and forests. By embracing these goals, we can collaborate toward constructing a better future for all. At Seadrill, we are fully dedicated to aligning our operations with the UN SDGs as we strive to integrate sustainability into our business practices. Out of the 17 SDGs, there are seven that hold particular significance to Seadrill.

## Environment

We are taking meaningful steps to eliminate waste from our value chain and develop circular business models for the resources and materials we consume.



We are focused on preventing accidental discharges and operating to the highest environmental standards. We are committed to protecting biodiversity in the marine environments in which we operate.



Our focus on developing energy efficient operations and reducing our own GHG emissions enables us to contribute to the energy transition. Seadrill is committed to playing its part in achieving the Paris Agreement.

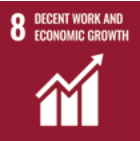


## Social

Health, safety and well-being are core to the way we operate. We are committed to creating a healthy and safe environment for our employees, business partners and stakeholders.



Seadrill employs 2,600 people in over 30 countries. We take pride in our inclusive workforce and the economic growth that it enables.



## Governance

We abide by all local and national regulations. We have clear policies and practices to protect human rights and operate to the highest ethical standards.



We work with our business partners and others to strengthen relationships and collaborate on the achievement of more sustainable outcomes.



## OUR STAKEHOLDERS

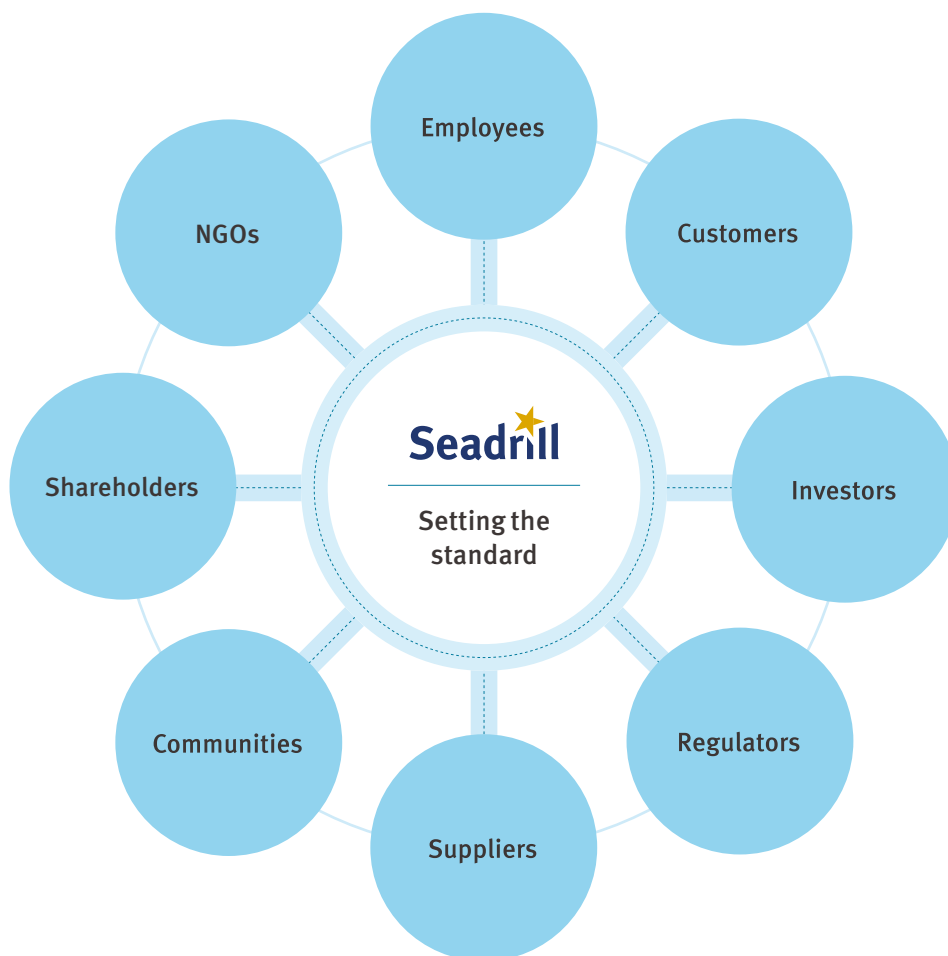
In 2021, we used our existing knowledge of key ESG topics and engaged with our stakeholders to validate these views and identify and prioritize topics for reporting.

An independent advisor reviewed our industry peers for their reporting of material ESG topics and provided expert opinions on the ESG impacts likely to be material for Seadrill. A global staff engagement survey was used to rate existing impacts in terms of their significance, and respondents could also identify additional impacts.

Seadrill engages with its stakeholders on an ongoing basis. Engagement includes both formal and informal dialogue, as well as specific engagement targeted at identifying and understanding

our material ESG impacts. Our key stakeholders include our employees, our shareholders, investors, our customers, communities where we operate, regulators, NGOs and suppliers.

The Seadrill Sustainability Committee, comprising environmental, social and governance roles from across the business, participated in a workshop to clarify and prioritize material impacts and topics for reporting.





# Our material topics are determined in line with the GRI Materiality Standard

Determination of sustainability impacts and material ESG topics for reporting was undertaken by an independent advisor, in consultation with Seadrill staff and stakeholders, and was approved by the Board in 2021. The materiality determination

method used was aligned with the GRI Materiality Standard GRI 3 (2021). In order to monitor our progress in areas of importance to our stakeholders, these issues remain valid and continue in our 2022 report.

## Our material topics for reporting in 2022 are:

### Environment



**GHG emissions**

reducing our greenhouse gas (GHG) emissions



**Responsible rig recycling**

recycling our rigs responsibly at approved facilities



**Biodiversity**

protecting biodiversity where we operate



**Spills and waste**

eliminating spills and waste

### Social



**Safety, health and well-being**

keeping our people safe and well



**Diversity and inclusion**

providing a diverse and inclusive workplace



**Training and development**

developing the human capital within our company

### Governance



**Policies**

establishing and maintaining strong ESG policies



**Ethical business conduct**

operating to the highest ethical standards



**Supply chain**

requiring our suppliers to meet our high ESG standards



**Data privacy and security**

protecting the privacy and security of information

# One of the most significant challenges facing global society today

**As a company operating in the oil and gas industry, we can play an important role to help shape a sustainable energy future.**

Seadrill embraces the Paris Agreement and supports the global community's dedication to addressing the critical issue of climate change. As the energy landscape undergoes decarbonization, the oil and gas industry plays a crucial role in the ongoing energy transition, given the continued reliance on these energy sources for many years to come. The Paris Agreement sets forth various objectives, including the mitigation of climate change through the reduction of global greenhouse gas emissions, adaptation measures to assist those affected by climate change, enabling countries to fulfill their climate goals, and fostering collaboration to achieve even greater collective action.

Seadrill is committed to the responsible delivery of hydrocarbons to meet society's energy needs. We will actively address the risks posed by climate change by reducing our own emissions and collaborating with industry initiatives focused on emissions reduction. Furthermore, Seadrill provides transparent reporting of its greenhouse gas emissions through the Carbon Disclosure Project, and has disclosed via this platform since 2010, and we are aligned with the proposed disclosure requirements of the SEC (Securities and Exchange Commission).



**For many years to come, oil and natural gas will remain significant contributors to global energy consumption.**

### A global energy source

In the World Energy Outlook 2022, the International Energy Agency (IEA) examines three scenarios, based on the Global Energy and Climate (GEC) model, to explore medium to long-term outlooks assessing the future of global energy. Developed to provide users with a mix of assumptions about how the energy system will respond to and evolve from events related to the global energy crisis, each scenario is updated to include the most recent energy market and cost data. The Net Zero Emissions by 2050 Scenario (NZE) is normative, in that it assumes an emissions trajectory consistent with a temperature rise in 2100 that is below 1.5°C (with a 50% probability), global access to modern energy services, and significant improvements to air quality. The NZE scenario includes speculations worth highlighting.

According to this scenario, oil and gas are estimated to account for 47% of the world's energy demand by 2040. The analysis indicates that the contribution of oil will decrease from around 31% in 2021 to 23% by 2040. Meanwhile, the contribution of natural gas would be required to increase from approximately 21% of the world's energy demand in 2021 to 24% by 2040. The IEA notes that continued investment in existing oil and gas assets is essential to ensure that global demands for energy are met and that emissions arising from operations are reduced. This view is closely aligned with our vision to set the standard in drilling. Our efforts to unlock oil and gas resources for our customers are strengthened by our resolve to continuously improve our operational performance by using our initiative to embrace change and work diligently to achieve the best practices in the industry.



**Seadrill is committed to meeting global oil and gas demand while helping to tackle the risks of climate change.**

### **Reliable access to energy**

The ongoing dependence on hydrocarbons in society is a result of over 250 years of economic and social progress built on the capabilities of fossil fuels. Access to reliable energy is vital for global development, supporting various essential services and industries such as education, trade, and food production. Presently, there are no widely accessible and economically feasible alternatives for sectors like aviation and maritime transportation. It will require time for the development and implementation of new technologies to address these challenges.

### **Changing offshore environment and operations**

Seadrill continues to drive energy efficiency in our operations by changing behaviors and using advances in data monitoring to optimize well construction operations – see pages 17-19 for more details. By introducing technology that reduces fuel consumption and GHG emissions, Seadrill is contributing to a low-carbon energy future.



# ENVIRONMENT

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# Reducing Greenhouse Gas Emissions

**As an offshore drilling services company, we have a critical role to play in the global energy transition.**

Achieving GHG emission reduction targets necessitates a fundamental focus on decreasing the carbon intensity of the energy sources employed to meet global energy demand. At Seadrill, we are steadfast in our pursuit of energy efficiency improvements and invest in and employ innovative technologies that effectively reduce GHG emissions.

## **Strategically reducing greenhouse gas (GHG) emissions**

**Our ongoing focus on GHG emission reduction is embedded in three core strategies:**

- Energy efficiency
- Investment in new, more efficient and low-carbon technologies
- Digitization and real-time monitoring of our operating assets for enhanced visibility of energy use to enable effective operational and investment decision-making to reduce our GHG emissions.

## **Utilizing energy efficiently and responsibly**

The primary contributor to our carbon footprint lies in the energy usage of our mobile offshore drilling rigs. Since 2010, we have transparently disclosed our carbon footprint through the Carbon Disclosure Project (CDP) and consistently improved our carbon management performance. In 2022, we achieved a notable “B” rating, the highest ranking among offshore drilling contractors. Being a frontrunner in emissions reporting via CDP, we possess a comprehensive understanding of our environmental impact.

Through a data-driven approach, our focus is on implementing measures that reduce fuel consumption and greenhouse gas emissions. This entails optimizing existing equipment using power management systems, strategically implementing energy efficiency technologies, and conducting meticulous analyses of fuel consumption based on rig type and operational area. These efforts enable us to establish a solid foundation for energy efficiency plans which we can use to drive transition to more energy-efficient operations.

By implementing a robust energy efficiency management plan on a harsh environment semi-submersible, we successfully achieved a remarkable 9% reduction in fuel consumption. Now, we are actively sharing these best practices throughout our fleet and expanding energy efficiency management plans from rigs in the North Sea to other regions, starting with the Gulf of Mexico and offshore Brazil. With some energy efficiency initiatives already in place, including in Harsh Environment rigs, we began a process to systematize energy efficiency across the fleet by integrating energy efficiency plans into our company management system. Taking learnings and experience from our Harsh Environment, and pilot activities in the Gulf of Mexico, this has been developed into a program of support fleet wide to implement energy efficiency plans on all operational rigs between 2023 and 2024.

## ENVIRONMENT

### Embracing energy-efficient and low-carbon technology

We are trialing several technological implementations to improve our energy efficiency. Achieving our energy-efficiency goals requires a combination of operational, procedural, technical, and/or engineering interventions. Some of our implementations include:

**Closed Bus Ties** – Advanced generator protection offers a transformative capability for rigs, allowing dynamic adaptation by operating with fewer engines running at higher loads. This innovative approach significantly enhances efficiency, resulting in reduced energy consumption, emissions, and maintenance costs. The advanced generator protection system enables the bus ties to be closed, allowing the rig to operate with few engines online. This allows the rig to operate more efficiently, minimizing fuel usage and emissions while maintaining optimal performance. The enabling of closed bus tie operation with advanced generator protection represents a progressive step toward achieving our energy efficiency goals. Through this technology, we are able to maintain operational efficiency, manage our resources

responsibly, minimize our environmental impact, and realize substantial cost savings for our customers.

**Hydrogen Methanol Injection** – We are trialing this technology in our fleet, with the installation of a system commenced on the West Saturn, making us the first to adopt this advanced combustion technology on a drillship worldwide. By injecting a precise blend of hydrogen, oxygen, methanol, and water into three different air intake locations of our main diesel engines, we optimize the combustion process, resulting in emissions reduction and fuel savings. This innovative solution is projected to decrease CO<sub>2</sub>e emissions by approximately 10-15% and significantly reduce NO<sub>x</sub> emissions by 30-80% depending on engine load.

## Case: West Elara

### Fuel Purifiers

On the West Elara, we have replaced two fuel oil purifiers with advanced filtration units to reduce fuel wastage. The previous purifiers released approximately 4.6 liters of fuel per hour, resulting in a yearly amount of around 40m<sup>3</sup>. The installation of the new filtration units took place in August 2022. Since then, there has been a minimal increase in the waste oil tank level, indicating significantly less fuel wastage. This in itself does not reduce emissions, however, the new system is significantly more energy efficient, saving more than a quarter of a megawatt of power over a 5 month period. Additionally, the filtration units require less maintenance compared to traditional oil purifiers and reduce the need for slop handling.



