

Sustainability Report 2021



ODFJELL DRILLING

Table of Contents

Sustainability in Odfjell Drilling	3	People and Safety	26
Call for action	4	Diversity and Equal Opportunities	29
2021 at a glance	5	Occupational Health and Safety	35
How we manage sustainability	6	Health and Well-Being	37
Climate risk and strategic opportunities	7	Other important topics	38
Focus Areas	9	Ethics and Governance	41
About this report	11	Governance and Transparency	43
Stakeholder Engagement	12	Anti-Corruption	46
Materiality Analysis	13	Responsible Agents and Suppliers	48
Stakeholder Dialogue	14	Other important topics	51
Environmental Impact	16	Management Approach	53
Reduce Emissions	18		
Energy Efficiency and Sources	21		
Spills to Sea and Land	22		
Other important topics	24		

The background of the slide is a high-contrast, aerial photograph of a turbulent ocean surface. The water is a deep, dark blue, with white foam and churning waves creating a complex, textured pattern across the entire frame. The lighting appears to be from above, highlighting the crests of the waves and the swirling eddies.

| Sustainability in Odfjell Drilling

Please note that after the reporting period ended on 31 December 2021, Odfjell Drilling Ltd. resolved to split into two separate companies. This report does not take this into consideration and reflects the Group as it was per 31 December 2021. A new sustainability strategy and report will be established for each of Odfjell Technology Ltd. and Odfjell Drilling Ltd. for the reporting year 2022. Please see Annual Report 2021 page 5 for more info.

| Call for action



Merete Lie Holen,
VP Sustainability

One year ago I highlighted how 2020 had brought some much needed perspective of what a global crisis looks like. In 2021, I believe the main takeaway is that we are at a crucial point in the energy transition, with an overdue call for action.

In our last report, the headline read "opportunities on the horizon". I am happy to say that many opportunities were realised, and new ones added in 2021. Energy efficiency projects we have worked on and talked about for some time were implemented and delivered results. As the industry matures, and new solutions develop, we get a clearer view of how Odfjell Drilling can use competence built over decades in the energy transition.

One key success factor in our energy efficiency projects is cooperation across the supply chain. One example is the battery and hybrid solutions developed for our MODU fleet together with key suppliers. In Q4 2021, we received the committed funding from the Norwegian NO_x fund, when upgrades on Deepsea Atlantic showed the decreased emission trends we had planned for.

Our energy efficiency competence is used actively within the innovation department in Odfjell Energy, started in 2020 as a vehicle for strategic development within the energy transition. A material portion of the engineering segment's revenue in 2021 is attributed to studies and client advisory within energy management, strategic planning and implementation.

Call for action was definitely one of the key messages during COP26 in November 2021. The outcome was governments committing to revisit

goals and set plans for how to meet the emission reduction targets for 2030 and 2050. To summarise, it's time to put words into action, or "walk the talk" as we say in Odfjell Drilling.

Odfjell Drilling has an emission reduction target of 40% by 2026, 70% by 2035 and to be net-zero within 2050. In addition to several energy efficiency projects going live, we also got a better overview of our scope 2 and 3 emissions last year, so we can start measuring and improving performance within this area.

As a global company, we have a responsibility to ensure that our actual and potential impact on human rights is mitigated across our supply chain. We have started a review of existing processes and risk assessments regarding human rights, and this project will be finalised in 2022.

While the pandemic definitely set a big mark on 2021, the characteristics of the challenge developed from crisis mode to high alert. In 2020, we talked about going back to normal, but Covid-19 became the new normal in 2021. There were no material disruptions due to Covid-19 last year, but we see metrics like sick leave being affected, and additional costs incurred.

It has been a challenging year for leaders to maintain a motivated team going in and out of working

remotely. Dedicated courses for leaders and employees to help them manage this unpredictability were developed as a mitigating tool. Our global working environment survey for 2021 shows no material negative trends due to the pandemic, as was the case in 2020. This is a sign that we have managed quite well, but Covid-19 will continue to be a high priority for some time.

Looking into 2022, I expect that continued development of key strategic opportunities in the energy transition will strengthen our competitive advantage within the traditional core business, and lay the foundation to expand the service portfolio. Odfjell Technology Ltd., which was split from Odfjell Drilling Ltd. in March 2022, will be a vehicle for this strategic direction. I hope we can contribute to develop new solutions and technology to be used across the industry to lower emissions and provide new revenue streams in the supply chain.

Throughout 2020 it was evident that the resilience and grit gained over five decades proved valuable through a year of unprecedented challenges. This year I'd like to highlight the adaptability and agility the Group has shown. I am impressed by the creativity and innovation that enable many new promising business opportunities under conditions that are far from ideal. This is crucial in the journey from ambition to action.

| 2021 at a glance

ENVIRONMENT



192,459

Tonne CO₂e scope 1 emissions
(235,000 in 2020)

ENVIRONMENT



0

Serious spills to sea
(0 in 2020)

PEOPLE



2,927

Total number of employees
(2,628 in 2020)

DIVERSITY



39

Nationalities employed
(37 in 2020)

EQUALITY



2.3%

Female employees offshore
(2.2% in 2020)

ETHICS



1,736

Employees undergone
anti-corruption training
(424 in 2020)

EQUALITY



29.5%

Female employees onshore
(30.2% in 2020)

SAFETY



7

Total recordable incidents
(13 in 2020)

| How we manage sustainability

ESG Policy

The Group's environmental, social responsibility and governance ("ESG") strategy is anchored on level 1 in the Company Management System. The purpose of the procedure is to align and link the Group's ESG efforts together. It sets out the main responsibilities for integrating an ESG focus into strategy and day-to-day operations, and use it as a tool for continuous improvement. To reach the Group's ESG ambitions, it is important to make ESG visible in the

Group's existing governing processes. This requires cooperation and coordination across the established governance models within Business Areas and Group level functions.

Governance model

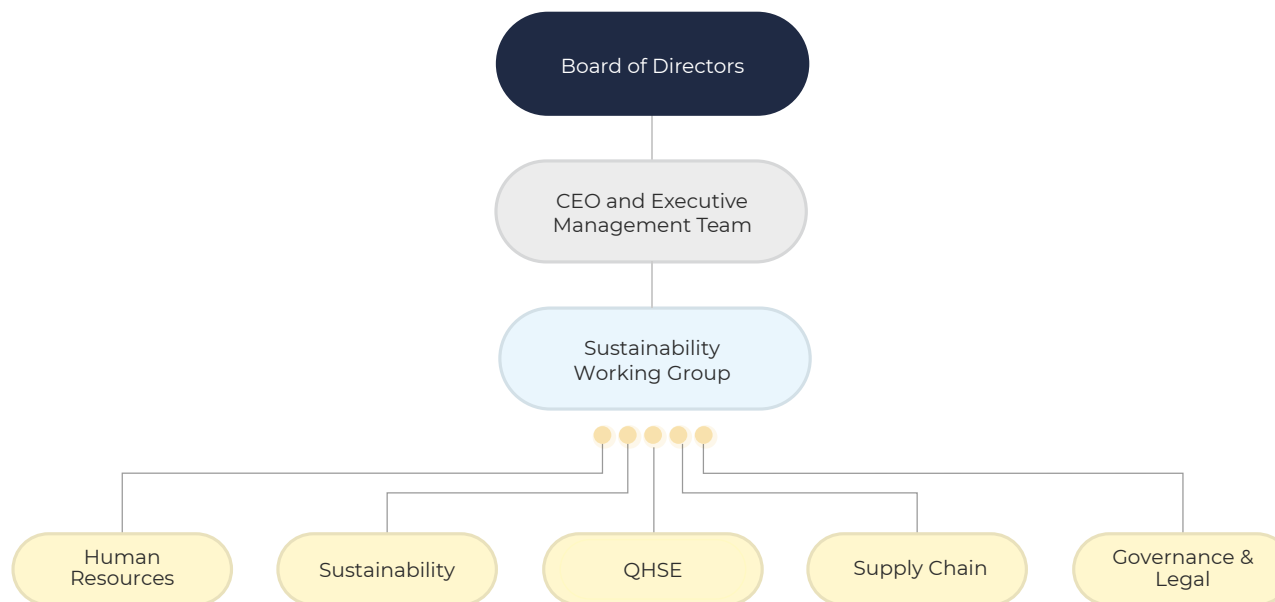
The governance model and responsibilities are presented in the figure below. Sustainability is a priority for the Odfjell Drilling Ltd Board of Directors (the "Board"). The Board receives regular updates on sustainability matters and conducts

deep dive discussions on sustainability topics as required. For a detailed overview of Corporate Governance, please see Annual Report page 40-46.

The corporate human resources function and QHSE function oversee safety, health, working environment and security. QHSE is also central in overseeing our environmental impact. The Compliance Officer is responsible for business ethics and compliance. The heads of these functions are responsible for strategy

implementation and reporting on risk and performance to the Executive Management Team and the Board.

The VP Sustainability is responsible for the design and implementation of the Group's ESG strategy, with input and in cooperation with each of the corporate and Group level functions. Our Sustainability Working Group, supports the CEO and Executive Management Team. It is chaired by the VP Sustainability, and consist of key resources from each of the Group level functions.



Oversee the identification, management and mitigation of risk, including targets, policies, activities, and management systems related to sustainability.

Hold the operational responsibility for sustainability performance with support from the working group.

Oversee and collaborate on strategy, policy and performance relating to sustainability activities across the Group. Chaired by VP Sustainability.

Representatives in Sustainability Working Group, strategy implementation and follow up of day-to-day actions to ensure progress on the overarching targets of the Group.



Climate risk and strategic opportunities

Introduction

Climate change is the major challenge of our time. Odfjell Drilling stands by the Paris Agreement and recognise the need to transition away from fossil fuels to become a net-zero society. Our commitment is evident through our emission reduction targets presented in [Reduce Emissions](#).

The importance of reliable and affordable energy has been underlined in 2021 and into 2022, with rapidly increasing energy costs and a dramatic geo-political situation involving the largest global energy providers. Lower emission energy is key for sustainable economic growth while supporting living standards for the global population.

The oil and gas industry has an important role to play both in terms of cutting emissions from production of oil and gas, but also to develop renewable energy sources by using its capital and competence as leverage in the strategic opportunities that come with the green shift.

The energy transition brings with it both risks and strategic opportunities for the Group. These are taken into consideration in the business management approach and strategic processes.

Risks

Climate risks include transitional risks and acute or chronic physical risks. Typical transitional risks for our core business are:

- market risk, such as changes in client behaviour and volatile market conditions as demand changes;
- policy and legal risk with increased regulatory requirements for the oil and gas industry;
- technology risk, implying costs to transition into lower emission technology, digitalisation to increase efficiency, in addition to changes in demand as technology development enables the energy transition;
- reputational risks, the negative perception of the oil and gas industry makes capital less available as investors' preferences change and companies become unattractive to current and future employees.

In Odfjell Drilling these risks are mitigated through strategy and diversification, providing efficient and lower emission services, maintaining high operational and QHSE performance, reducing environmental impact, ESG reporting and keeping a good stakeholder dialogue.

Our rig fleet is designed for harsh environments, with capacities in excess of today's design requirements. We follow any increased acute or chronic physical risks climate change has on the environmental loads design for world-wide operation of our fleet.

Strategic opportunities

The International Energy Agency's "Energy Perspectives" have varying outlooks for future oil and gas demand. It is clear however, that oil and gas will still play a part in the energy markets for decades to come.

For oil service providers like Odfjell Drilling, it is evident that demand for energy efficient operations and services will only increase going forward. Low emissions is now a request in tenders and emission/energy performance subject to audits. This was not the case only a few years ago. These changes in demand are taken into consideration in strategic processes in the Group. New business opportunities, whether this is expanding a service line or going into new ventures, are discussed in the Board and in the Executive Management Team.

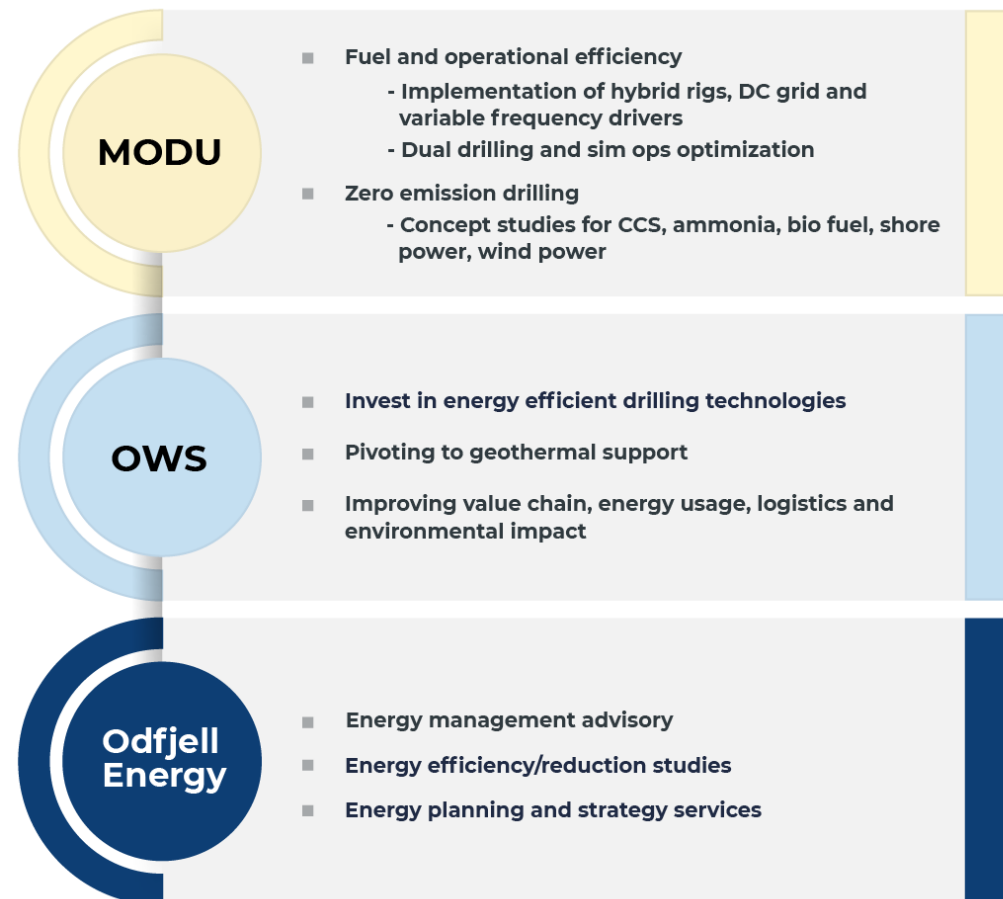
Over the last years, all Business Areas have taken strategic steps to realise the strategic opportunities that lie in the energy transition.

