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A note regarding the photographs in this report: Many of the images featured in the 2021 Sustainability Report have been captured by our employees during the course of their normal work using the employee communications app ValarisNOW. Not only does this provide users throughout the company an increased level of visibility of the activity taking place around the company and around the world but it also empowers our employees with a sense of pride in their work and an esprit de corps. Thank you to all employees who have shared glimpses of our world.
1. We are Valaris

1.1. Purpose and Values
Our Purpose is to provide responsible solutions that deliver energy to the world. Our Values of Integrity, Safety, Excellence, Respect, Ingenuity, and Stewardship will guide us as we fulfill our Purpose. This report highlights our sustainability efforts in 2020 (unless otherwise noted) that demonstrate our commitment to our Purpose and Values (Figure 1) and to the communities where we work.

**Our Purpose**
To provide responsible solutions that deliver energy to the world

**Our Values**

**Integrity**
Doing the right thing, whether or not anyone is watching

**Safety**
Causing no harm is always our priority

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

**Respect**
Treating others the way we would like to be treated

**Ingenuity**
Solving problems creatively

**Stewardship**
Safeguarding where we work for the next generation

Figure 1 – Purpose and Values
1. Message from the CEO

As I step into the interim role of President and Chief Executive Officer at Valaris, I would first like to recognize the accomplishments of this strong and resilient organization over the last year. 2020 proved to be a year filled with significant change and immense challenge, both for Valaris as well as our industry. In response, the Valaris team demonstrated a level of dedication to purpose and focus on execution that any CEO would be proud of. Despite the many difficulties created by COVID-19, the Valaris team demonstrated operational resilience, quickly adapting to continue delivering safe and reliable operations for our customers.

With an eye to the future, two programs were implemented over the last year, focused on accelerating employee development. First, we introduced A2E Essentials. These tools lay the foundation for best-practice business behaviors at Valaris. This program was tailored to our onshore personnel, helping to expand execution skills and increase creative mindsets in order to bring about new and innovative ways of conducting our day-to-day business.

Second, as we continued into 2021, we introduced BOLD for Supervisors training for our offshore leadership. The objective of this program is to expand the mindset of our supervisors, strengthening the skills and providing them with the tools to be a more effective leaders.

One of our core Values at Valaris is Stewardship: our commitment to safeguard the places we work for the next generation. We remain dedicated to this Value, initially focusing our efforts on minimizing the impact we have on the environment by reducing our emissions. Being committed to taking care of the environments in which we operate is critical to our future, not only as a drilling contractor, but also as an industry.

In order to continue our progress and increase momentum on our sustainability journey, we established a Green Sustainability Committee that will manage our efforts, track industry practices and seek advancements as we drive towards reduced emissions and targets set by regulatory authorities and customers. We will strive for a path consistent with the Paris Agreement’s 1.5°C scenario, develop targets and implement technology solutions that positively contribute to that objective.

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

In just one year, we made tremendous strides in developing initiatives that will better allow us to serve the communities and geographies in which we work. In 2020, we were able to optimize our supply chain, logistics and onshore workspaces, reducing our carbon footprint. We developed software that allows us to track and report, in near real-time, rig emission parameters and is able to identify underperforming assets for early identification of maintenance and scheduling. We are committed to developing and launching environmentally sustainable solutions. This is only the beginning of our green sustainability journey and I look forward to developing more energy efficient solutions across our global organization to ensure we are working towards a greener future.

The Valaris Executive Management Team and the Environmental, Social and Governance (ESG) Committee of our Board of Directors fully support our commitment as an organization and we anticipate that these groups will monitor, review and hold us accountable for progress being made each year.

The global pandemic continues to present us with daily challenges, and will continue to do so for some time, whether it be for our offshore crews traveling to and from our rigs or our onshore employees working away from the Valaris offices for extended periods of time. However, this crisis has proven that we are stronger together and resilient in the face of challenge. We are united by a common purpose to provide responsible solutions that deliver energy to the world - despite these times of adversity. This common purpose coupled with our Values makes us a company that will survive and thrive for years to come.

Sincerely,

Anton Dibowitz
Interim President and Chief Executive Officer
Valaris Limited
2. Sustainability at Valaris

2.1. Sustainability Reporting Standard
Valaris has prepared this report in accordance with the Sustainability Accounting Standards Board (SASB) - Oil and Gas Services Sustainability Accounting Standard. Our objective is to provide accurate and industry specific sustainability information to stakeholders. An index identifying the specific SASB standards addressed is included at the end of this report.

2.2. Valaris Transformation and Sustainability
Following the merger that formed Valaris in April 2019, we focused on several initial priorities, including operational excellence, minimizing disruption, and executing the integration plan. As the integration neared completion in early 2020, we switched our focus to another priority of the merger: to “transform” our business.

The goal of the Valaris transformation was to take our entire organization from “good to great” – driving rapid changes in culture, performance and capabilities while staying true to our values. Driven by feedback and ideas from our people, the Valaris transformation identified 550 distinct initiatives and made Valaris a more efficient organization.

