



# Progressing on the journey

Sustainability Report 2021



**Borr  
Drilling**



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Borr Drilling operations



Sustainability



Environment  
& climate change



Social inclusion  
& wellbeing



Ethical business  
& governance



Performance

# Message from the CEO

## Overview of 2021 performance

2021 was a year of recovery, where the oil price, combined with the dynamics of supply and demand, improved the market for shallow-water offshore drilling. We currently have 20 rigs contracted and committed for future contracts, which is a testament to the resilience of our people and the trust placed in us by our customers to deliver high-quality drilling operations.

## Sustainability

While we work towards being the leading off-shore drilling contractor, we want to do this responsibly and guided by our commitment to the UN sustainable development goals (SDGs) applicable to our key stakeholders. Our SDG framework is based upon three key pillars:

- Ethical business & governance
- Social inclusion & wellbeing
- Environment & climate change

## Social inclusion & wellbeing

Our operational expansion translates into economic growth for the communities in the regions we operate, as we employ local personnel and invest in skill development. We also believe that all personnel are equal irrespective of their demographic differences. Over the coming year, we aim to further develop our diversity and inclusion initiatives for the welfare of our personnel and support local community projects in the countries we operate.

The health and safety of our people remain our top priority. Last year there was a 39% reduction in the recordable injuries frequency and a 53% decrease in dropped objects frequency. This is

a commendable result by our personnel as we continue to improve on our safety performance and pursue our goal of zero harm to people, assets, and the environment.

## Environment & climate change

We are currently operating in a complex environment. On one hand, there is rising demand for oil and gas with the recovery of global operations and population increase. While on the other, there is a growing focus on clean energy and emission reduction. The oil and natural gas sector has a key role in meeting the requirements of the increased demand while being affordable and reliable.

While we continue to evaluate technological and innovative solutions to reduce emissions, we have also been focused on improving operational efficiency. By utilizing our modern high specification jack-up rig offline capabilities, we are able to limit the flat times within well operations reducing cost, time, and emissions per meter drilled. We are also exploring opportunities to make our offices carbon neutral.

As the world is poised towards energy transition, we have taken this opportunity to partner with subject matter experts to conduct a feasibility study on the generation of green hydrogen, and how we can play a role in this by leveraging our extensive experience in marine operation to scale the production of greener energy supplies in the offshore environment.

## Ethical business & governance

I believe that the key to achieving our ambition, to be the leader in sustainability development, is through strong governance that integrates our sustainability strategy into our operations

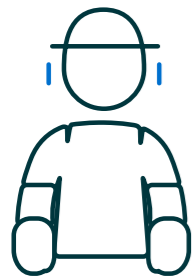


and through symbiotic partnerships and collaborations to achieve our goals. We continue to be aligned to the UN SDGs and aim to work with all our stakeholders, both internal and external, to achieve our targets and progress on our sustainability initiatives.

**Patrick Schorn**  
CEO Borr Drilling

**“We need to take active measures to reduce our environmental impact and have a responsibility to conserve our environment for present and future.”**

# Borr Drilling operations



**1,926**  
total  
people

Our primary business is to drill wells for state-owned national oil companies and independent oil and gas companies. We are focused on the shallow water segment and operate in the North Sea, Mexico, West Africa, Southeast Asia, and more recently, in the Middle East. Our company is incorporated in Bermuda, with corporate offices in London, Aberdeen, Dubai, and Oslo, in addition to regional and shore base offices in the countries with rig operations.

#### Increasing our global operations

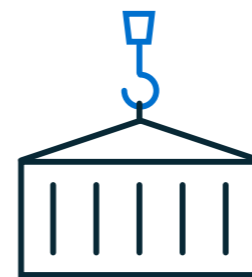
All except 2 of our warm stacked rigs have successfully secured contracts and have commenced or are preparing for operations in Cameroon, Congo, UK, Qatar, and Saudi Arabia. Offices were also setup in these locations to support the new operations.

#### Our personnel

Our expansion of operations has also brought an increase in employment opportunities for the local population in these regions. These opportunities align with UN SDG 8 on Decent work and economic growth, one of the main SDGs Borr Drilling contributes to.

#### Our supply chain

The main focus for our supply chain was to support the activation of warm stacked rigs in preparation for operations. And continuing to support our rigs already in operations. In 2021, we added 46 new suppliers to our approved vendor list from these locations. We also continued screening all our suppliers on sustainable practices such as sustainable procurement, ethics, labour and human rights, and environment through EcoVadis.

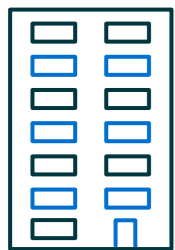


**1,228**  
active  
suppliers

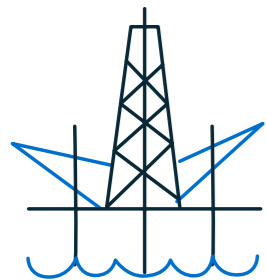
#### Strengthened financials

In 2021, Borr Drilling's management continued its engagement with various creditors to address the 2023 debt maturities. We have successfully reached agreements with our secured creditors to extend our \$1.6 billion debt maturing in 2023 to 2025, except for certain convertible bonds. Commercial discussions and tendering activities are ongoing to ensure all 22 rigs are committed and under contract by end of 2022.

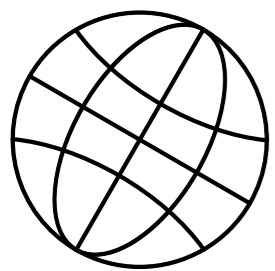
**Borr Drilling is an offshore shallow-water drilling contractor providing worldwide offshore drilling services.**