MODU has built significant competence in energy management on the rig fleet in everything from best practice operational procedures to studies within alternative fuels. This enables us to meet client expectations on rig efficiency and low emissions. You can read more about "zero emission drilling" in the Annual Report page 13-14.

Odfjell Energy started its innovation department in 2020, and since then expanded the service portfolio to help clients with screening, baseline analysis, funding applications and implementation of energy management.

With the investment in Odfjell Oceanwind, we are taking steps into the renewables segment, using existing competence within hull, marine and electro-engineering to develop mobile offshore wind units. This is a good example of how the oil and gas industry can utilise decades of competence to develop solutions for the future.

OWS' main contribution to energy efficiency in a drilling campaign is providing tools and technology enabling reduced well time. We have seen considerable efficiency synergies using OWS' services on MODU rigs and Odfjell Energy platforms. In addition, OWS has positioned itself within the geothermal segment, which is a developing and growing market in central EU and Asia.



| Focus Areas

"Environmental Impact"

The overarching ambition is to be a net zero emission company by 2050. Important milestones begin with a 40% emission reduction by 2026 and 70% by 2035. Emission reduction is highly important to our stakeholders, which is why our overall ambition is dedicated to this topic. There is an increasing demand for energy efficient and lower emission services, and this is a strategic focus for the Group cf. [Climate risk and Strategic Opportunities](#).

Within "Environmental Impact", we have an ambition to be an "industry leader in environmental performance". "Performance" is traditionally used in the context of safety or operational performance. We believe environment is an equally important performance metric going forward.

Within this Focus Area we operate with the following material topics:

- Reduce Emissions
- Energy Efficiency and Sources
- Spills to Sea and Land

They are material due to our business' potential impact on the environment, which we aim to reduce as much as possible. Our efforts within emissions and energy fall within UN Sustainable Development Goal ("SDG") number 13,

Climate Action. In addition to spills to sea, emissions to air also affect our oceans, as they absorb CO₂, which causes imbalances threatening life below water. SDG number 14, Life Below Water, is therefore relevant in this context.

"Responsible Consumption and Waste Management" is an important topic, and a natural extension of the material topics. Focus is on how we can reduce waste, increase recycling and reuse instead of buying new. The relevant SDG is number 12, "Responsible Consumption and Production".

"People and Safety"

Odfjell Drilling has always been a people business, and they are our greatest assets and key for success. Our ambition is to "ensure the highest safety standard, and protect our people's health and well-being". Material topics under this Focus Area include:

- Occupational Health and Safety
- Diversity and Equal Opportunities
- Health and Well-Being

Ensuring a safe working environment is top priority every day. The last two years have underscored the importance of a healthy workforce and working for the well-being of our employees. "Occupational Health

and Safety", and "Health and Well-Being" are anchored in SDG number 3, "Good health and well-being". "Diversity and Equal Opportunities" is another aspect of being a people-business, and of particular importance to current and future employees. SDG number 5, "Gender Equality" is relevant in this context.

"Responsible Employment and Labour Practices" is an important topic. Being compliant with labour laws and ensuring good working conditions for employees are prerequisites for any business. As a global company, we have a responsibility to ensure that our actual and potential impact on human rights is mitigated across our value chain. It is anchored in SDG number 8, "Decent Work and Economic Growth".

Another aspect of safety is "Assets, Materials and Personnel Security", also considered an important topic. With international operations, we need to make sure our people, assets and materials are safe, taking into consideration the risk profile of different locations.

"Ethics and Governance"

Odfjell Drilling is "committed to high ethical standards, compliance and integrity". The Group's Ethical Principles and Code of Business Conduct forms the foundation for all

our operations, and also apply to our contractors, suppliers, agents and others who work on our behalf.

Within this Focus Area, we operate with the following material topics:

- Governance and Transparency
- Anti-Corruption
- Responsible Agents and Suppliers

Odfjell Drilling focuses on the importance of transparency and an open culture of disclosure. The Group has a zero tolerance for corruption and holds its suppliers and agents to the same standards of integrity. To qualify as an agent or supplier, they must confirm compliance with the Code of Business Conduct.

The business conduct requirements under SDG number 8 "Decent Work and Economic Growth", and 16 "Peace, Justice and Strong Institutions" are relevant for this Focus Area. Further, the human rights aspects of SDG number 5 "Gender Equality" are also relevant.

Conducting business with integrity also means competing on equal terms. "Fair Competition" is considered an important topic. With cyber threats increasing daily and requirements to process personal data responsibly, "Cyber- and Data Security" is also an important topic under this Focus Area. SDG number 8 and 16 apply for these topics as well.



Ambition	Material topics	Important topics
"Industry leader in environmental performance"	<ul style="list-style-type: none"> • Reduce emissions • Energy efficiency and sources • Spills to sea and land 	<ul style="list-style-type: none"> • Responsible consumption and waste management
"Ensure the highest safety standard and protect our people's health and well-being"	<ul style="list-style-type: none"> • Occupational health and safety • Diversity and equal opportunities • Health and well-being 	<ul style="list-style-type: none"> • Responsible employment and labour practices • Assets, materials and personnel security
"Committed to high ethical standard, compliance and integrity"	<ul style="list-style-type: none"> • Governance and transparency • Anti-corruption • Responsible agents and suppliers 	<ul style="list-style-type: none"> • Fair competition • Cyber and data security

| About this report

Reporting standards

This report has been prepared in compliance with the 2016 GRI standard, Core option. The full GRI Index can be found [here](#). This Sustainability Report shall be read together with the GRI Index.

The Group target is to update its reporting standard to GRI 2021 from the reporting year 2022.

Report content

The stakeholder analysis presented in [Stakeholder Dialogue](#) identifies the Group's key stakeholders based on their reasonable expectations and interests. Further, this report aims to present the Group's performance in the wider context of sustainability, i.e. our understanding of sustainable development, drawing on objective and available information, and authoritative measures of sustainable development for the material and important topics covered. The material and important topics reflect the Group's significant economic, environmental, and social impacts. Each material topic has a reporting Boundary based on where the impacts occur for that topic, and the organisation's involvement with those impacts.

Report quality

The performance reporting under each material topic is done through defined qualitative data where we have routines for measurement of satisfactory quality. Calculation methods and assumptions are described where this is necessary to assess the performance. This report, together with the GRI index, aim to make information and data accessible and understandable.

The reported information shows historical development to enable analysis of performance trends. The compiling of data is based on defined procedures in the Group to ensure the required quality and consistency. The reporting period is annually and publishing takes place on or in connection with the publishing of the Annual Report.

Assurance

This report has not been assured by independent third parties, as the main focus for 2021 has been to get the reporting system in place. 2022 will be used to further improve processes, data quality and procedures to enable assurance in future reporting.

Reporting Boundaries

The boundaries of each material topic are presented in the GRI Index, but generally the following applies:

- Environmental data is reported on operational control basis.
- Health and safety incident data is reported for all personnel working on rigs owned and operated by Odfjell Drilling. For platform drilling, data is reported for all Odfjell Drilling employees and Odfjell Drilling subcontractors working offshore. For Well Services, data is reported for all Odfjell Drilling employees and for personnel working at our premises and under our supervision.
- Workforce data covers all employees, permanent and temporary personnel directly employed by the Group (contractors and consultants are not included unless specified).
- Human rights and social performance data are based on the same scope as workforce data.
- Governance and anti-corruption data are reported on Group level.



| Stakeholder Engagement



| Materiality Analysis

The material topics presented in Odfjell Drilling's Focus Areas are the result of a systematic approach on the basis of the GRI Standard, the Group's business strategy and risk assessment. The material and important topics are prioritised based on the impact they have to our stakeholders and the Group's business, and on our ability to make the greater difference based on Group capabilities.

The Group's stakeholders include investors and financial institutions, clients, employees, suppliers, governmental bodies and society at large, including non-governmental organisations. The key stakeholders have been prioritised based on the overall impact they have on the Group, and their involvement in the material and important topics.

The materiality matrix forms the basis for the material and important topics, and categorisation into the different Focus Areas. The material topics are identified as high priority with stakeholders and presented in this report under each Focus Area in accordance with GRI, Core option. The important topics are also highly relevant and identified as important for most of our stakeholders. Compared to important topics, material topics require high strategic focus due to the nature of our business, external expectations and overall greater potential for improvement of impact.



Stakeholder Dialogue

As a global business, Odfjell Drilling interacts with many stakeholder groups on a daily basis. Stakeholder dialogue takes place from Board and CEO level, all the way down to local line managers. The common denominator of all stakeholder dialogue is to identify the value drivers each stakeholder group represents. To do that, we need to understand their interests and expectations, and act accordingly. Key stakeholders are approached to determine the material and important topics. The table below shows how we primarily engage with our key stakeholders, and the topics considered material for each stakeholder group.

Stakeholder: Investors and financial institutions

Material topic	Arena	Regularly	Yearly	As needed	Follow up
Reduce emissions	Quarterly reports	✓			Sustainability reports
Occupational health and safety	Meetings			✓	Stock exchange notifications
Anti-corruption	General assembly		✓		Information on website
Energy efficiency and sources					
Diversity and equal opportunities					

Stakeholder: Clients

Material topic	Arena	Regularly	Yearly	As needed	Follow up
Occupational health and safety	Meetings	✓			Contract based dialogue and reporting
Reduce emissions	Reporting	✓			Client interviews
Anti-corruption	Industry forums	✓			Information on website
Energy efficiency and sources	Verifications and audits	✓		✓	Code of Business Conduct

Stakeholder: Employees

Material topic	Arena	Regularly	Yearly	As needed	Follow up
Occupational health and safety	Management meetings	✓			Reporting line dialogue
Diversity and equal opportunities	Performance evaluations		✓		Intranet
Reduce emissions	Working Environment Survey		✓		On-boarding program
	Employees' representatives	✓			Networking events
					Training programs

Stakeholder: Suppliers

Material topic	Arena	Regularly	Yearly	As needed	Follow up
Anti-corruption	Meetings	✓			Contract based dialogue
Diversity and equal opportunities	Industry forums	✓			Supplier interviews
Occupational health and safety	Verifications and audits	✓			Supplier Code of Conduct

Stakeholder: Government bodies

Material topic	Arena	Regularly	Yearly	As needed	Follow up
Reduce emissions	Meetings	✓		✓	Involvement through safety forums
Occupational health and safety	Verifications and audits	✓		✓	Certification/approval processes
Energy efficiency and sources	Reporting	✓		✓	Internal audits to verify compliance
Diversity and equal opportunities					

| Environmental Impact



Environmental management

The material topics under this Focus Area are presented in the table below. "Responsible Consumption and Waste Management" is an important topic, presented on page 24-25.

Odfjell Drilling is committed to reduce the environmental impact from the Group's operations. Our commitment to environmental management is reflected in the ISO 14001 certificate. Recertification audits for renewal of the certificate in May 2022 started in November 2021 and continued in early January 2022.

Processes and activities are systematically mapped to identify environmental aspects and impacts resulting from the Group's operations. Significant environmental aspects form the basis for establishing environmental management procedures, controls, continuous improvement measures and strategic action plans. Examples of significant environmental aspects are emissions to air and spills to sea.

The environmental risk assessments are documented in environmental aspects and impacts registers for each unit (rig, platform, workshop) and relevant processes (purchasing, logistics, design). The life cycle

perspective is considered in establishing environmental aspects and impacts registers, e.g. purchasing from a local vendor will reduce environmental impact from transportation.








The foundation for the Group's efforts to reduce environmental impact is the corporate level HSE Policy and the annual QHSE Programme. The following principles are anchored in the HSE Policy:

- Use energy and other natural resources efficiently
- Minimise waste generation and promote reduce, reuse and recycle opportunities

- Work systematically to replace or reduce harmful chemicals
- Integrate environmental considerations into planning and development of new activities and products
- Consider environmental performance in selecting suppliers and contractors

These environmental principles (the "Environmental Principles") are applicable for all activities of the Group. A thorough presentation of the Group's QHSE function can be found in the Annual Report page 22-27.

Topics and targets

Material topic	Target	Indicator	UN SDG	
Reduce Emissions	40% reduction by 2026, 70% by 2035, net-zero in 2050	Scope 1, 2 and 3 CO ₂ emissions		
Energy Efficiency	Optimise energy efficiency to enable emission reduction	Fuel and energy consumption		
Spills to Sea and Land	Zero serious incidents	Spills to sea		
		Spills to land		

| Reduce Emissions

Introduction

Reducing emissions is a material topic in the "Environmental Impact" Focus Area, based on a stakeholder analysis, cf. [Focus Areas](#) and [Stakeholder Engagement](#). The main driver for emission reduction in the Group is energy management, which is presented in [Energy Efficiency and Sources](#).

Policies

Scope 1

The Group's scope 1 CO₂ emissions within the Boundary originate from combustion of marine gas oil (MGO) from the engine and boilers on each rig. Odfjell Drilling has operational control over its own offshore drilling rigs, with control and authority to amend procedures and invest in emission reducing technology. For rigs under management contracts, investment decisions are made by the owner, but we have control of operational procedures.

Platform drilling services are part of a large activity chain on assets not owned or controlled by Odfjell Drilling. Even if emissions do not fall within operational control, we still contribute to energy management on the platforms.

Well Services' main business is rental of downhole equipment and hiring out personnel to perform services on

fixed or mobile drilling rigs offshore and onshore. Odfjell Drilling neither has operational control, nor means to isolate OWS' contribution to the overall emissions of the relevant operation. Within the engineering services segment, there are no direct scope 1 emissions.

Scope 1 emission reduction is anchored on corporate level in the Group's Company Management System, through the HSE Policy and QHSE Programme, cf. [Environmental Management](#).

MODU has energy management procedures with direct emission reduction effect on operational level, cf. [Energy Efficiency and Sources](#). These are monitored by each rig's management.

The purpose of this approach is to reduce the impact of our operations within scope 1 emissions. Please see Annual Report page 13-14 for a detailed overview of our "zero emission drilling" efforts.

Scope 2

Energy indirect scope 2 emissions in the Group comes from electricity purchased by the Group from a utility provider for offices, bases and workshops.

To reduce emissions from scope 2, the Group has a global "green office guideline" in the Company Management System, which is a best

practice approach to lower energy consumption onshore. This is managed and monitored by location managers.

Scope 3

Scope 3 emissions comes from upstream transport of goods and travel activities and corresponding combustion of fuel in planes, trucks, boats and cars.

Supply chain procurement procedures dictate that the most emission efficient freight options are preferred, i.e. sea freight is prioritised over land transport. The purchaser and logistics functions are responsible for managing and monitoring performance under these policies.