Several transformation initiatives directly supported our sustainability efforts, including:

- Creation of the Green Sustainability Committee to identify and evaluate opportunities to reduce our environmental impact and promote sustainable business practices.
- Optimization of supply chain and logistics processes to improve efficiency and reduce Scope 3 emissions.
- Support of remote work solutions to reduce reliance on onshore office workspace and commuting.
- Development of remote capabilities for our Technical Support Center to reduce the need for offshore travel and increase efficiency of drilling operations through reduced downtime.

2.3. Sustainable Goal Development (UN Sustainable Development Goals)
The United Nations 2030 Agenda and its Sustainable Development Goals (SDGs) focus global efforts and attention on 17 key challenge areas. As a global company with a purpose to provide responsible energy solutions to the world, Valaris has a unique opportunity to contribute to efforts that help address a number of these key challenge areas. At Valaris, we believe we should aspire to maximize our positive impacts and minimize those that could negatively impact people or the environment.

We have identified the following SDGs where we believe Valaris can offer significant impact and influence through our operations and alignment of our objectives and business strategies.
<table>
<thead>
<tr>
<th>SDG</th>
<th>Description</th>
<th>Valaris Contribution</th>
</tr>
</thead>
</table>
| 1   | End poverty in all its forms everywhere. | We have recently operated in two UN Least Developed Countries (LDCs). We seek to support these and other local economies by:  
- Providing job opportunities for local workforce  
- Offering competitive compensation  
- Supporting nationalization plans for long-term contracts  
- Sourcing goods and services locally where practicable  
- Developing local resources to drive economic growth and opportunities |
| 3   | Ensure healthy lives and promote well-being for all at all ages. | We endeavor to support the health and well-being of our crews and business partners onboard by:  
- Providing medical care to all personnel onboard our rigs  
- Providing medical fitness checks and immunizations for local workforce  
- Offering healthy eating and recreation options onboard our rigs. |
| 4   | Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. | We support learning opportunities for our personnel by:  
- Providing industrial work experience for local workforce  
- Offering technical and HSE training for offshore crews  
- Supporting continuing education and professional certification for onshore and offshore personnel |
| 8   | Ensure sustainable consumption and production patterns. | We promote the efficient use of resources by:  
- Recycling operational and accommodation wastes  
- Seeking beneficial re-use for retired rig assets  
- Sourcing goods and services locally where practicable to support the ‘circular economy’. |
| 10  | Take urgent action to combat climate change and its impacts. | Our operations require large amounts of energy, providing opportunities to reduce our impact. To reduce emissions we have worked to:  
- Implement rig engine optimization projects and ‘Green DP’ operating mode for our self-propelled rigs  
- Conduct engineering studies on alternative power arrangements such as hybridization and electrification  
- Optimize supply chain and logistics processes to improve efficiency and reduce Scope 3 emissions  
- Provide remote work opportunities to reduce commuting and need for company office space  
- Locate our Houston corporate office in a LEED certified building |
| 14  | Conserve and sustainably use the oceans, seas and marine resources for sustainable development. | Our workplace is the world’s oceans. To protect them we have created policies and practices designed to:  
- Manage operational discharges per local and international requirements.  
- Manage ballast water to prevent the spread of invasive species  
- Support customer ‘zero discharge’ projects with rig arrangements and resources  
- Prevent spills and marine debris and attempt recovery of items that may be lost overboard. |
2. 4. Operational Governance

Valaris’ operational and workforce requirements are defined within the Valaris Management System (VMS), which offers a framework of policies, standards, and procedures designed to guide our work processes. VMS is an integrated management system that includes safety management, environmental management, and quality management. VMS is certificated to ISO 9001:2015 (Quality management systems) and ISO 14001:2015 (Environmental management systems) for Valaris’ United Kingdom operations with a goal to evaluate broader certification in 2021.

VMS is electronically maintained and controlled, in an effort to provide employees easy access to our documentation both onshore and offshore. Content is organized in an intuitive manner and includes an integrated search engine.

- VMS is hosted locally on our offshore assets, providing access to our employees even when external communications are interrupted.
- Content changes are highlighted through a “What’s New” icon, to help our employees remain aware of new changes and requirements.
- VMS includes translated versions of key management system documents to empower our local workforce.
- All employees are expected to be provided an eLearning covering VMS orientation.
- VMS has an integrated change request process (Management System Improvement Request), offering a feedback mechanism for employees. This is intended to drive ownership of our management system to the workforce, so its requirements reflect how we seek to operate and the risks we face.
3. Operational Excellence

Valaris operates in most offshore oil & gas basins around the world (Figure 2), and strives to provide safe, efficient, and reliable drilling services to our customers.

Figure 2 - Offshore areas where Valaris operated in 2020.
Our activity levels decreased in 2020 compared to 2019 (Table 2) primarily due to a reduction in demand for offshore drilling services in the 2020 period and suspensions due to COVID-19.

<table>
<thead>
<tr>
<th>Table 2: Activity Metrics</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of active rig sites</td>
<td># Floaters / # Jackups / # Managed</td>
<td>12 / 36 / 2</td>
</tr>
<tr>
<td>Number of active well sites</td>
<td>#</td>
<td>160</td>
</tr>
<tr>
<td>Total drilling performed</td>
<td>Meters</td>
<td>561,674</td>
</tr>
<tr>
<td>Total hours worked by all employees</td>
<td>Hours</td>
<td>15,181,933</td>
</tr>
</tbody>
</table>

1 Number of rigs active and on contract at any point during the year.
2 Count includes each well from multi-well drilling locations.
3 Metrics for 2019 accounts for full-year data from both legacy companies.
3.1. Health and Safety Management

Our Safety Value, which makes causing no harm a priority, encompasses people, property, and the environment. All Valaris employees share in the responsibility of keeping ourselves and our colleagues safe by following all company requirements and applicable laws and regulations. Our Safe Systems of Work (Figure 3) guide us to complete each job safely and efficiently.

