

## **Section 172(1) Statement**

The Companies (Miscellaneous Reporting) Regulations 2018 (2018 MRR) require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 (s.172) when performing their duty to promote the success of the Company under s.172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the Company. The s.172 statement focuses on matters of strategic importance to the Company, and the level of information disclosed is consistent with the size and the complexity of the business.

The Seadrill Code of Conduct is our guide for doing the right thing in business. It uses a principles-based approach covering health, safety and the environment; our people; our partners and suppliers; governments and communities and protecting our assets. As the subsidiary entity that employs the businesses Senior Management and Executives, the Company is at the forefront of implementing group policies.

### **Principal Decisions made in the year**

#### *1) Board Endorsement Process*

The Board made a principal decision in the year to entrench the robust board endorsement process which assists in compliance with director's statutory duties under s.172. The endorsement process utilises the specialist capabilities of Seadrill's internal workforce, by requesting expert input to matters submitted to board level. The endorsement process ensures employees are considered in board matters and serves as a vital control for Seadrill Limited, its primary stakeholder.

#### *2) Covid 19*

In 2021, directors of the Company made the principal decision to adopt a robust, company-wide Covid-19 management system, which included utilising the Seadrill Group Company Medical Director. There has been a roll out of numerous evidence-based preventions programmes and policies. There has been a consistent education and promotion campaign on Pandemic developments to management and employees using signage, company media formats and communication channels. At all times the Group doctor has supported the centre-based functions and operational areas to ensure company Pandemic actions maintain local relevance and are aligned to governmental guidance and customer requirements. Specific campaigns made available in all relevant languages included:

- "2 metres or a mask: Protect yourself, protect your team"
- 'Stand up, mask up' for indoor shared spaces
- Hand and respiratory hygiene promotions on Yammer, email, Seadrill Nation Live (video)
- Vaccination education and promotion
- The offshore COVID induction video: covering all requirements including the need to isolate immediately if symptomatic

The offshore medical care and occupational health service delivery was broadened with specific consideration of mental health impacts. The directors of the Company facilitated the continuation of the robust Offshore Medical certification programme which was expanded to identify and manage employees vulnerable to COVID-19. The value of these actions is reflected in our statistics, where despite COVID cases and operational outbreaks no offshore employees passed away from COVID during the Pandemic.

The directors of the Company took an early and strong proactive stance on employee Covid-19 vaccinations. The directors understood the benefit to individual health and business continuity. The importance of vaccine requirements continues in our employment processes, and which has led to the Company having a highly vaccinated workforce.

The Board continues to facilitate the management of health through the health management system, monitoring all new and existing health threats. This includes the BeWell programme which supports employees and creates awareness of all health topics pertinent to the Company. Specific campaigns have included Drugs and Alcohol, Stress and Mental Health management and dietary management to protect health. The Group doctor continues to work extensively with internal and external stakeholders

including health service contractors, clients, governmental agencies and industry groups to ensure Seadrill continues to “set the standard” in protecting employee and 3rd party health.

The Board and management ensure that they act in a way that would most likely promote the Company’s success within the Seadrill group for the benefit of its members, and in doing so have regard to:

**1.1 S172(1) (A) “The likely consequences of any decision in the long term”**

The principal activity of the Company is to provide management services to the drilling fleet and holding companies made up by the Company's group, associates and joint ventures.

The Board made the decision in the financial year to continue to implement a cost reduction programme, “The Way to 100” project, which helped to reduce the fixed cost base of the wider Seadrill business. This was done by challenging the UK based onshore functions, to reduce their overall financial spend without diminishing the quality of service provided to the wider business. By taking this decision, the Company’s primary stakeholder, Seadrill Limited and by extension the Seadrill group, will benefit from a lower administrative cost base in the medium to long term.

**1.2 S172(1) (B) “The interests of the Company’s employees”**

The directors recognise that the success of the business depends on attracting, retaining and motivating employees. Employee engagement is encouraged through regular training and development. The Board hold town hall meetings with the employee base and approve quarterly issues of “The World of Seadrill” publication.

Directors give regard to employee interest when taking principal decisions during the financial year through reinforcement of the appraisal and employee engagement survey processes. The directors of the Company have also implemented a succession plan and talent development framework.

Our Medfit programme is a beacon of excellence that allows us to ensure our people receive the best possible preventative care, both mentally and physically and exceeds the requirements of baseline offshore medical certification.

Beyond complying with laws and regulations, the Board enforces a strong Code of Conduct and implement best practices to govern our operations. We also continuously refine our ethics and compliance policies, processes and training.

**1.3 S172(1) (C) “The need to foster the Company’s business relationships with suppliers, customers and others”**

The Company’s key clients are fellow group companies, joint ventures, and associations. The Board ensures that the Company provides full transparency to its customers on the basis for management charges and the reasons for deviation from budget. Management will regularly respond to questions from customers on how charges have been calculated.

As the provider of corporate management services, the Company engages many professional advisers. The directors facilitate the regular review of the use of advisers through competitive tender, of at least three, or other processes. Relationships with advisers are important in carrying out the Company's business. The directors instil a culture that ensures that management invests in relationships, and they believe value is obtained from advisers that know and understand the business well.

Seadrill is actively participating also with several accounting and assurance agencies, such as ABS and DNV, to the continuous development of international standards. We are also an active participant with the drilling association, IADC, around the world to share our experience and define international best practices.

Supply chain works closely with the regional compliance counsels on onboarding and monitoring our suppliers to ensure that they operate to the same high ethical standard as Seadrill does.

