

# 2019 Global Stewardship Report

Schlumberger Limited



Schlumberger

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# Our Sustainability Focus



The energy industry is changing, and Schlumberger's vision is to define and drive high performance, sustainably. Our core competence is to enable our customers to operate safely, efficiently, effectively, and in an environmentally responsible manner. Our Global Stewardship program addresses:

- » identifying and managing opportunities and risks associated with the energy transition and climate change
- » protecting the environment
- » investing in and engaging with the communities where we and our customers live and work
- » respecting human rights and promoting diversity

# Message from the CEO

**Schlumberger's vision is to define and drive high performance, sustainably.**

**We are focused on our purpose: creating amazing technology that unlocks access to energy, for the benefit of all.**

Schlumberger is committed to being at the forefront of our industry's shift toward more sustainable energy production—challenging not only ourselves, but also our customers, suppliers, and peers to partner on delivering measurable social and environmental progress. We are uniquely positioned to impact both our own environmental and social footprint and to help our customers reach their goals. Our corporate purpose reiterates our commitment to being a more sustainable industry partner.

The health and safety of our people, customers, contractors, and surrounding communities have always been a top priority in Schlumberger, and this has been in sharper focus during the recent pandemic. I am very proud of the example the people of Schlumberger have set by responding with resilience and generosity, and for safely continuing to deliver high performance for customers and making meaningful contributions to the health of our communities. In 2019, we achieved the lowest total recordable injury frequency and automotive accident rate Schlumberger has ever recorded.

In this context, you can see our culture of stewardship grows from one of our long-established values—people. Exceptional people join us from around the world because of who we are—and then they make

us what we are. Schlumberger seeks to continually increase diversity and promote inclusion in our workforce, supply chains, and communities where we work and live. We believe caring for people and communities is fundamental to drive better performance for all our stakeholders; this is why sustainability is at the core of everything we do. Recent events have increased the sense of urgency and reinforced our commitment to industry-wide sustainability.

Indeed, companies across all industries are being challenged to innovate and create more value while strengthening positive environmental and social performance. I personally accept this challenge and commit to added accountability, transparency, and stakeholder engagement across our ESG strategic elements.

We believe good stewardship starts with committing to change, and accountability starts with setting key corporate goals and targets with the right governance in place to ensure we make progress. Two of our stewardship ambitions for 2025 are a salaried workforce comprising 25% women and a reduction of our Scope 1 and 2 emissions by 30%. My global management teams and I share both these goals in key objectives that are tied to annual compensation.

The United Nations Sustainable Development Goals continue to serve as a primary framework for translating our corporate priorities into locally relevant social and environmental programs. Our focus on addressing climate change aligns to recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD)—efforts we proudly support. Additionally, we view the Sustainability Accounting Standards Board (SASB) metrics as relevant to our management of both financial and non-financial risks related to ESG performance. Our commitment to transparency on key ESG priorities will strengthen our contributions to sustainable change beyond our own environmental footprint.

We are proud that in 2019, our company became the first in upstream exploration and production services to commit to setting a Science Based Targets initiative to reduce greenhouse gas emissions. This is significant, because it challenges us with targets verified by the Science Based Targets initiative, not only to reduce our fuel and power consumption, but to also work with our suppliers and customers to reduce their consumption. We will set our reduction target, in line with SBTi's defined criteria, by 2021.

Through strong collaboration with our business partners across our industry, we are committed to making measurable progress in addressing climate



change. These efforts will be in and beyond oil and gas, strengthening our commitment to provide customers with innovative energy technologies.

I am proud of the achievements we have made in 2019 to advance sustainability. I would like to thank our employees, customers, suppliers, and partners for their dedication and support in delivering the results in this report. Our industry has an important role to play in the future of energy, and Schlumberger is evolving for that exciting future. We continue to build the Schlumberger of tomorrow to define and drive high performance, sustainably.

Sincerely,

A handwritten signature in black ink, appearing to read "Olivier Le Peuch".

**Olivier Le Peuch**  
*Chief Executive Officer*

# 82,000

Approximate Number of Employees Worldwide  
(as of Sept 30, 2020)

170+  
Nationalities

120+  
Countries

Founded in 1926, Schlumberger is the world's leading provider of technology and digital solutions for reservoir characterization, drilling, production, and processing to the energy industry. Schlumberger supplies the industry's most comprehensive range of products and services, from exploration through production, and integrated pore-to-pipeline solutions that optimize hydrocarbon recovery to deliver reservoir performance sustainably.

