



VALARIS ESG POSITION STATEMENT

Our Purpose is to provide responsible solutions that deliver energy to the world.

Our Responsibility is to optimally balance environmental, social, economic and energy needs of our society.

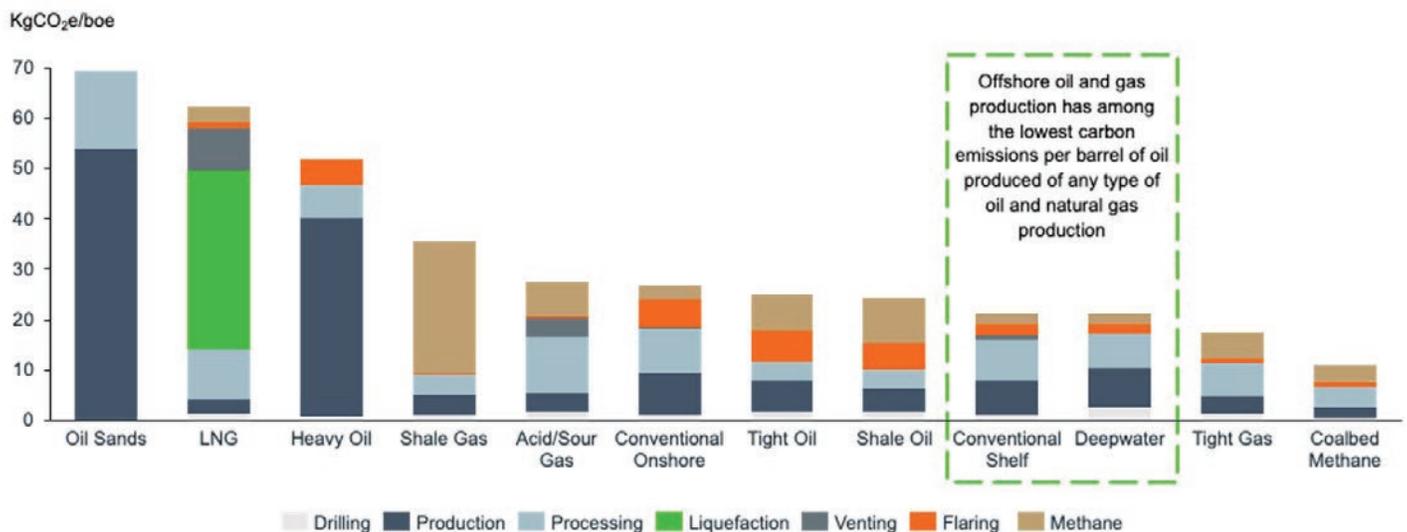
Our ESG Position Statement outlines the Values and Commitments that support our Purpose

One world. Our home.

Plentiful, accessible energy has significantly improved humankind's standard of living. Since the introduction of fossil fuels for energy generation in the late 19th century, human life expectancy – which had been less than 30 years for thousands of years beforehand – improved to almost 80 years in just a century. Throughout the 20th century, global per person GDP grew exponentially. The developed world enjoys the benefits of abundant energy every day and more significantly, the availability of low-cost, reliable energy has propelled billions of people out of poverty in the developing world.

While humankind has continued to improve our standard of living as we reduce carbon intensity, CO₂ levels in our atmosphere are the highest they have been in recorded history. Science shows that human factors are primarily driving these CO₂ levels.

Addressing climate change for the long-term benefit of future generations requires the efforts of individuals, businesses, and nations. It will require the development and availability of abundant, affordable energy while driving down emissions. Market changes are needed to encourage innovation while providing economic efficiencies that drive desired outcomes.



Source: "Building the lower carbon transition" Webinar by Wood Mackenzie, January 2021

Figure 1 - Average Scope 1 & 2 emissions intensity by source

Valaris supports the aims of the Paris Agreement. We are proud of our ongoing relationships with the National Ocean Industries Association's (NOIA) ESG Network, and the International Association of Drilling Contractors' (IADC) Sustainability Committee. We are also proud to be an offshore driller since offshore production is less carbon intensive than other forms of oil and gas extraction (Figure 1).



Our Purpose

Our Purpose is to provide responsible solutions that deliver energy to the world.

Our Values

Our Values support our Purpose and are:

Integrity

Doing the right thing, whether or not anyone is watching

We conduct our business honestly and ethically. We meet our commitments – to our customers, our stakeholders, and each other. We are not afraid to stand out and do the right thing.

Safety

Causing no harm is always our priority

We are committed to providing a safe and incident-free workplace, where everyone returns home in the same condition as when they arrived. We control major operational hazards with effective barriers. We know that safety is everyone’s responsibility.