Decreased travel volume is the main driver for scope 3 emission reduction from this activity. We split travel activities into business travel and mobilisation of personnel. For the latter category we have limited means of reducing travel volume, but for business travel we run regular campaigns to limit travel.

The Group's travel policy sets out the rules for travel activity for all employees, with an objective to minimise business travel and make it as efficient as possible. Travel policies are managed and monitored by the Group travel manager.

Goals and commitments

Odfjell Drilling has a target of 40% emission reduction by 2026, 70% by 2035 and to be a net zero emissions company in 2050.

Our commitment to improve GHG records helps identify and manage future risk by understanding the Group's emission profile better and establish mitigating actions to reduce potential liability exposure. This exposure is increasing with the scrutiny facing the industry from investors, shareholders and public opinion, in addition to stricter laws and regulations for GHG emissions, cf. [Climate Risk and Strategic Opportunities](#).

Measure of impact

Scope 1- 3 GHG emissions

Indicator	Unit	2019	2020	2021
Scope 1	Ton CO ₂ e	238,600	235,000	192,459
Scope 2 - location based	Ton CO ₂ e	653	773	665
Scope 3 - travel	Ton CO ₂ e	5,520	2,324	1,337
Scope 3 - logistics	Ton CO ₂ e	Unavailable	Unavailable	1,374

Scope 1

Due to varying activity levels and operational environment (wind, waves, currents and well conditions), looking at total emissions from one year to another does not provide a full picture of the impact of emission reduction measures on the rig fleet.

Emission reduction from energy efficiency initiatives is measured against a baseline for each rig. We use fuel consumption data from Posmoor ATA in anchored operational mode to assess energy efficiency performance and corresponding emissions.

Please see Annual Report page 13-14 for a presentation of the impact of the energy efficiency projects carried out on the rig fleet.

In 2021, we saw a 12% increase of contract days compared to 2020, which is the main driver of emissions. However, CO₂ emissions from operations on contract dropped by 2%. This is a reduction of approximately 5 tonnes of MGO per contract day compared to 2020.

Major activity drivers affecting emissions in 2020 compared to 2019 include full operational year of two new assets, Deepsea Bergen being taken out of operation, long yard stay for Deepsea Aberdeen and a 14% reduction of operational days.

Scope 2

Efforts to gain overview of the Group's scope 2 emissions is ongoing. Data is collected from billing statements or online databases where this is available. Energy indirect emissions are calculated for offices, workshops and bases where we have operational control and means to extract actual energy consumption data. Leased premises where we typically share space and electricity is not billed based on actual consumption are not included. This data is currently unavailable, but we are working on applying an area based approach for these locations.



Scope 3

Logistics

Emission data is reported on Group level for all upstream transportation of goods booked through our frame agreement logistics provider, which currently captures about 48 % of all logistics activity in the Group. We are working on capturing data for the rest of the logistics activities globally. Emissions are measured based on pick up locations for goods and trip legs. GPS data is used to calculate number of kilometres, and conversion factor between fuel type and CO₂ applied on a per kilometre basis for the relevant freight category (land, sea and air). The Group's portion of emissions when means of transport is shared is calculated by the relevant order's share of the total capacity of the transport vehicle.

Travel

Emission data is reported on Group level for all bookings done through our travel agent, accounting for approximately 97% of all travels booked in the Group in 2021. Travel activity is measured for business travel and mobilisation of personnel separately. Emissions are calculated based on conversion factors of CO₂ emissions per kilometre for each travel class, and depending on whether a flight is domestic, short

haul or long haul. 2020 gave us insights into how much of an impact cutting travel (excl. personnel mobilisation) can have. There was a 30% reduction in business travel activity in 2020 compared to 2019. Based on this, and provided most of us are now trained in how to work remotely, we have a target to reduce travel (excl. personnel mobilisation) with at least 10% compared to 2019 numbers going forward.

Other emissions to air

Previously in this chapter we have referred to CO₂ emissions. However, other types of emissions are also harmful to the environment. Our focus apart from CO₂ is NO_x (nitrogen oxide) and SO_x (sulphur oxide).

SO_x emissions are primarily controlled through the permitted level of sulphur in the MGO delivered to the rig. NO_x emissions are primarily reduced by cutting emissions in general. However, there is technology specifically targeting removing NO_x from the exhaust from diesel engines. Selective Catalytic Reduction systems inject urea in the exhaust gas, converting the NO_x into water and nitrogen. Deepsea Nordkapp has installed these "scrubbers" which enables a NO_x reduction of 70-80% compared to having no such technology installed.

2021 HIGHLIGHTS

- Successful installation of battery and hybrid solution on Deepsea Atlantic.
- Norwegian NO_x Fund payment of NOK 40.5 million in Q4 2021 after successfully documenting negative NO_x emission trends.
- Reporting implemented for scope 3 emissions for travel and logistics.
- Implemented a new, more environmentally effective transport category. ECO freight means the most environmentally effective transport method available based on required delivery criteria.



Energy Efficiency and Sources

Introduction

Energy Efficiency and Sources is a material topic under the "Environmental Impact" Focus Area, cf. [Focus Areas](#) and [Stakeholder Engagement](#). The Boundary for this topic correlates with that of "[Reduce Emissions](#)".

Policies

The material impact of energy efficiency in the Group is from operation of the drilling rigs. The energy usage is directly linked to the relevant rig and the activities on board.

Running a rig efficiently means using less diesel (marine gas oil/ MGO). "Zero emission drilling" will require replacing MGO with a zero emission fuel. Please see Annual Report page 13-14 for a presentation of our strategy to develop a more energy efficient rig fleet.

MODU has implemented an energy management system in compliance with ISO 50001 Energy Management System Requirements, with detailed processes for energy review, baseline definition, energy performance indicators and design improvement. Each rig operates with a separate Unit Specific Energy Management Plan, describing how energy management is implemented and followed. The plan details specific KPIs used to monitor

energy improvement on a daily basis, and performance is monitored by rig management. The main objectives with energy management systems in MODU are reducing CO₂ emissions, NO_x emissions, fuel consumption and maintenance cost.

Even though emissions from platform drilling services do not fall within our operational control, cf. [Reduce Emissions](#), some of the platforms in our portfolio still have an energy management plan. The purpose of these is to reduce energy consumption from drilling, and thereby reducing the overall energy consumption on the platform operated by client.

OWS' main contribution to energy efficiency is supplying tools that enable a reduction in well time, and thereby client's energy consumption and corresponding emissions.

To reduce energy consumption on our onshore locations, we have a "green office guideline", cf. [Reduce Emissions](#).

Goals and commitments

Energy efficiency and alternative energy sources are prerequisites for reaching our emission reduction target of 40% by 2026, 70% by 2035 and to be net zero in 2050.

Measure of impact

Energy consumption within the organisation

Indicator	Unit	2019	2020	2021
Fuel consumption non-renewable MGO	Gigajoule	3,224,738	3,074,107	2,616,709
Electricity consumption	GigaJoule	19,425	20,542	18,938
Total	Gigajoule	3,244,163	3,094,649	2,635,647

Impact of energy improvement initiatives is primarily measured through fuel monitoring. In order to assess the effectiveness of both energy management and the installation of energy efficiency technology, fuel consumption is continuously monitored. MODU has developed a dashboard solution called Panorama, which enables the rig operator to monitor actual fuel consumption against forecast, factoring in wind, waves, currents and well program. The same activity drivers are applicable for fuel consumption as for scope 1 emissions, please see page 19.

Electricity consumption is calculated for offices, workshops and bases where we have operational control and means to extract actual consumption data. Leased premises where we typically share space and electricity is not billed based on actual consumption are not included. We are assessing if we can get data to use an area method for electricity consumption for these locations.

2021 HIGHLIGHTS

- Completed a study for use of ammonia as rig fuel and use of wind power on rig operations.
- LED lights installed in Mongstad and Tananger facilities.
- All gas heaters replaced with electric power in Tananger facilities.
- Initiated installation of solar cells on warehouse in Kristiansund.
- Replaced all diesel forklifts with electrical forklifts in Tananger workshop.
- Moved to new warehouse in Florø with waterborne heating.

| Spills to Sea and Land

Introduction

"Spills to Sea and Land" is a material topic within "Environmental Impact", cf. [Focus Areas](#) and [Stakeholder Engagement](#). The Boundary for this material topic is accidental spills related to activities and operations under Odfjell Drilling's operational control, cf. [About this report](#).

In the MODU segment, rig design and technical barriers preventing spills to sea are within our control as we own and operate the rigs. For MODU and platform drilling services, procedures and maintenance programmes preventing spills are our responsibility.

Operators are responsible for the discharge permits from environmental authorities, detailing permitted use, treatment, volume and discharge of substances.

Policies

Preventing spills to sea and land is anchored in corporate, Business Area and unit specific (rig, platform, workshop) procedures and QHSE programmes. Spills to sea and land are managed through the process of establishing and maintaining environmental aspects and impacts registers, cf. [Environmental Management](#).

Controls are established to reduce environmental impact from activities

that may result in spills to sea and land. Such controls are technical barriers (e.g. closed drain), maintenance programs (e.g. hose management), procedures, measuring and monitoring programmes.

Events that can lead to accidental spills are identified and emergency response plans for facilities and operations within our control established in the Company Management System.

Spills to sea and land are classified according to our incident classification matrix depending on type of spill (e.g. oil), content (e.g. harmful additives in drilling fluid) and volume. Spills are reported as serious, moderate and minor.

Spills to sea

Spills to sea are heavily regulated in the UK and Norwegian sectors, but while all spills must be reported to the authorities in the UK, there are classifications of reportable and non-reportable spills on the Norwegian side (see "total spills to sea" table below).

Accidental spill to sea is a significant environmental aspect of our offshore operations. We operate in a high risk business, and preventing a major accident is a key and continuous focus area. The probability of such an accident is considered to be low, but the consequences would be disastrous for people, the

environment, the business and the reputation of the Group.

Spills to land

Workshop activities onshore involve maintenance, repair and testing of well service equipment, which require use of cleaning agents and other chemicals. Accidental spill of waste water and chemicals may cause soil and groundwater contamination and possibly impact flora in local areas. Waste water generated in the workshops and in dedicated outdoor pressure washing areas is directed to the oil/water separator, and treated water goes to the municipal sewage system.

Accidental spills from drums, fuel tanks etc. in outdoor areas will be collected in secondary containments. Other minor spills, e.g. hydraulic leak from trucks could enter the municipal sewage system untreated if not collected at the source. Samples from the oil/water separators are analysed on a regular basis to verify quality of water entering the municipal sewage system.

Goals and commitments

Our zero incident goal also applies to spills to sea and land. Our target is to conduct operations in a manner minimising the environmental impact.

One of the Environmental Principles reflect our commitment to work

systematically to replace or reduce harmful chemicals, cf. [Environmental Management](#). This reduces the impact of any potential spill.

Measure of impact

Spills to sea

In addition to drilling operations, material handling and transfer of fluids and chemicals between ships and offshore installations are activities which pose a risk of spills to sea. Discharge of contaminated cuttings and drilling fluids from drilling operations has a potential environmental impact to the sea. As per today's knowledge, such drilling related discharges mainly affect the local sediment ecosystems close to the installations.

SERIOUS SPILLS TO SEA

0

in 2019, 2020, 2021

Total spills to sea

Type	2019	2020	2021
Serious spills	0	0	0
Moderate spills	1	3	1
Minor spills	17	10	5
Total	18	13	6
Reportable spills	13	7	0
Non-reportable spills	5	6	6

Moderate spills to sea

	Location	Volume (m3)	Type of spill
2019	Norway	5.0	Oil based mud
2020	Norway	7.0	Oil based mud
2020	Norway	202	Water based mud
2020	Norway	135	Water based mud
2021	Norway	1.5	Oil based mud

The environmental impact related to the moderate spills in 2019, 2020 and 2021 was assessed to be of low significance.

Spills to land

There were zero accidental spills in the workshops in 2021. The sampling of the oil/water separator effluent in Tananger workshop exceeded limits during some periods of the year with the existing unit. As part of the upgrade project of the Tananger facilities, a new oil/water separator and sand trap were installed to replace the under-dimensioned unit. Periodic sampling of waste water is now implemented with the new unit to monitor the effluent limits. It is expected that the new unit will be capable of handling the volume of waste water, and that the oil and heavy metal content of the effluent will be within the limits at times of peak usage.

Total spills to land

Type	2019	2020	2021
Serious spills	0	0	0
Spill to common drainage/ sewage system	0	1	0

2021 HIGHLIGHTS

- A 60% reduction of total spills to sea and land in 2021 compared to 2020.
- New oil/water separator installed in Tananger facility.



| Other important topics

Responsible Consumption and Waste Management

Introduction

"Responsible Consumption and Waste Management" is an important topic, cf. [Focus Areas](#) and [Materiality Analysis](#).

The material waste output comes from offshore and workshop operations. This is heavily regulated, and waste segregation and recycling are governed by internal procedures and operators' requirements based on local legislation. Typical waste from our operations is wood, metal, chemicals, plastic, paper and cardboard, oily rags, food and general waste.

Another important aspect of "responsible consumption" is purchase, use and disposal of chemicals. Operators are responsible for processes related to drilling fluids and additives, while selecting and purchasing consumables are within our control. Chemicals used on platforms are approved by the operators. Responsible and safe consumption of chemicals is essential from an environmental point of view as well as limiting exposure to chemicals for our employees as much as possible.

Policies

Responsible consumption

Our HSE Policy states that environmentally preferable products and services shall be considered in the procurement processes. Purchasing consumables from local suppliers and selecting consumables with less packaging are typical factors that are continuously considered.

One of the Environmental Principles, is to work systematically to replace or reduce harmful chemicals, cf. [Environmental Management](#). Substitution of harmful chemicals with green alternatives is a continuous effort for the Group and standardising the chemical catalogue across rigs and workshops has been helpful in driving this forward.

The QHSE department evaluates all new chemical requests according to defined criteria prior to purchasing. Chemicals are risk assessed in the EcoOnline system or in the operators' system according to contract. Risk assessments include health, safety and environmental aspects, and they provide input to substitution of chemicals as well as information to end-users.

Waste management

Minimising waste generation and promoting "reduce, reuse and recycle" opportunities is another Environmental Principle, cf. [Environmental Management](#).

The Group has established corporate procedures for segregation and safe storage, handling and disposing of waste. Robust waste management also reduces risk of spills and potential effect on local communities and environment, cf. [Spills to Sea and Land](#).

The recycling of Deepsea Bergen was finalised on 30 September 2021 with the issuance of the formal "green ship recycling certificate". The project was carried out in accordance with the Group's HSE Policy, which requires "disposing our assets at the end of their life according to relevant legislation and industry practice". The project was carried out at an IMO certified yard and took approximately 20 weeks.