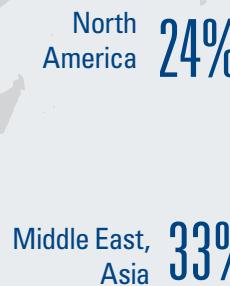
Schlumberger has executive offices in Paris, Houston, London, and The Hague. With product sales and services in more than 120 countries and employing approximately 82,000 people as of the end of third quarter of 2020 who represent over 170 nationalities, Schlumberger attracts talented people from around the world. As of December 2019, Schlumberger employed approximately 105,000 people who represented over 170 nationalities. This broad range of perspectives—experience, education, geography, nationality, culture, gender, and age—stimulates creativity and innovation, helping us maintain our competitive edge. Moreover, our diverse workforce is better able to understand, respond to, and deliver services and products that meet the unique expectations and requirements of our stakeholders, including our customers, suppliers, and stockholders.



Learn more about the Schlumberger commitment to Global Stewardship:  
[www.slb.com/globalstewardship](http://www.slb.com/globalstewardship)



2019 Revenue Contribution



2019 Nationality Mix

# Governance and Ethics

**Schlumberger is committed to excellence in everything we do, and we strive to maintain the trust and confidence of our customers and stockholders as well as other stakeholders affected by our operations. Our commitment to sound principles of corporate governance and ethics sets the foundation of our Global Stewardship program.**

We aim to operate in a consistent and transparent way. Our reputation for integrity and fair dealing is vitally important in winning and retaining the trust of our stakeholders. When we are clearly seen to behave in an ethical manner, we enhance our reputation for integrity, which helps us attract and retain customers and employees.

## Corporate Governance

### Board of Directors

The Schlumberger Board of Directors (Board) consists of nine members, including an independent Chairman of the Board, six additional independent directors, and one executive director. Our director independence standards meet or exceed the independence requirements of the New York Stock Exchange (NYSE).

The Nominating and Governance Committee (N&G Committee) of the Board oversees our Global Stewardship programs and activities. As Schlumberger's primary governing body with oversight over climate-related risks and opportunities, the N&G Committee receives quarterly updates on the progress Schlumberger is making toward a low-carbon future. In addition, the full Board is actively involved in overseeing risk management for the Company, including material risks relating to climate change.

The N&G Committee of the Board also evaluates the suitability of potential nominees for Board membership and makes recommendations to the full Board. The N&G Committee takes into consideration the Board's current composition and mix of appropriate expertise, and promotes Schlumberger's diversity policy that the Board should ensure that qualified candidates reflecting the gender, cultural, and geographical diversity of the Company are considered as potential nominees. The N&G Committee's

evaluation of director nominees takes into account their ability to contribute to the Board's diversity, and the N&G Committee annually reviews its effectiveness in balancing these considerations when considering director nominees.

### Structure

The Board recognizes that one of its key responsibilities is to evaluate and determine an appropriate board leadership structure to provide for independent oversight of management. The Board believes that there is no single, generally accepted board leadership structure that is appropriate for all companies, and that the right structure may vary for a single company as circumstances change. As such, our independent directors consider the Board's leadership structure at least annually.

Most recently, the independent members of the Board determined that appointing an independent, non-executive Chairman of the Board was an appropriate Board leadership structure at this time because it allows our CEO to focus on leading the Company's complex international business operations, while providing the Board experienced and independent leadership. Mr. Mark G. Papa currently serves as our independent Chairman of the Board.

The independent directors of the Board may, at their discretion, determine to combine the CEO and Chairman roles in the future if they deem such action appropriate.

### Diversity

With approximately 82,000 employees who represent over 170 nationalities, Schlumberger and our Board of Directors value gender, cultural, and geographic diversity. Two of our nine directors are women. Among our directors, three are citizens of the United States, three are citizens of France, one is a citizen of Saudi Arabia, one is a dual citizen of both Russia and Israel, and one is a dual citizen of both Argentina and the United Kingdom. Our geographically diverse Board also evidences the Board's commitment to have directors who represent countries where Schlumberger operates. In addition, the exceptionally broad and diverse experience of our Board is in keeping with the goal of having directors whose background and experience complement those of other directors.