**196**  
onshore



**1,730**  
offshore



**41**  
different  
nationalities

# Borr operations 2021



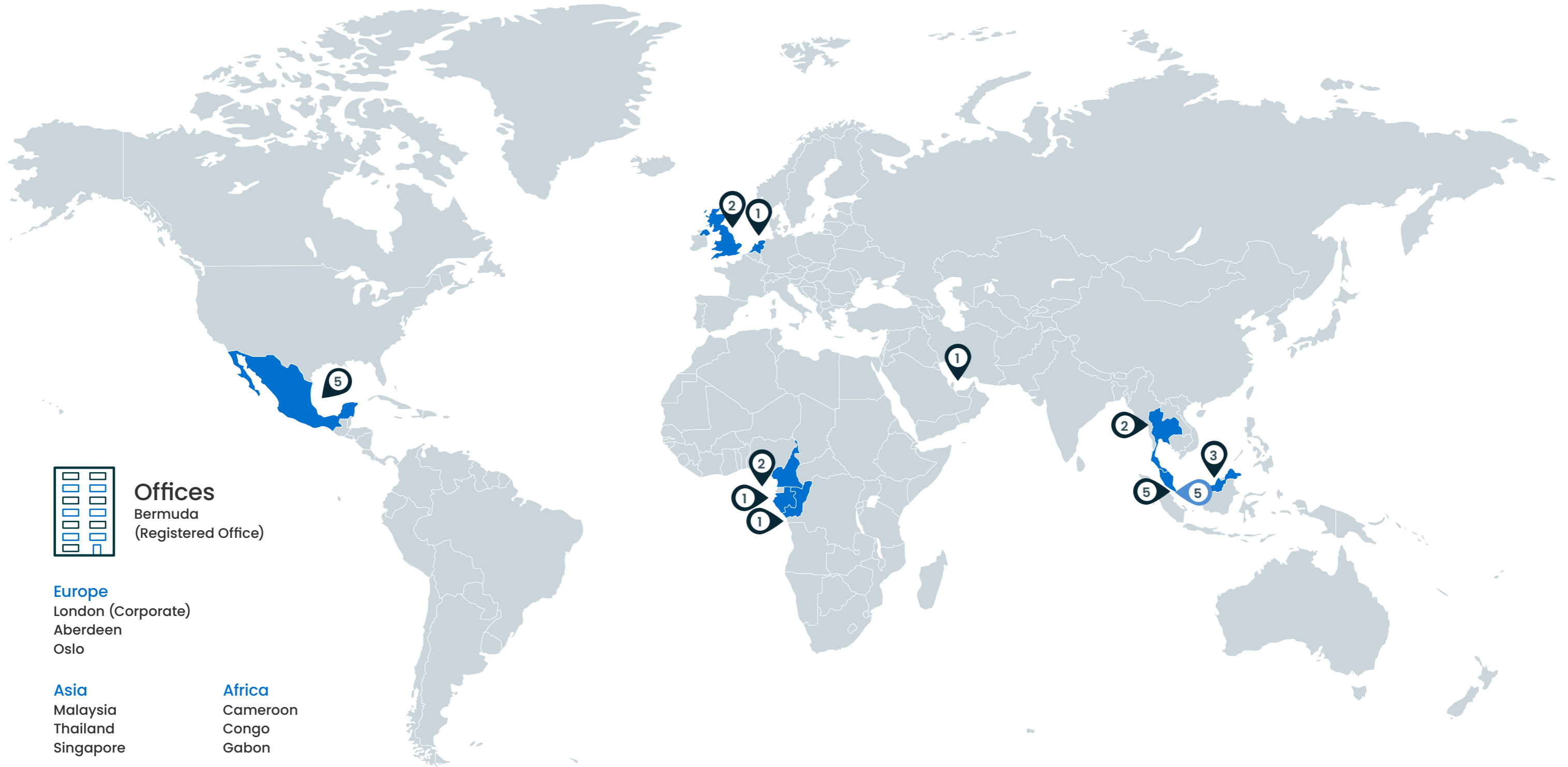
**18**  
CONTRACTED  
RIGS

**5**  
AVAILABLE



**5**  
UNDER  
CONSTRUCTION

**28**  
JACK-UP RIGS  
IN TOTAL



**Offices**  
Bermuda  
(Registered Office)

**Europe**  
London (Corporate)  
Aberdeen  
Oslo

**Asia**  
Malaysia  
Thailand  
Singapore

**Africa**  
Cameroon  
Congo  
Gabon

**Middle East**  
Dubai  
Qatar

**America**  
Mexico

# Integrating sustainability

## Our sustainability strategy

- Invest to reduce our environmental impact and to increase our positive effect on society
- Establish and integrate sustainability into our way of doing business
- Identify opportunities for adaption to the energy transition

**We aim to be a sustainability development leader in the offshore drilling industry.**

## Stakeholder engagement

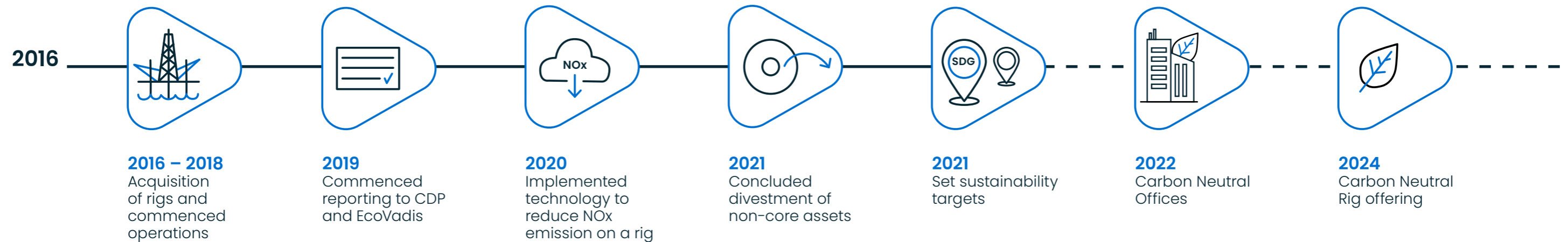
Our key stakeholders are employees including local workforce, shareholders, clients, investors, suppliers, regulators, and industry representative bodies. We have regular engagement and interactions with all our regional and corporate management to assess the material issues for our stakeholders in terms of sustainability.

Through operation and business interactions with our stakeholders, we aim to maximize our understanding on the issues that are relevant to these groups. These key issues or material topics have been used to align with the ten specific UN SDGs.

Annually we reassess these topics to ensure we are aligned to the interest of our stakeholders and that of Borr Drilling. We then set targets and plan initiatives to progress towards realising the outcome that the UN SDGs represent.



## Sustainability journey



# Our SDG framework

## Social inclusion & wellbeing

We are committed to empowering people through employment, valuing equality and diversity while ensuring their health and safety