A third party contractor was engaged to supervise and follow up the project on site. Odfjell Drilling received weekly reports documenting the recycling progress, including daily records of safety, health and environment related matters. One

near miss was registered during the project, when the derrick was not pulled as planned and parts dropped to the seabed and ground below. There were no personnel injuries or environmental consequences as a result of the incident.

Goals and commitments

The Group targets to substitute as many harmful chemicals with green alternatives as possible, which is continuous work with new alternatives being developed.

We are working on improving reporting of waste. Improved waste data will be used to measure impact and define goals for optimised waste management, which is anchored in the Group's QHSE plan.

Circular economy initiatives are increasingly sought after in tender processes. We continuously assess solutions that support this approach, but we also see that having a better data foundation will enable a more systematic approach to circularity in the waste value chain.

Measure of impact

Waste generated by category

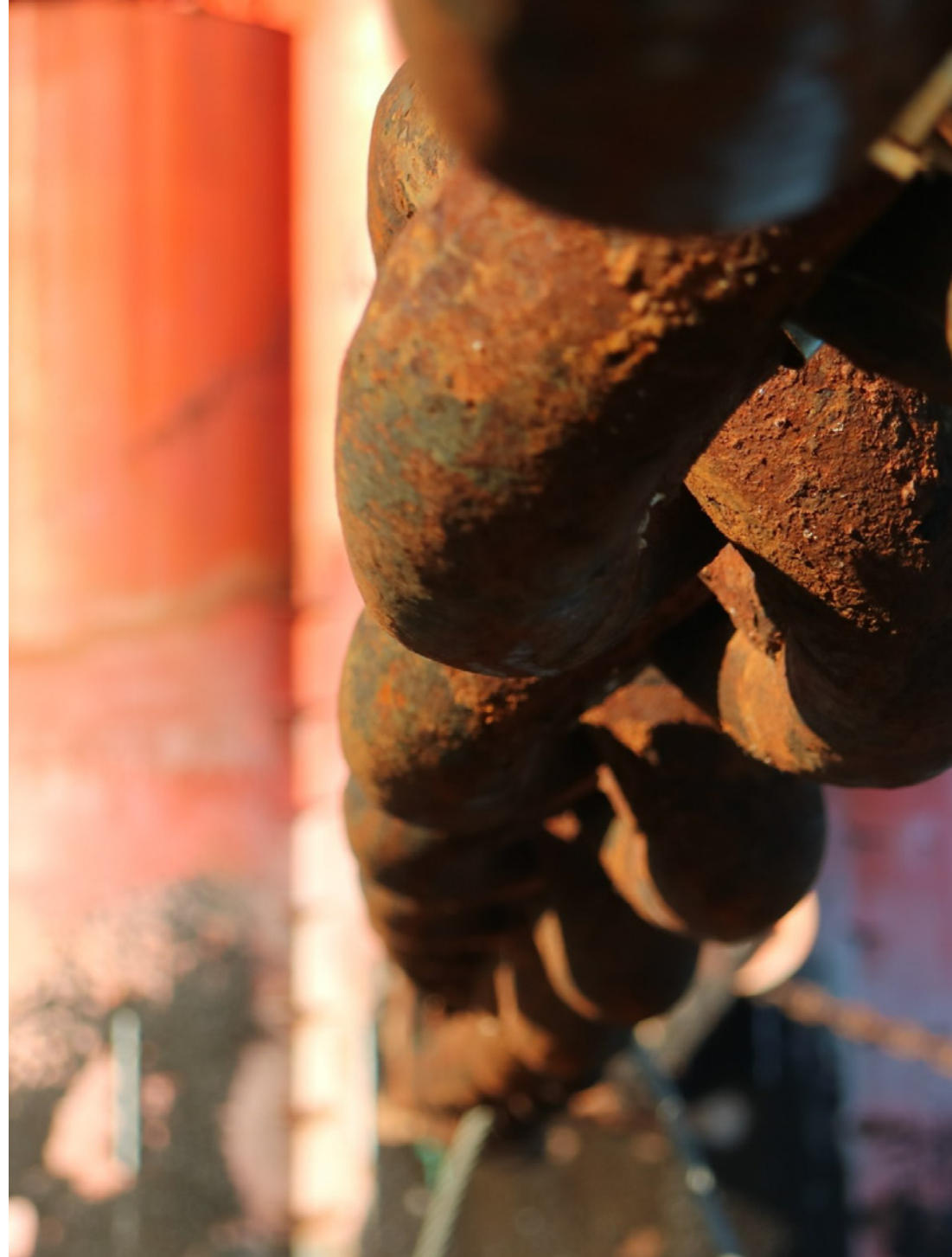
Category	Indicator	2019	2020	2021
Hazardous	Kilo	194,914	158,070	133,132
Non- hazardous	Kilo	475,400	531,926	932,207

The increase in non-hazardous waste in 2021 is due to clearing out remaining equipment from Deepsea Bergen. The waste consisted mainly of scrap metal.

Waste is reported for onshore locations where Odfjell Drilling has operational control, and do not share waste handling with others. Waste from offshore operations is not included. Waste-handling is contractually under operator's responsibility for platform drilling services and MODU. We plan to start electronic logging of waste from the drilling rigs in 2022, so we can gain access to this data going forward independent of operator and location of rig. For platform drilling services, the Odfjell Drilling scope is part of a greater value chain on the platform, and it is not possible to separate platform drilling services' waste contribution.

2021 HIGHLIGHTS

- Deepsea Bergen was recycled according to life cycle asset philosophy, relevant legislation and industry practice.
- Started investigating opportunities for additive manufacturing of spare parts (3D printing) to reduce lead time and transport emissions.
- MODU and OWS standardised chemicals across all rigs and workshops using EcoOnline database.
- 20 chemicals were substituted with less harmful chemicals in our offshore operations and 16 chemicals were phased out.
- Go Green campaign in OWS focusing on environmental awareness, monthly green day challenges and one local "Reduce Reuse and Recycle" event in each geomarket.
- Successful test of 98% bio-degradable shoe covers on Deepsea Stavanger, to be implemented on all mobile drilling rigs in 2022 replacing some of the 2.3 million single, plastic shoe covers purchased in 2021.



| People and Safety



Introduction




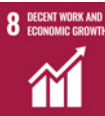

The Focus Area "People and Safety" involves two of the most important pillars of our business, a robust safety culture and our people who contribute to that daily. Our health and safety work is guided by our commitment to prevent harm to peoples' health and safety.

The Group has an ambition of zero incidents in all aspects of operations, with the belief that all incidents can be prevented. Our procedures focus on root causes, lessons learned and continuous improvement. Ensuring that we have a good working environment, where employees can develop and feel part of the team, are two important aspects of health and well-being.

Monitoring sick leave and turn-over keeps us informed of the overall status in the organisation's working environment, in addition to the global Working Environment Survey. The Group has a high focus on competence assurance and leadership development to create an organisational culture with good values, attitudes and conditions for collaboration.

Odfjell Drilling shall be characterised by an ethical standard regarded by employees, clients and the community as being within the framework of what is generally perceived as lawful, reasonable and correct. Further, we shall safeguard the security of our assets, material and personnel on all our locations based on local risk assessments.

Topics and targets

Material Topic	Target	Indicator	UN SDG
Occupational Health and Safety	Zero incidents	Fatalities	 
		Serious injuries	
		Total recordable injuries	
Diversity and Equal Opportunities	30% women in leadership positions by 2025	Female representation	 
		Age distribution	
		Nationalities represented	
Health and Well-Being	Sick leave percentage of <3%	Sick leave	
	Target turn-over of less than 5%	Turn-over	

Odfjell Drilling Covid-19 response

2021 was another year influenced by the Covid-19 pandemic, which will continue to be a challenge for some time ahead. The Corporate Covid-19 Task Force and the Covid-19 Task Force in each Business Area, both established in March 2020, worked continuously throughout 2021 to implement and maintain adequate levels of infection control measures to prevent Covid-19 outbreaks amongst our onshore and offshore employees. Task Forces included strategic, operational and medical professionals. National and regional regulatory restrictions were monitored and implemented, and company specific infection control measures added, when required, based on threat to health and safety of our personnel and operational continuity.

The Group had no Covid-19 outbreaks during 2021, but experienced single positive cases onshore and limited positive cases offshore. The operational disruption was limited, but each single case required focus and resources to manage close contacts, quarantine, isolation, evacuation and replacements. Infection control measures, infection management, sickness control and replacements have implied additional cost for operations.

Home office arrangements for onshore employees introduced risk related to mental health, ergonomics and working environment. This was handled through close management attention, tailoring for special needs, using Teams for social meetings and exercise sessions and use of health insurance services for treatment when needed. The global Working Environment Survey for 2021 provided an opportunity to evaluate the impacts of a remote office workforce. It did not show any negative trends due to working from home. Based on data collected from employee surveys and management evaluations, we introduced a pilot policy "Flexible Working Solution for Onshore Office Personnel". The pilot will be evaluated for long-term implementation in 2022, to address changing needs and expectations of the onshore workforce.

As an international company, the potential negative effects of the pandemic on our supply chain were significant. However, processes and procedures implemented in 2020 proved adequate for continuous operation.

In summary, the Covid-19 pandemic resulted in limited impact on operations, and no Odfjell Drilling employees have lost their lives due to Covid-19.



| Diversity and Equal Opportunities

Introduction

Odfjell Drilling recognise the importance of diversity as an added value to our business activities, development plans, projects, growth and technology strategies.

This is a material topic for our stakeholders, including current and future employees, cf. [Focus Areas](#) and [Stakeholder Engagement](#).

Odfjell Drilling's approach to diversity and equal opportunities include all employees in the Group, regardless of type of contract and position, and contractors and workers not on Odfjell Drilling payroll.

We believe that diversity and equal opportunities:

- Help us recruit the best candidates
- Improve general working conditions, relationships and reduces sick leave
- Influence and change attitudes and perceptions
- Help develop an attractive workplace
- Contribute to a positive and strong brand
- Are essential to be a responsible employer

Policies

Diversity

Our ambitions within diversity and equal opportunities impact procedures for publishing of vacant positions, recruitment, transfers and promotions, training and development, salary and general working conditions and terminations.

The purpose of the policies and management approach is to improve diversity and inclusion activities in the Group. Diversity considerations are not limited to numbers of nationalities employed, but include a non-discrimination policy on nationality, religion, socio-economic status, race, age, gender, sexual orientation and any other factors irrelevant in a professional assessment of competence and personal characteristics.

Diversity and non-discrimination declarations are included in a wide range of procedures in our Company Management System, for example the Code of Business Conduct, recruitment, competence and retirement policies.

The objective of Odfjell Women's Network (OWN) is to connect and support female employees in Odfjell Drilling, onshore and offshore. OWN will continue its dialogue with women in the organisation, establish meeting arenas, and forward any challenges we need to address as an employer.

Odfjell Drilling actively support and respect the protection of internationally proclaimed human rights.

Please see [Human Rights](#) for more details. We will achieve this with the support of the Executive Management Team, via our Human Resources ("HR") function. Our HR function manages procedures, recruitment, management training, talent development and other initiatives related to organisation and resource development, diversity and inclusion. The HR departments are involved in all recruitment processes to assist managers with evaluations and ensure compliance with non-discrimination regulations.

Use of contractors vs. employees

Odfjell Drilling uses contractors (e.g. hired-in resources) for full-time work or part-time and hourly assistance, for periodical work to complement the resources directly employed by the Group. These are usually contractors with competence that we lack in our own workforce and portfolio, or short term specialists in conjunction with projects like yard stays. Contractors are also used to ensure enough resources in the competence pool (temporary pool of resources) for the offshore activities.

For most business activities in Odfjell Drilling the number of contractors is not significant. However, within Rig

Inspection Services, contractors are the main source of man-hours. Rig Inspection Services employs key personnel and supervisors only, and source all other competencies from subcontractors.

As a main rule, the Group sources contractors through frame agreements. The terms and conditions applicable for the contractor and the agency are aligned with the terms and conditions for the regular employees within the legal entity for which they work.

The Group is closely monitoring the use of temporary employees and has regular meetings with unions (employee representatives where relevant) to evaluate the need for and use of temporary employment contracts.

Full time positions

Odfjell Drilling targets to only have full time employees. We consider this to be a positive policy, enabling employees to make a comfortable living, give stability to employees with families and provide a good basis for development and investment in the employees' future. The Group accommodates employees' needs for part-time work upon request.

Goals and commitments

The Group has a goal of 30% women in leadership positions by 2025.

The 30% goal corresponds to the level of women in the onshore organisation today, and we would like to see this reflected in leadership positions. Currently, women hold 27.4% of the leadership positions in the Group (equals levels 1-3 combined in the table "Gender vs. position level- top management levels only" on next page).

The global Working Environment Survey has a new chapter to capture employees' experiences and perceptions of Group culture regarding equality, diversity, and inclusion. Our goal is a score of 5 (out of 6) for how well Odfjell Drilling manages this area.

Measurement of impact

All data related to employees in our workforce (including contractors) is extracted from the HR module in the Group's ERP system. The ERP system is used in all locations in the Group, and all registrations in the HR module follow the same templates and data set requirements. Data is updated on a daily basis and provides a very good overview of the current situation in the Group, including access to historical data.