We implement a behavior-based safety (BBS) program to build and maintain an interdependent safety culture onboard our rigs. We use this program to develop safety observation skills, promote stop work authority, conduct effective safety conversations with a focus on two-way communication, and resolve unsafe behaviors or conditions through mutually agreed upon solutions. BBS is especially useful for training crews who may be new to offshore drilling and enabling the workforce to ‘see safety’ and contribute to operational excellence.

3.2. Personal Safety

Our industry commonly uses Total Recordable Incident Rate (TRIR) and Lost Time Incident Rate (LTIR) to measure the frequency of work-related injuries. Valaris maintains and monitors these KPIs as an industry benchmark and Valaris has historically outperformed our International Association of Drilling Contractors (IADC) peer group. 2020 proved to be an exceptionally challenging year for our operations, and our safety performance was adversely impacted as a result (Table 3).

We have implemented several dedicated crew engagement initiatives to help improve safety performance and build upon our strong foundation of operational excellence.

<table>
<thead>
<tr>
<th>Table 3: Personal Safety Performance</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Recordable Incident Rate (TRIR) Per 200k work hours</td>
<td>0.51</td>
<td>0.36</td>
</tr>
<tr>
<td>Lost Time Incident Rate (LTIR) Per 200k work hours</td>
<td>0.09</td>
<td>0.07</td>
</tr>
<tr>
<td>Fatality Rate Per 1MM work hours</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Valaris does not record a total vehicle incident rate (TVIR) as we do not operationally control a fleet of motor vehicles.
3. Process Safety

Valaris is focused on preventing major accident events (MAEs) relating to the following Process Safety events:

- Loss of Well Control
- Fire or Explosion
- Loss of Station Keeping
- Loss of Stability
- Environmental Pollution

To prevent and mitigate these potentially catastrophic events, we have implemented a process safety framework based on risk assessment, barrier management, event reporting and continuous improvement (Figure 4).

Barrier elements (People, Plant, Process) are designed to be maintained to prevent or mitigate the effects of a process safety incident and several KPIs are tracked to monitor barrier health (Figure 5).

We report nine different types of process safety events through our internal HSE reporting system, which are then investigated to implement corrective and preventive actions and share lessons learned. We also report ‘barrier events’ when there are issues relating to active barriers being relied upon to prevent or mitigate a process safety event. Events are classified according to an internal severity matrix based on actual and potential consequences and assigned a Severity Level 1 - 5 to calculate a Process Safety Rate (PSR - Table 4). Despite the challenges of 2020, our process safety discipline resulted in a 63% reduction in the PSR compared to 2019.

<table>
<thead>
<tr>
<th>Table 4: Process Safety Performance</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process Safety Rate (PSR)(^1)</td>
<td>0.07</td>
<td>0.19</td>
</tr>
<tr>
<td>Per 200k work hours</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SECE WO(^2) on-time completion</td>
<td>97.6</td>
<td>97.9</td>
</tr>
</tbody>
</table>

\(^1\) Process Safety Rate = # Level 3 or higher Process Safety Events / 200,000 / Work Hours
\(^2\) SECE WO = Safety and Environmental Critical Equipment Work Order (maintenance activity)
3. 4. Operational Assurance
Valaris’ Operational Assurance Program (OAP) helps us maintain barrier elements for managing both personal and process safety hazards. OAP includes rig self-verification activities, oversight activities, regional audits and Corporate audit activities (Figure 6). The Corporate HSE audit function is carried out by our Core Value Team (CVT) who conduct detailed rig-based verification audits. These audits provide valuable feedback to rig operations, provide results to senior management and share lessons learned across the Valaris fleet.

3. 5. Emergency Preparedness and Business Continuity
Valaris has an emergency management system to ensure effective response to emergency events that could harm people, the environment, assets, company reputation or our license to operate. Emergency events are classified using a severity matrix to define the scope of the emergency and select the appropriate level of response. Emergency response plans are in place and tested on a regular basis.

Business continuity arrangements are also in place to ensure continued delivery of services at predefined levels following a disruptive incident. Such arrangements include IT disaster recovery, severe weather and infectious disease preparedness and response.

Crew on the Valaris Gorilla VI participate in their first Abandonment Drill since the easing of COVID restrictions.
4. Environmental Stewardship

4. 1. Overview of Performance
In 2020, Valaris saw an overall reduction in absolute greenhouse gas emissions compared to the prior year and a slight increase in one of our intensity ratios primarily due to a reduction in operations from the COVID-19 pandemic and reduced customer demand for drilling services.