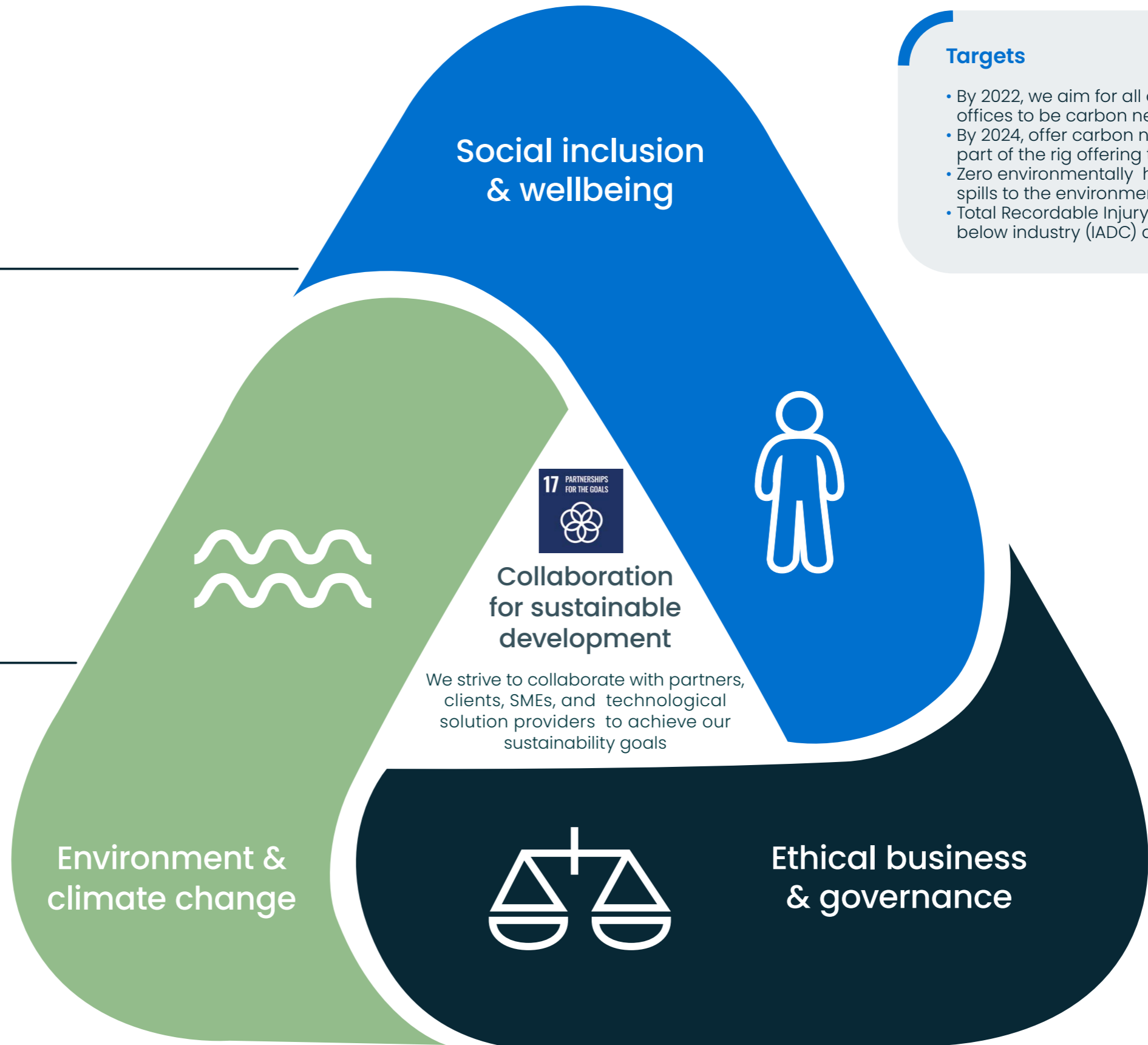
## Environment & climate change

We are committed to conducting our business in an environmentally responsible manner and identifying opportunities to adapt to the energy transition



## Ethical business & governance

We are committed to conducting business ethically and promoting sustainable practices in our supply chain



**Targets**

- By 2022, we aim for all our onshore offices to be carbon neutral
- By 2024, offer carbon neutrality as part of the rig offering to clients
- Zero environmentally hazardous spills to the environment
- Total Recordable Injury Frequency below industry (IADC) average



# Environment & climate change

At Borr Drilling, we are committed to protecting the environment. We are aware of our impact and take measures to operate responsibly in line with our sustainability strategy.

Our potential adverse effects on environment from operations are accidental spills to the sea, waste, and air emissions generated by powering the rigs. Indirectly, the impact is through supporting activities for our operations, such as personnel travel, logistics, and onshore office energy usage.

We continuously look at ways to reduce adverse effects from our operations. Collaborations with subject matter experts and technology solution providers help us achieve our ambition. In 2021 we initiated a feasibility study on an innovative concept to produce green hydrogen using our rig and a program to introduce smart lighting on our rigs.



# Environment

## Protecting the marine environment

Control of water discharges and spill prevention are key to our marine protection strategy. Our modern units are built for zero discharge and containment to meet global environmental concerns.

Our rigs follow IMO regulations regarding oily water and sewage treatment and disposal. Accidental dumping overboard is controlled through engineering and administrative controls, and we train our rig crews to utilise spill kits to clean a spill promptly, should it arise.

Borr Drilling is transitioning to using 'green' or environmentally safer alternatives for operational chemicals such as blow out preventer fluid, jacking grease, pipe dopes, and rig washes.

## Spill prevention and response

Our maintenance management system ensures that our rig infrastructure is regularly inspected and maintained to prevent leaks or equipment failures. Strict controls are in place for fuel bunkering, including hose inspections, bunkering during favourable conditions, and crew monitoring systems during the activity to prevent accidental release of oils or chemicals into the sea.

All rigs have Ship Oil Spill Emergency Plans and conduct regular spill response exercises to ensure training and quick response in case of need.

## Air emissions

In addition to protecting the marine environment, we aim to reduce our air emissions. As

Borr Drilling has a modern fleet with rigs engines compliant to current IMO MARPOL standards, our rigs are in general more energy-efficient than older, standard rigs.

The rigs' main engines generate the power used by most of the equipment and services on the rigs. As a direct result of the combustion, Carbon Dioxide (CO<sub>2</sub>), Sulphur Oxides (SO<sub>x</sub>), Nitrogen Oxides (NO<sub>x</sub>), and particulate matter are emitted from the engines' exhaust. Other emissions are F-gas leaks from refrigeration and air conditioning systems. These systems are maintained as part of the Asset Integrity Maintenance System to ensure they work effectively and reduce the likelihood of F-gas leaks. In 2021 the volume of such leaks amounted to 0.85% of the total Scope 1 emissions.

## Responsible consumption and waste management

We continue to manage our waste in the most environmentally friendly manner. In adherence to our commitment to reducing marine pollution of all kinds, we practise waste segregation, recycling, and prohibit disposal of waste overboard.

## Environmental risk management and compliance

The aspects of our rig operations that impact the environment are identified, risks assessed, and appropriate levels of mitigations applied. Our offices in UK and rigs operating in North Sea are ISO 14001 certified. In addition, our crews evaluate the environmental risks before commencing a task and use appropriate controls.

### fuel consumption

**49,817**

Tonnes fuel oil consumed  
(2020: 52,072)

### scope 1 Greenhouse Gas (GHG) emissions

**163,307**

CO<sub>2</sub> eq Tonnes of direct GHG emissions  
(2020: 170,249)

### scope 2 Greenhouse Gas (GHG) emissions

**115**

CO<sub>2</sub> eq Tonnes of indirect GHG emissions - location based  
(2020: 128)