The Group analysis data on a quarterly basis to monitor progress

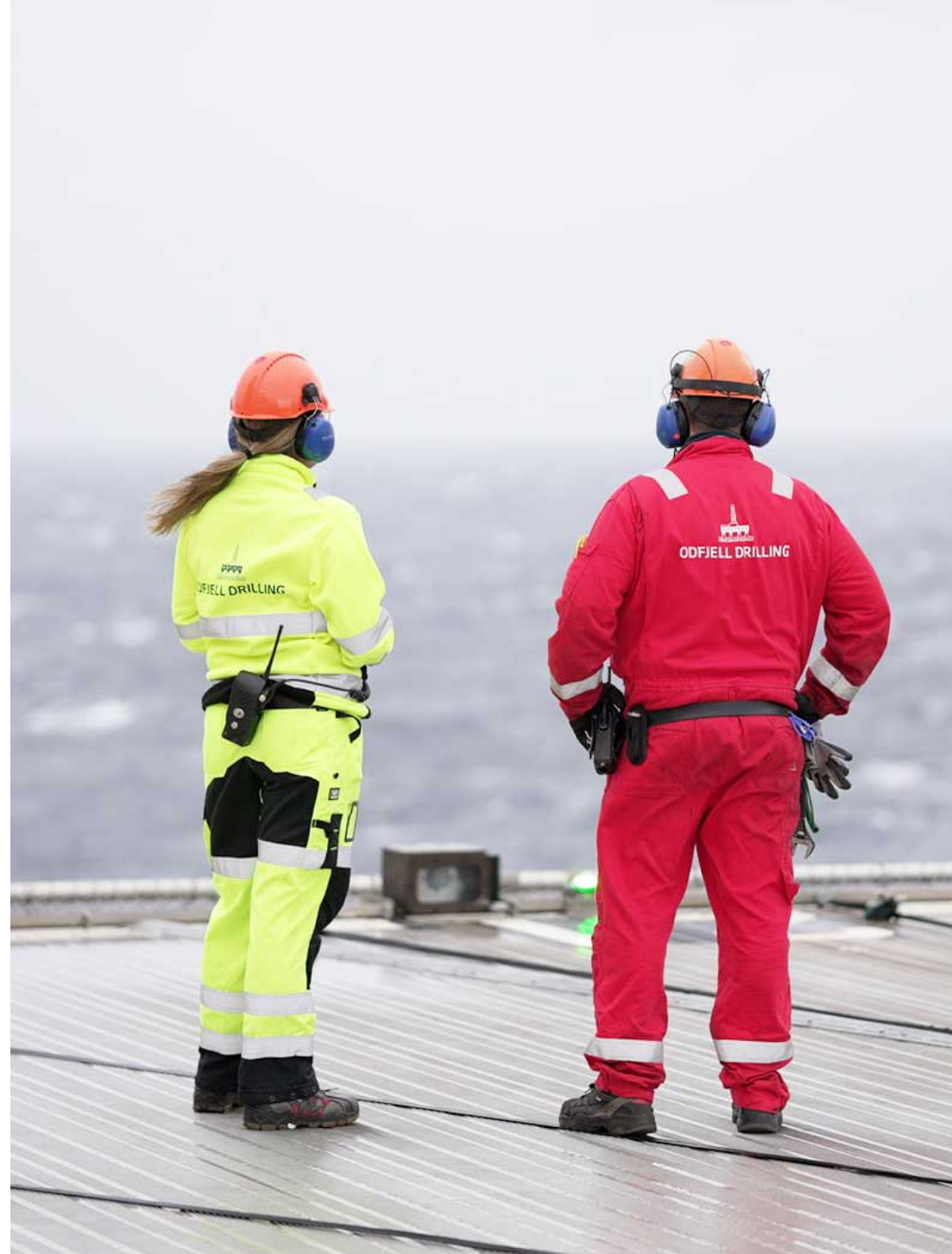
related to our diversity, equality and inclusion goals, in addition to annual in-depth management reviews. Automated demographic reports are generated on a daily and monthly basis.

Employees' data covers all employees, permanent and temporary personnel directly employed by the Group. Contractors and consultants are not included in the main analysis and are included only when relevant for operations.

Odfjell Drilling does not register any data related to religion, sexual orientation, medical history or other sensitive information, cf. [Cyber and Data Security](#).

2021 HIGHLIGHTS

- Major improvements in data analysis tools.
- Diversity, equality and inclusion chapter included in the global Working Environment Survey to improve stakeholder dialogue.
- Frequent town hall meetings with the CEO with diversity equality, non-discrimination and zero tolerance for bullying on the agenda.
- 58 apprentices included in the temporary positions for 2021, (45 in 2020).



Female representation in the Group



50%

women in the Group Board of Directors in 2021

29%

women in Business Area management in 2021

% Female representation

	2019	2020	2021
Offshore	1.90%	2.20%	2.30%
Onshore	28.50%	30.20%	29.50%

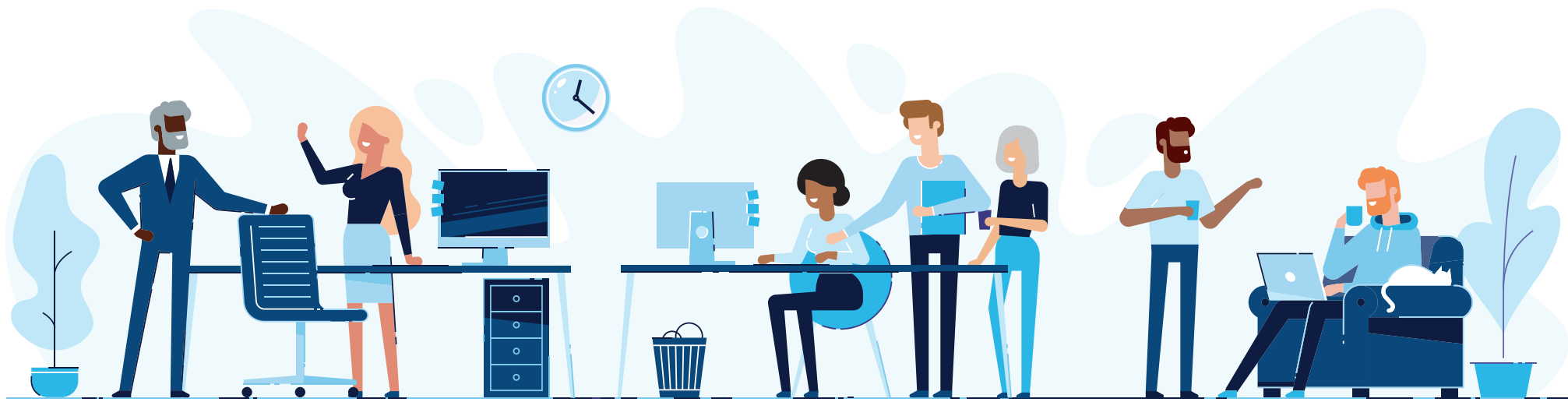
Gender vs. position level - top management levels only

		2019	2020	2021
CEO (Level 1)	Female	0%	50%	50%
	Male	100%	50%	50%
Board of Directors	Female	50%	50%	50%
	Male	50%	50%	50%
Executive Management (Level 2)	Female	20%	20%	18%
	Male	80%	80%	82%
Business Area management (Vice presidents - Level 3)	Female	25%	31%	29%
	Male	75%	69%	71%

Gender distribution employment contract

		2019	2020	2021
Permanent	Female	233	257	285
	Male	2,222	2,231	2,539
Temporary	Female	17	18	16
	Male	98	122	87
Total		2,570	2,628	2,927
Full Time	Female	237	262	291
	Male	2,309	2,341	2,609
Part Time (1-99%)	Female	13	13	10
	Male	11	12	17
Total		2,570	2,628	2,927

Age distribution in the Group



Age distribution by governance body

Indicator	Governance body	2019	2020	2021
Under 30	Board of Directors	0%	0%	0%
	CEO (Level 1)	0%	0%	0%
	Executive Management (Level 2)	0%	0%	0%
	Business Area Management (Vice Presidents - Level 3)	0%	0%	0%
30-50	Board of Directors	0%	0%	0%
	CEO (Level 1)	0%	0%	0%
	Executive Management (Level 2)	33%	33%	18%
	Business Area Management (Vice Presidents - Level 3)	53%	64%	61%
Over 50	Board of Directors	100%	100%	100%
	CEO (Level 1)	100%	100%	100%
	Executive Management (Level 2)	67%	67%	82%
	Business Area Management (Vice Presidents - Level 3)	47%	36%	39%

Age distribution by category

Category	Indicator	2019	2020	2021
Onshore	Under 30	10.20%	11.50%	11.50%
	30-50	61.80%	58.00%	61.00%
	Over 50	28.00%	30.50%	27.60%
Offshore	Under 30	10.70%	12.70%	14.00%
	30-50	60.40%	59.50%	56.60%
	Over 50	28.90%	27.80%	29.40%

Nationalities represented in the Group



More than **90%** local staff
in **7** out of **11** locations

Regional representation in the Group

Region	2020	2021
Scandinavia	73.10%	72.50%
Central/Western Europe	16.40%	17.50%
Asia	5.50%	6.80%
Eastern Europe	2.70%	2.50%
Other	1.80%	0.30%
Middle East	0.50%	0.40%

Nationalities represented in Group governance bodies

Governance body	2019	2020	2021
Board of Directors	3	3	3
CEO (Level 1)	1	2	2
Executive Management (Level 2)	3	3	3
Business Area Management (Vice Presidents - Level 3)	5	5	4

Nationalities represented by category

	2019	2020	2021
Offshore	40	36	28
Onshore	30	28	30

% local staff represented based on nationality on each location

	2020	2021
Netherlands	100%	100%
Thailand	100%	100%
Philippines	98%	99%
Turkmenistan	85%	98%
Norway	97%	96%
UK	96%	96%
Romania	100%	96%
Malaysia	46%	52%
Kuwait	6%	8%
UAE	0%	0%
Vietnam	0%	0%

Other workforce information



Number of directors/employees in Group governance bodies

Governance body	2019	2020	2021
Board of Directors	4	4	4
CEO (Level 1)	2	2	2
Executive Management (Level 2)	15	15	13
Business Area Management (Vice Presidents - Level 3)	36	39	41

Workforce including contractors

	2019	2020	2021
Employees	2,570	2,628	2,927
Contractors full time	59	74	73
FTE Contractors part-time	129	158	175
Total	2,758	2,860	3,175

* FTE= full time equivalent

Total number of employees by employment contract by region

		2019	2020	2021
Permanent	Asia	89	97	135
	Central/Western Europe	524	341	450
	Eastern Europe	30	29	57
	Middle East	190	143	101
	Scandinavia	1,620	1,878	2,088
	Other	2	0	0
Temporary*	Asia	2	2	0
	Central/Western Europe	15	46	3
	Eastern Europe	25	13	12
	Middle East	2	6	1
	Scandinavia	71	73	80
	Other	0	0	0
Total		2,570	2,628	2,927

* Temporary contracts: employees working temporarily for the Group, or employees with a permanent employment in the Group, but seconded to another Group company temporarily.

| Occupational Health and Safety

Introduction

"Occupational Health and Safety" is a material topic within the "People and Safety" Focus Area, cf. [Focus Areas](#) and [Stakeholder Engagement](#).

Odfjell Drilling's operations, onshore and offshore, pose a risk to personnel health and safety. Maintaining safe operations and minimising risk is the number one priority, and this is also reflected in our stakeholder analysis, cf. [Stakeholder Engagement](#).

The Odfjell Drilling approach to health and safety includes employees and contractors under Odfjell Drilling's control, cf. [About this report](#). Odfjell Drilling has overall responsibility for occupational health and services on the rigs and in workshops. Within platform drilling services, we have the responsibility for our own personnel and subcontractors, but the operator has the overall responsibility for facilities and health services on board.

Policies

The Group's HSE Policy states that Odfjell Drilling shall maintain the highest safety standard in order to protect the health of our employees and others associated with our operations. It also sets out Odfjell Drilling's continuous improvement approach to health and safety. The policy is signed and communicated by the CEO, documented in the

Company Management System and published on the web page and on posters. Management safeguard people through design of facilities, technical and non-technical barriers, proactive maintenance, risk management, emergency preparedness etc. in close cooperation with clients and suppliers.

Occupational health and safety is a line management responsibility. However, a robust QHSE organisation and occupational health services are supporting and controlling the health and safety aspect of our operations.

All employees and contractors working under Odfjell Drilling's supervision are required to adhere to the HSE Policy and to work in accordance with relevant requirements in the Company Management System. They are also responsible to risk assess their work, act when they see unsafe behaviour and conditions, and report hazards.

Workforce representatives are elected and contribute actively in the continuous improvement work in the daily operations and in dedicated arenas.

The Group's QHSE Programme sets the overall objectives and improvement actions for the year, and Business Areas and units develop their own specific action plans supporting the QHSE Programme.

Please see Annual Report page 24. Objectives, improvement actions and KPIs are established based on safety statistics, risk level, industry best practice, legislative requirements and input from employees and other stakeholders. The result of the KPIs are used to monitor trends and identify areas that need special attention and follow up by management.

The main processes for evaluation of health and safety performance are

- Monitoring and analysing KPIs and trends.
- Reviews, investigations, experience transfers and learning from incidents.
- Evaluation of effectiveness of corrective and preventive actions.
- Monitoring and measurement of processes and procedures to verify the effectiveness of the Company Management System.
- Client satisfaction feedback system.
- Internal audits and inspections to monitor and measure compliance with the Company Management System.
- Management reviews to evaluate status of the Company Management System and health and safety, and to address improvement areas, cf. [Management Approach](#).

Commitment and goals

The overall QHSE Strategy in Odfjell Drilling is to maintain and further develop a safe operation by constantly driving continuous improvement towards zero injuries and failures.

Measurement of impact

Number of work-related injuries - MODU and Energy employees

Type	2019	2020	2021
Fatalities	0	0	0
Serious injuries*	1	0	1
Total recordable injuries*	16	13	7

*Numbers do not include onshore employees

We experienced one serious incident in 2021, where a person was injured by a crane hook during a lifting operation. It resulted in lost time, but the person recovered well and returned to ordinary work. The incident was investigated, and corrective actions implemented to prevent recurrence.

Frequencies* work-related injuries - MODU and Energy employees

Type	2019	2020	2021
Fatalities	0	0	0
Serious injuries**	0.3	0	0.3
Total recordable injuries**	5.5	4.7	2.3
Working hours	2,926,524	2,774,144	3,043,137

*Frequencies do not include onshore employees

**Frequency is the number of injuries per 1,000,000 working hours

Number of work-related injuries - Well Services employees

Type	2019	2020	2021
Fatalities	0	0	0
Serious injuries	1	0	0
Total recordable injuries	5	3	1

Frequencies* work-related injuries - Well Services employees

Type	2019	2020	2021
Fatalities	0	0	0
Serious injuries	1.1	0	0
Total recordable injuries	5.7	4.7	1.5
Working hours	871,975	636,986	669,030

*Frequency is the number of injuries per 1,000,000 working hours

Number of work-related injuries for non-Odfjell Drilling personnel

Type	2019	2020	2021
Fatalities	0	0	0
Serious injuries	0	0	0
Total recordable injuries*	5	4	4

*Numbers do not include onshore hired-in personnel

Odfjell Drilling does not separate working hours for non-Odfjell Drilling personnel on corporate level and does not measure frequencies for workers not employed by Odfjell Drilling.

2021 HIGHLIGHTS

- 12 out of 21 offshore units operated without recordable injuries.
- 40% reduction in recordable injuries in 2021 compared to 2020 for the Group.
- Intensified work with safety standard and life-saving rules and improved safe card reporting.
- Performed people initiative campaigns in Well Services focusing on mental health (Care), environmental awareness (Go green) and safety (Lift Safe).
- Electronic Permit to Work system implemented on all rigs.
- Upgrades in Tananger workshop including new welding and painting areas designed with improved layout, and a new ventilation system in the inspection hall.