4. 2. Environmental Aspects and Impacts Process
Valaris has implemented an environmental aspects and impacts process designed to conform to ISO 14001:2015 and intended to evaluate our activities and identify those aspects that are significant environmental aspects (SEAs). Aspect categories considered include:

- Air emissions
- Energy use
- Waste management
- Discharges to sea
- Natural resource use
- Water management
- Chemical management
- Site/location impacts

SEAs are prioritized for improvement efforts aimed at reducing their environmental impacts. In 2020, our Green Sustainability workgroup focused on energy efficiency and emission reduction efforts (Section 4.5).

4. 3. Chemical Management
Valaris and its customers use a variety of chemicals in our operations. Chemicals are selected to match application needs while reducing their potential impact to the environment. Our practice is to select chemicals with environmentally preferred formulations if they have the potential to enter the environment, such as with subsea equipment control fluids.

Where opportunities exist to further standardize our chemical purchases with environmentally preferable products, these are evaluated by our Standardization Committee.
4. 4. Greenhouse Gas and Other Emissions

Offshore drilling is an energy intensive activity, presenting an opportunity to reduce emissions through improving energy performance. To measure our impact and identify opportunities, Valaris monitor and track the amount of fuel used in our offshore operations, emissions from refrigeration equipment, our electricity consumption and the resulting emissions.

Our emission calculations are based on WBCSD/WRI, 2004 Greenhouse Gas Protocol: a Corporate Accounting and Reporting Standard (Revised Edition) and the UK Environmental Emissions Monitoring System (EEMS) Atmospheric Emissions Calculations. We have publicly reported our greenhouse gas emissions since 2016 in our annual report filings. We report on Scope 1 (direct emissions from fuel combustion and refrigerant gas emissions), Scope 2 (indirect emissions from purchased electricity for shore power) and Scope 3 (indirect emissions from ocean and air freight). Table 5 summarizes our emissions and energy consumption information.

<table>
<thead>
<tr>
<th>Table 5: Emissions and Energy Consumption</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total CO₂e</td>
<td>736,491</td>
<td>998,771</td>
</tr>
<tr>
<td>Total Fuel Consumed (Marine Gas Oil)</td>
<td>231,768</td>
<td>313,844</td>
</tr>
<tr>
<td>Fuel from renewable sources (Tonnes / (%))</td>
<td>1,332 (0.57%)</td>
<td>1,083 (0.34%)</td>
</tr>
<tr>
<td>Scope 1 Direct GHG Emissions (Tonnes CO₂e)</td>
<td>717,050</td>
<td>970,569</td>
</tr>
<tr>
<td>CO₂ (Tonnes)</td>
<td>696,992</td>
<td>944,868</td>
</tr>
<tr>
<td>CH₄ (Tonnes)</td>
<td>94</td>
<td>127</td>
</tr>
<tr>
<td>N₂O (Tonnes)</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Other Air Emissions (Tonnes)</td>
<td>13,767</td>
<td>18,642</td>
</tr>
<tr>
<td>NOₓ (Tonnes)</td>
<td>927</td>
<td>1,255</td>
</tr>
<tr>
<td>VOC (Tonnes)</td>
<td>464</td>
<td>628</td>
</tr>
<tr>
<td>Scope 2 Indirect GHG Emissions (Tonnes CO₂e)</td>
<td>14,687</td>
<td>14,489</td>
</tr>
<tr>
<td>Underlying Energy Use (Terajoules)</td>
<td>9,461</td>
<td>12,351</td>
</tr>
<tr>
<td>Scope 3 Indirect GHG Emissions (Tonnes CO₂e)</td>
<td>4,212</td>
<td>13,033</td>
</tr>
</tbody>
</table>

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, wellsites and platforms.

Note: Valaris operates a fleet of offshore drilling units powered by marine diesel engines that are compliant with International Maritime Organization (IMOA) 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.
Overall carbon emissions for 2020 are 736,491 tonnes CO₂ equivalent (Mt CO₂e), representing a 26% decrease from 2019 (998,771 Mt CO₂e). Absolute emissions are highly correlated to operational activity and these emission reductions reflect reduced rig activity due to the COVID-19 pandemic and lower oil prices affecting demand for offshore drilling services.

Our intensity ratios are based on the amount of emissions (in Mt CO₂e) compared to personnel work hours or meters drilled. The work hours intensity ratio increased slightly from 46.93 (2019) to 48.51 (2020) while the meters drilled intensity ratio decreased slightly from 1.36 (2019) to 1.31 (2020). Scope 3 overall freight emission intensity was reduced 55% from 2019 to 2020 with focus given to reduction of air freight emissions.

Additional efforts are being implemented to establish stronger reporting measures and tracking methods to improve our understanding of and to minimize our impact on the environment.

4.5. Energy Efficiency and Emission Reduction Efforts

Valaris aspires to increase its energy efficiency and reduce emissions. Several initiatives have been implemented in 2020 with others either in progress or in the planning stages.