### Board Committees

The Schlumberger Board of Directors maintains [five committees](#). The Audit Committee assists the Board in its oversight of the accounting and financial reporting processes of the Company, including the audit of the Company's financial statements and the integrity of the Company's financial statements, legal and regulatory compliance, the independent auditor's qualifications, independence and performance, and the performance of the Company's internal audit function. The Compensation Committee assists the Board in discharging its responsibilities regarding executive compensation. The Nominating and Governance Committee assists the Board in identifying qualified individuals to become directors, reviews corporate governance



## Board of Directors ↗

- |                             |                   |
|-----------------------------|-------------------|
| » Patrick de La Chevardière | » Mark G. Papa    |
| » Miguel M. Galuccio        | » Leo Rafael Reif |
| » Olivier Le Peuch          | » Henri Seydoux   |
| » Tatiana A. Mitrova        | » Jeff W. Sheets  |
| » Lubna S. Olayan           |                   |

trends, monitors and reviews the effectiveness of the Company's Ethics and Compliance Program, oversees the Company's corporate reputation, ESG and social responsibility strategies, and oversees an annual review of the Board's performance. The Finance Committee advises the Board and management of the Company on various capital allocation and capital structure matters. The Science and Technology Committee advises the Board and management on matters involving the Company's research and development programs. Only independent directors serve on our Audit, Compensation, and Nominating and Governance Committees.

### Managing Corporate Risk

The Board also manages risk in part through its oversight of the Company's Executive Risk Committee (the ERC). The ERC is not a committee of the Board; rather, it comprises top Company executives from various functions, including the Vice President of Global Stewardship, each of whom supervises day-to-day risk management throughout the Company. The ERC's purpose is to identify those risks that have the potential to significantly affect our business over the short-, medium- and longer terms—and therefore to impact our strategic objective—and to implement appropriate mitigation measures. In 2019, more than half of the key corporate risks identified in our risk mapping process related to environmental, social or governance matters.

The Company's risk identification is performed annually at two levels. The ERC performs a corporate-level risk mapping exercise, which involves the CEO and several other members of senior management, and while maintaining oversight, delegates operational (field-level) risk assessment and management to the Company's various geographies, businesses and functions. To the extent that the ERC identifies recurring themes from the operational risk mapping exercises, they are acted on at the corporate level. Members of the ERC meet formally at least once a year, and more frequently on an ad hoc basis, to define and improve the risk mapping process, and to review and monitor the results of those exercises and those that have been delegated. The ERC reports directly to our CEO and to the Board, and annually presents to the Board a comprehensive report as to its risk mapping efforts for that year.

The Board and management recognize that climate risk is a key area of focus among our stakeholders, and the Company has, in line with this risk, committed to reducing our carbon emissions, as discussed in detail

in this report. We are also in the process of implementing efficiency measures focused on fuel consumption and energy consumption across our global operations and facilities. Among the key environmental- and climate-change risks monitored as part of our risk mapping process were:

- » environmental impacts resulting from process safety incidents,
- » country-specific legislation and regulations,
- » environmental compliance,
- » financial risk associated with climate change,
- » perception of industry due to climate change dialogue, and
- » extreme weather.

In 2019, we complemented our well-established risk assessment program with a comprehensive climate risk assessment in Norway—a country that is representative of our operational activities. This project adopted the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations related to the identification of opportunities and risks—both financial and physical—associated with climate change, including conducting scenario-based analyses in accordance with the U.N. Paris Agreement. After a detailed evaluation of our operations in Norway, we identified both acute and chronic physical climate risks, as well as potential risks and opportunities associated with the energy transition. Findings from this project were communicated to Schlumberger management and our Board and are further shaping our internal climate strategy. For example, after identifying some mid-term flooding risks identified in Norway, we launched a global sea-level rise assessment, which we expect to complete in 2020. We have expanded our climate assessment project and, as of September 2020, our operations in countries representing over 50% of our total 2019 revenue are participating in the program. For additional details, please see the Environmental and Climate section of this report titled "Managing Environmental Risk" on page 12.

### Communication with the Board

The Schlumberger Board of Directors and individual members can be contacted by writing to our Corporate Secretary at the following address:

Schlumberger Limited  
Attention: Corporate Secretary  
5599 San Felipe, 17th Floor  
Houston, Texas 77056

### Executive Compensation

Our compensation program is designed so that the higher an executive's position in the Company, the greater the percentage of compensation that is contingent on our financial performance, long-term stock price performance and individual performance—described as "at-risk" compensation. The Company believes that having a significant portion of our executives' compensation at risk more closely aligns their interests with our long-term interests and those of our stockholders. Accordingly, our executive officers receive a greater percentage of their compensation through at-risk pay tied to Company performance than other members of our senior management.

Some of the Company's sustainability goals, as discussed in the "Key ESG Priorities and Accountability" section of this report, are reflected in the 2020 short-term cash incentive compensation opportunity for our CEO and other members of our senior management. Specifically, a portion of that compensation opportunity will be based on achieving our annual internal objectives relating to emissions reductions and gender balance.

A more detailed discussion of our executive compensation program is available in our [2020 proxy statement](#) beginning on page 25 under the caption "Compensation Discussion and Analysis."