### waste

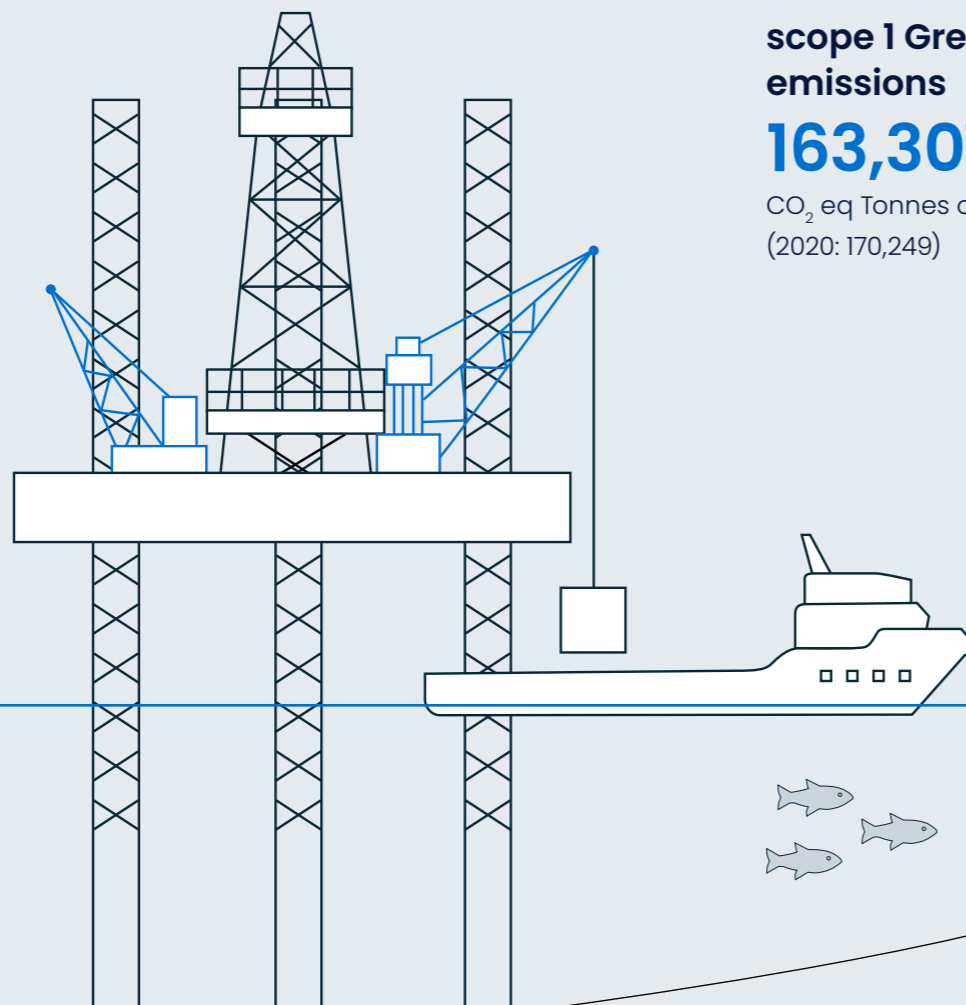
**2,657**

Tonnes of overall total waste  
(2020: 1,684)

### spills

**0**

Spills greater than 1m<sup>3</sup>  
(2020: 0)



**We continuously aim to lessen our impact on the environment.**

# Climate change

Borr Drilling recognises the importance of addressing climate change, and we have integrated this into our sustainability strategy. Governments and corporations across the globe have a major role to play in transitioning to a low carbon economy and achieving net-zero emissions.

We recognise our responsibility to reduce our carbon footprint and plan to address this. Firstly, by improving operational efficiency through planning, robust asset management, and utilising the capabilities of our modern

## business air travel



**2,004**  
CO<sub>2</sub> eq Tonnes

We have set targets to transition to a renewable energy source for our offices where possible by the end of 2022 and offer carbon neutrality as part of our rig offering by 2024.

fleet to reduce the time needed to drill wells. Secondly, we are exploring opportunities to use technology to reduce fuel consumption through better energy management. Besides emissions from operations, other aspects also contribute to our overall carbon footprint, such as the energy consumed in our onshore locations, personnel travel, and logistics services.

### Carbon neutral offices

Borr Drilling has an onshore presence in several countries worldwide, with most employees present in offices in Aberdeen and Mexico.

Our offices in London and Aberdeen currently use renewable energy, accounting for 44% of our overall electricity consumption. We are also looking at opportunities to transition to renewable energy in Mexico. In countries where this transition is not possible, we plan to offset the emissions against carbon credits."

### Measuring travel and logistics carbon footprint

We also aim to reduce our emissions from travel and logistics. It is essential to have the correct data to plan a strategy effectively. Over the years, we have collected

## logistics services



**1,989**  
CO<sub>2</sub> eq Tonnes

information related to business air travel from our travel providers. Crew travel accounts for a significant portion of the overall flights. While our focus on employing local personnel on our rigs has considerably reduced long-haul international travel, some international and domestic air travel is still required. Similarly, we have partnered with our key logistics providers to obtain emission related to logistics services.

### Reporting to CDP

As part of our commitment towards addressing climate change, we also submit the climate change questionnaire to CDP (Carbon Disclosure Project) annually. CDP reporting is aligned with TCFD (Task Force on Climate-Related Financial Disclosures) requirements. Our 'B' score means that we have now moved from having knowledge of impacts on and of climate issues to taking coordinated action on climate issues.

We scored 'B' in our submission to CDP in 2021, which is an improvement from a score of C in 2020.

### Investing in social projects to offset our travel footprint

In 2022, we have partnered with our travel agent ATPi in their Halo carbon offset program. Through this program, we will be offsetting the carbon emissions from business air travel for 2021 by investing in a portfolio of social welfare, environmental, and renewable energy projects across Africa and Asia.



# Using technological innovations for a low carbon economy

## Pioneering green hydrogen energy concept

Borr Drilling has partnered with Aquaterra Energy and Lhyfe to conduct a feasibility study for a pioneering concept aimed at green hydrogen production using an offshore jack-up rig. This unique, cutting-edge concept is called Project Haldane.

The Haldane Project has the potential to be a vital step for the offshore oil and gas sector's contribution to a low carbon system. Darren Sutherland, Vice President of Europe-Africa at Borr Drilling, said, *"With our expertise*



*in complex offshore operations and fleet management, Borr Drilling will leverage its core capabilities to evaluate the adoption of this alternative energy source in an environment with a large untapped potential. While we will continue to work in our traditional drilling market, this project reinforces our ambition to continuously improve the sustainability of our activities and align our service offering with the changing expectations of our customers and stakeholders."*

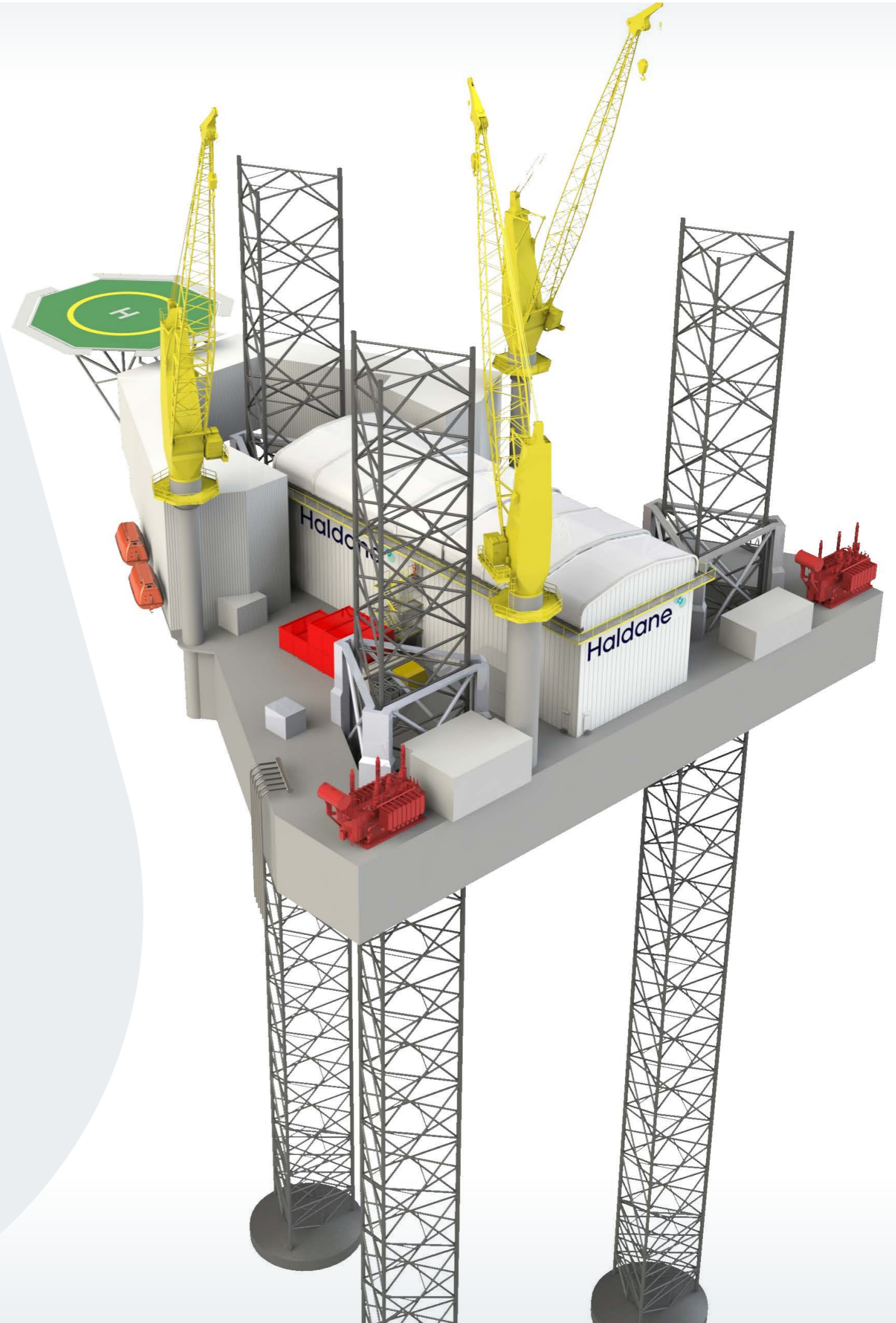
This project aims at repurposing existing oil and gas industry assets to integrate into the offshore hydrogen generation industry, to