**Initiatives Implemented**

- **GustoMSC P10000 drill ships** designed to operate in a “closed bus” configuration, which reduces emissions by running fewer engines more efficiently. In addition, these rigs are equipped with Selective Catalytic Reduction (SCR) technology for NOx emission reduction.
- Added ‘Green DP’ upgrades to the VALARIS DS-12 resulting in a 2% fuel usage reduction during a well completed in 2020 compared to prior well averages.
- Adopted work-from-home solutions for office staff. Resulted in an estimated 1.28 million commute miles avoided for the Houston Corporate Office alone (equating to approximately 519 tonnes of CO₂ emissions).
- Reduced Houston Corporate Office floorspace, avoiding 218 MWH electricity usage and 89 tonnes of CO₂.
- Implemented a transformation initiative aimed at reducing carbon-intensive air freight, resulted in a 55% reduction in freight emissions intensity from 2019 to 2020.
- Conducted gap analysis of Valaris Management System against the requirements of ISO 50001:2018 Energy management systems
- Developed remote capabilities for our Technical Support Center to reduce the need for offshore travel and increase the efficiency of drilling operations through reduced downtime.
**Initiatives in progress**

- Started converting the remaining drill ships in our fleet not already designed to operate in a “closed bus” configuration, which reduces engine usage.

- Built a near-real-time emissions tracker for our rigs that use signals for the rigs’ control systems to report engine load, fuel usage, and emissions. We currently expect that all rigs will be added to the reporting tool throughout 2021. The tool will be used to set baselines and improvement targets.

- Purchased a Selective Catalytic Reduction system and completed the design for installation on any jackup in our North Sea fleet.

**Planned and in Front-End Engineering and Design (FEED)**

- Jackup electrification (shore power and hybridization) - Once executed, allows the modified jackup to store waste energy from the drilling process in battery packs to reduce the required energy from diesel generators. The rig will also be able to run from shore power if the host platform is connected to the grid.

- Hybridization of drillships - Once executed, allows the modified drillship to store waste energy from the drilling process, balance load demand and reduce the required energy from diesel generators.

4. 6. Water and Waste Management

**Fresh Water Usage**

We use fresh water for several functions aboard our rigs including accommodations service, cooking, drinking water, maintenance and cleaning, and well drilling and construction activities. Water is produced aboard our rigs using desalination units or delivered from shore based municipal supply. Table 6 provides water usage information for drill water and potable water.

<table>
<thead>
<tr>
<th>Table 6: Water Usage</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drill Water (well drilling and construction) Thousand m³</td>
<td>348</td>
<td>483</td>
</tr>
<tr>
<td>Potable Water (accommodation and cleaning) Thousand m³</td>
<td>377</td>
<td>557</td>
</tr>
</tbody>
</table>

Note: We are implementing improved reporting and monitoring standards to track total fresh water made onboard vs. received from shore and the amounts recycled (where applicable). Once in place, this data will help us to establish improvement targets.

The total volume of fresh water used for accommodation purposes is discharged to the sea and returned to the water cycle after it has gone through various internationally approved treatment processes. Opportunities exist to enhance water-making capabilities within our rig fleet to reduce onshore water supplied for offshore use.
Discharges to Sea and Spill Prevention

Spills and discharges to sea are significant environmental aspects relating to our drilling operations. We aim to prevent spills to sea and reduce the environmental impact of allowable discharges to as low as reasonably practicable. Table 7 shows our spill prevention performance data for the last two years.

Discharges to sea are managed per International Convention for the Prevention of Pollution from Ships (MARPOL), including treatment of bilge water, oily water and sewage to acceptable levels prior to discharge. To control the spread of invasive species, ballast water is managed per ballast water management plans and/or treated through ballast water treatment systems prior to discharge per the Ballast Water Management Convention.

Spill prevention performance declined in 2020 compared to 2019. There were fewer hydrocarbon spill events but the volume of each on average was larger compared to 2019. The hydrocarbon spill volume rate also increased due to higher spill volume per unit of activity (200,000 work hours). Spills to sea of non-hydrocarbons decreased in number and volume; however, the rate increased due to reduced activity. We are addressing these trends with focus on several barriers aimed at preventing spills to sea:

- Bilge water management procedures
- Treatment system inspection and maintenance
- Requirements for environmentally sensitive valves (certain valves that lead overboard)
- Pollutant fluid transfer work instructions
- Transfer hose / dry-break connection standardization
- Requirements for deck and drill floor containment barriers and drains

General and Hazardous Waste Generated

Minimizing waste from our operations remains a focus to uphold our Stewardship Value. General and industrial wastes generated as part of our operations are segregated into separate storage containers, marked and recorded according to dangerous goods codes and then shipped back to shore for recycling or disposal per local regulatory requirements. The volume or weight of each waste category are recorded as part of our MARPOL reporting. We are investigating better ways to capture waste generation, recycling and disposal data to aid the development of improvement objectives.

Our rig retirement process currently prioritizes repurposing options rather than recycling. In 2020, we sold the VALARIS 8500 (now Deimos) and the VALARIS 8501 (now Phobos) for the SpaceX Starship program. When the decision is made to recycle, our process has been designed to use approved ship-breaking facilities following international conventions.