## Digitization and real-time monitoring of our operating assets

Acknowledging the profound influence of technological advancements and digitization in our industry, we have prioritized its integration within our core strategy. By enhancing connectivity and embracing digitalization in our workflows, we unlock the potential to gather valuable operational insights that enable real-time monitoring and sharing of performance data across all areas of our business. The immense volume of data generated by our modern fleet, amounting to billions of data points daily, presents an opportunity to extract valuable insights. Leveraging these extensive datasets is crucial for optimizing drilling performance and ensuring efficient equipment maintenance, all while upholding stringent safety standards.

Introducing Plato Performance, a cutting-edge systems management platform that empowers us to drill with enhanced efficiency and elevate overall operational effectiveness. Leveraging real-time equipment data, Plato Performance not only facilitates real-time monitoring of ongoing operations but also enables us to evaluate our performance against predefined Key Performance Indicators (KPIs). By leveraging this data, we gain a comprehensive understanding of how various rigs utilize equipment during routine operations, enabling us to standardize processes across the fleet and drive increased efficiency while maximizing the positive impact on equipment performance.



**We've placed digitization and data analytics at the center of our strategy**

## Travel

We leverage technology to minimize business travel and its environmental impact. Web conferencing and digital collaboration tools are prioritized to reduce air travel and emissions. Onshore employees enjoy flexible working options, combining remote and office-based work. Technology has also decreased travel to offshore installations. Connected video headsets enable remote collaboration with rig teams, eliminating the need for travel for activities like inspections and audits. Our commitment to technological solutions promotes sustainability and efficient operations. Our partnership with ATPi, our trusted travel partner, has allowed us to assess our Scope 3 emissions that are related to business travel, providing increased insight into the impact of our indirect emissions. ATPi Halo, a CO2 measurement, reduction and offset service offered by ATPi, provides clients with opportunities to participate in offset projects selected for their quality, integrity, and effectiveness in addressing a variety of the most pressing global challenges. Some programs we would like to highlight include:

**Improved Cooking Practices & Cleaner Air – Nigeria** – In Q4 of 2022, Seadrill Angola offset 856 carbon tonnes, allowing for \$12,110 to be used to provide cleaner, more efficient cookstoves to communities across rural Nigeria, helping to slow forest degradation, lower emissions, and contribute to healthier communities. Established in 2017, this program aligns with No Poverty (UN SDG 1), Affordable and Clean Energy (UN SDG 7), and Climate Action (UN SDG 13). See pg. 47 for further details.

**Amayo 40 MW Wind Power Project** – In Q4 of 2022, Seadrill Brazil offset 189 carbon tonnes, allowing for \$2,079 to be invested in the Rivas Municipality of Southwest Nicaragua. This project delivers renewable, affordable, and clean electricity to the local community, reducing energy interruptions to businesses, increasing employment and income, enhancing the economy, and improving living conditions. Established in 2009, this project aligns with Quality Education (UN SDG 4), Affordable and Clean Energy (UN SDG 7), Decent Work and Economic Growth (UN SDG 8), Climate Action (UN SDG 13), Life on Land (UN SDG 15), and Partnerships for the Goals (UN SDG 17).

# Our GHG Emissions

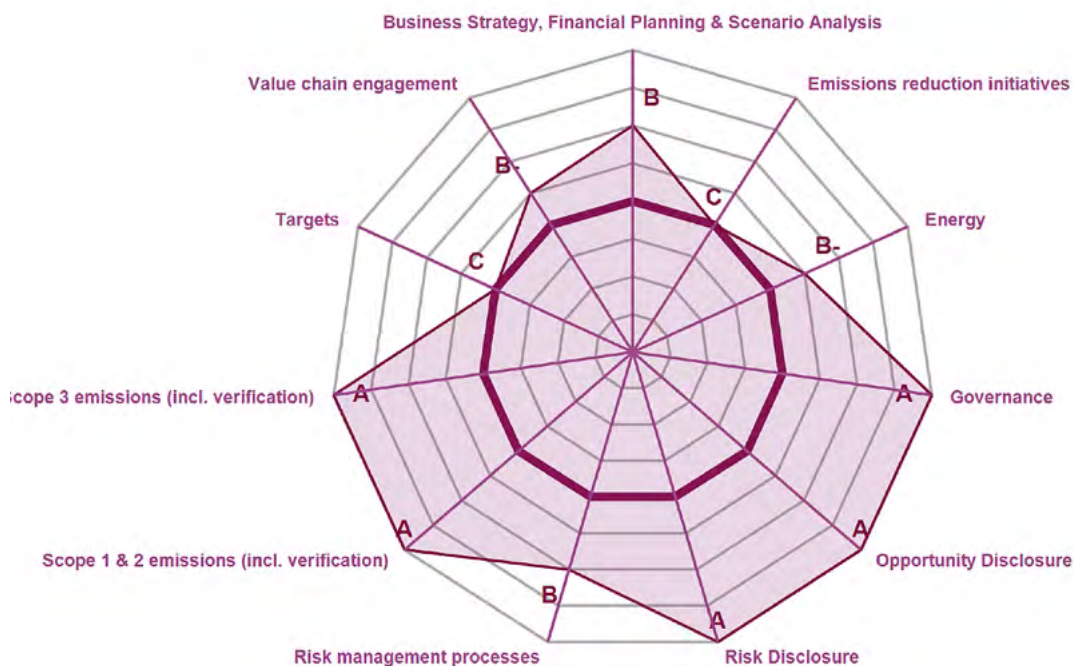
## Transparent Disclosure – Carbon Disclosure Project (CDP)

The Carbon Disclosure Project (CDP) is a voluntary scheme that helps companies measure and understand their carbon footprint. Seadrill has been reporting through CDP since 2010. Seadrill achieved a “B” rating in the CDP in 2022, the highest Management category (CDP categories are Disclosure, Awareness, Management and Leadership), demonstrating we are assessed externally as understanding and taking active management measures to reduce our carbon emissions, leading the offshore drilling contractor sector. This transparent reporting allows for the identification of energy efficiency opportunities and climate impact reduction. Maintaining the ranking requires

continuous improvement in carbon management, focusing on emissions reduction, integrating carbon management into strategy and risk management, and engaging with the supply chain. The achievement is the result of a collective effort across all departments, including reporting fuel consumption, tracking business-related travel, freight emissions, and participating in employee commuting surveys.



## CDP Score Report – Climate Change 2022 Category scores





## Carbon Footprint

In 2022, we emitted a total of 856,643.74 metric tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) GHG emissions.

This is broken down into Scope 1 – Direct Emissions; Scope 2 – Purchased Energy Emissions; and Scope 3 – Indirect Emissions. Our calculations utilize an operational control approach.

## 2022 CO<sub>2</sub>e Emissions

	SOURCE	TONNES CO <sub>2</sub> e
<b>Scope 1</b>	Rig Fuel Use	586,023.88
	Office Gas Use	39.31
<b>Scope 2</b>	Onshore Electricity Use (market based)	405.63
<b>Scope 3</b>	Purchased Goods & Services	170,004.08
	Upstream Transportation & Distribution – Freight	39,889.39
	Business Travel	17,407.85
	Employee Commuting	685.15
	Downstream Leased Assets (Bareship Charter rigs)	41,404.99
	Waste	783.45
	<b>Total</b>	<b>Emissions</b>

There has been a year-on-year reduction in our overall carbon footprint, with our gross emissions reducing by approximately 26% between 2019 and 2022. The reduction is primarily a result of reduced fleet size and activity. Rig activity in 2022 was at 69% of 2019 levels.

## Absolute Emissions and Rig Emissions Intensity in 2022

The average fleet-wide carbon intensity (a measure of Scope 1 emissions intensity) in 2022 was 30,736.99 Tonnes CO<sub>2</sub>e per contracted rig year, representing a decrease of approximately 2.8% on 2021 intensity.

The variations in absolute emissions and emissions intensity are due to a combination of factors.

Fuel consumption and emissions are influenced by the size and power of the units, as well as the operating environment.

By their nature, floating units (semi-submersibles and drillships) use more fuel than jack-up rigs, as they use propulsion systems to remain on station, whereas jack-ups are fixed to the seabed and do not require propulsion energy to remain in place.

Harsh environment jackup operations, characterized by challenging weather and temperature, use more fuel compared to jack-up operations in milder conditions. The nature of the operation itself also plays a significant role in fuel usage and emissions. For instance, a drillship operating in a similar climate might consume in the order of 4.5 times more fuel annually than a jack-up rig, while a large harsh environment semi-submersible could use in the order of 5.5 times more fuel. Hence changes in activity levels in different parts of the fleet, as well as overall activity level drives changes in average fleet-wide carbon intensity.

## Base year emissions (2017<sup>1</sup>)<sup>2</sup>

Direct (Scope 1) GHG emissions <sup>3</sup>	696,966.85 TCO <sub>2</sub> e
Indirect (Scope 2) GHG emissions <sup>4</sup>	1,998.15 TCO <sub>2</sub> e
Other indirect (Scope 3) GHG emissions <sup>5</sup>	566,225 TCO <sub>2</sub> e

1 2017 is chosen as a baseline year for CO<sub>2</sub> emissions based on climate criteria and having a reasonable time horizon of 5 years before present date. This is a common baseline for all scopes.

2 Standards, methodologies, assumptions, and/or calculation tools include: Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019; IPIECA's Petroleum Industry Guidelines for reporting GHG emissions, 2nd edition, 2011; ISO 14064-1; The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition).

3 Rebaselining of Scope 1 (Rig) emissions is conducted when rigs are permanently removed from the fleet, as rigs are defined as Seadrill's significant energy users and account for the majority of Seadrill emissions. Emission factors sourced from IPCC Fifth Assessment Report (AR5 – 100 year).

4 Emission factors sourced from UK DEFRA emission factors. Standards, methodologies, assumptions, and/or calculation tools include: The Greenhouse Gas Protocol: Scope 2 Guidance.

5 Methodology for calculating purchased goods and services aligned with GHG protocol hybrid spend-based methodology using DEFRA factors required recalculating Scope 3 category 1 Purchased Goods and Services emissions. Emission factors sourced from DEFRA emission factors.

## ENVIRONMENT

In 2022, absolute emissions were lower than the previous year, and average fleet emissions intensity decreased. Overall fleet activity was marginally lower in 2022 than 2021, with fewer drillships operating, leading to lower absolute emissions, and lower average fleet emissions intensity.

Global weather and climate conditions also impacted emissions. Adverse weather effects on operations can include increased fuel use in storm avoidance, increased fuel use in station-keeping and dynamic positioning operations, and increased energy demand for offshore heating and cooling.

### Plan for reduction in CO<sub>2</sub>e emissions

We are committed to reducing our CO<sub>2</sub>e emissions by implementing various energy efficiency measures and adopting new technologies. This includes optimizing energy usage in our current equipment, upgrading to more energy-efficient versions, and integrating innovative technologies.

To effectively reduce our carbon footprint, we are developing energy efficiency plans specifically tailored for our rigs. These plans encompass both supply-side and demand-side interventions to enhance energy efficiency. Additionally, our Technical Services team has devised a technology plan that utilizes existing technologies to minimize our carbon footprint. Through a combination of operational efficiency measures

and major energy efficiency technology interventions on selected vessels, we are driving our sustainability agenda. The insights and experience gained from these interventions will inform a comprehensive fleet-wide energy-efficient technology program, enabling us to achieve consistent and permanent reductions in our carbon emissions.

### Energy consumption within Seadrill<sup>1</sup>

Fuel consumption	2,227,394.31 MWh
Purchased Electricity consumption	2,513.72 MWh
Cooling consumption	0 MWh
Steam consumption	0 MWh
Total non-renewable fuel consumption	2,227,394.31 MWh
Total renewable fuel consumption	0 MWh
Total energy consumption	2,229,905.95 MWh
Energy intensity ratio (unit total revenue) <sup>2</sup>	0.000579515

1 GHG protocol corporate reporting standard used for calculation. This fuel consumption is converted to Tonnes CO<sub>2</sub>e using recognised emission factors for Diesel (100% Mineral Diesel), which accurately reflects the specification of fuel used on our offshore drilling units. UK Government GHG Conversion Factors for Company Reporting from UK BEIS/DEFRA are used for this conversion.

2 Energy intensity ratio uses energy consumption within Seadrill and includes fuel, electricity, and heating

## Looking forward

### Short-term 2018–2023

- Fuel consumption tracking
- Energy Efficiency Management Plans
- Data monitoring systems
- Technology pilot programs

### Mid-term 2023–2030

- Energy Efficiency
- Management Plans
- Data monitoring systems
- Closed Bus Ties
- Methanol Injection Systems

### Long-term 2030

- Development of zero-carbon fuels
- New/innovative emission reduction initiatives
- Develop the “Rig of the Future”



## Case: Journey to ISO 50001

As part of Seadrill's commitment to sustainability, the company is dedicated to improving energy efficiency and reducing emissions throughout its fleet. To solidify this commitment, Seadrill is working towards obtaining certification to ISO 50001 Energy Management, the leading certification in energy management. In 2022, successful gap analysis was conducted on Seadrill's SMS management system, comparing it to the requirements of ISO 50001. The feedback received was positive, highlighting the exceptional quality of Seadrill's energy data and analysis. The comprehensive gap analysis confirmed that Seadrill met the core clauses of ISO 50001, including planning, objectives, energy review, performance indicators, energy baselining, and energy data collection. This achievement reflected the well-established process of energy data collection for CDP reporting.