In setting our executives' compensation, we believe the following:

- » The pay of our senior executives should be strongly linked to performance that is evaluated against financial, strategic, operational, and personal objectives.
- » Our compensation program should enable us to recruit, develop, motivate, and retain top global talent, both in the short-term and long-term, by providing compensation that is competitive and by promoting the Company's values of people, technology and profit.
- » Long-term incentive equity awards should encourage the creation of long-term stockholder value, align our executives' compensation with our stockholder returns, and incentivize our executives to achieve difficult but attainable strategic and financial goals that support our long-term performance and leadership position in our industry.
- » Through our executive stock ownership guidelines, our executives should be required to hold stock acquired through equity-based awards, thereby aligning their interests with those of our other stockholders.
- » Diversity of our workforce is both a very important part of our cultural philosophy and a business imperative, as it better enables us to serve clients anywhere in the world.

### Key ESG Priorities and Accountability

Schlumberger is committed to driving positive Environmental, Social and Governance (ESG) change, both within the Company and across the energy industry. In 2019, the Schlumberger Board of Directors approved the Company's key corporate ESG goals, which include the achievement of the following by 2025:

- » Reduction in carbon emissions by 30%.
- » Gender balance of 25% women in salaried workforce.
- » Zero company-involved fatalities.

We also further defined our Global Stewardship priorities this year by grouping them into nine key categories of programs and initiatives.

#### ENVIRONMENTAL

- » Reducing our footprint
- » Addressing climate change
- » Helping our customers reduce their footprint

#### SOCIAL

- » Human rights, diversity and inclusion
- » Keeping people safe
- » Community and in-country value

#### GOVERNANCE

- » Risk, monitoring and accountability
- » External ESG engagement
- » ESG reporting and communication

Schlumberger's key ESG priorities were identified in consultation with our stakeholders and are based on an internal assessment of risk, applicability, and potential degree of impact.

In 2019, Schlumberger became the first company in upstream E&P services to commit to setting a science-based target in emissions reduction—aligning with and in support of the Paris Agreement. We also continued our five-year initiative to map Schlumberger's impact activities and opportunities to the United Nations Sustainable Development Goals (SDGs) framework. In 2019, we held workshops in key geographic locations, in order to identify the SDGs where we could have the greatest impact based on country-specific operations and local needs. These regional workshops built upon the corporate-level SDG analysis that we completed in 2018, in

which we evaluated all 169 underlying targets of the 17 SDGs and selected the 11 SDGs through which Schlumberger can achieve the greatest positive impact while creating commercial value. Local prioritization of the SDGs in 2019 has allowed our in-country teams to concentrate on environmental and social initiatives in the communities where we live and work, facilitating those communities in achieving targets associated with the SDGs.

### SUSTAINABLE DEVELOPMENT GOALS



Schlumberger also monitors government regulatory and policy changes that address environmental and social factors affecting the industry, both internally and through trade associations, regulatory subscription services, and additional third-party policy expertise. We evaluate regulatory and policy changes to determine their potential impacts to our business operations and to identify opportunities to further enhance our approach to sustainability.

### Independent Audit

PricewaterhouseCoopers (PwC) auditors reviewed our processes and procedures for 2019 and verified a selected subset of our 2019 data. PwC has expressed a limited assurance that our data are, in all material respects, fairly presented and in accordance with Schlumberger procedural guidelines. Environmental data audited for 2019 includes Scope 1 and Scope 2 greenhouse gas (GHG) emissions, waste production, water consumption, spill, and energy consumption. Health and safety data audited for 2019 includes the number of fatalities, employee and contractor lost-time injuries and illnesses, and the associated work hours to determine frequencies and rates. PwC performed this work in accordance with their professional standards and with ISAE 3000 (assurance engagements other than audits or reviews of historical financial information).

# Our Mindset

**Our Mindset** summarizes the behavior expected of every Schlumberger team member, including attitude, words and actions, as we interact with each other and with our external stakeholders.

## Commitment

Understand and support

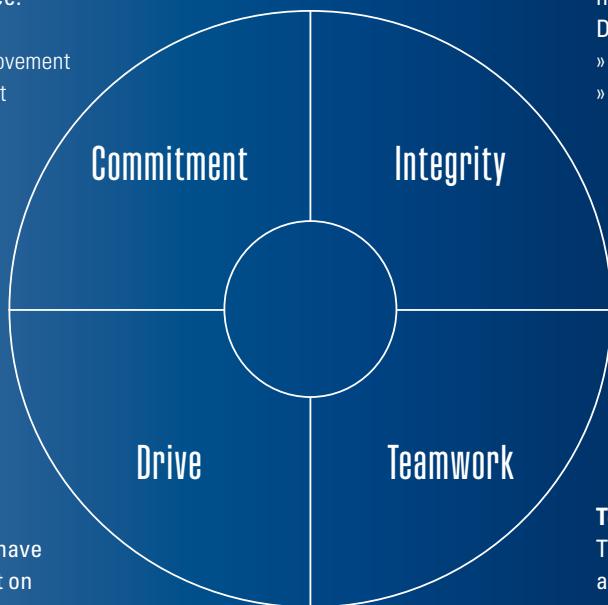
the direction ahead.