Table 7: Spill Prevention Performance

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydrocarbon Spill to Sea</td>
<td>#</td>
<td>9</td>
</tr>
<tr>
<td>Hydrocarbon Spill to Sea Volume</td>
<td>m³</td>
<td>7.3</td>
</tr>
<tr>
<td>Hydrocarbon Spill to Sea Volume Rate</td>
<td>bbls/200k work hours</td>
<td>0.61</td>
</tr>
<tr>
<td>Non-Hydrocarbon Spill to Sea</td>
<td>#</td>
<td>4</td>
</tr>
<tr>
<td>Non-Hydrocarbon Spill to Sea Volume</td>
<td>m³</td>
<td>90.8</td>
</tr>
<tr>
<td>Non-Hydrocarbon Spill to Sea Volume Rate</td>
<td>bbls/200k work hours</td>
<td>7.52</td>
</tr>
</tbody>
</table>

1 Hydrocarbon / Non-Hydrocarbon Spill to Sea Volume Rate = bbls material spill to sea * 200,000 / work hours
5. People of Valaris

5.1 Overview
People are key to our success. In 2020, we employed approximately 3,400 employees worldwide, representing 65 different nationalities in 22 locations. Our hiring decisions are driven by a strategic staffing and recruiting effort we intend to result in a diverse workforce in key operational locations.

5.2 Diversity and Inclusion
Building on our Values of Integrity and Respect, Valaris endeavors to support and build diversity and inclusion throughout our workforce. We aim to attract, retain, and develop high-performing employees through our robust Talent Review process. This process is used extensively in making recruiting, transfer, and promotion decisions without regard to factors such as race, religion, color, national origin, gender, sexual orientation, age, disability, or marital status.

Following our merger, integration activities, and reduced hiring opportunities, our gender diversity is mixed with the following approximate distribution (Table 8):

Onshore: 30% female | 70% male
Offshore: 1% female | 99% male

We continue to focus our efforts on developing programs and commitments to foster a diverse and inclusive workforce.

Table 8: Workforce Information

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td># FTE1</td>
<td></td>
</tr>
<tr>
<td>Women in the workforce (onshore) %</td>
<td>29.8%</td>
<td>29.6%</td>
</tr>
<tr>
<td>Women in the workforce (offshore) %</td>
<td>0.9%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Women in the workforce (total) % of total</td>
<td>5.7%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Women in leadership (manager and above) % of total</td>
<td>0.94%</td>
<td>0.86%</td>
</tr>
<tr>
<td>Women on Board of Directors % of total</td>
<td>25%</td>
<td>22%</td>
</tr>
<tr>
<td>Nationalities represented #</td>
<td>70</td>
<td>89</td>
</tr>
</tbody>
</table>

1 Full Time Equivalent and Contractor based on rolling average

OFFSHORE HEADCOUNT

2020 offshore workforce makeup is 20% expat / 80% national representing 54 countries
5. 3. Impacts of COVID-19 and Employee Well-Being

The health and wellbeing of Valaris employees is an important component of the overall health of the organization. We are committed to promoting the mental health and wellness of our onshore and offshore employees.

The global COVID-19 pandemic placed tremendous pressures on our offshore crews with extended offshore work rotations, quarantine / isolation periods, travel restrictions and the resulting potential for fatigue and mental health effects. To address these concerns, Valaris implemented several initiatives to increase awareness of and provide support for the mental health and wellness of our employees:

- Introduced mental health and wellness as regular topics during leadership meetings and encouraged the leadership of the company to recognize these signs in their employees;
- Communicated similar messages across the business in order to promote a healthy work/life balance in their employees;
- Delivered Mental Health Awareness training during weekly safety meetings onboard;
- Created an initiative to promote and support the mental health of our employees;
- Promoted World Mental Health Day and World Health Day through our social media and internal communication platforms and encouraged employees to participate;
- As part of the transformation initiative to improve internal communications, we recognized the need for a single communications platform to bring our employees together. Valaris invested in an employee communications app (ValarisNOW) that is accessible from any mobile device at any time, reaches the entire workforce and promotes a wider sense of community;
- Raised a remote work initiative to provide guidance to leaders and employees for maintaining a healthy work/life balance during work from home;
- Began offering wellness programs in most of the countries where we operate either through our benefits providers or via an independent program provided by a health consultancy.
5. 4. Training and Competency

Approximately 120,000 total training hours were completed in 2020 (46% less than the previous year (~260k hours) due to declining market conditions and COVID-19). Approximately 20% of this training is conducted by external training providers onboard the rig and 15% is acquired via eLearning. Health, safety, and emergency response training make up approximately 83% (approximately 100k hours) of this training. Mandatory training compliance across all active rigs was 85%, in line with industry averages.

“To be bold, we will lead”

Even with the global impacts of COVID-19, we did not stop investing in and developing our workforce. We rapidly adapted to our changing environment and deployed an onshore leadership program focused on improving workforce engagement and efficiency. Eight virtual workshops were led by our own employee facilitators to improve the leadership and execution skills of 200 shore-based managers and supervisors. Building on this, we engaged 500+ members of our onshore workforce through delivery of 17 digital training modules covering topics such as creating ideas, owning priorities, anticipating and managing risk, communicating effectively, problem solving, improving team effectiveness, moving and influencing the organization, strategic alignment and driving to action.

Building on the success of the onshore virtual leadership program, we developed an internal safety leadership program ‘BOLD for Supervisors’. Building Organizational Leadership Development (BOLD) focuses on developing the leadership skills of our offshore frontline Supervisors to achieve and sustain operational excellence through virtual workshop engagements, digital training modules and action plan implementation in the workplace. In 2021, Valaris currently plans to train approximately 1,050 offshore supervisors in the BOLD for Supervisors program.