Excellence

Delivering value to the customer while consistently raising the bar on performance

We uphold high standards in all that we do. When we do a job, we do it right and we do it well. We expect to be recognized for our superior performance.

Respect

Treating others the way we would like to be treated

We treat people with dignity and value different views. We encourage diversity and collaboration in pursuit of a common objective. We are fair with our people and business partners.

Ingenuity

Solving problems creatively

We value innovation and promote continuous improvement. We anticipate and adapt to changes in our business. We persevere in the face of challenges, finding new ways to deliver value.

Stewardship

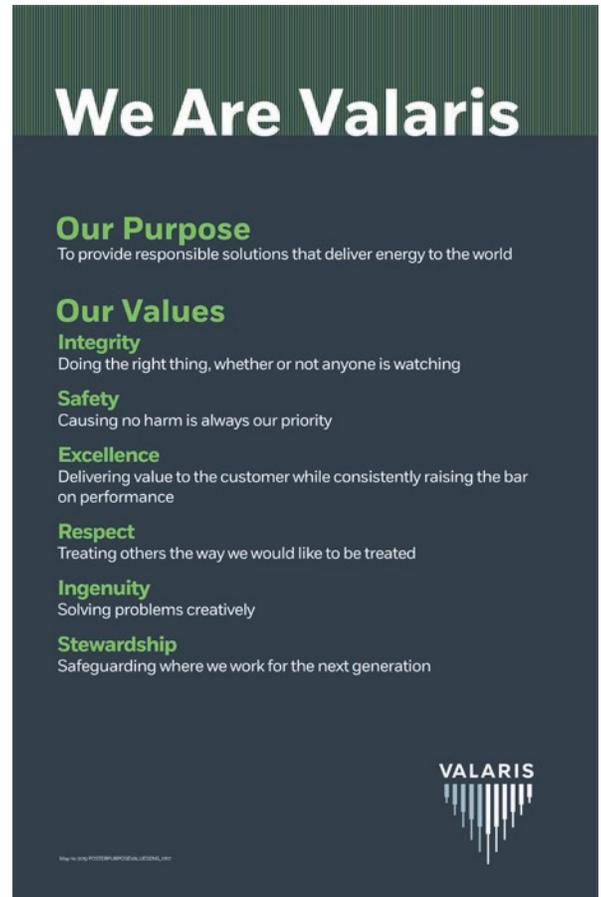
Safeguarding where we work for the next generation

We care for the environment and the communities where we operate. We are entrusted to responsibly manage our company assets and resources. We are committed to delivering sustainable financial performance.

Valaris was created by the combination of two leading offshore drillers with decades of experience and knowledge to create one of the most capable and effective offshore drilling service companies in the world. We provide drilling services across all water depths with unmatched scale, geographic presence and customer relationships.

Our diverse rig fleet of ultra-deepwater drillships, versatile semisubmersibles and modern shallow-water jackups is capable of meeting a wide spectrum of customers’ well program requirements. Our rig fleet is among the most technologically advanced in the industry and our well-trained crews seek to perform at the highest levels in the most challenging offshore environments.

Our customers include many of the largest offshore exploration and production companies including major integrated energy companies, national oil companies and independent operators. With an intense focus on safety and dedicated offshore and onshore employees, we provide innovative solutions and aim to deliver excellence to customers in everything that we do.





Valaris has published an annual Sustainability Report since 2016. Beginning with the 2020 report (published in 2021), we have prepared the Sustainability Report in accordance with the Sustainability Accounting Standards Board (or SASB) reporting standard applicable to our industry. We intend to continue to invest in better methods to measure and reduce our scope 1 emissions, and work with our supply chain to reduce our Scope 3 emissions. Our latest Sustainability Report can be found here [insert hyperlink].

Table 1: Valaris Emissions and Energy Consumption		2020	2019
Total CO ₂ e ¹	Tonnes	736,491	998,771
Total Fuel Consumed (Marine Gas Oil)	Tonnes	231,768	313,844
Fuel from renewable sources	Tonnes / (%)	1,332 (0.57%)	1,083 (0.34%)
Scope 1 Direct GHG Emissions ²	Tonnes CO ₂ e	717,050	970,569
CO ₂	Tonnes	696,992	944,868
CH ₄	Tonnes	94	127
N ₂ O	Tonnes	6	8
Other Air Emissions ³			
NO _x	Tonnes	13,767	18,642
SO ₂	Tonnes	927	1,255
VOC	Tonnes	464	628
Scope 2 Indirect GHG Emissions ⁴	Tonnes CO ₂ e	14,687	14,489
Underlying Energy Use	Terajoules	9,461	12,551
Scope 3 Indirect GHG Emissions ⁵			
Air freight	Tonnes CO ₂ e	4,212	13,033
Ocean freight	Tonnes CO ₂ e	542	680
Intensity Metric – Work Hours	MtCO ₂ e / 1k work hours	48.51	46.93
Intensity Metric – Meters Drilled	MtCO ₂ e / meter drilled	1.31	1.36
Intensity Metric – Scope 3 Freight	MtCO ₂ e / km drilled	8.46	18.61