The analysis identified areas for improvement and provided valuable insights to help Seadrill identify and schedule actions necessary for achieving ISO 50001 certification.



# Environmentally sustainable operations

Seadrill's goal is to be an environmental leader in the offshore drilling sector, by reducing our carbon and energy footprint and operating in an environmentally responsible manner. We will achieve this through:

- Assessing all environmental aspects and ensuring that contingency plans are in place
- Applying relevant technologies and processes to prevent pollution, reduce discharges, emissions and environmental impact
- Continually improving the environmental management system to enhance environmental performance
- Continually improving energy performance, and monitoring and reporting CO<sub>2</sub>e emissions

By implementing measures, we ensure compliance with internal and prevalent external requirements.

### Protecting biodiversity

Seadrill is committed to no net loss of biodiversity and avoidance of negative impacts on threatened and protected species, working under the framework of the sustainable development goals. Our environmental management system and operational practices adhere to international and local regulations to minimize our impact on the natural environment and biodiversity. We hold certifications for our policies, directives, and procedures under the International Safety Management (ISM) Code, which is a globally accepted standard for safe vessel management, operation, and pollution prevention established by the International Maritime Organization (IMO) in 1995.

To obtain regulatory approval for drilling, our customers are typically required by authorities to conduct an environmental impact assessment or submit an environmental statement that encompasses our rig operations. These assessments, combined with our operational procedures, ensure that our drilling activities align with globally recognized environmental best practices.

Within our environmental management system, all of our rigs maintain Environmental Impact and Aspects Registers. These registers ensure we have identified significant environmental aspects of our operations, including that they are conducted in accordance with environmental management plans mandated by Environmental Impact Assessments, local and international regulations, and customer expectations.

### Spills to the environment

Accidental releases of hydrocarbons and other substances have the potential to cause significant ecological damage and long-term consequences for biodiversity. Such spills can result in the need for extensive recovery efforts, as well as reputational harm and economic penalties. At Seadrill, we handle large volumes of fluids annually and have implemented a comprehensive reporting system to ensure that any accidental discharges are promptly reported and addressed in accordance with local and international regulations.

Within Seadrill's environmental management system, all spills to the environment are thoroughly investigated to determine the root cause of the incident and take appropriate corrective actions to prevent recurrence. Adhering to internationally recognized practices in environmental management, we employ the 'hierarchy of controls' approach to minimize the use of harmful substances and seek less detrimental alternatives. This principle extends to fluid management and other aspects of health, safety, and the environment.

For example, we prioritize the use of low-toxicity and highly biodegradable fluids, such as BOP fluid, whenever feasible. Even though the discharge of BOP fluid is permitted under regulatory consent, any unplanned releases are considered spills and undergo a comprehensive investigation to ensure that valuable lessons are learned. Our steadfast adherence to the hierarchy of controls allows us to manage all fluids safely and mitigate their impact on the environment.



## 2022 Loss of Containment to the Environment

Seadrill measures loss of containment to the environment – spills and unplanned discharges overboard, as a company KPI.

In 2022, there were 19 loss of containment to the environment events, with the majority being insignificant events with loss of less than 10 litres, and no events of greater than 10 tonnes.

	CONSEQUENCE	NUMBER OF EVENTS
> 0 litre and ≤ 10 litres	●	11
> 10 litres ≤ 500 litres	●	7
> 500 litres ≤ 10,000 litres	●	3
> 10,000 litres ≤ 50,000 litres	●	0
> 50,000 litres	●	0

### The three higher category events were:

- 1000 L oil-based mud spilled to the moonpool on the Sonangol Quenguela. Whilst a loss of containment to the environment, the moonpool is enclosed with a skimmer, allowing recovery of hydrocarbon fluids spilled
- 3338 L oil-based mud spilled to sea from shale shakers on the West Neptune
- 6042 L clean brine leaked from mix line discharge valve to master dump valve when cleaning mud pits

None of these spills are assessed as environmentally significant.

There were no reported incidents related to our operations in marine protected areas or areas with protected conservation status in 2022.

## Ballast water management and hull cleaning

Seadrill adheres to the regulations outlined in the International Convention for the Control and Management of Vessel Ballast Water and Sediments (BWM Convention) to ensure proper handling of ballast water. Our rigs have comprehensive ballast water management plans in place, aligned with the IMO’s BWM Convention, to prevent the introduction of marine organisms and pathogens into coastal waters, safeguarding marine ecosystems.

Unregulated discharge of ballast water can potentially carry aquatic organisms or pathogens that pose risks to the environment, human health, property, resources, and biodiversity in marine and freshwater environments. It can also disrupt legitimate uses of these areas. In 2022, we maintained a clean record with no incidents of ballast water discharge.

To further protect sensitive ecological areas, we conduct hull cleaning to remove marine growth before entering these regions, ensuring that our operations have minimal impact on the environment.

## Waste water and oily water management

Seadrill adheres to the regulations set forth by the International Convention for the Prevention of Pollution from Ships (MARPOL), which encompasses the proper management of oily water, sewage, and garbage. In 2022, we had a clean record with no incidents or events concerning the management of waste water and oily water.

# Reducing emissions and minimising waste

## We are committed to minimising waste and reducing emissions to air.

We ensure full compliance with international and national environmental regulations, encompassing air emissions, waste handling and disposal, and the responsible recycling of rigs. Our primary objective is to minimize emissions and eliminate waste whenever feasible.

Collaboration with our suppliers has been instrumental in reducing packaging materials for items transported to the rigs. We are actively exploring opportunities to replace single-use packaging with reusable alternatives, working closely with our suppliers to achieve this transition. Our reusable containers are equipped with radio-frequency identification (RFID) tags and barcodes, enhancing our ability to monitor stock levels, manage waste, and reduce the environmental impact associated with single-use packaging across our operations.



### We're working with suppliers to determine how we eliminate single-use packaging.

In a successful pilot program implemented on one of our rigs, our Supply Chain management team introduced refillable lubrication cans, significantly reducing the procurement and utilization of single-use aluminum aerosol spray cans.

On the West Phoenix, a lubrication vending solution has been installed, allowing for the replenishment of lubrication cans with commonly used offshore lubricants such as WD40.

The vending solution refills the cans using compressed air and these cans can be refilled repeatedly, providing a safe, sustainable and cost-effective solution for dispensing lubricants. This solution will enable Seadrill to target the elimination of single-use aluminum cans that contain lubricants. It also requires less replenishment of store inventories as the lubricants are

procured in large totes that are stored in the vending machine cabinet which not only reduces waste handling, but also reduces our carbon footprint.

## Air emissions

Our state-of-the-art fleet adheres to all technical air emission and environmental regulations, meeting rigorous industry standards. To specifically address NO<sub>x</sub> emissions, we have implemented Selective Catalytic Reduction technology on a harsh environment semi-submersible operating on the Norwegian Continental Shelf.

Our comprehensive air emissions reduction program encompasses a strong emphasis on reducing CO<sub>2</sub>e emissions, which in turn results in reductions of NO<sub>x</sub> and methane emissions resulting from fuel combustion. Furthermore, compliance with International Maritime Organization (IMO) requirements has contributed to the reduction of SO<sub>2</sub> emissions, achieved through the global limitation of sulphur in marine fuel to a maximum of 0.50%.

### Global fleet GHG air emissions from fuel use

Tonnes	2020*	2021*	2022
CO <sub>2</sub> e	716,530.00	575,829.00	586,063.19
CO <sub>2</sub>	711,673	567,836.35	577,928.49
NO <sub>x</sub>	9,876.58	7,937.17	8,078.24
Methane	69.03	55.47	56.46

\* The data collection process for fuel data has been refined and enhanced substantially over the past 3 years to provide significantly more accurate fuel data. Calculation methodologies have also been updated, to use UK DEFRA GHG emission factors (2022 condensed set, Diesel, 100% mineral oil). Whilst CO<sub>2</sub>e emissions have been externally verified to ISO 14064-3, changes in calculation methodology has resulted in different methodologies being applied to different years. Figures are updated using verification statements for 2020-2022, and emissions breakdowns updated using UK DEFRA Emissions Factors 2022 to ensure figures for the previous 3 years are calculated using the 2022 emissions factors using the same methodology for consistency

## Waste

The prevention of pollution by solid waste from ships and offshore platforms is regulated by MARPOL’s Annex V6 which prohibits the discharge of most waste into the sea. Regulated waste which is separated for recycling and accumulated aboard a rig is disposed of at designated port reception facilities and, where port facilities allow, eligible and separated waste materials are recycled.

Waste data is recorded by rigs in the IMO garbage record. Waste is transferred ashore for final disposal, which is determined by available port waste reception facilities.

Waste Data	2020	2021	2022
Total Waste (mtonnes)	2,661	3,665	3,104
Waste Diverted	145	212	214
Residual Waste Disposed	2,446	3,443	2,890



## Case: Reducing single-use plastics



In 2021, Seadrill and Sodexo partnered to reduce the use of single-use plastics on board vessels. West Saturn participated by utilizing a mix of reusable tableware and biodegradable cups, an initiative aimed at reducing waste by introducing circular products. West Elara and West Phoenix also contributed by utilizing reusable water bottles instead of single-use bottles. This initiative reduced single-use plastic water bottles from 54.36 bottles in 2021 to 4.6 bottles in 2022. This represents a 49.76 bottle decrease, which means less handling, less transportation, less waste, and a 41-ton reduction in our carbon footprint. We are grateful for the effort and enthusiasm of everyone involved.

The analysis identified areas for improvement and provided valuable insights to help Seadrill identify and schedule actions necessary for achieving ISO 50001 certification.

# Responsible rig recycling

We are committed to the sustainable and socially responsible recycling of rigs in accordance with our Vessel Recycling Directive. Safeguarding the environment and human health and safety are our priorities at Seadrill, and we ensure these priorities are maintained when a rig is recycled.

The following rigs were sold for recycling or conversion to non-drilling use in 2021 / 22:

### Recycling sales

- West Pegasus Sale completed in Turkey 14 Sep 2021  
Recycling commenced Dec 2021  
Recycling completed Aug 2022
- West Alpha Sale completed in Turkey Sep 2021  
Recycling commenced Nov 2021  
Recycling completed Mar 2022
- West Eminence Sale completed in Turkey Nov 2021  
Recycling commenced Mar 2022  
Recycling completed Nov 2022
- West Navigator Sale completed in Turkey Dec 2021  
Recycling commenced Apr 2022  
Recycling completed Oct 2022
- West Venture Sale completed in Turkey Jan 2022  
Recycling commenced Feb 2022  
Recycling completed Jul 2022

### Conversion sales

- West Freedom Sale completed in Colombia Jun 2021
- West Vigilant Sale completed in Malaysia Jul 2021
- West Orion Sale completed in Malaysia Nov 2021
- Sevan Driller Sale completed in Indonesia April 2022
- Sevan Brasil Sale completed in Aruba April 2022



All rig recycling is conducted in accordance with applicable laws, conventions and regulations. These include the 2009 Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships, the Basel Convention on the Control of the Transboundary Movements of Hazardous Wastes and their Disposal, the EU and U.S. EPA Ship Recycling Regulations as well as local laws in the exporting countries where the rigs were located prior to their sale and the local laws in the importing countries where the recycling activities will take place.

Recycling buyers and shipyards are thoroughly vetted and selected in accordance with our Vessel Recycling and Compliance, Anti-bribery, and Corruption directives and under the guidance of independent external counsels and other third-party organizations with extensive international expertise in safe and sustainable recycling. All selected recycling yards are required to demonstrate compliance with relevant and applicable laws, conventions and regulations.

Of the five rigs sold for recycling in 2021, four were delivered to recycling yards in the second half of the year with the last rig delivered in early 2022. Recycling commenced on two of the rigs, the West Pegasus and the West Alpha, and completed mid-Q1 2022. The recycling of the remaining three rigs took place in 2022.

For the actual recycling activities and their supervision, Seadrill has engaged an independent third-party organization with expertise in safe and sustainable vessel recycling to ensure that required safety and environmental standards are upheld throughout the rig recycling process and that the applicable conventions, regulations and laws are adhered to. There were no reported compliance deficiencies from the recycling yards we utilized in 2022.





# SAFE OPERATIONS

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Safety remains front and centre  
of everything we do.



# Safety

Seadrill is dedicated to establishing a secure work environment where accidents are prevented, and everyone’s well-being is prioritized. We uphold our commitment to safety by implementing meticulous planning and execution, conducting operations in accordance with the highest standards, and demonstrating the utmost respect for the natural environment. The health, well-being, and safety of our employees, service providers, and the local community are of utmost significance to us. We strive to be a beacon of excellence, setting an example for the offshore drilling industry through our comprehensive health and safety management system.

By fostering strong leadership and individual accountability, we adopt a systematic approach to identify, manage, and prevent hazards inherent in our daily operations. The well-being, safety, and security of our workforce and the communities where we operate, as well as our commitment to environmental responsibility, are paramount to us. We remain vigilant, disciplined, and constantly watchful over one another’s well-being. We have established and ingrained a robust safety culture both onshore and offshore, instilled by every employee who bears the personal responsibility and authority to halt any job immediately if they perceive it to be unsafe. At Seadrill, everyone is responsible for actively contributing to the development of this culture of care.