Health and Well-Being

Introduction

"Health and Well-Being" has been identified as a material topic of high relevance for our external and internal stakeholders, cf. [Focus Areas and Stakeholder Engagement](#). Ensuring that we have a good working environment, where employees can develop and feel part of the team, are two important aspects of health and well-being.

Policies

The overall responsibility for health and well-being in the Group lies with the CEO, acting through the SVP HR and the HR departments. The HR department has specialist resources to manage health and well-being activities. The Group's HR function carry out and develop governing systems to enable line managers to exercise their responsibilities, provides support to the Group's other administrative functions, and exercise control to ensure that policies and procedures are observed.

Ensuring a good working environment and sickness absence management is an important part of the work carried out by the HR departments in all our locations. By promoting health at work, and creating a safe workplace, we can effectively manage health and well-being.

Sick leave preventive measure policies include:

- Working Environment Survey.
- Training and online course for managers and employees.
- Global sick leave report.
- Regular network meetings with the company doctor.
- Formal follow-up plans for the benefit of employee and employer.
- Health insurance to facilitate and explore possibility to return to work.
- In-depth analysis for departments with high sickness absence.

Other means of ensuring a healthy workplace include resource planning and monitoring of workload, zero tolerance for bullying and harassment, and creating arenas for dialogue between employees and managers. A section on working environment is included in the Annual Report page 27.

The Group has procedures for following up unacceptable behaviour and non-compliance in our Company Management System. All employees in Odfjell Drilling, safety delegates and union representatives have a responsibility to immediately notify and act if they see any bullying. Leaders have a special responsibility to prevent unacceptable behaviour.

Commitment and goals

The Group has a target sick leave percentage of <3%, or 20% reduction from last year's sick leave level.

Turnover is another indicator of working environment, and the Group has a target turn-over of less than 5% in a normal year of operations. Odfjell Drilling aims to have happy employees both at work and outside work. Monitoring and measurement of employees' workload is an important tool in identifying areas for improvement.

Our commitment to ensuring a good working environment also means we have a goal of zero incidents relating to bullying and harassment, and a target of zero for incidents of discrimination.

Measurement of impact

Sick leave per category

	2019	2020	2021
Onshore	2.00%	2.20%	2.60%
Offshore	3.10%	4.20%	6.10%
Total	2.80%	3.60%	5.00%

Sick-leave without Covid-19 was 4.4%, in 2021. Covid-19 preventive measures from 2020 were extended, focusing on promoting national vaccination programs, cf. [Odfjell Drilling Covid-19 response](#).

Sick leave distribution

	2019	2020	2021
Short term	1.72%	2.20%	3.00%
Long term	1.07%	1.40%	2.00%

Turnover per category

	2019	2020	2021
Onshore	6.70%	4.19%	4.73%
Offshore	5.02%	2.09%	2.61%
Total	5.52%	2.71%	3.24%

There is monthly monitoring of number of employees and turnover within each operational area, providing overview and opportunity to identify reasons for leaving, and preventing issues that may cause negative turnover.

2021 HIGHLIGHTS

- Global training to "mentally bring back employees to the office" was provided to prepare managers for how to listen and engage teams to discuss concerns of the ever-changing Covid-19 situation, cf. [Odfjell Drilling Covid-19 response](#).
- Refresher training for sick leave follow-up held for offshore operational teams.

| Other important topics

Responsible Employment and Labour Practices

Introduction

"Responsible Employment and Labour Practices" is an important topic based on our stakeholder analysis, cf. [Focus Areas](#) and [Materiality Analysis](#). It is closely linked to our Ethical Principles and Code of Business Conduct, cf. [Ethics and Governance](#).

"Responsible Employment and Labour Practices" is a broad term with many dimensions across the Group, depending on Business Area, location and type of operation. In this report we focus on collective bargaining agreements, competence and training, and ethical standards.

Policies

A comprehensive set of policies and systems are established in the Company Management System to handle all aspects of responsible employment. HR related policies are anchored on corporate level, country level, and unit level.

Collective bargaining

The Group has the majority of its workforce in Norway and UK, where trade unions and employers' organisations have existed for more than a hundred years. Legislation, collective agreements and company-based practices have developed and formed a system of comprehensive workers' rights and privileges. In Norway and UK, collective bargaining agreements are established with labour unions representing the employees. The agreement consists of two parts, national negotiated agreements and tariffs, and locally negotiated additional agreements.

100% of the employees in Norway, both onshore and offshore are covered by the agreements and tariffs signed with the unions, regardless of employee union membership.

100% of the employees offshore in UK are covered by the agreements and tariffs signed with the union, regardless of employee union membership. Consequently, 88.7% of the Group's workforce were covered by collective bargaining agreements as of December 2021.

Competence and training

"Competence" is one of Odfjell Drilling's five Core Values. Safe and efficient operations can only be provided by competent and well-qualified people. This is reflected in the Competence Policy, anchored on corporate level in the Company Management System. For our offshore organisation and workshops, all employees are trained in compliance with our competence management system.

Our annual development reviews for all employees and a gap analysis provide a clear picture of our competencies and capabilities. Areas identified for skill upgrading included project management certifications and self-development tools. These skills upgrades are implemented and monitored through our training programs, see "measure of impact" below.

Ethical standards

Odfjell Drilling shall be characterised by an ethical standard regarded by employees, clients and the community as being within the framework of what is generally perceived as lawful, reasonable and correct, cf. [Ethics and Governance](#).

This implies:

- A high ethical standard.
- Commitment on the part of all employees for quality and safety in their work.
- A style of management that emphasise delegation and employee development.
- Guidelines that generate security and trust through correlation between words and deeds.
- Cooperation and shared responsibility through mutual respect, honesty, loyalty and responsibility vis-à-vis the society, company and each other.

Goals and commitments

All competence and qualifications shall be in accordance with legislation and standards for international operations, relevant country/region, client and Odfjell Drilling requirements.

All training shall be planned and followed up in accordance with competence requirements and present management tools for administration of training. All completed training shall be documented and shown upon request.

Odfjell Drilling management shall actively encourage and support the employee to take responsibility for development of his/her qualifications.

Odfjell Drilling is committed to competence assurance through employee development. Our goal is to offer annual development reviews for all employees.

We commit to develop the workforce and secure future recruitment to the industry through participation in the apprentice program. Apprentices on two-year contracts receive structured training via a cooperation program between the school, the apprentice and Odfjell Drilling.

Measurement of impact

Offshore training and competence data is captured in our global ERP and Learning Management Systems. Status is monitored though data visualisation in live reports made available to managers.

We have also started to capture data for onshore personnel for in-house training in the same systems. External training and courses for onshore resources are not captured fully yet.

Processes to monitor and measure the impact of our policies include:

- Monitoring and follow-up of development reviews.
- Working Environment Survey.
- Global ERP-system.
- Company Management System.
- Human rights risk assessment.
- E-learning, training and development.

Training hours 2021 per category

	Total hours	Average/employee
Required training	29,184	10
Leadership training	1,586	0.5
Self development	1,912	0.7
Total	32,682	11.2

We completed a pilot project in 2021 for on-demand knowledge content for personalised self-development. Employees used self-development options for over 1,357 hours equating to 180 classroom days. Everyone selected topics directly targeted to individual needs and optimised their own training time.

Required training hours 2021 per category

		Total hours	Avg./employee
Offshore	Female	916	19
	Male	25,218	12
Onshore	Female	795	3
	Male	2,255	4

In 2021 the Group targeted offshore manager training. The courses "Ethics" and "Use of power in leadership" were provided to offshore leaders and continues into 2022. The Group will continue training and focus on prevention of bullying and harassment in 2022.

Number of leaders enrolled in formal training

	No. of leaders
2021	296
2020	61

Our leadership training strategy will reach over 400 leaders in the 3-year period 2020-2022.

% completed development reviews per category

		2021
Offshore	Female	23%
	Male	21%
Onshore	Female	65%
	Male	58%

Some reviews bridge a 2-year period and will close in 2022. Not all employees were enrolled in a development review process in 2021.

2021 HIGHLIGHTS

- 14 new DNV certified project managers.
- Initiated project to make salient human rights topics more explicit in policies and procedures. cf. [Human Rights](#).

Assets, Materials and Personnel Security

Introduction

"Assets, Materials and Personnel Security" is an important topic based on our stakeholder analysis, cf. [Focus Areas](#) and [Materiality Analysis](#). The notable difference between security and safety is that security is the protection against deliberate threats, while safety is the aspect of being secure against unintended threats.

Odfjell Drilling is an international company, and some of the countries we operate in have security challenges. To continuously manage these risks, we use several international global risk consultancy

companies to provide us with safety/ security related intelligence for all our operations, such as Control Risks Global Risk Consultancy and International SOS.

Policies

Security is embedded in the QHSE organisation and procedures in line with safety. Odfjell Drilling's Security Policy is anchored on corporate level in the Company Management System.

Security is an integral part of line management responsibility, and the security and protection of employees is the overriding priority of all business activity. Security is described in country guides and other local procedures based on the identified

risk for that location, as well as any international, national, internal or client security requirements.

Please see [Cyber and Data Security](#) for a presentation of cyber-security policies.

Goals and commitments

We are committed to protect our personnel, assets and business from potential security threats. Odfjell Drilling's "zero incidents and failure" ambition also applies to security.

Measurement of impact

All security incidents shall be investigated, and criminal acts will be

reported to the police. As with all incidents, security incidents are reported in the non-conformity system Synergi in accordance with QHSE guidelines.

There were no security incidents in 2021.

2021 HIGHLIGHTS

- Covid-19 and general security was still high on the agenda.
- Security conversations conducted with the shore bases.



| Ethics and Governance



Introduction

The material topics under this Focus Area are presented below, "Fair Competition" and "Cyber and Data Security" are considered important topics.

The main policies within this Focus Area includes the Code of Business Conduct ("COBC"), Ethical Principles, Corporate Social Responsibility Principles, Corporate Governance Policy and the Group's Core Values.

The Board of Directors of Odfjell Drilling Ltd. (the "Board") has approved the Core Values, Ethical Principles, Corporate Governance Policy and the COBC is approved by the CEO of Odfjell Drilling AS.

All the above-mentioned policies are anchored on corporate level in the Company Management System and applicable for the entire Group. The Group's Core Values, COBC and

Corporate Governance policy are available in English language on our website.


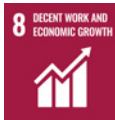

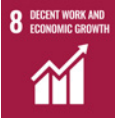

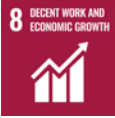

Odfjell Drilling's Core Values are "committed, safety conscious, creative, competent, and result oriented".

Odfjell Drilling's Ethical Principles are about putting our values into practice. The Ethical Principles and

COBC are to be followed in both spirit and letter. Everyone in Odfjell Drilling has a personal responsibility to work in a way that respects the Ethical Principles and COBC and encourage others to do so too. Detailed guidance to assist with upholding the Ethical Principles is included in the COBC.

All the above-mentioned policies are presented below.

Topics and Targets

Material Topic	Target	Indicator	SDG
Governance and transparency	An open and transparent culture	# of cases reported in whistle-blower portal and other channels	  
Anti-corruption	Zero cases of corruption	# of anti-corruption assessments # of employees undergone anti-corruption training # and nature of confirmed incidents of corruption	 
Responsible agents and suppliers	All agents/suppliers subject to due diligence according to procedure	# of supplier/agent screenings	 

| Governance and Transparency

Introduction

"Governance and Transparency" is a material topic for the Group's key stakeholders, cf. [Focus Areas](#) and [Stakeholder Engagement](#). The Group is committed to high ethical standard, compliance and integrity. The purpose of the management approach related to governance and transparency is to protect our reputation, maintain investor value and confidence and form a solid foundation for our operations.

Policies

Corporate governance

Odfjell Drilling Ltd. is incorporated in Bermuda and subject to Bermuda law. Its shares are listed on the Oslo Stock Exchange, and certain aspects of its activities are governed by Norwegian law. Odfjell Drilling Ltd. is managed and controlled from the United Kingdom, with head office in Aberdeen. The Group is also subject to the laws of the countries of operation and international law and conventions.

Odfjell Drilling Ltd. seeks to comply with the applicable legal framework for companies listed on Oslo Stock Exchange and endorses the Code of Practice for Corporate Governance (Norwegian: "Norsk anbefaling for eierstyring og selskapsledelse")

issued by the Norwegian Corporate Governance Board, revised 14 October 2021 (the "Code"). The Corporate Governance Report in the Annual Report is prepared in accordance with section 1 of the Code, and any deviations from the Code are described in the Annual Report page 40-46.

The Board is committed to maintaining and adopting good corporate governance practices. A primary objective of the governance framework is to have systems for communication, monitoring and allocation of responsibility, as well as appropriate management motivation. This contributes to increasing and maximising Odfjell Drilling Ltd.'s financial results, long-term success and returns to shareholders. The Board has approved a framework of policies which apply across the Group. These policies ensure that decisions in the Group receive sufficient scrutiny through robust processes and that decisions are taken at the appropriate level.

Corporate Social Responsibility Principles

Odfjell Drilling's Corporate Social Responsibility Principles (CSR Principles) cover the following five aspects:

- Health and safety

- Environment and sustainable development
- Integrity and anti-corruption
- Diversity and labour standards
- Respecting human rights and contribution to local communities

The CSR Principles are promoted by:

- Communicating
- Monitoring
- Impact assessments
- Assigning responsibility for promoting CSR Principles
- Seeking to contribute to organisations that are making remarkable efforts to promote good CSR in the communities in which we operate

Code of Business Conduct

Personnel shall annually report and confirm compliance with the COBC.

Odfjell Drilling's whistle-blowing portal enables personnel to report infringements of the COBC or other ethical/critical concerns. The portal is accessible for external parties, including clients and suppliers. It is available from the Odfjell Drilling website and intranet in English and Norwegian. An anonymous two-way dialogue is initiated between the

whistle-blower and the case investigator from the Group compliance team. All reported cases are processed seriously, and the compliance team responds to the whistle-blower without unreasonable delay.

Personnel will not be retaliated against for making a good faith report. Cases of significant importance are reported to the Audit Committee and to the Board.

Conflict of interest

Personnel shall report any potential conflict of interest in the business compliance portal. External board positions and ownership in businesses that may be perceived to be in conflict with the Group's interests, shall be reported. Such businesses can be existing, prior or potential competitors, clients or suppliers of the Group.

No personnel may accept any personal gift from existing or potential suppliers, vendors, clients or government representatives, unless the gift has insignificant value or a refusal to accept is discourteous or otherwise harmful to the Group. If that is the case, it must be reported in the business compliance portal. This applies equally to offering gifts to existing or potential suppliers, vendors, customers and government representatives.

Ethical Principles

- Serve our stakeholders

Without our clients and other stakeholders, we are nothing. At Odfjell Drilling we focus especially on serving our customers. We are also mindful of our other stakeholders. Our reputation is dependent on trust and integrity.