enable reliable hydrogen production at an affordable price. A rig for instance, could be brought alongside a dedicated wind farm. The wind-generated electricity will then be used to create green hydrogen through an electrolyser system. The rig will host the electrolyser infrastructure and provide offshore personnel and logistics support.

Green hydrogen refers to hydrogen that is generated from renewable energy, as opposed to grey hydrogen, which is generated using fossil fuels, or blue hydrogen that captures the emissions from fossil fuels and stores it through the carbon capture process. Hydrogen is a key enabler to reaching net-zero emissions by 2050.

## Smart lighting initiative

Another initiative using technological developments is implementing smart lighting technology on our rigs to achieve energy savings. Our rigs have various zones or areas with different lighting requirements. Smart lighting technology measures ambient light to determine if illumination is required to execute the work safely and automatically switches lighting on or off. In combination with replacement of light sources to low energy consumption LED lights, this is expected to reduce energy demand and fuel consumption. This initiative is being piloted on board our rigs Prospector 1, Odin and Saga.



# Social inclusion & wellbeing

As a global company, we operate across several regions. We strongly believe in contributing to the economic growth of the areas we operate in by employing and training a local workforce and local suppliers.

We are firmly committed to equality and diversity, and we treat everyone with fairness, respect, and dignity. This expectation is integrated into the company culture and is a cornerstone of who we are.

Our policy of zero harm to people is at the core of how we plan and execute our work. Borr Drilling's strong safety culture is evident from our safety performance. In 2021, we followed pandemic-related protocols and implemented mental wellbeing initiatives onboard as well as at home.



# People

## Diversity and inclusion

Borr Drilling is committed to promoting equal opportunities in employment regardless of age, physical or mental disability, gender, marriage and civil partnership, pregnancy or maternity, race, nationality, ethnic or national origin, religion or belief, sex, or sexual orientation.

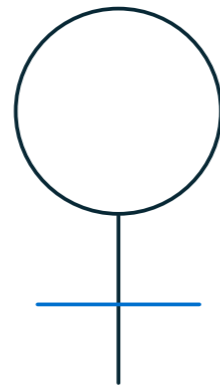
This is integrated into practice through the requirements stated within our Equal employment opportunities procedure.



**81%**  
local  
workforce

## Women workforce

At Borr Drilling, we encourage diversity and provide equal opportunities to women. Currently, there are two women at the Board level, three at the Executive level, and three at the Director level. The number of women onshore has increased marginally, from 32% last year to 34% at the end of 2021. The overall percentage remained at 4% including our offshore operations.



**33%**  
females at  
executive  
level

## Training and development

To enable all personnel to perform tasks safely and efficiently, we provide training and assess the competency of our personnel and agency personnel working on our rigs. The Borr Drilling Training Matrix states the minimum mandatory training requirements for each position offshore. These are based on internal, regulatory, and contractual requirements.



We also aim to prepare all our staff for career advancement opportunities. The Borr Drilling Competence Assurance Management System (BCAMS) track and support the competence of the Borr Drilling workforce, including agency workers.

## training compliance



**92%**  
Global Training  
Matrix

**91%**  
BCAMS

## Progress on goals Diversity and Inclusion Program

Following evaluation in 2021 of our current Diversity and Inclusion measures, we aim to

improve further our Diversity and Inclusion efforts in 2022 by raising awareness on topics within the organisation. We held Diversity, Inclusion and Equality workshops in collaboration with subject matter experts. These initial sessions were held for the management team at the Executive level, followed by similar sessions at various levels within the organisation.

## Return to work post-Covid

One of our initiatives as part of return-to-work post-Covid was to create a framework of working part of the time from home and part of the time from the office. As government protocols allowed, we enabled hybrid working in our offices in London, Aberdeen, and Dubai on a trial basis. This measure helped our personnel slowly transition from working remotely to having a presence in the office. An internal study showed that an estimated 27 tonnes of CO<sub>2</sub> was saved last year based on our employees' current commuting schedule in Aberdeen alone.

**We aim to create a working environment in which all individuals can make the best use of their skills, free from discrimination or harassment, and all decisions are based on merit.**

# Launching program for employee mental wellbeing

## Ensuring physical and mental health

Mental health is not just about psychological wellbeing but also emotional wellbeing, the ability to relate to others, maintain a healthy

At Borr Drilling, we firmly believe that we as a company have a responsibility to ensure the wellbeing of our employees, both physical and mental.

social life, and the ability to handle stress. People whose mental health may be impacted require guidance and support to cope with these challenges and help with recovery.

We already have well established measures in place to ensure the physical health of our employees. However, with the challenges related to the pandemic and having many employees working remotely, we strongly felt it was necessary to implement additional measures for their mental wellbeing as well.

## Conveying the importance of mental health

Department heads and supervisors maintained regular communications with their team to help and support as needed. They provided

guidance for work-related issues and were available to hear any concerns employees may have.

To take this measure a step further and raise employee awareness on mental health, we held a session in November 2021 at the Aberdeen office, with a thought-provoking and emotional talk on mental health by a HSE professional from the oil and gas industry, who is a champion of mental health following a personal experience with the issue and has been proactive in raising awareness on the topics through social media platforms.

## Employee Assistance Program

In January 2022, we launched an Employee Assistance Program in partnership with P3

business care to increase employee mental wellbeing. Through this initiative, trained P3 representatives visit the Aberdeen office regularly to provide guidance and support. They are available to personnel who wish to speak to them regarding any issues or concerns affecting them psychologically or emotionally. We have also extended this service to employees' immediate family members and added offsite availability.

The initial evaluation of the mental wellbeing program indicated that our employees found the program beneficial. We are also providing input to the IADC North Sea Chapter to support the development of a mental wellbeing standard.