Health and safety	2020	2021	2022	IADC INDUSTRY AVERAGE
Total Recordable Incident Rate (TRIR)	0.28	0.28	0.42	0.388
Lost Time Incident Rate (LTIR)	0.04	0.03	0.14	0.2
Fatalities	0	1	1	7

Seadrill has an impressive record in health and safety management, but we strive for continuous improvement by sharing best practice and awareness across the industry. Our philosophy, which supports the achievement of a world class safety performance, is based on every employee or service provider being involved effectively in furthering our safety culture.

## Building a safety culture through continuous improvement

We prioritize the investigation of safety incidents and near misses to uncover potential underlying patterns and utilize leading indicators such as inspections and equipment tests to assess the effectiveness of preventive measures. The knowledge gained from these performance insights guides our safety initiatives. For instance, we are actively implementing measures to enhance the competence and reliability of our personnel, aiming to minimize the occurrence of errors. Additionally, we place great emphasis on proactively monitoring the lifecycle of our equipment, which contributes to overall improvements in process safety.

Our commitment to maintaining a state of Chronic Unease is a fundamental aspect of our safety culture. It entails being attuned to subtle warning signs, anticipating potential hazards before they materialize, and consistently prioritizing the safety of oneself and others.



**Do the right thing, the right way,  
EVERY TIME.**

## SAFE OPERATIONS

With our experienced and diverse workforce, complemented by industry-leading training programs, we continuously attract, develop, and promote talent while upholding our impressive safety track record. Throughout 2022, our safety focus centered on enhancing awareness of safety issues through company-wide campaigns and crew education events. We are evaluating various technologies to support operational procedures and activity management.

### Start Safe – Finish Strong

Our Start Safe Seminars started in 2017 and were traditionally held when our rigs commenced a new contract. However, in 2022, the HSE team revamped our seminars, and over 2,500 employees from across the globe attended last year. The seminars focus on the most basic yet core elements of the PIMED process, a task planning system that stands for “Plan, Identify, Manage, Execute, and Debrief.” PIMED is a straightforward process, however, it takes commitment, discipline, and practice to get it right. If we want to work safely and efficiently, all five steps of the PIMED process are required. The Start Safe Seminar allows us to use the tools in a learning environment where we can “fail safe” and learn from our debriefs to improve. 2022 concluded with our Finish Strong campaign, aimed at encouraging everyone at Seadrill to think about how we as individuals and as a team live the Seadrill values. We are proud of the safety culture we have cultivated within Seadrill and look forward to continuous development in the future.



### Operational safety

At Seadrill, we prioritize the integration of human factors into our safety systems to ensure the well-being of our workforce and the smooth operation of our activities. We have established robust measures to control major accident hazards and clearly define barrier responsibilities within our organization. Our approach to occupational safety encompasses the implementation of the STAR program, an observational safety initiative, as well as meticulous consideration of human reliability in the design of our safety systems and procedures. We conduct thorough investigations of safety incidents and near misses to uncover any underlying patterns or themes. To proactively monitor the strength of our preventive measures, we rely on leading indicators such as inspections and equipment tests.

In drilling operations, our Standard Operating Manual adheres to a human reliability and crew resource management approach, particularly for safety-critical and high-reliability tasks. We recognize the significance of effective barrier management, which entails a comprehensive assessment of risks associated with each task. By involving all employees in the risk assessment process, we ensure a shared understanding of potential outcomes. In situations where risks cannot be entirely eliminated, we establish robust “barriers” to significantly reduce or manage the associated risks.

By continuously evaluating the effectiveness of our controls, we strive for continuous improvement and a proactive safety culture throughout our operations.



**Our safety culture is integral to how we work every single day.**



# Health and well-being

**Maintaining a healthy workforce and supporting well-being are key to how we operate.**

We continue to see the protection of the health and well-being of our people as a key priority. We have developed additional health campaigns (see BeWell page 34) and mental health programs that are beacons of excellence in the industry. Through them we ensure that our people receive the best preventative care, both mentally and physically.

Our Health Policy states that our goal is to obtain a workforce fit for duty and a working environment that provides job satisfaction and good health conditions.

### We achieve this by:

- Adopting a health management system to assure a fit and healthy workforce
- Maintaining a safe and inspiring working environment
- Monitoring our workers health in regard to occupational risks
- Promoting sustainable health and lifestyle behaviors to improve the well-being of our people
- Enforcing a zero-tolerance attitude to intoxication in the workplace and substance abuse

### Secure Operations

At Seadrill, the safety and security of our crews and the smooth execution of our operations are of utmost importance. To achieve this, we conduct thorough site risk assessments in alignment with the International Ship and Port Facility Security (ISPS) code. These assessments enable us to identify and address potential security threats based on the internationally defined Maritime Security (MARSEC) threat levels. Our dedicated Company Security Officer (CSO) collaborates closely with Ship Security Officers (SSOs) to ensure the efficient maintenance of Ship Security Plans (SSPs) by the SSOs. This diligent approach allows us to effectively manage security risks and create a secure operating environment for our crews.





### Case: Seadrill recognizes Mental Health Awareness Week for the UK

Despite a return to normalcy, 2022 has not been without its challenges. Crew wellness was a key focus company-wide, with regular BeWell campaigns scheduled to promote initiatives, bring our crew together, and inspire change. Our London and Liverpool offices took the initiative to recognize Mental Health Awareness Week, with a theme aimed at raising awareness of the impact of loneliness on mental health and the practical steps that can be taken to address it. Seadrill applauds the work of our UK team to spread awareness for such an important topic. For more information about Mental Health Awareness Week, please visit: [www.mentalhealth.org.uk](http://www.mentalhealth.org.uk)



# Emergency response

**To prepare and become responsive, we continuously plan and train for emergency situations.**

Offshore drilling necessitates the careful management of numerous major accident hazards associated with both drilling and marine operations. As an organization in a High Reliability Industry, Seadrill employs a comprehensive multi-barrier approach to effectively address these hazards.

At each Seadrill installation, a Major Accident Hazard Risk Assessment is conducted to identify credible potential hazards that could result in a major accident if control is lost. Through the utilization of bow tie analysis, we ensure clear identification of the barriers in place to manage the causes and consequences of incidents, safeguarding against any loss of control. A pivotal component of Seadrill's risk mitigation strategy is its emergency response system, which acts as a crucial barrier in mitigating incident consequences.

To facilitate efficient emergency response, each installation has a detailed Emergency Response Plan that encompasses all accident scenarios identified in the Major Accident Hazard Risk Assessment, along with the corresponding response actions required for effective management. These response scenarios are presented in simplified flow charts with checklists for key actions, enabling tailored and effective responses during real emergency situations.

Scheduled emergency drills cover the full range of emergency scenarios, including major accidents, SOLAS and marine drills, and well control drills, meeting the requirements set by Seadrill's internal system, as well as regulatory and customer demands. By regularly practicing the defined Emergency Response Plans, drill experiences inform the evaluation of emergency response against clear performance standards, thereby enhancing analysis, actions, response times, and overall emergency response capabilities across the fleet.





## SAFE OPERATIONS

### Seadrill operates a three-tier emergency response system:

**Emergency Response Team** – The Emergency Response Team comprises the on-installation personnel responsible for promptly managing emergencies. These teams undergo comprehensive training in on-site response, encompassing firefighting, mass casualty incident response, and major emergency management. Additionally, all crew members receive training in individual emergency response and offshore survival, ensuring their ability to respond to emergencies safely and efficiently, including the potential abandonment of the installation if necessary.

**Incident Management Team** – The Incident Management Team offers onshore assistance to the Emergency Response Team, encompassing logistical support, mobilization of Search and Rescue and other external emergency response resources, aid and support to crew members' families, and coordination with customers, local authorities, and other stakeholders. Incident Management Teams are strategically positioned in various operational areas and undergo training and drills in incident response to ensure efficient support for the Emergency Response Team.

**Crisis Management Team** – The Crisis Management Team provides supplementary support to the Incident Management Team, offering resources and assistance at a company-wide level and assuming responsibility for overall incident recovery management. Trained in strategic response, the Crisis Management Team conducts response drills to ensure the company maintains an effective emergency response system throughout all operational domains.

## Case: SmartTriage

Seadrill recognizes the high-hazard nature of offshore drilling and prioritizes both prevention plans and preparedness for unforeseen events. To effectively handle critical situations, rig teams possess major emergency management skills, ensuring optimal management even during challenging circumstances. These skills are instrumental in saving lives, minimizing human suffering, and resolving incidents promptly. To enhance emergency response capabilities, Seadrill has partnered with TSG Associates to develop a globally standardized approach to mass casualty incidents (MCIs) using the SmartTriage system. Standardized kits incorporating this system have been implemented across all rigs, accompanied by a comprehensive training program accessible through SkillsVX. Medics, first aiders, and stretcher teams will undergo this training, along with regular

refresher courses, to maintain proficiency. Rig leadership and onshore Incident Management Teams will also review the training to familiarize themselves with international best practices and effective MCI communication and support. Integration of MCI response into updated annual emergency management drills ensures ongoing evaluation, improvement, and seamless integration into regular operations.



**Seadrill identifies and manages hazards through a multi-barrier approach.**





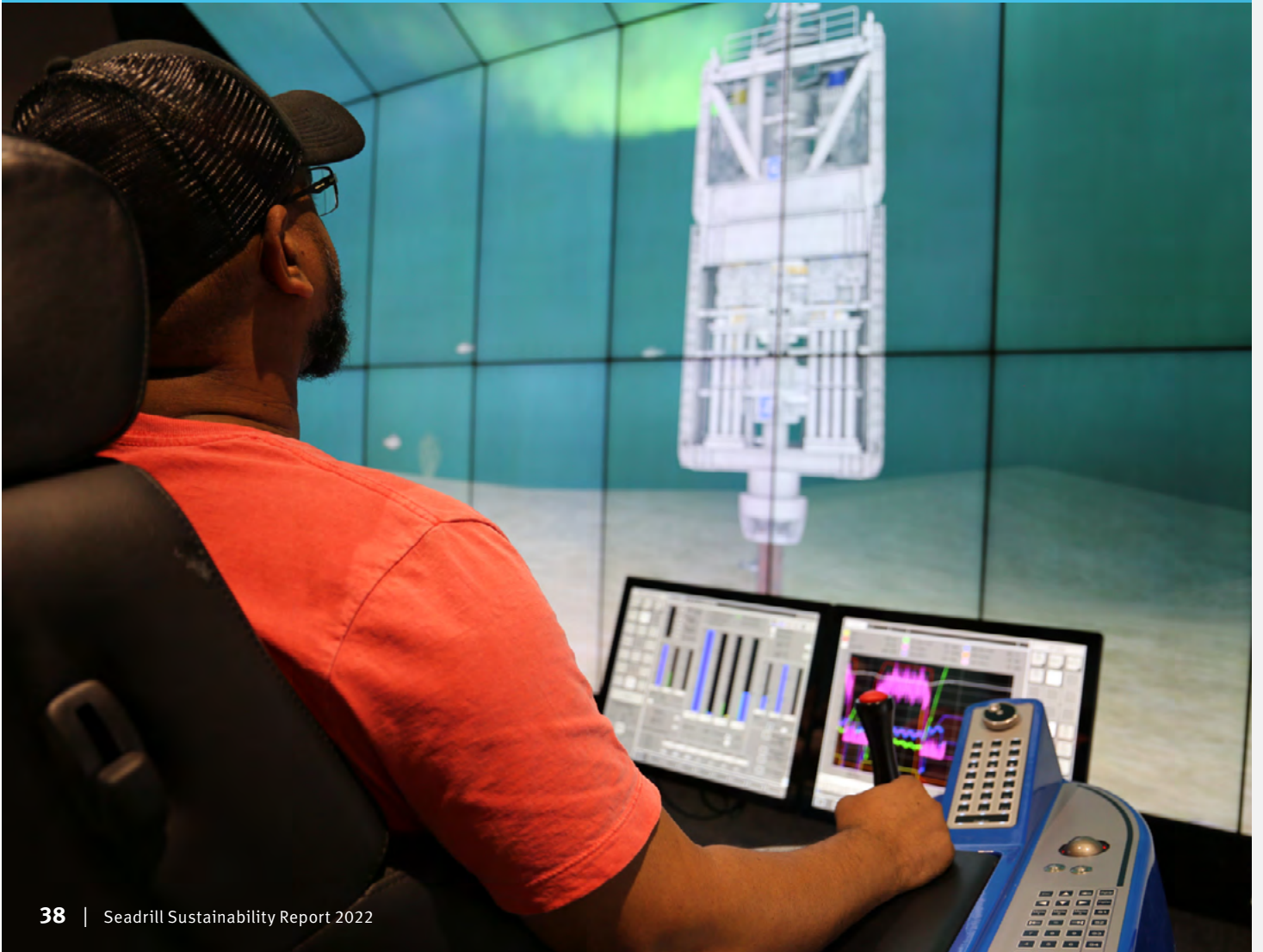
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# SOCIAL

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# Employee engagement: our employees are key to our future success

Our primary objective is to establish and maintain an inclusive and supportive work environment that values and appreciates our colleagues, enabling them to contribute to their fullest potential. Leveraging technology, we harness online collaborative workspaces to connect colleagues across different time zones and regions, fostering a global sense of community. At Seadrill, our employees are pivotal to our future achievements, and we have consistently strived to be an organization where individuals desire to work and feel like a part of the “Seadrill family.” Engaging our employees effectively is of utmost importance to us as we endeavor to create a work environment in which they thrive.