- Support each other

At Odfjell Drilling we are committed to a supportive work environment where employees have the opportunity to reach their fullest potential. Our people are expected to do their utmost to create a workplace that is free from harassment, intimidation, bias and unlawful discrimination.

- Avoid conflicts of interest

When you are in a situation in which competing loyalties could cause you to pursue a personal benefit for you, your friends or your family at the expense of Odfjell Drilling, you may be faced with a conflict of interest. We should all avoid conflicts of interest and circumstances that might result in a perceived conflict between personal interests at the expense of the interest of Odfjell Drilling.

- Preserve confidentiality and insider information

Everyone in Odfjell Drilling must act to protect confidential information by securing, labelling and disposing of confidential material properly, safeguarding confidential information received from others under non-disclosure agreement, and taking steps to keep our information safe.

- Protect assets

It is important to protect the assets of the Group (including intangible property rights, facilities and financial assets), and utilise them efficiently to the Group's best interest.

- Financial integrity

The money we spend is the Group's and ultimately, our shareholders'. Everyone has a role in making sure that money is spent appropriately, our financial records are complete and accurate and internal controls are honoured.

All personnel must respect and comply with applicable laws, rules and regulations of the jurisdictions in which the Group operates.

- Respect for human rights

Odfjell Drilling actively supports and respects the protection of human rights.

Our global operations are consistent with the spirit and intent of the United Nations Universal Declaration of Human Rights; the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, together with other applicable international principles.

At Odfjell Drilling we do not discriminate on the basis of gender, religion, race, national or ethnic origin, cultural background, social group, disability, sexual orientation, marital status, age or political opinion. At Odfjell Drilling we play our part in preventing modern slavery.

Odfjell Drilling encourages and respects freedom of association and the right to collective bargaining. We respect internationally recognised labour standards.

Goals and commitments

The Group seeks to create profitability and increased shareholder value through good governance. Odfjell Drilling focuses on the importance of transparency and an open culture of disclosure, which helps to protect our organisation and our people from claims of misconduct, conflicts of interest and anti-competitive behaviour.

Measure of impact

Cases reported

	2019	2020	2021
In whistle-blowing portal	6	3	5
Via other channels	6	0	0

All five cases in 2021 are solved and closed. No critical concerns were communicated to the highest governance body in 2021.

2021 HIGHLIGHTS

- All employees were encouraged to file annual confirmation of compliance for 2021, including reporting of any potential conflict of interest in the business compliance portal.

Human Rights

Policies

Odfjell Drilling shall conduct business in accordance with the spirit and intent of the United Nations Universal Declaration of Human Rights; the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, together with other applicable international principles.

Human rights are anchored in the Ethical Principles, Modern Slavery Statement, Code of Business Conduct, and Supplier Code of Conduct on level 0 and level 1 in the Company Management System. These procedures apply to all directors, employees, suppliers and agents of Odfjell Drilling.

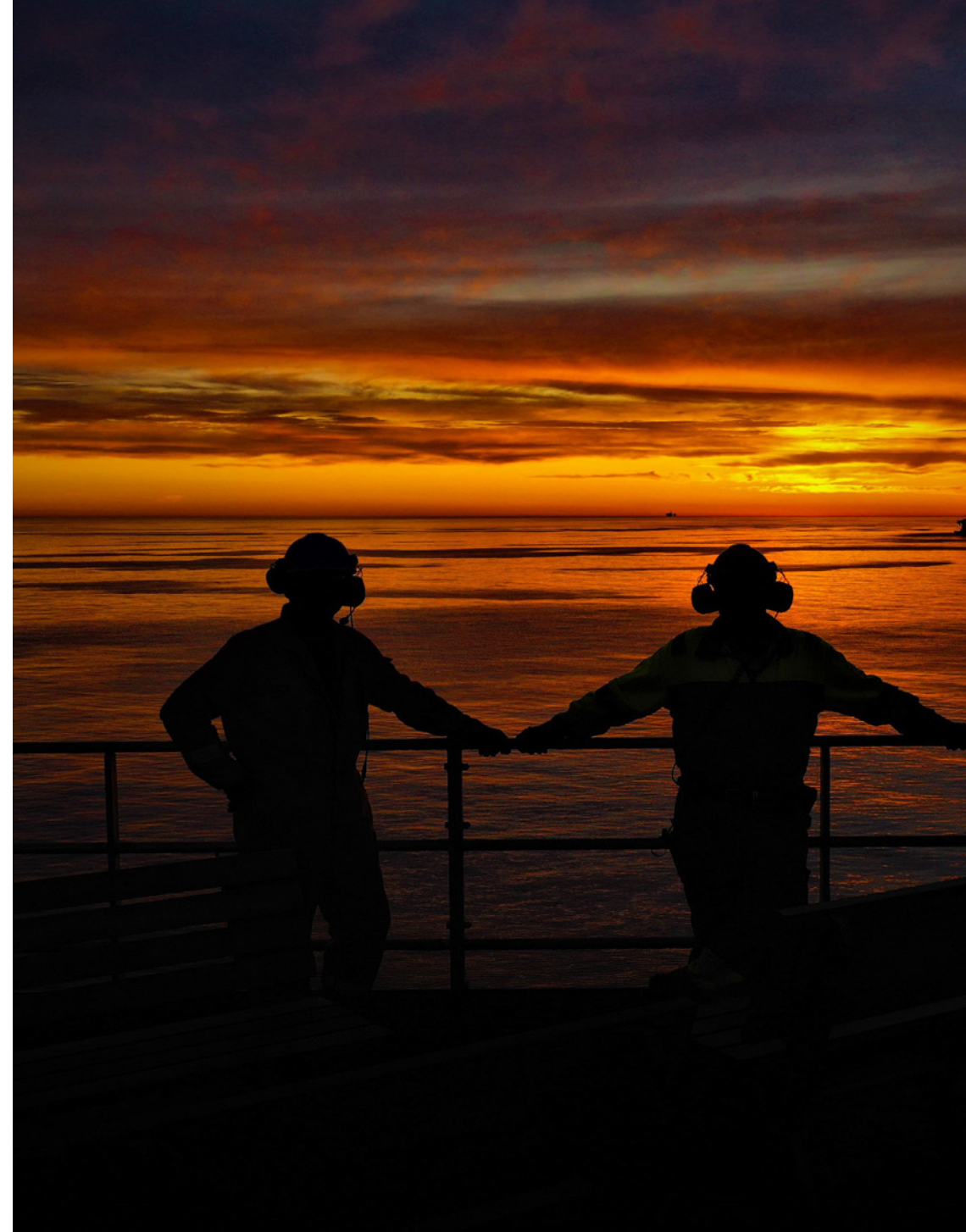
Goals and commitments.

In Odfjell Drilling we do not discriminate on the basis of gender, religion, race, national or ethnic origin, cultural background, social group, disability, sexual orientation, marital status, age or political opinion.

We have a zero injury target, and are committed to provide a safe and healthy working environment for all our employees and contractors. We expect the same standard of commitment from all our suppliers and business partners.

Human rights project

In 2021, we began our review of existing human rights policies. Salient human rights will be identified through an internal and external stakeholder analysis. We will update and implement a human rights risk assessment during first half of 2022, identifying actual and potential risks related to the impact of the Group's business. The risk assessment will result in a plan for mitigating actions and continuous evaluation of the Group's impact on human rights.



| Anti-Corruption

Introduction

Anti-corruption is a material topic for the Group's key stakeholders, cf. [Focus Areas](#) and [Stakeholder Engagement](#). The Group is committed to high ethical standards, compliance and integrity, and strives to conduct operations with honesty, fairness and transparency, cf. [Governance and Transparency](#).

The purpose of the management approach related to anti-corruption is to protect our reputation, maintain investor value and confidence, and form a solid foundation for our operations.

Policies

Code of Business Conduct

Odfjell Drilling does not tolerate and will not get involved in unethical or illegal business. Facilitation payments are strictly forbidden. Odfjell Drilling has a clear ambition that all stakeholders can rely on our integrity.

Odfjell Drilling operates in countries deemed high risk according to Transparency International. The Group's policies aim to identify corruption and bribery risks, ensure reporting of concerns and take measures to mitigate risk.

Anti-corruption policies are included in the COBC, and apply to all directors, employees and representatives of Odfjell

Drilling. Failure to know and follow the COBC may result in disciplinary action. We expect suppliers, contractors, consultants and others who are temporarily assigned to perform work for us to follow the Ethical Principles and COBC. Failure to do so may result in termination of their contract.

The Group holds regular information and training sessions to promote compliance with applicable laws, rules and regulations. This includes applicable securities laws relating to insider trading and anti-corruption laws relating to bribery and corruption.

The COBC is a featured e-learning course in our HR training portal. All new personnel are required to complete the COBC course as part of on-boarding. Through procedures and training tools, Odfjell Drilling seeks to ensure that all personnel are aware that any suspicious activity, particularly in relation to bribery and corruption, must be reported.

Odfjell Drilling prohibits retaliation against anyone who reports or participates in an investigation of a possible violation of the COBC, other company policies or the law. Individuals who report in good faith or are involved in investigations will receive protection and support. Odfjell Drilling wants to encourage everyone to speak up about any wrongdoing and feel confident and safe to do so.

Due diligence

All Business Area operations are subject to risk assessments according to Odfjell Drilling requirements, including corruption risk assessments. Prior to any form of commitment, entering into agreements or placing orders with new unknown third parties, we conduct a series of risk assessments, cf. [Responsible Agents and Suppliers](#).

The suppliers/third parties are categorised based on type of transaction, geographical area of operation, residing jurisdiction and type of corporation/third party.

Transparency International's Corruption Perception Index is one tool used to identify the appropriate risk category. The risk category determines the process for becoming a supplier/third party. A potential high risk supplier/third party requires a detailed integrity due diligence.

The integrity due diligence shall identify any unacceptable red flags. The integrity due diligence for low/medium risk suppliers is regularly performed to ensure that potential suppliers are found to be ethically compliant in accordance with the procedure for third party due diligence, cf. [Responsible Agents and Suppliers](#).

For a high risk supplier/third party, mitigating actions are typically monitoring activities such as follow-up visits, periodic audits, compliance

checks, financial review and invoice checks. The high risk third party procedure ensures that conduct, reputation, background, business activities and internal controls are appropriate and meet Odfjell Drilling's legal and Ethical Principles.

Corporate Risk Committee

The Corporate Risk Committee ("CRC") is part of the Group's tender, procurement and operational review process. CRC ensures that tenders, client contracts and procurements exceeding a certain value and/or with a certain risk profile are subject to a standardised risk assessment.

The purpose of the CRC process is to identify overall business exposure and opportunities, ensure early warning of risks, arrange for risk mitigation and opportunity optimisation, establish recommendations and actions, and contribute to lessons learned across the Business Areas. A CRC process is always required in countries with a score lower than 40 on Transparency International's Corruption Perception Index.

Goals and commitments

Odfjell Drilling has a zero tolerance approach to bribery and corruption, and is committed to acting professionally, fairly and with integrity in business dealings and relationships.

Measure of impact

Data from the whistle-blowing portal and business compliance portal is used to report any cases of corruption, in addition to measuring number of due diligences performed. Data from our e-learning portal is used to measure number of employees who have undergone anti-corruption training.

There were no confirmed incidents of corruption or incidents in which employees were dismissed or disciplined for corruption in 2021. We had no confirmed corruption incidents that resulted in termination or non-renewal of contracts with business partners, or public legal cases regarding corruption brought against any Group company or its employees.

Anti-corruption assessments of high risk suppliers/third parties

Business Area	Internal	External
MODU	5	0
OWS	7	1
ENERGY	1	0
Total	13	1

"Internal" assessments are carried out by Group personnel, and "external" assessments using external consultants.

No significant risks related to corruption were identified in the Group's operations in 2021 based on integrity due diligence performed.

Operations in high-risk exposed areas are mainly related to activities within OWS. Three risk assessments concluded with an unacceptable risk level, but this was unrelated to corruption risk. One risk assessment of a potential intermediary/agent was concluded with non-compliance with internationally accepted anti-corruption legislation.

Employees who have undergone anti-corruption training

Course	2019	2020	2021
E-learning COBC	319	410	1,716
Awareness sessions	190	14	20

In 2020 and 2021, fewer physical awareness sessions were held due to restrictions related to COVID-19. The increase in 2021 is due to the updated COBC course launched 1 December.

% employees completed COBC training per region

Region	2021
Norway	56%
C/E Europe	42%
W Europe	74%
Middle East	45%
Asia	68%

2021 HIGHLIGHTS

- New high risk third party procedure to secure ethical third parties.
- The Executive Management Team and Business Area management participated in awareness sessions related to the updated COBC course, how to report in the business compliance portal and the annual confirmation of compliance for 2021.
- Updated version of the COBC course launched 1 December with an encouragement to all employees to complete the mandatory course by year-end.

| Responsible Agents and Suppliers

Introduction

"Responsible Agents and Suppliers" is a material topic, with clients' requirements and obligations to financial institutions being key factors, cf. [Focus Areas](#) and [Stakeholder Engagement](#).

The purpose of the management approach is to avoid the possibility of corrupt practices and to ensure that Odfjell Drilling, and those acting on our behalf, do so with integrity, high ethical standards and comply with relevant anti-corruption laws

Policies

Agents

Business opportunities will occasionally materialise in countries and regions where Odfjell Drilling has limited or no experience, and where using agents is common practice. Any agent is classified as a high-risk third party and a detailed integrity due diligence process is carried out, cf. [Anti-Corruption](#).

Agent agreements, including renewals, are reviewed by CRC, cf. page 46. The corporate legal department shall review the draft agreement prior to CRC review. A positive conclusion from CRC is

required before signing an agent agreement. The Compliance Officer maintains a list of all agent agreements entered into in the Group, and is responsible for periodic renewals of all agents and agent agreements, with the aim to confirm the agent's continuous compliance with the Group's standards.

Suppliers

Approving new suppliers

Supply Chain Management ("SCM") is organised centrally as part of the Global Business Services function. Responsibility for the selection, screening, approval and management of all contractors, sub-contractors and suppliers rests with the Chief Procurement Officer.

Approval of suppliers to the Group's approved vendor list ("AVL") is anchored on corporate level in the Company Management System. Evaluation of the risks involved with approving new suppliers lies with specialised SCM personnel authorised by the Chief Procurement Officer.

Processes and procedures related to the selection, screening, approval and management of all contractors, subcontractors and suppliers are applicable to all third parties.

Due diligence is performed to ensure that potential suppliers are ethically compliant in accordance with the procedure for third party due diligence, before the supplier is included in the AVL. Orders are placed with suppliers where the risks are known, understood and acceptable.