Make a difference.

» Service focus

» Continuous improvement

» Self-development



## Drive

Take action and have a positive impact on performance.

Achieve excellence.

» Creativity

» Initiative

» Adaptability

» Results focus

## Integrity

Recognize the boundaries and have the courage to act honestly and responsibly.

Do the right thing.

» Decision-making

» Responsibility

## Teamwork

Trust others to do their part and work together toward common goals.

Help the team succeed.

» Collaboration

» Communication

» Coaching and mentoring

» Diversity

## Ethics and Compliance

Schlumberger strives to maintain and grow the trust and confidence of our customers and stockholders, as well as all others affected by our operations. When we are clearly seen to behave in an ethical manner, we enhance our reputation as a partner, an employer and a community member.

We believe that to succeed, we must draw on the foundations that preserve our identity and establish the direction we must follow. This means understanding what defines us as a company, recognizing how we behave toward others, and defining how we approach our work. The Blue Print documents—[Our Identity](#) and [Our Code of Conduct](#)—are designed to help our workforce accomplish this.

The Blue Print—Our Identity summarizes our Purpose, Ambitions and Values, expressing the mindset we need to succeed. The Blue Print in Action—Our Code of Conduct applies to all Schlumberger directors, officers, employees, security providers, and contractors. It is designed to help every employee and contractor handle business situations professionally and fairly. Our Code of Conduct also explains how individual actions reflect on the Company and how the Company is, therefore, the sum of our actions.

In addition, Ethics and Compliance (E&C) training throughout an employee's career at Schlumberger focuses on the E&C risks they might encounter during their various roles. Members of our workforce, including employees and full-time, part-time and contract workers, are required to complete E&C training on at least an annual basis, or more frequently as their careers progress. Schlumberger E&C training includes annually reviewing our Code of Conduct and anticorruption materials and providing related certifications. We periodically review and adjust the E&C training program so that our team members continue to receive appropriate and up-to-date E&C guidance.

We seek to verify adherence to our Code of Conduct through, among other things, annual E&C risk assessments, compliance-focused audits led by our global internal audit department, and local legal resources and financial controllers in the regions where we operate.

## Business Ethics

Acting ethically involves more than simply complying with laws and regulations. It involves recognition that our decisions affect others. By keeping this in mind, we earn the respect, trust, and confidence of our stakeholders. By doing things right the first time, every time, we enhance our reputation for integrity with these stakeholders (Code of Conduct, p. 11).

## Anticorruption

Schlumberger's anticorruption policy, as outlined in our Code of Conduct, applies to all of our operating locations and geographies and extends to our employees, contractors, suppliers and agents. Our Ethics & Compliance function manages enforcement of the policy, with oversight from the Schlumberger Board of Directors. We review our anticorruption policy at least annually.

Our Ethics & Compliance function comprises a headquarter VP and dedicated E&C staff in all geographies where we operate, for a cohesive approach to mitigating corruption risk. Our E&C team utilizes training, communications, audits, and risk management tools, in order to effectively implement our anticorruption program in the countries where we operate. The E&C team shares best practices and real-time anticorruption information by leveraging our ERP system, which automatically generates red flags specific to anticorruption risks. Schlumberger seeks to identify and timely remediate any anticorruption policy deviations.

Schlumberger also has a grievance reporting process as outlined in our Code of Conduct and in our Human Rights position statement. Grievance reporting mechanisms include our online QUEST Event Report system and an EthicsLine phone reporting system. Our Ethics & Compliance function investigates any corruption allegations, and following any such investigation, corrective measures and/or disciplinary actions are taken, as appropriate. Additionally, lessons learned are identified from each investigation and are communicated within the Company.

Revenue generated from the 20 countries identified by Transparency International as having the lowest rankings in its 2019 Corruption Perception Index represented (on a combined basis) less than 5% of Schlumberger's consolidated worldwide 2019 revenue.

## Supply Chain Management

Schlumberger maintains zero tolerance for corruption of any kind, and we expect the same from our contractors, suppliers and agents. We require that they comply with the laws of the countries in which they operate, and that they act in a socially responsible and ethical manner consistent with our Code of Conduct. All suppliers, contractors, and agents must be approved and managed in accordance with internal requirements. We also conduct audits to promote compliance with these requirements. Finally, we support responsible sourcing of materials from suppliers that share our values, and we commit to avoid using conflict minerals in our sourcing activities (Code of Conduct, p. 12).