To gain insights into the priorities of our employees, we conduct a biannual employee engagement survey called “Your Voice Matters.” This survey employs a blend of research methodologies and cutting-edge technology to identify opportunities for driving positive behavioral changes within the organization. It involves regular six-monthly surveys, evidence-based nudges to enhance individual and team behaviors, and pulse-check polls for feedback. In 2022, an impressive 73% of our workforce provided their valuable insights on how to further improve Seadrill as a workplace.

We provide employees, whether they are located offshore or onshore, with various communication channels to actively engage them in the business and recognize their accomplishments. These platforms facilitate knowledge-sharing, celebrate successes, and promote two-way communication within the organization. Among our communication channels is Yammer, an internal social network that has been implemented across the entire company, along with our intranet site, SeaNet.

To foster transparency and engagement, we conduct regular ‘Ask the Team’ town hall meetings, which are now held virtually on Microsoft Teams since March 2020. These town halls are hosted by the executive committee and serve as an opportunity for open dialogue.

We strive to keep our colleagues informed and inspired through various publications and multimedia content. Our quarterly ‘World of Seadrill’ magazine aims to engage both onshore and offshore colleagues by sharing news and updates from across the organization. Complementing this, we distribute a monthly ‘Know the drill’ email newsletter, as well as share podcasts and videos through email, SeaNet, and Yammer. Additionally, we organize virtual ‘Lunch and Learn’ sessions on Microsoft Teams to focus on key campaigns such as the BeWell health and well-being initiative and safety messages.

	<30	30-50	>50	MALE	FEMALE	ONSHORE	OFFSHORE
Number of new employee hires during reporting period	57	288	45	367	23	47	343
Rate of new employee hires during reporting period	14.6%	73.8%	11.5%	94.1%	5.9%	12.1%	87.9%
Number of employee turnover during reporting period	191	1277	354	1726	96	205	1617
Rate of employee turnover during reporting period	10.5%	70.1%	19.4%	94.7%	5.3%	11.3%	88.7%

# Case: Enhancing Recruitment and Retention: Wi-Fi and Internet Connectivity on Rigs

With the availability of Starlink onboard, employees have the opportunity to stay connected, pursue educational goals, and maintain a sense of connection with their personal lives. This enhanced connectivity has played a crucial role in retention and recruitment efforts, attracting professionals seeking reliable internet access while working offshore.

Starlink is a satellite constellation system that aims to provide global internet coverage, even in remote and geographically isolated areas. The system offers exceptional internet speeds, reaching up to 350 megabits per second (Mbps), which allows Seadrill's offshore operations to connect seamlessly from the most remote waters across the globe. The reliability of Starlink's

service, including its ability to operate during inclement weather conditions, strengthens Seadrill's remote operations and enables efficient monitoring of offshore equipment.

Seadrill's objective is to equip the entire fleet with Starlink connectivity by the end of the year, further enhancing communication and data transmission capabilities. The availability of reliable internet connectivity through Starlink not only provides employees with opportunities to stay connected but also facilitates efficient remote operations and contributes to the company's overall operational effectiveness.







## Case: Psychosocial survey

Management of employee satisfaction is an important aspect of our efforts to cultivate a workplace culture that integrates the objectives of our behavioral framework.

Adverse psychological environment with disrespectful dialogue, lack of control, lack of stress recognition, and increased fatigue are causes that demotivate employees. Acknowledging the importance of employee feedback in recognizing these triggers, contributes to workplaces that are respectful, safe, inclusive, and collaborative. These workplaces motivate workers, improve physical and psychological health, promote safety, and increase productivity.

Providing our employees with a mechanism to provide anonymous feedback on their working conditions is highly valuable, as it provides our management team with the in-depth evidence to make informed decisions designed to enhance the safety and well-being of our employees. Particular attention is paid to our Harsh Environment Employees, who are often faced with difficult situations where safety, informed decision-making, well-being, and productivity are essential components of our values. In addition, our operations in Mexico are required to comply with Nom 035, of the Ministry of Labor and Social Prevention. This law establishes that each company must evaluate the psycho-social situation in the work environment by analyzing employee reports.

Results should be used to prevent acts against integrity and address practices opposed to favorable organizational development.

Because the questionnaire is administered during the annual medical examination for our personnel, we have a 100% participation rate. The results of this survey and the confidential process used to obtain them, better reflect the “lived” workplace culture experienced by our personnel and empower them to answer the survey with honesty. We are grateful to all employees for participating in this survey and providing their feedback. The results of this survey will be used to improve our culture, the well-being of our personnel, and operational processes. We look forward to monitoring our progress in the coming years.

# Diversity and inclusion

**Seadrill is committed to creating a diverse and inclusive workplace for all of its employees.**

We are dedicated to cultivating an inclusive workplace that recognizes and values diversity, allowing every employee to nurture their skills and abilities in alignment with our core values.

At Seadrill, our hiring, promotion, and recognition practices are based on individuals’ capabilities and qualifications. We firmly believe that diversity lies at the heart of our principles of fairness and respect, driving creativity, innovation, and strategic decision-making. As we strive to broaden our diversity and inclusion agenda, we prioritize raising awareness and fostering a culture of inclusivity throughout the organization.

We understand that mere words and principles are not enough to promote greater diversity, and thus, we consistently take tangible and ongoing actions to achieve a more balanced and diverse workforce. By promoting our approach to diversity and monitoring all aspects of our practices, we ensure continuous improvement in this area.

## Diversity statistics 2022

ITEM	2022 #	2022 %	TOTAL IN CATEGORY
Total Workforce (including CWKs)	3,163	100%	3,163
<b>Demographics – Female</b>			
Onshore (% female)	228	37%	617
Offshore (% female)	40	2%	2,546
All Employees (% female)	268	8%	3,163
Senior Management L4+ (% female)	2	13%	15
Board (% female)	2	22%	9
<b>Age Breakdown – All</b>			
< 30 Years	228	7%	3,136
30-50 Years	2,294	73%	3,136
> 50 Years	641	20%	3,163
<b>Age Breakdown – Onshore</b>			
< 30 Years	69	11%	617
30-50 Years	415	67%	617
> 50 Years	133	22%	617
<b>Age Breakdown – Offshore</b>			
< 30 Years	159	6%	2,546
30-50 Years	1,879	74%	2,546
> 50 Years	508	20%	2,546
<b>Nationalities</b>			
Nationalities - All	55	100%	55
Nationalities – Onshore	42	76%	55
Nationalities – Offshore	42	76%	55

# Human rights

## Seadrill is committed to recognizing human rights on a global basis.

Our conduct is informed by the United Nations Guiding Principles on Business and Human Rights, Universal Declaration of Human Rights and in compliance with the Norwegian Transparency Act. In 2022 we published our Human Rights Due Diligence Report, which, to the extent applicable under the Act, sets out the steps that Seadrill has taken and continues to take, to ensure that proportionate and risk-based human rights due diligence occur within our business and towards our suppliers and business partners. We prohibit any form of forced, indentured, or involuntary labour, discrimination, human trafficking and child labour regardless of where we conduct our business.

We ensure fair labour practices and comply with local laws regarding employment, working hours and wages and respect our employees' rights and freedom to associate and collective bargaining in a manner that is consistent with applicable laws.

We respect the rights of local communities wherever we operate, and we will do business only with those who respect human rights and uphold labour laws. Our Code of Conduct confirms our zero-tolerance attitude towards human rights violations, modern slavery, and human trafficking.

To support our approach to human rights Seadrill issues annual statements on Modern Slavery, along with our Human Rights Due Diligence Report. These are available on our website at [seadrill.com](https://www.seadrill.com).



# Training and development

## We are committed to investing in and developing the capabilities and skills of our people.

We are dedicated to enhancing the capabilities, skills, and competencies of our workforce. Our focus on providing valuable training programs enables us to nurture and retain our valuable human resources. From the initial onboarding process to formal training and on-the-job learning, we consider our investments in training and development as vital for fostering a culture of continuous learning among our employees.

Our offshore personnel benefit from immersive simulator training, which replicates the rig environment they encounter in a realistic manner. This immersive training allows our employees to safely practice and acquire the necessary skills to operate our rigs efficiently and securely. Our training opportunities encompass various areas such as immersive simulator-managed pressure drilling (MPD) training, enhanced well control training, performance management training, data-driven performance training, and rig integrity training. By leveraging cutting-edge immersive training, we equip our teams with the knowledge and experience to handle critical tasks, challenging situations, and diverse conditions encountered on the rig, ensuring their preparedness for any circumstances.

In addition to industry-specific training, we also offer Seadrill-specific training programs to our workforce. These encompass compliance, ethics, and governance training, well-being and mental health training, as well as data and cybersecurity training. By addressing these specific areas, we ensure that our employees possess the necessary knowledge and competencies to uphold our values, prioritize their well-being, and safeguard sensitive information in an ever-evolving digital landscape.

Compliance with this ESG-related training is at over 90% across the company.

## Developing human capital

As of December 31, 2022, we employed 2,600 people worldwide. We remain dedicated to our longstanding commitment of recruiting, developing, and employing local personnel in the regions where we operate worldwide.

To identify and attract the best talent, our global employee value proposition (EVP) plays a crucial role. Through a combination of internal and external interviews, focus group workshops, and written feedback, we conducted thorough research to validate our EVP themes with target recruitment markets. As a result, our EVP strapline, 'Own the Opportunity,' resonates across borders and serves as the foundation for the meaningful work carried out by our global workforce.

## The best talent in the industry

Seadrill is built on the passion and talent of our people, which is why we are committed to attracting and retaining the best in the industry.

We empower our employees to take responsibility and ownership of their careers and support them to do this by:

- Hiring the right people for the right roles
- Fostering performance through our objective and performance management processes
- Supporting our people to fulfill their potential and build their careers through training and personal development planning
- Rewarding our people thanks to competitive, credible and consistent policies



## Enhanced well control training

Our industry-leading well control training sets the standard for comprehensive instruction. In collaboration with the International Well Control Forum (IWCF), we have developed a training program that incorporates advanced technical and behavioral simulations.



**We have always aspired to be a place where people want to work and feel a part of the ‘Seadrill family’.**

This comprehensive training is now implemented worldwide across our fleet. Our goal is to internally train and develop all our drillers to meet the IWCF standard, and we are making steady progress toward achieving this objective.

Training data	2020	2021	2022
Total hours classroom training	42,200	42,192	127,206
Total hours internal eLearning	15,500	22,000	30,076
Safety training hours	9,352	11,760	57,096
Average hours per employee	18.6	18.3	51.69

## Case: Seadrill drilling simulator



Seadrill has achieved a significant milestone with the establishment of the Seadrill Development Academy in Dubai. The academy is equipped with a state-of-the-art drilling simulator that allows drillers and assistant drillers to enhance their skills. The simulator replicates real-life scenarios, preparing our personnel for various industry challenges. The academy features the Drilling Systems DS6000, a high-fidelity drilling simulation system that provides an immersive and realistic training experience. In January 2023, the academy hosted its first Driller’s Development Program (DDP) course, which sets the standard for immersive simulation training in the oil and gas industry. This investment demonstrates our commitment to continuously developing our workforce’s technical and soft skills to ensure safe and efficient operations. The facility also benefits our clients by allowing us to simulate complex well-drilling exercises in advance. In the coming year, the academy plans to conduct multiple training courses for assistant drillers, drillers, and senior rig management positions, furthering our commitment to continuous development.

# Community impact

**We recognize that our actions have a wider impact beyond our business operations, and we are committed to being responsible corporate citizens.**

By engaging with the community, we are building strong relationships, contributing to overall well-being, and enhancing our reputation. This approach aligns with our sustainability strategy and creates a mutually beneficial relationship. We understand that a thriving community is essential for our own success, and by investing in the community, supporting local businesses, and creating job opportunities, we contribute to economic growth and stability. Actively involving community members in decision-making processes allows us to maintain transparent communication and gather feedback from stakeholders.

## **Every community is unique.**

Our approach helps us identify potential risks and opportunities, ensuring that our actions are responsible, mutually beneficial, and reflective of our dedication to long-term success, responsible practices, and contributing to the sustainable development of the communities we serve.

## Case: West Hercules

The crew of the West Hercules demonstrated their generosity by donating over 300,000 NOK (US\$25,000) from their welfare fund to support war relief efforts in Ukraine. Engine Room Operator Ken Eric Kvinlaug and West Linus Electrician Alf Ove Berge went above and beyond by volunteering to personally transport a truckload of supplies into Ukraine on behalf of THK, a cross-church foundation dedicated to Christian and humanitarian work in Eastern Europe. The journey involved driving two trucks through several countries, including Norway, Denmark, Germany, Poland, and Slovakia before reaching Ukraine. For making the relief efforts possible, many other crew members also chose to donate their welfare funds to the same charity, THK. The funds received will be utilized to purchase essential supplies, including food and medical equipment, benefiting those most in need. The donation of 25 tons of food will make a significant difference in alleviating

the hardships faced by the affected communities in Ukraine. We are profoundly grateful for the exceptional dedication and selflessness displayed by Alf Ove Berge and Eric Kvinlaug in their humanitarian efforts.