All potential new suppliers are screened for social criteria such as systems for keeping personnel safe, reporting of injuries and managing of sick leave.

Supplier Code of Conduct

All suppliers are required to sign the Supplier Code of Conduct, which defines the basic requirements for Odfjell Drilling's suppliers concerning their responsibilities to maintain high ethical standards, adhere to all applicable laws and avoid even the perception of impropriety or conflict of interest. Suppliers shall maintain and uphold Odfjell Drilling's principles of openness and transparency.

Main requirements of Supplier Code of Conduct

1. Legal regulations
2. Prohibition of corruption and bribery
3. Respect of basic human rights
4. Health and safety of employees
5. Environmental protection
6. Conflict of interest
7. Accuracy and retention of business records
8. Fair competition
9. Business courtesies, gifts, hospitality and expenses
10. Audit rights
11. Reporting concerns or breaches of the Supplier Code of Conduct
12. Consequences of infringement

Environmental standards

SCM follows the procedures for environmental risk assessment, and use the environmental aspect and impact register to identify environmental risks in the supply chain, cf. [Environmental Management](#).

The supply chain processes are based on a life cycle perspective. By mapping and risk assessing the entire process from choosing vendors and establishing the materials master, via the procurement process, transportation and storage, to repairs and scrapping, the potential environmental aspects and impacts are monitored from cradle to grave.

Since the implementation of the environmental impact and aspect register in 2014, there has been a significant reduction in the environmental risk due to continuous new initiatives. Environmentally related non-conformances are continuously monitored both for internal and external companies.

Managing risk in supply chain

Potential scope of work for all suppliers are risk evaluated for the consequences of failure. When the risk assessment defines quality to be of significant importance and not to be compromised, all potential suppliers are evaluated on the following elements:

Management and leadership

How the executive team and all other managers inspire, drive and reflect client focus as a fundamental process for continuous improvement.

Information and analysis

How effectively the supplier uses information resources to support policy, strategy and continuous improvement.

Strategic planning

How policy and strategy reflect the client focus concept, and how the latter is used in the formulation, deployment, review and improvement of policy and strategy.

Human resources

How is the full potential of its people used to improve its business continuously and what results the supplier is achieving in relation to the satisfaction of its people.

Process management

How processes are identified, reviewed and, if necessary, revised to ensure continuous improvement of the supplier's activities.

Business improvement and operational results

What results are achieved in relation to planned business objectives and in satisfying the needs and expectations of everyone with a financial interest in the supplier.

Customer focus and satisfaction

How are the needs and expectations of its external clients met and what results are the supplier achieving in this respect.

Supply management

How are suppliers selected and qualified, subsequent improvement management and results achieved in doing so.

Health, environment & safety

How is responsibility for the safety of operations, employees and responsibility for conscientious environmental management maintained.

Goals and commitments

Odfjell Drilling's zero tolerance approach to bribery and corruption also applies to its agents and suppliers. We are committed to act professionally, fairly and with integrity in business relationships.

The Group shall only do business with agents and suppliers who conduct business legally and ethically, do not expose the Group to criminal behaviour or other liabilities, or may cause the Group reputational harm.

Odfjell Drilling has an overall ambition to reduce its environmental impact, this also includes impact from its supply chain, such as emissions and waste, cf. [Environmental Impact](#). We are also reviewing the social impact of our supply chain, cf. [Human Rights](#).

Measure of impact

Agents

Odfjell Drilling uses a software based screening process which receives and collates data from thousands of data sources across the world. Data sources are specific to the country the entity is located in.

To identify potential politically exposed persons, the software screening system matches to the CIA World Leaders, Chiefs of State and Cabinet Members list, and is updated monthly. For watch lists, it matches to OFAC, HM Treasury and the EU Consolidated Files. By utilising the enhanced screening service, we link with the Regulatory Data Corporation. This is a public record

database with 19 million entries, which is updated daily and created by combining over 500 Watch Lists globally.

Odfjell Drilling did not establish new locations where agent services were required during 2021.

The high-risk suppliers/third parties assessed for risks related to corruption include agents and renewal of existing agreements, please see data presented in [Anti-Corruption](#).

Suppliers

Odfjell Drilling is reliant upon its suppliers in order to meet our clients' requirements. It is therefore important that our suppliers have systems and procedures which will not only ensure quality in the work

they do, but also actively promote continuous improvement.

Suppliers' performance is continuously monitored and followed up. Based on audits, reviews, operational performance trends and close cooperation with our suppliers, deliveries to our operations hold a high level of environmental, quality and safety standard.

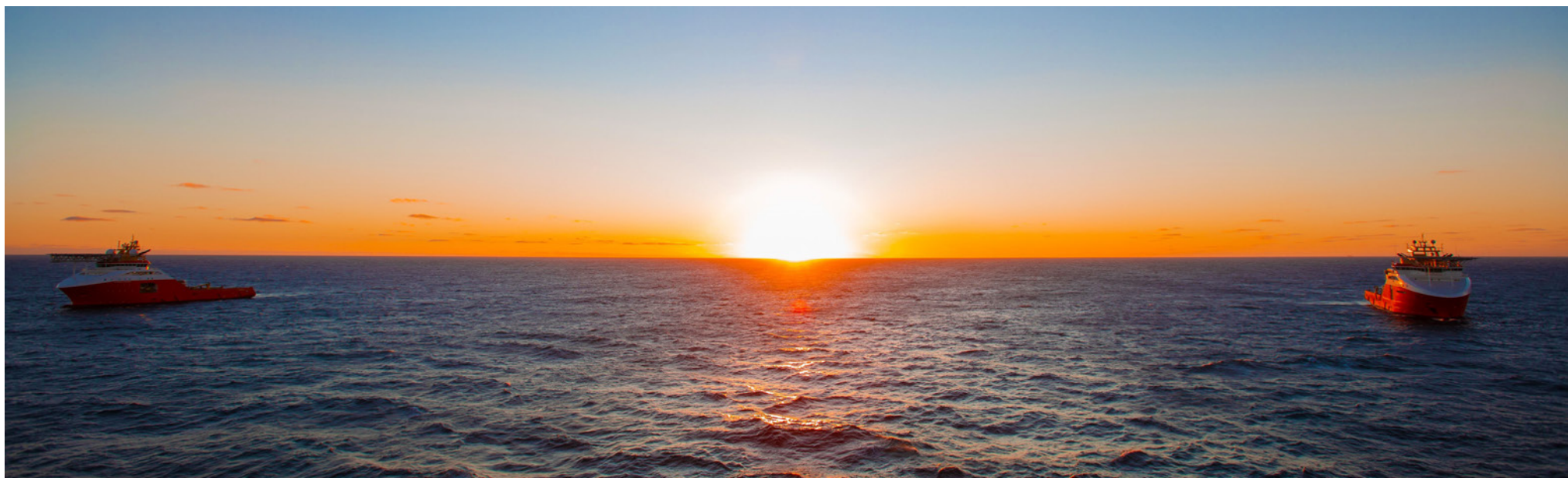
SCM performed 61 supplier reviews in 2021. The scope of these reviews mainly concerns supplier performance such as administration and management, information and analysis, planning, human resources, process management, operational results, customer satisfaction, supply management, health, safety and environment. One investigation was carried out and 6 duty of care verifications related to working

conditions and salary with sub suppliers.

None of the suppliers were identified as having a significant actual or potential negative environmental impact in 2021. No agreements or relationships were terminated in 2021 due to actual or potential negative environmental impact.

2021 HIGHLIGHTS

- Project initiated to review and update the screening process of potential new suppliers and follow up of existing suppliers related to salient human rights, cf. [Human Rights](#).



| Other important topics

Cyber and Data Security

Introduction

Cyber and Data Security is an important topic, cf. [Focus Areas](#) and [Materiality Analysis](#).

Odfjell Drilling's priority is always a secure operation, and we work continuously with security on physical and digital arenas. Digital security, or information security, is based on the CIA triad consisting of *confidentiality* (data, objects and resources are protected from unauthorised viewing and access), *integrity* (data is protected from unauthorised changes to ensure that it is reliable and correct) and *availability* (authorised users have access to the systems and the resources they need, when they need it).

Policies

Odfjell Drilling's IT Policy is anchored on corporate level in the Company Management System. The objective is to ensure the required IT security level in the Group. The IT Policy applies to all Odfjell Drilling employees, and is a mandatory part of the Group's on-boarding program.

In 2021, we implemented a new "Cyber Security Management Manual" that covers all aspects of cyber security onshore and offshore. This is the basis for achieving a DNV cyber security class notation for the rig fleet.

Many IT security threats begin with an e-mail containing an attachment or link. Odfjell Drilling employees receive regular training and information through intranet and e-mails about how to identify potential IT-threats. The IT department operate a separate IT security mail-box where employees can send suspicious e-mails and receive guidance.

The Group runs structured phishing campaigns with follow-ups six times a year. The results are satisfactory, and end users are more suspicious to e-mail and SMS. We see this in the number of end users refraining from clicking on links in the phishing campaigns, and the number of reports of suspicious activity submitted using the dedicated IT security mailbox.

During the pandemic, the technical solutions for cooperation and collaboration were increased significantly. With new and modern tools, end users can collaborate and have virtual meetings to still be able to perform work. This also applies to offshore work, and we see a trend where specialists are working with the offshore crew virtually due to travel restrictions, and the offshore crew serves as remote hands. All this is done with a low security impact because of the high security standards in the tools and procedures.

It is Odfjell Drilling's clear objective and obligation to always comply with applicable laws and regulations related to privacy and data protection. The legal basis for our processing and disclosing of personal data is found in EU's general data protection regulation (GDPR) and national legislation.

Odfjell Drilling's data protection group consists of managers and specialist competence from the HR department, legal department and IT department. This group assess received Data Protection Impact Assessments (DPIA) for all projects and system updates that involve personal data. Further, it develops online training programs, gives advice to managers, and manages grievances related to personal data.

Goals and commitments

Odfjell Drilling is committed to ensure the highest standards within IT security, with an objective to ensure zero major IT security incidents.

With the introduction of more cyber and cloud computing, this dimension adds to the importance of secure digital operations while following the digital evolution. Our objective is to maintain a robust IT infrastructure, which is pro-active and agile enough to respond to external threats.

Measure of impact

The Group's IT department monitors IT systems daily and receives automated reports showing traffic, security threat findings from screenings, spam filters etc. In addition to reporting through the IT security mailbox, these tools help us monitor trends to assess when and where measures must be taken.

2021 HIGHLIGHTS

- Significant investments in IT security upgrades.
- New "Cyber Security Management Manual".
- Positive trends in phishing campaigns.
- Developed a "Cyber Security Awareness" course with DNV to provide end users with security best practice guidance, information about common threats and how to avoid or mitigate them.
- Zero major IT security incidents.

Fair Competition

Introduction

Fair competition is an important topic, cf. [Focus Areas](#) and [Materiality Analysis](#).

An underlying principle of competition law is that competition between independent undertakings ultimately results in the best products or services to the customers with regards to price and quality. Odfjell Drilling supports this principle. The Group is an independent competitor, sets its own prices, decides its terms and conditions of sale and selects its own customers.

Policies

Fair competition is an important element in Odfjell Drilling's competition compliance procedure and the COBC. These procedures clarify responsibilities, give personnel practical advice, explain the implications of infringement, and provide internal contacts for further assistance. Non-compliance with applicable competition rules can have detrimental financial consequences, as well as damage the reputation of the Group.

All business decisions shall be made on the basis of independent business judgement, and not on the basis of direct or indirect contact with competitors. These principles apply to the entire Group and all its activities.

All employees shall strictly comply with any applicable competition law.

Regional managers are responsible for ensuring that all new employees involved in marketing and sales activities understand the competition compliance procedure.

The Group carries out training of key personnel periodically. Training sessions typically include a presentation of competition rules with discussions based on practical examples and experiences. The objective of the training is to focus on information sharing with clients, partners and competitors, hereunder what is allowed, what is not allowed and what to do if put in a difficult position.

Goals and commitments

The Group shall compete in a fair and ethically justifiable manner within the framework of applicable competition and anti-trust laws of the markets in which the Group operates.

Measurement of impact

Training needs are continuously evaluated, and sessions are documented with attendance records and documentation of scope.

There are no legal actions pending or completed regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in which Group companies have been identified as a participant during 2021.

2021 HIGHLIGHTS

- Internal awareness sessions in various supplier forums shared specific legal assessments and take aways to ensure proper compliance with competition legislation.



| Management Approach



Group management approach

Management in Odfjell Drilling is based on high ethical standards, integrity, respect for people and care for the environment. Our policies within these areas form the basis of responsible management throughout the organisation.

Strategic planning sets the focus areas, objectives and key performance indicators annually. Associated risks that may impact the execution of the strategies are identified, managed and monitored.

Programmes and plans supporting internal strategies are established at relevant levels within Odfjell Drilling to drive performance. Authorities' and clients' focus areas are integrated into the programmes and plans where applicable. A whistleblowing portal is available online for both internal and external parties to report any grievances.

The Odfjell Drilling Company Management System is certified under ISO 9001 Quality Management, ISO 14001 Environmental Management and The International Safety Management (ISM) Code. It is also in compliance with ISO 45001 Occupational Health and Safety Management and ISO 31000 Risk Management.

Odfjell Well Services is certified to API Q2 in UAE. Odfjell Drilling (UK) Ltd is accredited by IADC for its Competence Assurance Programme.

Evaluation of management approach

Policies and procedures are regularly reviewed and updated as part of our continual improvement process to ensure they are effective and up to date with requirements, technology and best practice.

Corporate and Business Areas establish annual audit plans. Internal audits are performed to verify compliance with policies and procedures. Audits are also performed by authorities, certification bodies and clients to verify compliance with regulations, standards and contracts.

Non conformities and incidents are analysed and corrective actions implemented to prevent recurrence. Serious non conformities and incidents are subject to a thorough investigation process.

Status of strategies, risk registers, programmes and plans are reported to management and the Board according to procedures.

Annual management reviews are performed to evaluate the management system, ensure its continuing suitability, adequacy, effectiveness and alignment with the strategic direction of the Group.

Responsibilities

The role of the Board is to organise and direct the affairs of the Company and the Group in a manner that seeks to promote long-term sustainable success and maximise value for shareholders.

The Board is collectively responsible for strategies, policies and the Group's values and culture.

The CEO has the overall responsibility for Odfjell Drilling's operations and for implementing the Board's policies, strategies and other directions.

The Executive Management Team is responsible for the operational performance of the Business Areas and Global Business Services according to direction given by the Board and CEO.

A thorough presentation of the role of the Board can be found in the Annual Report page 40-46.



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www.odfjelldrilling.com
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