# Safety

## Managing safety

Our operations are subject to hazards inherent to the drilling industry, with risks that range from major accident events to personnel injuries and illness. We are strongly committed to the safety of our personnel and believe that effective risk management is vital to prevent incidents.

Our safety policies, procedures, task work instructions, pre-job reviews, stop work authority policies, permits to work, and life-saving rules mitigate risks. Safety signs, physical barriers, personal protective equipment, and good housekeeping and training are other elements that contribute to a safe workplace.

## Communication is key

We believe that communication is key to ensuring safety at work and encourage it at the task level between the team members and across the organisational hierarchy and functions. This ensures continual improvement of our management system. To enhance the feedback mechanism from our personnel

**We are strongly committed to the safety of our personnel and believe that effective risk management is vital to prevent incidents.**

and the ease of access to our management system, we implemented a new digital application called Docmap.

## Frequent audits and emergency response drills

Our internal audit and safety inspections provide an overview of areas of improvement. In addition, frequent audits from regulators, clients, and third parties keep our operations aligned to the requirements of these external stakeholders.

All unplanned events, including near-miss events, are reported and investigated to identify the root cause. The learnings are shared across the fleet.

Rig, regional, and corporate levels have emergency response plans to mitigate consequences in various emergency scenarios. Each rig follows a drill plan with regular offshore drills to train, test, and improve the emergency response arrangements.

## Improved safety performance

Our firm commitment to safety is reflected in our safety performance. Two Lost Time Incidents were reported; fortunately, none of these injuries was of a high severity. Dropped Object Incident Frequency (DOIF) reduction substantially increases safety, as dropped objects can cause severe injury to personnel. To achieve this, we applied industry best practices, lessons learnt, and effective barriers to prevent personnel from getting injured in case of a dropped object.

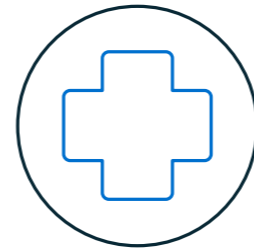
Our HSE team holds regular meetings with safety representatives offshore to provide a

platform to voice their concerns and share best practices. In appreciation of the safety performance in Thailand, the regional Borr Drilling team was awarded the "PTTEP CEO SSHE Excellence Award 2021.

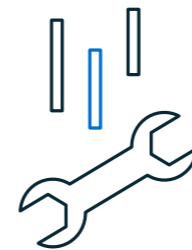
## Safety performance 2021\*

Stats	2020	2021
TRIF	1.66	1.00
DOIF	2.48	1.16

*\*The above frequencies are based on 1,000,000 manhours and include Borr Drilling, client, and third-party personnel on board.*



**39% reduction**  
in Total Recordable Incident Frequency (TRIF)



**53% reduction**  
in Dropped Object Incident Frequency (DOIF)

## Security

In some operational jurisdictions, there is a threat of physical security risks both onshore and offshore. We work closely with global security experts in high-risk countries and have implemented security plans in offices and rigs.

**Our goal is that nobody gets hurt.**





# Community engagement

## Sustainability initiative in Cameroon

As an initiative to support a social project, our rig management team in Cameroon identified an orphanage in Douala that is home to many children. However, it lacked basic amenities such as access to water, electricity, and hygienic conditions. The building construction was incomplete.

Our rig management team found a way to tie our safety practices with a good cause to support the orphanage. We plan to donate \$0.50 each for every safety observation card submitted by the crew. With the initial money raised, we plan to drill a fresh water well, run by solar powered electrical pumps. Also, the Aberdeen office has started a clothing bank, and the clothes collected will be sent over with regular shipments to Cameroon.

We will post photos of all the improvements to the orphanage on a rig notice board so that personnel know how they are making a difference in the lives of these children. The crews will be encouraged to visit the orphanage and see first-hand the improvements done. Our client is also supporting us in this cause.

It is an excellent way to meet our social responsibility in Cameroon while enhancing the safety onboard.

## Contributing to the economic growth of local communities

We firmly believe in local employment. Local personnel comprise 81% of our total workforce as of the end of 2021, and the progress is monitored monthly by senior management. Also, our supply chain promotes availing the services of local suppliers. In 2021 we included 46 new suppliers from Qatar, Thailand, and Cameroon.

Whether directly or through agencies, all personnel recruitment comply with applicable local and international labour laws, human rights standards, and ethical employment practices.

In alignment with our commitment to contribute to local personnel's skill development and employability, we will be rolling out an initiative to train local personnel in a well-control course. In 2022 we aim to have eight of our local employee undergo a driller level 3 IWCF well control course to accelerate their career opportunities. We also support our operators in their initiative to employ local trainee drilling engineers by allowing them to work with our crews to gain operational knowledge. This will give them valuable experience and provide employment and career growth opportunities.

**We aim to have at least one social welfare project for each region we are active in.**



# Ethical business & governance

At Borr Drilling, we are strongly committed to conducting our operations with integrity and respecting the laws, cultures, and rights of individuals in all the countries in which we operate.

Across the globe, our rigs comply with flag state, local, and international regulations and are subject to inspections and audits by external stakeholders such as flag states, regulators, and clients.

Our ethical business culture is central to our success and embedded in our procedures. This is evident from our Code of Conduct which sets our expectations and mandatory requirements for Borr employees, business partners, and everyone who works on our behalf anywhere in the world.

# Governance

## Sustainability governance

Borr Drilling's Board of Directors ensures that the Borr Group's business practices are sound and that adequate internal control routines are in place.

While the QHSE function coordinates sustainability, work groups are formed with personnel from various functional teams. These groups work on sustainability initiatives for the welfare of personnel, the environment, and the larger community. Heads of all disciplines and regional operations are consulted annually to review goals and objectives.

To monitor our sustainability performance, senior management reviews KPIs related to Health and Safety, Environmental Spills, Hiring Locally, and Training Compliance monthly. In addition, senior management reports to the Board quarterly on company performance, including Health and Safety and Sustainability Initiatives.

## Code of Conduct

We require all our employees, consultants, and others working in the company and its

**Our Code of Conduct emphasizes our zero tolerance to corruption and sets the standards of ethics and good business practice.**

subsidiaries to adhere to our Code. It includes requirements related to Bribes and Facilitation Payments, Conflict of Interest, Fair Competition, International Trade Control, Anti-Boycott Laws, Fraud Prevention, Information Security, Labour and Human Rights, Diversity and Non-Discrimination, Safety and Security, Environmental Protection, and Reporting/Notification of Breach. The Code of Conduct and Corporate Governance Guidelines are available on [www.borrdrilling.com](http://www.borrdrilling.com)