## Supporting community projects with regional initiatives

We have a long track record of supporting organizations and community projects in areas where we work and carried out a number of regional initiatives in 2022.

Seadrill's Houston office proudly partnered with Toys for Tots in December 2022, joining forces to support local children in need. Toys for Tots is a program run by the United States Marine Corps Reserve which distributes toys to children in need. Their generous donations of toys brought joy and happiness to children facing challenging circumstances during the holiday season. We are immensely proud of our team members for their active involvement in this meaningful initiative, which reflects our values of community involvement and social responsibility. Seadrill remains dedicated to making a positive and lasting impact in the lives of those we serve.

## Seadrill participates in the 7th annual Hess Houston Corporate 5K

On October 18, 2022, Seadrill employees laced up their running shoes and participated in the 7th annual Hess Houston Corporate 5K at Memorial Park. Seadrill was amongst 6,300 participants across 170 companies in Houston at the event, which promotes wellness in the workplace while encouraging team building and community engagement.



“Corporate wellness has become increasingly important in Houston in recent years, as companies continue to recognize the benefits of investing in the health and well-being of their employees. Studies have shown that employee wellness initiatives

like the Hess 5K not only lead to improved physical health but also result in reduced healthcare costs, increased productivity, and improved job satisfaction,” says the Hess Houston Corporate 5K.

The event is the largest corporate run in the United States, with proceeds benefiting Memorial Park Conservancy’s efforts to preserve and enhance the park for the enjoyment of all Houstonians. In 2022, the event raised \$85,000, and since the event’s launch in 2017, has raised a total of \$300,000.

## Case: Improved cooking practices and cleaner air — Nigeria



In the fourth quarter of 2022, ATPI Halo and Seadrill Angola partnered up to help improve cooking practices and cleaner air in Nigeria.

The Improved Cooking Practices program manufactures and distributes efficient charcoal cookstoves, enabling rural families across Nigeria to cook using cleaner, more efficient cookstoves, helping to slow forest degradation, lower emissions and leading to better community health.

Made in Africa, the stoves are distributed across all 36 states in Nigeria, benefitting 160,000 households with cleaner air and an average household reduction in fuel spend of \$300 per year.



# GOVERNANCE

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# Policies and directives

The Seadrill Board of Directors holds the responsibility of providing strategic oversight and ensuring effective governance of all company activities worldwide, including matters related to sustainability. Our approach to managing sustainability-related issues is outlined in our management system. The CEO and Vice President of Sustainability are responsible for ensuring the company's sustainability strategy is implemented across the organization globally.

Our SMS sets out what's required of everyone who works for Seadrill and delivers on our promises to stakeholders. We have consolidated Seadrill's promises into 8 policy statements to reflect our enduring business priorities:

- Information Services Governance Policy
- Health Policy
- Environmental Policy
- Safety Policy
- Training and Competence Development Policy
- Diversity Policy
- Code of Conduct
- Ethical Conduct Policy

These policies are supplemented by our Sustainability Directive, and various ESG (Environmental, Social, and Governance) directives and procedures, including:

- Compliance with Anti-Bribery and Corruption Directive
- Reporting Ethical Concerns Directive
- Modern Slavery Act Statement
- Vessel Recycling Directive
- Integrity Channel
- Code of Conduct Training
- Business Partner Review
- Transparency Act statement

To maintain the relevance and effectiveness of our ESG policies, they undergo regular review and receive approval from the CEO. For more comprehensive information about our Board, their governance role, and our policies, we encourage you to refer to our Annual Report and visit our website at [seadrill.com](https://seadrill.com).

## Active Sustainability Taskforce

In 2021, we formed a Sustainability Taskforce of key representatives from across the business and chaired by the Vice President of Sustainability. The purpose of the Sustainability Taskforce is to coordinate the development and execution of ESG initiatives. In 2021, the Sustainability Taskforce was instrumental in completing our first comprehensive Climate Risk Review (see our TCFD Statement in the appendix). The Sustainability Taskforce was also responsible for identifying and assessing material topics for our sustainability reporting.



Seadrill initiated the certification process for the ISO 9001 Quality Management Standard in Q2 2021. The objective of this certification is to provide clear evidence to our customers and investors that Seadrill has established strong systems and policies to effectively identify and mitigate risk. On 25 July 2022, DNV officially granted Seadrill the ISO 9001 certification.

# Ethical business conduct

## Seadrill operates to the highest ethical business standards.

Our commitment to anti-corruption and upholding high standards of business and personal ethics is clearly articulated in our Code of Conduct and Ethical Conduct Policy. At Seadrill, we have zero tolerance for any form of corruption or bribery, including the acceptance, offering, or facilitation of bribes, kickbacks, or other illicit payments and benefits.

To reinforce our dedication to compliance and ethics, we introduced the Compliance Charter in 2021. This charter establishes clear accountabilities and responsibilities for Compliance and Ethics within Seadrill, and it serves as a comprehensive framework guiding our ethical practices. By integrating compliance into our daily business activities and strategic planning, the charter fosters a culture of integrity throughout the organization.

The Compliance Charter established the Ethics and Compliance Committee, which consists of executive committee members and is chaired by our Chief Compliance Officer (CCO). This committee plays a vital role in supporting the CCO in implementing and maintaining the Ethics and Compliance framework, ensuring its effectiveness across all areas of our operations.

### Anti-corruption training

Our approach to tackling bribery and corruption is comprehensive, involving not only our employees but also our business partners and suppliers. We recognize that addressing systemic integrity challenges requires a collective effort. To ensure clarity and compliance, we have established the Company's Directive on Compliance with Anti-Bribery and Corruption, which provides clear requirements and guidance.

Regular training is a crucial component of our anti-bribery and compliance efforts. We conduct both online and in-person training sessions that cover various topics, including the Code of Conduct, anti-bribery and corruption, and data protection.

To facilitate and streamline our compliance processes, Seadrill has implemented the Seadrill Compliance Portal. This centralized platform offers modules that encompass business partner review, investigations, business hospitality and charitable donation requests, an 'Ask Compliance' feature, Commercial intermediary, and Campaigns module. The Campaigns module allows us to deliver e-training sessions, awareness materials, and informational videos to all employees. The completion of training within this module is tracked in the system, enabling us to identify participants and provide management with valuable metrics.

### Whistleblowing mechanism

Violations of our Code of Conduct or our Ethical Conduct Policy can be reported via an independently operated integrity hotline. All reporters have the option to keep their identity confidential. All reports made via the integrity hotline are investigated under the oversight of the CCO in accordance with established guidelines and processes.

# Supply chain management

**Our suppliers are required to operate to our high social, ethical and environmental standards.**

We expect our suppliers to operate to the same ethical, social and environmental performance standards as our own. These standards are set out in our Supplier Code of Conduct and are aligned to the Ethical Trade Initiative (ETI) and International Labour Organisation (ILO) Conventions, and require that:

- Local laws are respected
- Employment is freely chosen
- Child labor shall not be used
- Illegal labor shall not be used
- Appropriate wages are paid
- Working hours are not excessive
- The right to collective bargaining is respected
- Working conditions are safe and hygienic
- No discrimination is practiced
- No harsh or inhumane treatment
- Businesses operate ethically
- No unauthorized sub-contracting

## **Business partner review**

Prior to onboarding and entering into contracts with any new business partners we carry out a business partner review to identify and assess any ethical, social and environmental risks. All third parties working with Seadrill, whether they be suppliers of goods, services, brokers, agents, or partners are assessed as to the level of compliance risk they pose, and are reviewed for suitability prior to being added onto the Seadrill approved suppliers and manufacturers list. Suppliers are monitored for their ongoing compliance and are required to enter into agreements that include anti-bribery terms. We take our responsibilities relating to modern slavery seriously and ensure that modern slavery or human trafficking is not taking place within our business or our supply chain. We are committed to improving our practices to combat slavery and human trafficking. Over the years, we have worked to enhance our supplier relationships by embedding human rights elements into the new supplier prequalification review process within the Seadrill Compliance Portal and reviewing and strengthening our anti-slavery clauses in our supply chain contracts with all suppliers.



**We expect our suppliers to operate to the same ethical, social and environmental performance standards as our own.**

# Data privacy and security

**At Seadrill, we prioritize safeguarding our assets, including our people, reputation, and customers, while emphasizing human safety.**

Our well-established risk management program spans from board directors to the enterprise risk management and cyber security departments. We continually assess risks and have developed programs to manage and mitigate them effectively. Operating globally, we consistently comply with legal, regulatory, and compliance requirements, maintaining an unblemished record of data security with no reported breaches.

In the realm of cyber security, we employ a multi-layered approach, encompassing Governance, Process, Technology, and People. Each layer consists of modules catering to specific digital security requirements. The Governance layer sets directives and organizational structure for managing digital security risks, while the Process layer defines core digital security processes executed by digital security and IT teams. Standard Operating Procedures delineate repeatable process steps, and the Technology layer identifies key capabilities for operational management and automated threat detection. The People layer emphasizes the role of employees in nurturing a security culture through continuous awareness and education.

Our commitment to cyber security extends to rigorous testing and evaluation of people, processes, and technology to ensure preventive controls are in place and can effectively protect against threats. We also evaluate reactive controls to ensure readiness for incident response and recovery. As part of our dynamic approach, we continually monitor the ever-changing cyber landscape to adapt and respond to new requirements, such as regulatory changes. We actively engage with the cyber community, collaborating with peers, clients, competitors, and classification societies to collectively combat cyber threats.

In a proactive effort to enhance our cyber security posture, we have launched a major Operational Technology (OT) security program in line with internationally recognized standards, including NIST, IEC 62443, and ISO 27001. This program covers cyber security comprehensively across the Identify, Protect, Detect, Respond, and Recover core functions. We are also partnering with vendors to review Master Service Agreements (MSAs) and establish a set of cyber requirements. This initiative is significant in our ongoing efforts to enhance risk management, protect our sensitive data, ensure the confidentiality of our critical information, and ensure that vendors align with our security standards, fortifying our overall security posture. Additionally, we are planning to implement a robust asset management platform and improve risk management with a focus on zero-trust technologies. Enhanced threat detection and response mechanisms will be integrated, along with robust crisis and incident management protocols, including periodic table-top exercises and recovery planning.

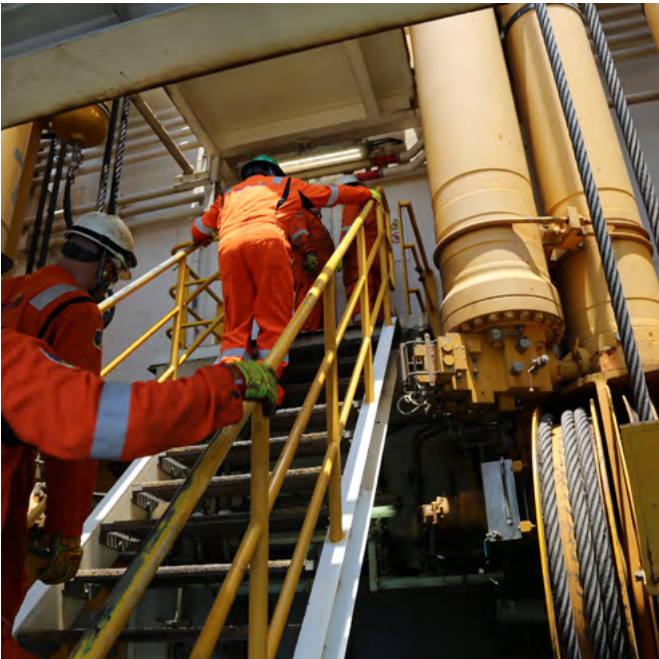
At Seadrill, we take pride in our position at the forefront of the cyber security landscape. Our unwavering commitment to evolution in this field is driven by our dedication to protecting our assets and stakeholders. With a comprehensive and adaptive approach, supported by a resolute security culture, we stand as leaders in the continuous battle against cyber threats, ensuring the security of our most prized assets and the trust of our valued stakeholders.



# Enterprise Risk Management (ERM), internal audit assurance

**Enterprise Risk Management (ERM) is an essential system spread across every area of our organization.**

The processes we have in place are designed to identify and manage the potential and actual risks that may arise during the course of our business. We utilize an integrated, risk-based continuous improvement ERM system that is aligned with best practices. Our ERM Lifecycle Process is aligned with ISO 31000 and enables our ERM team to identify the stage of a risk so the best course of action may be selected to eliminate or mitigate the risk. Identifying the root cause of a risk is essential to our continuous improvement process. By assessing the root cause of a risk, we are able to eliminate the risk at its source and provide our team with the tools and information required to enhance our operational processes.