## Employee Whistleblower Protection

Employees who believe that a violation of our Code of Conduct has occurred are required to report their concerns internally, using any available channel of communication (including reporting to their manager, to another manager in the personnel, legal, finance, E&C or other appropriate function, or via our online QUEST Event Report system, or by calling the EthicsLine). Schlumberger prohibits retaliation for good faith reporting of known and suspected violations of our Code of Conduct, our internal requirements, and applicable laws. However, any employee who intentionally reports false information will be subject to disciplinary action (Code of Conduct, pp. 1 and 12).

## Conflicts of Interest

Conflicts between personal interests and the interests of Schlumberger or its customers may arise if an employee has personal, social, financial, political, or other interests that could interfere with his or her responsibilities as a Schlumberger employee. To avoid such conflicts of interest, employees are prohibited from holding financial stakes in companies that do business with Schlumberger. We require that they put Schlumberger business interests first, disclose all potential conflicts of interest, and avoid situations that create the appearance of a conflict of interest. If such a conflict exists, the affected employee is required to obtain written approval from an appropriate Schlumberger controller before continuing to work (Code of Conduct, p. 16).

## Stock Transactions

Our Insider Trading Standard prohibits employees from releasing material, nonpublic information about Schlumberger such as unannounced marketing

plans, new product releases, financial results, changes in dividends or earnings, planned mergers or acquisitions, and business strategies. Employees are required to keep such information confidential and may not buy or sell Schlumberger stock or publicly traded options of Schlumberger stock until the information becomes public. Nor may they buy or sell stocks and options of other companies with which Schlumberger does business if in possession of material, nonpublic information about such other companies (Code of Conduct, p. 17).

## Gifts and Entertainment

Our Code of Conduct prohibits offering or accepting items or benefits worth more than a nominal value for which the recipient does not pay fair market value, including meals, entertainment, or tickets to sporting events, to or from any individual or organization that does or seeks to do business with Schlumberger. This is because accepting or giving business gifts or hospitality must never suggest an ability to influence Schlumberger business decisions (Code of Conduct, p. 19).

## Antibribery

Schlumberger does not obtain a business advantage through bribery, improper payments or any other illegal means. Our Code of Conduct prohibits all employees and contractors from offering, paying, soliciting, or accepting bribes in any form or under any circumstance, including facilitation payments. In addition, payments to government officials are forbidden (Code of Conduct, p. 23).

## Fair and Ethical Business Practices

Schlumberger competes aggressively, but fairly. We do not win business or maintain customer relationships by acting illegally or unethically. We do not enter into agreements that can restrict full and fair competition. Nor do we share pricing or bidding information with competitors or anyone outside the Company.

## No Lobbying or Political Contributions

Schlumberger is politically neutral and has a long-standing policy (set forth in our Code of Conduct) against lobbying or making financial or in-kind contributions to political parties or candidates, even when permitted by law. Our policy prohibits the use of Company funds or assets for political purposes, including for contributions to any political party, candidate or committee, whether Federal, state or local. In addition, the

Company does not lobby. As a result of the Company's policy of political neutrality, Schlumberger does not maintain a political action committee (PAC), nor does it contribute to any third-party PACs or other political entities organized under Section 527 of the Internal Revenue Code (Code of Conduct, p. 23 and p. 26, and [Political Contributions](#)).

In 2019, the Center for Political Accountability, a non-profit, non-partisan organization, assessed our disclosure for its annual CPA-Zicklin Index of Corporate Political Disclosure and Accountability. The CPA-Zicklin Index measures the transparency, policies and practices of the Standard & Poor's 500. As a result of our enhanced disclosure regarding our prohibition on political lobbying and contributions, we achieved a perfect score of 100% in the 2019 CPA-Zicklin Index.

Like other major companies, Schlumberger belongs to trade and industry associations in the United States to which Schlumberger pays annual dues. Schlumberger joins such associations when they add value to the Company, its stockholders and its employees. The Company's policy restricts such trade and industry associations from using Schlumberger funds to directly or indirectly engage in lobbying or political expenditures. To help ensure that these associations do not use any portion of the dues or other funds paid by Schlumberger for lobbying or political contributions, Schlumberger periodically informs them of our policy prohibiting any such use of Company funds ([Political Contributions](#)).