**1.4 S172(1) (D) “The impact of the Company’s operations on the community and the environment”**

The Board have recognised their duty to the local community with the decision to continue to operate a policy of offering placements for university students, allowing the Company to interact with fresh talent and new ideas.

The Board have considered their S172 duties to the environment by enacting a ‘digital first’ approach to running the business in order to cut air travel emissions. The Board have instilled a culture whereby video conferencing is used whenever possible and travel only done when necessary.

**1.5 S172(1) (E) “The desirability of the Company maintaining a reputation for high standards of business conduct”**

The directors ensure that the Company holds high standards of business conduct by implementing group policies that include:

- Code of conduct
- Ethical conduct
- Environmental responsibility
- Integrity channel; and
- Risks/Internal Control policies

These policies and procedures are periodically reviewed, with the management monitoring compliance with relevant governance standards in order to ensure decisions are taken and the Company acts in a way that promotes high standards of business conduct.

**Board processes**

The Board of Seadrill Management continues to improve its corporate governance and internal control function. The Board has recently taken the decision to outsource a project to develop a board process manual to help improve corporate governance and board process management across the Group, with the objective of continuous improvement for internal controls. These processes include information on records keeping, monitoring and external providers.

## Stakeholder engagement Statement

Stakeholder	Why this group is identified as a stakeholder:	Types of engagement to stakeholder:	Why is it important to engage with the stakeholder?	Outcome of engagement:
<b>Employees:</b>	Employees are those who work for Seadrill Management Limited, with primary responsibilities in Liverpool or London.	<p>The Company holds a quarterly live video call entitled 'Ask the CEO.'</p> <p>The video call is used as a forum to communicate business updates and is followed by a live employee Q&amp;A Session.</p>	<p>The Company's long-term success is dependent on the commitments, skill and expertise of its employees.</p> <p>We engage with the workforce to ensure our employees are happy and we foster a culture that retains top talent.</p>	By holding a Q&A forum, Senior management has transparency on the current concerns of employees. This allows management to assess if further communications on an issue is needed and helps solve levels of miscommunication. Helping the Company achieve its purpose of fostering a culture of openness and transparency.
	The Directors oversee employee engagement through a number of avenues as described to the right.	<p>Internal Magazine, The World of Seadrill Employee Engagement Survey. Seadrill TV:</p> <p>To reach our offshore employees who are largely 'offline' we have Seadrill TV installed across all rigs which shares company updates, safety messages, and local and international news, weather and sport.</p>		<p>Ask the CEO sessions include participation from all Senior Vice Presidents and relevant suggestions are followed up.</p> <p>Employee engagement surveys are likewise followed up, with results communicated to via presentations from management.</p> <p>The principal decision to adopt a companywide Covid-19 management system (see principal decision section in the director's report) was taken by the Board to ensure that employee health and wellbeing was protected. Employees were engaged via surveys where they could voice their</p>

				preferences/concerns, which was fed back to the board who took this into consideration to reach the final decision. An effect of the decision was hybrid working for employees on return to the office.
		Humu Survey: employment survey.	We complete the biannual 'Your Voice Matters' survey, to understand and measure employee happiness (engagement) and retention. Our survey results support us to identify what matters most to our employees and highlights 3 areas we should focus on to increase employee happiness and intention to stay with the Company.	The results are being discussed in the teams and employees are receiving personalised biweekly 'nudges' that support action on the results of the survey (nudges are small bitesize actions that are scientifically designed to drive behaviour change).
		Communications: 'Know the Drill'	Monthly emails are sent to all Seadrill employees providing a summary of Seadrill commercial operations and news.	
<b>Suppliers:</b>	The purpose of the Company is to arrange and manage procurement from suppliers for and on behalf of our clients and customers. The Directors oversee a rigorous supplier onboarding process.	We issue disclosures on tender practices and payment practices. All suppliers must comply with our tender process.	Professional advisors are critical to the operation of the Company and positive relationships are essential.	Frequent engagement with suppliers through our tender and onboarding process ensures that we select the most appropriate suppliers for our business needs.
<b>Customers:</b>	Customers are a key stakeholder to	The Company provides comments	Customers need to understand the services that they	The outcome of regular engagement is transparent costs

	<p>the Company, as the purpose of the Company is to provide management services to the drilling fleet holding companies, associates &amp; J.V. Partnerships. The directors have overall ownership of the process allocation charges to the Company's customers.</p>	<p>and full explanations to all cost variations, through the following methods: Email correspondence and response to questions on how charges are calculated. Monthly review of costs and a budget variance review which is sent to SVPs.</p>	<p>pay for, the basis for management charges and the reasons for deviation from budget.</p>	<p>to customers, with a rationale for any changes to costs throughout the year. The directors ensure that the onshore functions within the Company service the wider Seadrill business to the highest possible standard.</p>
<p><b>Social/Community:</b></p>	<p>The community that the Company operates in is a key stakeholder as the Company recognises its wider impact outside of the financial spirations of the Company.</p>	<p>August Volunteer Month Seadrill gives employees up to 2 days to volunteer in their local community. For every person that Volunteers Seadrill donates £50 to Mind.</p>	<p>Volunteering comes with many benefits to the receivers of the help and the volunteer.</p>	<p>The outcome to the community is to teach valuable skills to community members, and to help social causes.</p>
		<p>Placements to students from local universities.</p>	<p>Supporting local university talent allows us to interact with fresh talent and new ideas.</p>	<p>The Company takes on average 5 employees on placement annually from local universities, benefitting the local community.</p>
		<p>Nationalisation of workforce.</p>	<p>Investing in local talent.</p>	<p>Local advanced industry skills, career and wealth.</p>