# SASB data disclosure table

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	2022 DATA
<b>Emissions Reduction Services &amp; Fuels Management</b>	Total fuel consumed, percentage renewable, percentage used in: (1) on-road equipment and vehicles and (2) off-road equipment	Quantitative	Gigajoules (GJ), Percentage (%)	Not applicable  Partial relevance — we report rig fuel. % for on-road/off-road equipment not relevant to us
	Discussion of strategy or plans to address air emissions-related risks, opportunities, and impacts	Discussion and Analysis	n/a	Pg. 20-26
	Percentage of engines in service that meet Tier 4 compliance for non-road diesel engine emissions	Quantitative	Percentage (%)	Not applicable  Not relevant — relates to vehicle engines and is a US standard for land vehicles
<b>Water Management Services</b>	(1) Total volume of fresh water handled in operations, (2) percentage recycled	Quantitative	(m <sup>3</sup> ), (%)	Not applicable/ No freshwater used  Not relevant — offshore ops either bunker water or generate through water makers - volumes not recorded
	Discussion of strategy or plans to address water consumption and disposal-related risks, opportunities, and impacts	Discussion and Analysis	n/a	Not applicable  Not relevant — offshore discharge of sewage/greywater as per IMO requirements
<b>Chemicals Management</b>	Volume of hydraulic fracturing fluid used, percentage hazardous	Quantitative	(m <sup>3</sup> ), (%)	Not applicable as we are generally not fracking wells, and this is a client owned activity
	Discussion of strategy or plans to address chemical-related risks, opportunities, and impacts	Discussion and Analysis	n/a	Pg. 24-25
<b>Ecological Impact Management</b>	Average disturbed acreage per (1) oil and (2) gas well site	Quantitative	(m <sup>2</sup> ), (%)	Not applicable  Not relevant — relates to onshore drilling
	Discussion of strategy or plan to address risks and opportunities related to ecological impacts from core activities	Discussion and Analysis	n/a	Pg. 24-29

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	2022 DATA
<b>Workforce Health &amp; Safety</b>	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), (4) total vehicle incident rate (TVIR), and (5) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	Quantitative	Rate	(1) TRIR .42 (2) Fatality Rate 1 (3) NMFR .324 (4) TVIR N/A (5) 57,096 HRS (A) 56,772 (B) 324 (C) NA
	Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle	Discussion and Analysis	n/a	Pg. 31-36, 39, 44-45
<b>Business Ethics &amp; Payments Transparency</b>	Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Quantitative	Reporting currency	Not applicable
	Description of the management system for prevention of corruption and bribery throughout the value chain	Discussion and Analysis	n/a	Pg. 49-50
<b>Management of the Legal &amp; Regulatory Environment</b>	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion and Analysis	n/a	Pg. 49
<b>Critical Incident Risk Management</b>	Description of management systems used to identify and mitigate catastrophic and tail-end risks	Discussion and Analysis	n/a	Pg. 35-36, 53

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	2022 DATA
<b>Number of Active Rig Sites</b>	Quantitative	Number	26
<b>Number of Active Well Sites</b>	Quantitative	Number	140
<b>Total Amount of Drilling Performed</b>	Quantitative	Meters (m)	594,300 meters or 1,951,682 ft or 370 miles
<b>Total Number of Hours Worked by all Employees</b>	Quantitative	Hours	11,158,810 hours



# Seadrill climate risk statement 2022

This summary statement of Seadrill’s climate-related risks has been prepared in alignment with the Taskforce for Climate-related Financial Disclosures’ (TCFD) recommendations.

	RISK DESCRIPTION	RESPONSE
<b>Governance</b>	1 Describe the Board’s oversight of climate-related risks and opportunities	In 2021, Seadrill undertook a Climate Risk Review, specifically examining risk categories described in the TCFD framework – namely, physical, regulatory, market, technology and reputation risks (and opportunities). The documented review was presented to the Board. The Board now regularly reviews climate-related risks and opportunities as part of its overall responsibility for risk governance.
	2 Describe management’s role in assessing and managing climate-related risks and opportunities	Management regularly reviews climate-related risks and opportunities, on an ongoing basis, as part of its responsibility for enterprise risk management. Risks identified and described in the recently-completed Climate Risk Review are incorporated into the enterprise risk management system, where appropriate, and will continue to be regularly reviewed and updated. Management develops work programs to address specific climate-related risks and opportunities, including creating specialized management roles with responsibility for delivering those critical work programs. Management regularly engages with industry experts in developing recommendations for the Board on climate-related risks and opportunities, including those listed in the table following.
<b>Strategy</b>	3 Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	See separate risks and opportunities table following.
	4 Describe the impact of climate-related risks and opportunities on the organization’s business, strategy and financial planning	See separate risks and opportunities table following.
	5 Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2 degree C or lower scenario	Seadrill has completed an analysis which includes a range of climate scenarios — ranging from business-as-usual to 2 degree C or lower. Included in the scenario analysis is the reduction pathways required to achieve various climate goals, including the IMO’s and the Paris Agreement’s current 2030 and 2050 climate targets. Strategy is evolving in response to the range of various future climate scenarios, with the aim to adapt as required and ensure resilience is built in.

	RISK DESCRIPTION	RESPONSE
<b>Risk management</b>	<b>6</b> Describe the organization's processes for identifying and assessing climate-related risks	A formal Climate Risk Review process, including management workshop, expert independent advisory and ongoing development has been used to identify and assess climate-related risks. Outputs from the Climate Risk Review process are elevated to Executive management for further assessment and validation.
	<b>7</b> Describe the organization's processes for managing climate-related risks	A range of management approaches are used for addressing climate-related risks, including monitoring, mitigation and adaptation. Risks are integrated into the Enterprise Risk Management system, as appropriate, and where required, work programs are established to manage the risks.
	<b>8</b> Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Risk management approach to climate-related risks has been updated and incorporated into Board and management processes.
<b>Metrics and targets</b>	<b>9</b> Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk process	GHG emissions are measured in carbon dioxide equivalents. Other metrics are being developed for risk measurement.
	<b>10</b> Disclose Scope 1, Scope 2, and, if appropriate, Scope 3, greenhouse gas (GHG) emissions, and the related risks	See climate and emission reporting in the Environmental section of this sustainability report on pages 14-23.
	<b>11</b> Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	GHG emission reduction targets have been developed and targets and performance are reported on pages 14-23.

## Seadrill climate risk statement 2022 (continued)

### RISK DESCRIPTION

#### Physical risks

- Extreme weather / increased frequency of extreme weather and related knock-on effects e.g. increased wave height
- Extreme weather-related spill events and rig damage
- Damage / disruption to operations i.e. rig installation and operation
- Health and safety impacts on workforce of extreme weather events e.g. ability of workforce to access and operate in certain areas, including onshore areas
- Infrastructure adaptations required, new or different investments required.

#### Regulatory risks

- Regulations are increasing and some evidence that they are becoming more aligned (to Paris Agreement) from country to country
- Carbon taxes and tariffs present regulator risks in countries, areas of operations and flag states
- Low-carbon regulatory requirements for self-propelled vessels requiring additional investment in technologies, systems and operational management approach
- Regulatory-related reductions in demand for oil and gas
- Regulated requirements for carbon budgets and project budgets
- Risk of non-licensing of E&P blocks e.g. in US Gulf
- Impacts of speed of regulatory shift on business planning, strategy and cost structures to comply with new and additional regulations.

#### Market risks

- Changing customer requirements and contract risks – meeting market expectations
- Being able to demonstrate measurable performance requirements
- Impacts on business planning, strategy and cost structures to meet new and evolving market requirements
- Carbon intensive industries may have difficulty accessing capital, with a higher cost of capital
- Customers are developing their ESG frameworks for the next 5–10 years. Need to align with their framework, including with their climate-related goals. Risks and opportunities involved:
  - Unknown timelines or requirements for customer ESG plans and targets (creates alignment risks)
  - Known that it is not a matter of ‘if’ but ‘when’
- Country by country low-carbon transition approaches – need to follow a suitable pathway to meet customer and jurisdictional requirements
- Shift from CDP (passive) disclosure requirements to demonstration of an action-oriented approach
- Lenders and finance providers are setting higher ESG standards, including low-carbon requirements. Shifting to becoming owners with equity and wanting more board representation and influence.

#### RISK DESCRIPTION

### Technology risks

- Offshore marine engine, fuel and systems technology - risks of being applicable and fit for purpose
- Capex impacts and linking to customer commitments, with new operating models required
- Number of people in workforce reduced through technology
- Risks associated with the development and deployment of new technologies.

### Reputation risks

- Reputational effects related high carbon intensity
- Reputational impacts related to upstream and downstream value chains
- Follow on effects with recruiting and retaining employees i.e. seen as carbon intense industry
- Third party risks – works both ways i.e. risks created and managed through relationships with third parties
- Retro-active versus proactive approach to reputation management.

### Opportunities

- Becoming the recognized low/no carbon operator of choice
- Low carbon access to green debt and lowering of cost of capital
- Repositioning for provision of green energy services
- Access to new green activity markets
- Adaptation leading to increased operational performance
- Attraction and retention of people committed to high ESG performance
- High ESG performance driving an enhanced reputation
- Accessing government funding/grants for new green technology
- The opportunity exists to stay ahead of regulation and define/maintain a high ESG standard which presents market and reputational benefits
- Technology opportunities are emerging to address and reduce GHG, NOX, SOX and PM emissions
- Technology opportunities e.g. Carbon Capture and Underground Storage (CCUS)
- Technology opportunities for improving (increasing efficiency) onboard systems, including alternative fuels and hybrids
- Some climatic changes may present access or easier access to new exploration areas.



# Global Reporting Initiative (GRI)

<b>Statement of use</b>	Seadrill Limited has reported in accordance with the GRI Standards for the period 1/1/2022-12/31/2022
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard</b>	GRI 11: Oil and Gas Sector Standard

	GRI NO.	GRI DISCLOSURE DESCRIPTION	SEADRILL REFERENCE
<b>GRI 2: Universal Standards</b>	2-1	2-1 Organizational details	<a href="#">Annual Report</a> pg. 1, 35
	2-2	2-2 Entities included in the organization’s sustainability reporting	Pg. 3 <a href="#">Form F-4</a> exhibit 21.1
	2-3	2-3 Reporting period, frequency and contact point	Pg. 3
	2-4	2-4 Restatements of information	Pg. 26
	2-5	2-5 External assurance	Annual Report pg. 62 c.i., pg. 81 C and Item 16A, pg. 82 Item 16C and 16G, and F2-5. External assurance complies with paragraph (c)(7)(i) of Rule 2-01 of Regulation S-X No external assurance
	2-6	2-6 Activities, value chain and other business relationships	IP – 4-8, 13-16, 20. 22, 36-37 20-F pg. 6-7, 9-30, 31-44
	2-7	2-7 Employees	Pg. 39, 42
	2-8	2-8 Workers who are not employees	a. 264. Offshore operational tradesmen b. Head count at end of reporting period c. None
	2-9	2-9 Governance structure and composition	Pg. 49 20-F Item 16G and pg. 59-60 Bye-Laws 38.1, 39, and F-4. The Seadrill Board of Directors are responsible for the strategic oversight and governance of all company activities globally, including for sustainability-related matters.
	2-10	2-10 Nomination and selection of the highest governance body	Bye-Laws 36, 38.1, pg. 22-25, and pg. 28-29 20-F pg. 62-66 Proxy pg. 2, 9
	2-11	2-11 Chair of the highest governance body	20-F Item 6 Bye-laws 27, 46, 61
	2-12	2-12 Role of the highest governance body in overseeing the management of impacts	Pg. 49 s.172 Statement Bye-laws 44, 45, 48

	GRI NO.	GRI DISCLOSURE DESCRIPTION	SEADRILL REFERENCE
<b>GRI 2: Universal Standards (continued)</b>	2-13	2-13 Delegation of responsibility for managing impacts	Pg. 10-13, 49-50 s.172 Statement Bye-laws 48
	2-14	2-14 Role of the highest governance body in sustainability reporting	Pg. 49 The highest governance body is responsible for reviewing and approving the reported information, including Seadrill's material topics, following a drafting process that passes through internal controls. The reported information is published pending Board approval.
	2-15	2-15 Conflicts of interest	20-F - pg. 62 C.3.i, Bye-Laws - pg. 30 Code of Conduct - pg. 13, Item 6.A.1 - pg. 58
	2-16	2-16 Communication of critical concerns	Pg. 49-50
	2-17	2-17 Collective knowledge of the highest governance body	S172
	2-18	2-18 Evaluation of the performance of the highest governance body	S172(1) (E) (Board Processes)
	2-19	2-19 Remuneration policies	20-F pg. 61 B.3, 62 B.3, 66 B.2 Bye-Laws pg. 26, 30 Proxy
	2-20	2-20 Process to determine remuneration	20-F pg. 61 B.3, 62 B.3, 66 B.2 Bye-Laws pg. 26, 30 Proxy
	2-21	2-21 Annual total compensation ratio	N/A
	2-22	2-22 Statement on sustainable development strategy	Pg. 4-5, 10-11
	2-23	2-23 Policy commitments	Pg. 49, 51 Code of Conduct
	2-24	2-24 Embedding policy commitments	Code of Conduct, Ethical Conduct Policy, and Compliance with Anti-Bribery and Corruption Laws Directive. Seadrill provides training and certification for a number of policies. Seadrill Executive Management Team and other classes of employees designated by the CCO must certify their compliance on a regular basis to ensure comprehension of the relevant directive.
	2-25	2-25 Processes to remediate negative impacts	Pg. 50-53
	2-26	2-26 Mechanisms for seeking advice and raising concerns	Code of Conduct pg. 5-8, 13-16, 19, 20 Integrity Channel Pg. 50
	2-27	2-27 Compliance with laws and regulations	Pg. 49, 51 Code of Conduct
	2-28	2-28 Membership associations	IADC
2-29	2-29 Approach to stakeholder engagement	Pg. 12-13, 39, 50 S.172(1)(E) – Stakeholder Engagement Statement pg. 4	
2-30	2-30 Collective bargaining agreements	Annual Report pg. 63 Form F-4 pg. 49, 250, 252	