#### **Trade Compliance**

Schlumberger provides products and services in many countries worldwide. Virtually all the countries in which we operate have customs laws, and many have additional trade controls that govern the import, temporary import, export or re-export of Schlumberger products, services, technology and software. Wherever we do business, we comply with all customs and trade control laws and regulations that apply to us, and we are especially mindful of technology transfers (Code of Conduct, p. 30).

#### **Business and Financial Transparency**

Schlumberger maintains honest and accurate business records. Our Code of Conduct prohibits hiding, altering, falsifying and disguising the true nature of any business transaction. Schlumberger complies with accounting and financial reporting standards and requires employees to comply with internal financial approval guidelines. We retain and destroy business records in accordance with local laws and Schlumberger requirements (Code of Conduct, p. 37).

#### ***Conflict Minerals***

Schlumberger recognizes that there are serious human rights abuses associated with the extraction, transportation, and trade of minerals in some countries, including the Democratic Republic of the Congo and its adjoining countries. We support responsible sourcing of materials from suppliers that share our values and we commit to avoid contributing to the conflict through our sourcing activity. Schlumberger does not tolerate corruption of any kind in dealings with its suppliers, and we expect our suppliers to adhere to the same standard. We have also adopted a [conflict minerals policy](#).

#### **Information Protection**

##### ***Information Security***

Schlumberger is committed to protecting and respecting the privacy of any employee or third-party personal information that it processes. Specific internal data privacy requirements guide the collection, use, transfer (including transfer across international boundaries), release, disclosure and security of such data. These requirements also describe our expectations for third parties who process such data on our behalf (Code of Conduct, p. 31).

##### ***Consumer Data Protection***

Information is the foundation of our business. Confidential or commercially sensitive information comes in many forms, including in conversation, on paper and electronically. We treat all electronic records that are created or transmitted using Company tools as Company property, and we take every available measure to preserve the confidentiality of Schlumberger data and our customers' data (Code of Conduct, p. 34).

##### ***Intellectual Property Rights Protection***

Intellectual property that is created when a Schlumberger employee makes a new discovery or conceives of an idea, device, technique or process related to our business becomes the exclusive property of Schlumberger. Upon joining the Company, all employees agree to this concept as a condition of employment. The Company also protects its intellectual property and confidential information by using non-disclosure agreements and confidential disclosure agreements—before giving third parties access to such information. We also require compliance with restrictions on the installation and use of third-party software on Company computers (Code of Conduct, p. 35–36).

#### **Environmental Sustainability in Brief**

##### ***Operations Integrity***

Operations integrity means that every employee commits to doing the job right the first time, every time. We do this to protect our people, our communities, and the environment, and to deliver high-quality technology and services to our customers. To help make continuous quality improvements, we participate in all required audits and periodic assessments (Code of Conduct, p. 11, 14).

Schlumberger's multiyear transformation program benefited field operations through increased efficiency, improved reliability, and reduced nonproductive time (NPT). NPT is the time it takes to return to the same working position on a job after a service quality incident or equipment failure. In 2019, we improved our NPT rate by 60.1% compared to 2011, which is a significant achievement given industry conditions. By working more efficiently, decreasing NPT, and doing things right the first time, every time, we also help our customers reduce their emissions.

##### ***Protecting the Environment***

Our advanced technologies enable our customers to lower their environmental impacts while optimizing the recovery of nonrenewable resources. By combining our technologies with increased engagement in the communities where we work, we are lowering emissions, decreasing water usage, and reducing unplanned releases.

##### ***Addressing Climate Change***

As a global technology leader, we believe that our ability to address climate change issues with new technologies and increased operational performance is integral to the energy industry's global initiative to reduce its carbon footprint. Schlumberger technologies are already directly and indirectly helping our customers reduce or avoid emissions, lower water usage, improve chemistry applications, and increase oil and gas production by using fewer resources. Our corporate climate strategy includes identifying climate-related risks and opportunities, reducing our footprint, and helping our customers meet their environmental goals through the development of advanced technologies that contribute to lowering resource requirements and creating fewer emissions.

### ***Environmental Management***

Our HSE management system has included environmental quality management processes and requirements for more than 20 years. This system has been independently reviewed for conformance to the current version of the ISO 14001 Environmental Management System standard, and for conformance to environmental standards of the International Finance Corporation.

### **Social Sustainability in Brief**

#### ***Human Rights***

Schlumberger is committed to conducting business in a manner that preserves and respects human dignity. Schlumberger recognizes the U.N. Guiding Principles, which are reflected in our [Code of Conduct](#), our [Human Rights Position Statement](#), and our other policies and procedures. Our due diligence processes to identify, assess and manage the human rights risks arising from our business activities center on five areas: in the workplace; in local communities; with indigenous peoples; around security arrangements; and in our supply chain (Code of Conduct, p. 27, and Human Rights Position Statement).