### Training Delivery

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shore-Based Training</td>
<td>64%</td>
</tr>
<tr>
<td>eLearning</td>
<td>21%</td>
</tr>
<tr>
<td>Onboard Training</td>
<td>15%</td>
</tr>
</tbody>
</table>

### Training Type

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>HSE &amp; Emergency Response</td>
<td>83%</td>
</tr>
<tr>
<td>Technical</td>
<td>17%</td>
</tr>
</tbody>
</table>
6. Corporate Governance and Code of Conduct

Valaris conducts periodic thorough risk assessments as part of our Enterprise Risk Management (ERM) process to support the appropriate and effective management of our enterprise and compliance risk in an ever-evolving regulatory and business environment. Controls and mitigating factors are documented and monitored as part of this process. Valaris’ ERM risk library is reviewed by the Executive Management Committee on a bi-monthly basis with quarterly reporting to the Board of Directors. We actively participate in a variety of industry committees and workgroups so that Valaris has appropriate involvement and influence in the industry and we strive to continuously evolve our processes.

6.1 Preventing Corruption
Consistent with our Integrity Value, preventing corruption is essential for all employees and business partners, including suppliers, contractors and other intermediaries, particularly for those representing Valaris when interacting with government officials.

Valaris strongly rejects any form of corruption. We, as well as third parties acting on our behalf, are prohibited from obtaining any type of benefit through bribery. Similarly, we cannot accept bribes or be used by any other party to facilitate bribery. These prohibitions extend to all types of bribery, including monetary payments and kickbacks, as well as other non-monetary forms or items of value in exchange for an improper benefit.

We do not accept or provide gifts, travel, entertainment, sponsorships, or charitable contributions in exchange for business services, or confidential information, or the improper influence of a decision. Interactions with government officials present heightened corruption risks and thus receive special attention in our policies, procedures and standards.

Our Compliance program is designed to support the Company’s management of regulatory risks in the jurisdictions in which we operate, with a focus on anti-corruption and trade compliance.

<table>
<thead>
<tr>
<th>Table 9 - Revenue from CPI 20 Lowest Ranked Countries</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>$ Million USD</td>
<td>297.25</td>
</tr>
<tr>
<td>% of Total Operating Revenues</td>
<td>%</td>
<td>20.8%</td>
</tr>
</tbody>
</table>

6.2 Corporate Governance
The Board of Directors seeks to provide effective governance over the company’s affairs for the benefit of Valaris shareholders, employees, customers and other stakeholders and endeavors to continually review and evolve its practices and structure in light of best practices. In 2021, following the company’s recent restructuring, the Board reduced its size to six directors possessing a diverse mix of skills and characteristics and now maintains five standing committees to support the execution of its responsibilities and the future of Valaris: an Audit Committee, Nominating and Governance Committee, Compensation Committee, Strategy Committee and ESG Committee. Click here for our current board composition matrix.
To assist the Board and its committees in the exercise of their responsibilities and optimize the performance of the company, the Board has adopted a Corporate Governance Policy, as well as specific charters to outline the role and responsibilities of each of its committees, which are available on the Valaris website. Our governance practices provide for strong independent leadership, independent discussion among directors, independent evaluation of, and communication with, members of senior management and independent oversight of the company’s operational, fiscal and risk management activities.

6.3. Code, Policies, and Procedures

Our Code of Conduct is our foundational document that guides us in living out our Integrity and Respect Values. It is available in multiple languages on our Ethics and Compliance webpage and applies to all directors, officers and employees of the Company. Vendors are also required to agree to our Code’s principles. The Code is comprehensively reviewed on a periodic basis and approved by our Board of Directors.

The Code is supported by compliance policies and procedures within our management system including:

- Ethics and Compliance Policy
- Trade Compliance Policy
- Trade Compliance Standard
- Anticorruption Compliance Standard
- Intermediary Procedure
- Investigations Procedure
- Gifts, Travel and Entertainment Procedure
- Social and Digital Media Procedure
- Intermediary Guidance
- Import and Export Compliance Manual
- Restricted Party Screening Procedure

6.4. Third-Party Risk Management

Vendor risk management is a key control and focus area for the Company. We evaluate and monitor our third parties throughout our relationship, beginning with the onboarding process.

All third parties are required to agree to the principles set out in our Code and execute appropriate compliance language in our contracts. They also go through a rigorous onboarding process that includes completion of questionnaires geared toward identifying potential red flags, and pre-screening for sanctions and negative media.

Prospective Intermediaries are risk assessed on a three-tiered matrix, with increased levels of due diligence and approval based on risk. The risk assessment has multiple factors, including type of services provided and country of operations. The Company requires further enhanced due diligence for all proposed JV relationships.

Ongoing monitoring throughout the Intermediary relationship is key. Monitoring includes:

- heightened invoice review requirements
- annual compliance certifications
- periodic renewal of due diligence for higher-risk Intermediaries
- multiple audits based on our multi-factored audit plan assessment
- periodic in-person or online training required for higher-risk Intermediaries
6.5. Compliance Training and Communications
Valaris maintains a robust compliance training and awareness program that includes core compliance training for all employees, targeted compliance training, and regular compliance communications. All directors, employees and full-time contractors are required to complete annual compliance training covering the Code, anticorruption, anti bribery, conflicts of interest and other relevant topics. The Company regularly achieves 100% completion of its employee compliance training.