## Global Reporting Initiative (GRI) (continued)

	GRI NO.	GRI DISCLOSURE DESCRIPTION	SEADRILL REFERENCE
<b>GRI 3 Series: Universal Standards</b>	3-1	3-1 Process to determine material topics	Pg. 10-13
	3-2	3-2 List of material topics	Pg. 13
	11.1.1	3-3 Management of Material Topic – GHG emissions	Pg. 20-23, 26
	11.2.1	3-3 Management of Material Topic – Climate adaptation, resilience, and transition	Pg. 14-15, 17-23
	11.3.1	3-3 Management of Material Topic – Air emissions	Pg. 26
	11.4.1	3-3 Management of Material Topic – Biodiversity	Pg. 24-29
	11.5.1	3-3 Management of Material Topic – Waste	Pg. 25-27
	11.6.1	3-3 Management of Material Topic – Water and effluents	Pg. 24-25
	11.7.1	3-3 Management of Material Topic – Closure and rehabilitation	Pg. 25
	11.8.1	3-3 Management of Material Topic – Asset integrity and critical incident management	Pg. 31-32, 35-36, 45, 53
	11.9.1	3-3 Management of Material Topic – Occupational health and safety	Pg. 31-36
	11.10.1	3-3 Management of Material Topic – Employment practices	Pg. 39
	11.11.1	3-3 Management of Material Topic – Non-discrimination and equal opportunity	Pg. 42
	11.12.1	3-3 Management of Material Topic – Forced Labor and modern slavery	Pg. 43, 49
	11.13.1	3-3 Management of Material Topic – Freedom of association and collective bargaining	Pg. 43
	11.14.1	3-3 Management of Material Topic – Economic impacts	Pg. 46-47
	11.15.1	3-3 Management of Material Topic – Local communities	Pg. 46-47
	11.16.1	3-3 Management of Material Topic – Land and resource rights	Pg. 46, 49, 51
	11.17.1	3-3 Management of Material Topic – Rights of indigenous peoples	Pg. 46, 49, 51
	11.18.1	3-3 Management of Material Topic – Conflict and security	Pg. 33, 52
	11.19.1	3-3 Management of Material Topic – Anti-competitive behavior	Pg. 49-50
	11.20.1	3-3 Management of Material Topic – Anti-corruption	Pg. 50
11.21.1	3-3 Management of Material Topic – Payments to governments	Pg. 49-50	
11.22.1	3-3 Management of Material Topic – Public policy	Pg. 49-50	



	<b>GRI NO.</b>	<b>GRI DISCLOSURE DESCRIPTION</b>	<b>SEADRILL REFERENCE</b>
<b>11.1 GHG emissions</b>	11.1.2	302-1 Energy consumption within the organization	Pg. 22
	11.1.3	302-2 Energy consumption outside of the organization	Pg. 22
	11.1.4	302-3 Energy intensity	Pg. 22
	11.1.5	305-1 Direct (Scope 1) GHG emissions	Pg. 21
	11.1.6	305-2 Energy indirect (Scope 2) GHG emissions	Pg. 21
	11.1.7	305-3 Other indirect (Scope 3) GHG emissions	Pg. 21
	11.1.8	305-4 GHG emissions intensity	Pg. 21
	<b>11.2 Climate adaptation, resilience and transition</b>	11.2.2	201-2 Financial implications and other risks and opportunities due to climate change
11.2.3		305-5 Reduction of GHG emissions	Pg. 21-22
11.2.4		Additional	N/A Seadrill does not participate in this activity
<b>11.3 Air emissions</b>	11.3.2	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Pg. 26
	11.3.3	416-1 Assessment of the health and safety impacts of product and service categories	N/A
<b>11.4 Biodiversity</b>	11.4.2	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	See pg. 24-29. We act in compliance with IMO guidance
	11.4.3	304-2 Significant impacts of activities, products and services on biodiversity	Pg. 24-29
	11.4.4	304-3 Habitats protected or restored	Not applicable
	11.4.5	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable
<b>11.5 Waste</b>	11.5.2	306-1 Waste generation and significant waste-related impacts	Pg. 27
	11.5.3	306-2 Management of significant waste-related impacts	Pg. 24-29
	11.5.4	306-3 Waste generated	Pg. 27
	11.5.5	306-4 Waste diverted from disposal	Pg. 27
	11.5.6	306-5 Waste directed to disposal	Pg. 27
<b>11.6 Water and effluents</b>	11.6.2	303-1 Interactions with water as a shared resource	Pg. 24-25
	11.6.3	303-2 Management of water discharge-related impacts	Pg. 24-25
	11.6.4	303-3 Water withdrawal	N/A
	11.6.5	303-4 Water discharge	Pg. 24-25
	11.6.6	303-5 Water consumption	N/A
<b>11.7 Closure and rehabilitation</b>	11.7.2	402-1 Minimum notice periods regarding operational changes	Requirements vary by region
	11.7.3	404-2 Programs for upgrading employee skills and transition assistance programs	Pg. 44-45
	11.7.4	List the operational sites that: — Have closure and rehabilitation plans in place — Have been closed — Are in the process of being closed	No sites to report

## APPENDIX

### Global Reporting Initiative (GRI) (continued)

	GRI NO.	GRI DISCLOSURE DESCRIPTION	SEADRILL REFERENCE
<b>11.7</b> <b>Closure and rehabilitation</b> <b>(Continued)</b>	11.7.5	List the decommissioned structures left in place and describe the rationale for leaving them in place.	None. See pg. 28-29
	11.7.6	Report the total monetary value of financial provisions for closure and rehabilitation made by the organization, including post-closure monitoring and aftercare for operational sites.	N/A
<b>11.8</b> <b>Asset integrity and critical incident management</b>	11.8.3	Report the total number of Tier 1 and Tier 2 process safety events, and a breakdown of this total by business activity (e.g., exploration, development, production, closure and rehabilitation, refining, processing, transportation, storage).	Pg. 2, 25
<b>11.9</b> <b>Occupational health and safety</b>	11.9.2	403-1 Occupational health and safety management system	Pg. 33
	11.9.3	403-2 Hazard identification, risk assessment, and incident investigation	Pg. 36, 53
	11.9.4	403-3 Occupational health services	Pg. 33
	11.9.5	403-4 Worker participation, consultation, and communication on occupational health and safety	Pg. 39
	11.9.6	403-5 Worker training on occupational health and safety	Pg. 31-36, 44-45
	11.9.7	403-6 Promotion of worker health	Pg. 34, 36, 41
	11.9.8	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pg. 51
	11.9.9	403-8 Workers covered by an occupational health and safety management system	N/A
	11.9.10	403-9 Work-related injuries	Pg. 31
	11.9.11	403-10 Work-related ill health	Pg. 33
<b>11.10</b> <b>Employment practices</b>	11.10.2	401-1 New employee hires and employee turnover	Pg. 39
	11.10.3	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	N/A
	11.10.4	401-3 Parental leave	N/A
	11.10.5	402-1 Minimum notice periods regarding operational changes	Requirements vary by region
	11.10.6	404-1 Average hours of training per year per employee	Pg. 45
	11.10.7	404-2 Programs for upgrading employee skills and transition assistance programs	Pg. 44-45
	11.10.8	414-1 New suppliers that were screened using social criteria	Human Rights Due Diligence Report
	11.10.9	414-2 Negative social impacts in the supply chain and actions taken	N/A

	<b>GRI NO.</b>	<b>GRI DISCLOSURE DESCRIPTION</b>	<b>SEADRILL REFERENCE</b>
<b>11.11 Non-discrimination and equal opportunity</b>	11.11.2	202-2 Proportion of senior management hired from the local community	N/A
	11.11.3	401-3 Parental leave	N/A
	11.11.4	404-1 Average hours of training per year per employee	Pg. 45
	11.11.5	405-1 Diversity of governance bodies and employees	Board – 2 Female/ 7 Male, all over 50
	11.11.6	405-2 Ratio of basic salary and remuneration of women to men	N/A
	11.11.7	406-1 Incidents of discrimination and corrective actions taken	N/A
	<b>11.12 Forced labor and modern slavery</b>	11.12.2	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor
11.12.3		414-1 New suppliers that were screened using social criteria	Pg. 51
<b>11.13 Freedom of association and collective bargaining</b>	11.13.2	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	None
<b>11.14 Economic impacts</b>	11.14.2	201-1 Direct economic value generated and distributed	Annual Report
	11.14.3	201-2 Financial implications and other risks and opportunities due to climate change	See Climate risk statement and CDP response
	11.14.4	203-1 Infrastructure investments and services supported	Pg. 47
	11.14.5	203-2 Significant indirect economic impacts	See Climate risk statement and CDP response
	11.14.6	204-1 Proportion of spending on local suppliers	N/A
	<b>11.15 Local communities</b>	11.15.2	413-1 Operations with local community engagement, impact assessments, and development programs
11.15.3		413-2 Operations with significant actual and potential negative impacts on local communities	No negative impacts identified
11.15.4		Report the number and type of grievances from local communities identified, including: — Percentage of the grievances that were addressed and resolved — Percentage of the grievances that were resolved through remediation	No grievances identified
11.16.2		List the locations of operations that caused or contributed to involuntary resettlement or where such resettlement is ongoing. For each location, describe how peoples' livelihoods and human rights were affected and restored.	None
<b>11.17 Rights of indigenous people</b>	11.17.2	411-1 Incidents of violations involving rights of indigenous peoples	None
	11.17.3	List the locations of operations where indigenous peoples are present or affected by activities of the organization.	None
	11.17.4	Report if the organization has been involved in a process of seeking free, prior and informed consent (FPIC) from indigenous peoples for any of the organization's activities, including, in each case: — Whether the process has been mutually accepted by the organization and the affected indigenous peoples — Whether an agreement has been reached, and if so, if the agreement is publicly available.	No. This has not been applicable to the activities of Seadrill



## APPENDIX

### Global Reporting Initiative (GRI) (continued)

	GRI NO.	GRI DISCLOSURE DESCRIPTION	SEADRILL REFERENCE
<b>11.18</b> <b>Conflict and security</b>	11.18.2	410-1 Security personnel trained in human rights policies or procedures	Pg. 43, 49-51
<b>11.19</b> <b>Anti-competitive behavior</b>	11.19.2	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None
<b>11.20</b> <b>Anti-corruption</b>	11.20.2	205-1 Operations assessed for risks related to corruption	Pg. 49-50
	11.20.3	205-2 Communication and training about anti-corruption policies and procedures	Pg. 49-50
	11.20.4	205-3 Confirmed incidents of corruption and actions taken	No incidents of corruption
	11.20.5	Approach to contract transparency	We have no plans to make contracts/licenses public
	11.20.6	Beneficial owners	Annual Report
<b>11.21</b> <b>Payments to governments</b>	11.21.2	201-1 Direct economic value generated and distributed	Annual Report
	11.21.3	201-4 Financial assistance received from government	Annual Report
	11.21.4	207-1 Approach to tax	Tax Policy
	11.21.5	207-2 Tax governance, control, and risk management	Tax Policy
	11.21.6	207-3 Stakeholder engagement and management of concerns related to tax	Tax Policy
	11.21.7	207-4 Country-by-country reporting	Annual Report
	11.21.8	For oil and gas purchased from the state, or from third parties appointed by the state to sell on their behalf, report: — Volumes and types of oil and gas purchased — Full names of the buying entity and the recipient of the payment — Payments made for the purchase	Not applicable to the business of Seadrill
	<b>11.22</b> <b>Public policy</b>	11.22.2	415-1 Political contributions

## Omission Statements

GRI REF	REASON	EXPLANATION
2-21	Information unavailable	We do not disclose this information as it is not materially relevant to our business or stakeholders.
416-1	Not applicable	The information requested is not applicable to our business.
303-3	Information unavailable	We do not disclose this information as it is not materially relevant to our business or stakeholders. Our operations are not significantly impactful in this regard.
303-5	Information unavailable	We do not disclose this information as it is not materially relevant to our business or stakeholders. Our operations are not significantly impactful in this regard.
11.7.6	Information unavailable	This data is not tracked but we follow all applicable requirements in the event of closure or rehabilitation. Further information may be found on pg. 28-29. We aim to disclose this information in the next reporting cycle.
403-8	Not applicable	Occupational health and safety management systems vary by region of operation and worker type.
401-3	Not applicable	Type and length of parental leave varies by location. Seadrill has made it standard practice to adhere to all jurisdictional requirements.
414-2	Information unavailable	Pg. 51 states our policies relating to suppliers. We are continuously improving our methods for supplier screening to ensure negative social impacts do not occur in our supply chain. Quantitative data relating to supplier social risk is incomplete. We aim to disclose this data in the next reporting cycle.
202-2	Information unavailable	We aim to hire locally when possible, but the nature of our business requires highly technical expertise and international sourcing of talent to maintain our standards of our safety and quality. As such, we do not track this data. We hope to disclose this information in the next reporting cycle.
405-2	Information unavailable	We do not have this information available and cannot provide a ratio. We do not have a timeline for when this data will be made available.
406-1	Information unavailable	This information is not disclosed. We aim to disclose this information in 2023.
204-1	Information unavailable	We aim to use our procurement budget on local suppliers when possible but we do not track the percentage of products or services that are purchased locally. We hope to report on this disclosure in the next reporting cycle.

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