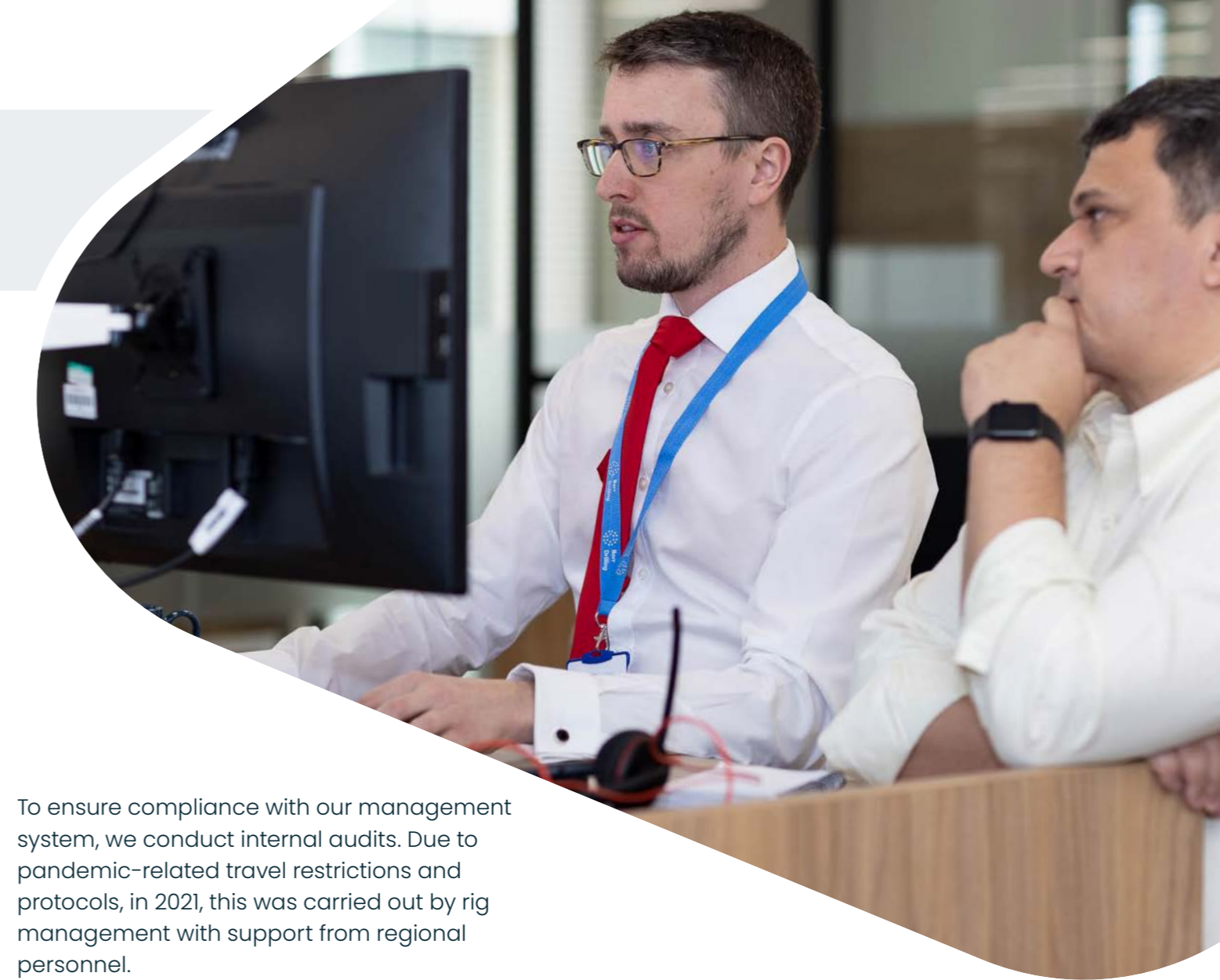
Training on the Code of Conduct is mandatory for all Borr personnel. In addition, we provide training on Anti-Bribery, Anti-Corruption, and Modern Slavery Act to all personnel and our supply chain.

## Whistleblower

We encourage reporting of concerns of any breaches of the Code by any employee, business partner, or member of the public. Such breaches can be reported to line managers, the company legal department, an ethics hotline telephone number, or an ethics reporting site. The ethics hotline and site are serviced by an independent third party to ensure confidentiality. Our legal department investigates all reports and presents investigation reports to the Board of Directors.

## Management system

To ensure we operate in alignment with our commitment towards sustainability, Borr Drilling has policies on HSE, Training and Competency, and Cyber Security, supported by procedures on HSE, Human Resources and Training, Emergency Response, Technical, Supply Chain, Legal, and Regulatory.



To ensure compliance with our management system, we conduct internal audits. Due to pandemic-related travel restrictions and protocols, in 2021, this was carried out by rig management with support from regional personnel.

## Cyber security

Cyber security is a priority for our business to safeguard the integrity of our IT systems. We provide regular awareness training on cyber security risks for all our employees and have strict rules and barriers to reduce the risks of cyber-attacks on our system. Also, our Information Security Management System (ISMS) aligns with ISO 27001 and the National Institute of Standards and Technology (NIST) framework.

## Promoting Human Rights and Anti-Corruption across supply chain

As part of the supplier approval process, all suppliers must commit to comply with the Borr Code of Conduct, which includes

requirements related to Labour and Human Rights, Anti-Corruption, and Anti-Bribery procedures.

**Our management system sets the management expectations and requirements to enable us to deliver reliable, high-quality service to our customers.**

# Encouraging a Sustainable supply chain

As an offshore drilling contractor, Borr Drilling is part of the oil and gas industry's upstream value chain. And as such, we are dependent in part on our suppliers and clients for our business success. Our drilling operations and rig maintenance require a steady supply of materials, tools, equipment, and parts. We also require specialised third party services for certain aspects of our operations.

Potential suppliers considered to be high-risk for corruption and bribery are assessed by TRACE International to ensure they are suitable to work with. We also invite a select list of suppliers based on criticality and percentage spent to be screened on sustainable practices in partnership with EcoVadis. In 2021 a total of 77 critical suppliers registered on the EcoVadis platform. Of these 77, EcoVadis rated 40 suppliers. Based on the outcome of these assessments, we request suppliers with areas of improvement

to implement measures to improve their rating. Borr Drilling also registers with EcoVadis to get our own assessment done. For our 2021 submission, we received a Gold medal rating.

## Sustainable procurement to support our initiatives

Our supply chain also plays a key role in implementing our sustainability initiatives, such as supporting rigs to procure 'green' chemicals where possible. At the end of 2021, 95% of our rigs had transitioned to environment-friendly alternatives for pipe dope, BOP fluid, and jacking grease. We continue to work to replace chemicals with more environmentally friendly alternatives.

The supply chain has also played an active role in rig spare equipment management so surplus equipment can be utilized in the fleet for specific projects.

**We are working with our suppliers to ensure compliance with ethical business practices and international and local regulations on Human Rights.**