The Compliance department issues regular newsletters and other relevant employee communications regarding compliance matters. In 2020, the Compliance department developed and launched its Ethics & Compliance employee site, which provides resources for all compliance program components and contact information for Compliance Team members.

6.6. Reporting and Investigation Process
Valaris maintains a system for reporting misconduct. Employees and third parties can report through multiple avenues, including confidential and anonymous means. Employees are also able to report to their manager, HR, Chief Compliance Officer, or Board/Committee Chairs and Ethics Hotline. These reporting avenues are provided on our website and described within our Code.

Our global Ethics Hotline is managed by an independent party and is available 24 hours a day, 7 days a week by phone and internet. The hotline allows for anonymous reporting and is available in English, Spanish, Portuguese, French, Indonesian, Norsk, and Arabic.

Employees have an obligation to report all actual or suspected violations of our Code – and the Company has a strict zero tolerance policy for retaliation, which is set out in our Code.

All allegations are managed by the Compliance department with oversight by executive management and the Board of Directors. Employees and representatives who violate the Code are subject to appropriate discipline (including termination).

6.7. Management of Legal and Regulatory Environment
As a global offshore contract drilling company, our operations are affected by political initiatives and laws and regulations that relate to the oil and gas industry in the jurisdictions in which we operate, including those that address or curtail exploration and development drilling for oil and natural gas for economic, safety, or other policy reasons and control the discharge of materials into the environment, pollution, contamination and hazardous waste disposal or otherwise relating to the protection of the environment. The risks and opportunities these regulations and policies present to our business are described in detail in our publicly available annual and quarterly reports with the Securities and Exchange Commission.
## SASB Index

<table>
<thead>
<tr>
<th>TOPIC ACCOUNTING METRIC</th>
<th>CODE</th>
<th>RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emissions Reduction Services &amp; Fuels Management</td>
<td>Total fuel consumed, percentage renewable, percentage used in (1) on-road equipment and vehicles and (2) off-road equipment</td>
<td>EM-SV-110a.1</td>
</tr>
<tr>
<td></td>
<td>Discussion of strategy or plans to address air emissions-related risks, opportunities, and impacts</td>
<td>EM-SV-110a.2</td>
</tr>
<tr>
<td></td>
<td>Percentage of engines in service that meet Tier 4 compliance for non-road diesel engine emissions</td>
<td>EM-SV-110a.3</td>
</tr>
<tr>
<td>Water Management Services</td>
<td>(1) Total volume of fresh water handled in operations, (2) percentage recycled</td>
<td>EM-SV-140a.1</td>
</tr>
<tr>
<td></td>
<td>Discussion of strategy or plans to address water consumption and disposal-related risks, opportunities, and impacts</td>
<td>EM-SV-140a.2</td>
</tr>
<tr>
<td>Chemicals Management</td>
<td>Volume of hydraulic fracturing fluid used, percentage hazardous</td>
<td>EM-SV-150a.1</td>
</tr>
<tr>
<td></td>
<td>Discussion of strategy or plans to address chemical-related risks, opportunities, and impacts</td>
<td>EM-SV-150a.2</td>
</tr>
<tr>
<td>Ecological Impact Management</td>
<td>Average disturbed acreage per (1) oil and (2) gas well site</td>
<td>EM-SV-160a.1</td>
</tr>
<tr>
<td></td>
<td>Description of management systems used to address risks and opportunities related to ecological impacts from core activities</td>
<td>EM-SV-160a.2</td>
</tr>
<tr>
<td>Workforce Health &amp; Safety</td>
<td>(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), (4) total vehicle incident rate (TVIR), and (5) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees</td>
<td>EM-SV-320a.1</td>
</tr>
<tr>
<td></td>
<td>Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle</td>
<td>EM-SV-320a.2</td>
</tr>
<tr>
<td>Business Ethics &amp; Payments Transparency</td>
<td>Amount of net revenue in countries that have the 20 lowest rankings in Transparency International’s Corruption Perception Index</td>
<td>EM-SV-510a.1</td>
</tr>
<tr>
<td></td>
<td>Description of the management system for prevention of corruption and bribery throughout the value chain</td>
<td>EM-SV-510a.2</td>
</tr>
<tr>
<td>Management of the Legal &amp; Regulatory Environment</td>
<td>Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry</td>
<td>EM-SV-530a.1</td>
</tr>
<tr>
<td>Critical Incident Risk Management</td>
<td>Description of management systems used to identify and mitigate catastrophic and tail-end risks</td>
<td>EM-SV-540a.1</td>
</tr>
</tbody>
</table>

### ACTIVITY METRIC

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>CODE</th>
<th>RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of active rig sites</td>
<td>EM-SV-000.A</td>
<td>Table 2</td>
</tr>
<tr>
<td>Number of active well sites</td>
<td>EM-SV-000.B</td>
<td>Table 2</td>
</tr>
<tr>
<td>Total amount of drilling performed</td>
<td>EM-SV-000.C</td>
<td>Table 2</td>
</tr>
<tr>
<td>Total number of hours worked by all employees</td>
<td>EM-SV-000.D</td>
<td>Table 2</td>
</tr>
</tbody>
</table>
Forward-looking Statements and Website References

Statements contained in this report, 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,” “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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