1 Total CO₂e is the amount of CO₂ equivalent (CO₂e) emissions from Scope 1 and Scope 2 sources. We use IPCC Fifth Assessment Report (AR5) values to calculate CO₂e.
2 Scope 1 refers to direct emissions from fuel consumption and refrigerant emissions. Fuel consumption emission factors are from the WBCSD/WRI, 2004 Greenhouse Gas Protocol. Refrigerant emission factors are from IPCC AR5 and ANSI/ASHRAE Standard 34.
3 Other emissions are calculated based on the mass of fuel consumed using EEMS Atmospheric Emissions Calculations Table 8.2
4 Scope 2 refers to indirect emissions from purchased electricity for rig shorepower. We use country-specific electric grid emission factors available from government agencies, where available; otherwise we use Institute for Global Environmental Strategies List of Grid Emission Factors.
5 Scope 3 includes other indirect emissions that occur in our value chain. The most relevant to our operations as of the end of 2020 is Category 4 – Upstream Transportation and Distribution which includes the transport of parts and equipment to our rigs via ocean and air freight.
Note: Valaris operates a fleet of offshore drilling units powered by marine diesel engines that are compliant with International Maritime Organization MARPOL Annex VI requirements. These engines do not fall under the jurisdiction of the EPA and are not required to comply with onshore Tier 4 emission regulations.



Our Commitment

As a part of the value chain that delivers affordable energy, we recognize the importance of producing that energy responsibly. In our business, emissions from our drilling rigs currently represent the largest contributor of atmospheric CO₂ and are therefore the target of our near-term sustainability effort.

While we are early on that journey, we have made great strides. In 2020 we established the Green Sustainability Committee, an internal cross-functional working group that includes employees from various levels of the organization, to coordinate our ESG efforts and to gain knowledge from our peers by learning from their progress. As an outcome of the work of that committee, we have developed technologies designed to monitor Scope 1 emissions from our drilling rigs in near real time, enabling us to benchmark future emission reductions. We have also evaluated technologies that are intended to reduce the emissions from many of our drilling units. We are working with our customers and suppliers to implement these technologies on our rigs.

Valaris strives for a path consistent with the Paris Agreement's 1.5°C scenario and to responsibly implement technology solutions that positively contribute to that objective over the longer term. We are developing goals this year that will get us to that target.

Because these solutions are expected to come from the effective combination of technology innovation and the talent of people who commit to this endeavor, Valaris is also focused on the diversity of its work force. We believe that a diverse, inclusive work force is a better one. In doing so, we will aim to bring local employment for the benefit of the communities in which we work.

This Position Statement has been reviewed and endorsed by the Valaris Executive Management Team and the ESG Committee of our Board of Directors. We anticipate that an annual review of the progress and commitments in this Position Statement will be performed with these groups.

A handwritten signature in black ink, appearing to read "Anton Dibowitz".

Anton Dibowitz
Interim President and CEO

A handwritten signature in black ink, appearing to read "Elizabeth D. Leykum".

Elizabeth Leykum
Board Chair
ESG Committee Member

A handwritten signature in black ink, appearing to read "Deepak Munganahalli".

Deepak Munganahalli
Board Member
ESG Committee Chair

A handwritten signature in black ink, appearing to read "Dick Fagerstal".

Dick Fagerstal
Board Member
ESG Committee Member

Forward-looking Statements and Website References

Statements contained in this document, as well as materials or websites that are cross-referenced, that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include words or phrases such as "anticipate," "believe," "commit," "estimate," "expect," "intend," "goal," "likely," "plan," "project," "target," "could," "may," "might," "strive," "should," "will" and similar words and specifically include statements that are aspirational or reflective of our views about future performance and our expectations, plans, or goals related to corporate responsibility, sustainability and environmental matters, employees, policy, business, procurement and other risks and opportunities. Such statements are based on currently available information and assumptions, as well as standards for measuring progress that are still in development, and are subject to numerous risks, uncertainties, and assumptions that may cause actual results to vary materially from those indicated.

Forward-looking statements are aspirational and are not guarantees or promises that such expectations, plans, or goals will be met. You should carefully read and consider the risk factors described in our annual and periodic filings with the Securities and Exchange Commission, as well as in our other public statements. Each forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to publicly update or revise any forward-looking statements, except as required by law.

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