# Progress on sustainability goals 2021



	Social inclusion & wellbeing		Environment & climate change		Ethical business & governance	
Commitment	<p>We are committed to empowering people through employment, valuing equality and diversity while ensuring their health and safety.</p>		<p>We are committed to conducting our business in an environmentally responsible manner and identifying opportunities to adapt to the energy transition.</p>		<p>We are committed to conducting business ethically and promoting sustainable practices in our supply chain.</p>	
Targets	<p><b>Health &amp; Safety</b></p> <p>Total Recordable Injury Frequency below industry (IADC) average, with a goal that nobody gets hurt.</p>	<p><b>Diversity &amp; Inclusion</b></p>	<p><b>Environmental protection</b></p> <p>Zero environmentally hazardous spills to the environment.</p>	<p><b>Climate action &amp; adapting to energy transition</b></p> <p>By 2022, we aim for all our onshore offices to be carbon neutral. By 2024, offer carbon neutrality as part of rig offerings to clients through performance optimization, low-emission technologies, and carbon offset projects.</p>	<p><b>Ethical business practices</b></p>	<p><b>Sustainable supply chain</b></p>
Key initiatives	<p>Implement measures to promote mental wellbeing.</p> <p>Implement a framework of working part of the time from home and part of the time from the office.</p>	<p>Establish a Borr Diversity and Inclusion Program.</p> <p>We aim to identify social welfare projects in the areas where we operate.</p>	<p>Aim to identify further chemicals that can be transitioned to environment-friendly alternatives.</p>	<p>Implement smart lighting on pilot rigs in each region.</p> <p>Offset carbon footprint from business air travel against community projects.</p> <p>Measure CO<sub>2</sub> footprint related to logistic services.</p> <p>Evaluate new technologies and collaboration opportunities to reduce adverse environmental impact and adapt to energy transition.</p>	<p>Improve awareness of sustainability across the organisation.</p>	<p>Promote sustainability practices within the supply chain through vendor assessment and supplier screening processes.</p>
Progress	<p>Total Recordable Injury Frequency was 1.00 and below industry (IADC) average of 1.48 (for offshore drilling only) at the end of year 2021. (Page -16)</p> <p>An employee assistance program was piloted in our Aberdeen office to support and guide employees and family members on mental health. (Page -15)</p> <p>Hybrid working introduced in London, Aberdeen and Dubai on a trial basis. (Page- 14)"</p>	<p>Diversity, Inclusion, and Equality workshops were initially held in April 2022 for Executive Management, followed by three further sessions covering other parts of the organisation. (Page - 14)</p> <p>Social welfare project ongoing in Africa to support an orphanage in Douala that was lacking in basic amenities. (Page - 17)</p>	<p>In 2021, there were no spills reported over 1 litre. One minor spill of 0.288 litres of hydraulic oil reported. (Page - 10)</p> <p>At the end of 2021, 95% of rigs had transitioned to using environment-friendly alternatives for pipe dope, BOP fluid, and jacking grease. The remaining rigs are in the process of transitioning. (Page - 20)</p>	<p>Emissions from business air travel in 2021 amounting to 2004 CO<sub>2</sub> eq Tonnes were offset by investing in a portfolio of social welfare, environmental, and renewable energy projects across Africa and Asia. (Page - 11)</p> <p>Total emission from logistics services from our key service provider in 2021 was 1989 CO<sub>2</sub> eq Tonnes. Of this, 74% was from airfreight, 22% from ground transport and 4% from ocean freight. (Page - 11)</p> <p>Smart lighting is planned to be implemented on-board Prospector1, Odin and Saga rigs in 2022 per region. (Page - 12)</p> <p>Borr Drilling has partnered with Aquaterra Energy and Lhyfe to conduct a feasibility study on green hydrogen production using an offshore jack up rig. (Page - 12)</p> <p>Achieved scoring of B for our submission to CDP. An improvement from C in the previous year. (Page - 11)</p>	<p>Awareness sessions are planned to be conducted across the organisation to raise awareness on sustainability.</p>	<p>In 2021, 77 suppliers, in the selected criteria, registered on the EcoVadis platform. Of these 77, EcoVadis rated 40 suppliers. (Page - 20)</p>

# Performance data

		2021	2020	2019
<b>People</b>				
Number of workforce		1,926	1,345	1,935
Female in workforce (FTE & contracted)	%	3.9	3.9	4.1
Offshore positions	%	0.5	0.3	0.3
Onshore positions	%	34	32	31
Percentage Females on Board of Directors	%	40	40	29
<b>Safety</b>				
Fatalities		0	0	0
Lost Time Injury Frequency (LTIF)		0.5	0.3	0.3
Total Recordable Incident Frequency (TRIF)		1.00	1.66	2.12
<b>Environmental</b>				
<b>Emissions to air</b>				
Carbon Dioxide (CO <sub>2</sub> )	Tonnes	159,714	166,941	147,427
Methane (CH <sub>4</sub> )	Tonnes	40	42	37.7
Nitrous Oxide (N <sub>2</sub> O)	Tonnes	2,017	2,221	1,990
Sulphur Oxidies (SO <sub>x</sub> )	Tonnes	397	461.0	2,367.9
<b>Greenhouse gas (GHG) emissions (CO<sub>2</sub> equivalent)</b>				
Direct GHG emissions (scope 1 GHG Protocol)	Tonnes	163,307	170,034	150,448
Indirect GHG emissions (scope 2 GHG Protocol)	Tonnes	115	128	336
Total GHG Emission (scope 1 and scope 2 GHG Protocol)	Tonnes	163,422	170,162	150,784
<b>Energy consumption</b>				
Marine gas oil consumed	Tonnes	49,817	52,072	45,983
Electricity usage	MWh	339	355	833
Total energy consumption	MWh	595,380	622,321	550,077
<b>GHG emission indices</b>				
Energy intensity - total revenue (per dollar)		0.00070	0.00055	0.00045
Worked hours intensity - per person 1000 hours work		27.19	28.20	22.78
<b>Accidental release to sea</b>				
Spills > 1 M3		0	0	0
Spill between 0.1 M3 and 1 m3		0	2	2
Total reported spills to sea		1	2	2
Total volume of liquids spilled to sea	Litres	0.29	58,676	399
<b>Waste</b>				
Total hazardous	Tonnes	1,378	793	1,083
Total non-hazardous	Tonnes	1,279	891	1,497
Overall total	Tonnes	2,657	1,684	2,580

## Notes on performance data

### People

- Number of workforces includes full time and contracted employees.

### Safety

- LTIF is calculated based on total Lost Time Incidents and Fatalities per million man hours worked by all personnel.
- TRIF is calculated based on total Recordable Incidents per million man hours worked by all personnel. (Recordable Incidents include Medical Treatment Case, Restricted Work Case, Lost Time Incident and Fatality Incident).

### Environmental GHG emissions

- Emissions are calculated based on fuel consumption and emission factor by emission type.
- Energy Intensity - Ratio of Total revenue and Total GHG emissions (Scope 1 and 2), expressed in US dollars.
- Worked Hours Intensity - Ratio of Total number worked hours and Total GHG emissions (Scope 1 and 2), expressed as Tonnes CO<sub>2</sub> eq per 1000 hours worked.

- Scope 1 GHG emissions include direct emission from engines and small proportion from rig air-conditioning units. The IPIECA Guidance sets the boundary of Drilling Contractor's Scope 1 emissions as fuel burned on the rig and refrigeration.
- Scope 2 GHG emissions include indirect emissions through electricity usage in offices and calculated as per location based factors.
- GHG emissions are calculated in accordance with the GHG Protocol Corporate Accounting and International Petroleum Industry Environmental Conservation Associations (IPIECA) Oil and Gas Industry Guidance on Voluntary Sustainability Reporting.
- SO<sub>x</sub> calculation is based on low Sulphur fuel (0.5% sulphur) as per new rules introduced by the International Maritime Organization (IMO) in January 2020, and 0.1% sulphur in North Sea area. Rigs in Thailand are using Biodiesel with Sulphur content of 0.3%.
- Update to Scope 1 and Scope 2 environmental data of 2020, due to additional data being made available and some corrections in calculations identified during the verification process.

### Accidental release to sea

- This includes unplanned pollutant spills of hydrocarbons and operational chemicals to sea during rig operations.



**Borr  
Drilling**



# Colophon

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