#### ***Contributing to Development***

We continue to contribute to the social development and well-being of our communities by actively advancing education and health awareness, and by supporting initiatives that improve youth education and living conditions. We foster the economic development of these communities by recruiting, hiring, and training where we work, promoting from within, and complying with international labor standards and local content requirements. Schlumberger has developed a set of local content guiding principles that provide direction to management teams when they are formulating and implementing country-specific local content strategies (Code of Conduct, p. 27).

### ***Equal Opportunity—No Discrimination***

With product sales and services in more than 120 countries and employees who represent over 170 nationalities, one of Schlumberger's greatest strengths is the diversity of our workforce. Employees of many nationalities and backgrounds work together to achieve common objectives. As a global company, we encourage fair employment practices and offer equal opportunities to all our employees and contractors. Schlumberger obeys the employment laws of the countries in which it operates and does not engage in discrimination based on race, color, gender, age, sexual orientation, gender identity, ethnicity, disability, religion, union membership, or marital status in hiring and employment practices such as promotions, rewards, and access to training (Code of Conduct, p. 27).

### ***Labor Practices***

Schlumberger is committed to respecting the rights of workers as outlined in the International Labour Organization Declaration on Fundamental Principles and Rights at Work. Our starting point is conducting business in a manner that preserves and respects human dignity as outlined in our Code of Conduct, Human Rights Position Statement, and Working Conditions Requirements.

In line with the labor principles of the U.N. Global Compact, the Schlumberger Working Conditions Requirements provide a common baseline for the expected treatment of all employees, contractors, temporary workers, trainee workers and migrant workers. A summary of our Working Conditions Requirement is available on our website [here](#).

The requirements, first published in 2005, promote respect for the rights and welfare of our employees and those working within our supply chain by requiring safe and hygienic working conditions, respect for freedom of association, and that employment be freely chosen, and fair wages be paid. We also prohibit discriminatory practices and harsh and inhumane treatment. Schlumberger respects freedom of speech and civil liberties.

Our Working Conditions Requirements also prohibit charging any potential worker any fees, administrative costs or otherwise for participating in a recruitment process and/or securing a job, regardless of whether recruitment fees or similar are permitted or not prohibited by relevant local law. We have in place an online portal and a 24-hour EthicsLine system for receiving grievances, as outlined in our Code of Conduct, enabling anonymous reporting by anyone inside or outside the organization—available in 150+ languages.

### ***Modern Slavery and Human Trafficking***

We prohibit any use or contracting, directly or indirectly, of child labor, forced labor, human trafficking, or any other form of modern slavery. In 2019, Schlumberger completed a high-level risk assessment, performed by an independent risk analytics firm, across our global operations to identify the primary human rights risks in our supply chain to prevent any indirect use of modern slavery (Code of Conduct, p. 27).

### ***Community Impacts***

We continue to implement Schlumberger's social risks management process, first launched in 2011, to realize our commitment to identify, prevent, mitigate, and resolve social risks and impacts in the communities where we live and work; optimize employment and contracting opportunities for our communities; and address community concerns, issues, and problems. In 2019, we completed social risk assessments in Ecuador, Colombia, Nigeria, and India.

### ***In-Country Value***

We recognize that procurement and hiring policies are an important factor in establishing the terms by which governments and local communities where we operate view the impacts of our business activities. We continue to implement our 2014 guideline for managing and delivering local content, which outlines our approaches to contributing to local development by providing local and national suppliers and workforce with full, fair and reasonable opportunities to participate in our business.

# Environment and Climate

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Our rich history of technological innovation uniquely positions us to address the energy transition and climate change and to help drive measurable, positive change across our industry. Through the continued application of risk-mitigation measures, continuous improvements in data collection, and innovative technology development and application, we are focused on achieving significant environmental progress across our customers' environmental footprints as well as our own.



# Environment and Climate

**Schlumberger is committed to responsible environmental stewardship. We strive to meet international environmental standards and regulations, and to exceed customer expectations by managing risk, reducing pollution, reducing our waste and natural resource consumption, and lowering greenhouse gas emissions.**

**We continue to explore ways to reduce the environmental impacts of our operations and our customers' operations. Our 2019 environmental performance in several priority areas is set out below.**

## Managing Environmental Risk

Schlumberger uses a flexible, risk-based approach to manage and mitigate the environmental aspects and impacts of our activities, products, and services. The diverse nature of these environmental aspects and impacts requires a flexible approach. Our commitment to environmental protection, as described in our HSE risk policy and our Code of Conduct, requires that a minimum standard of environmental performance is established at each of the Company's facilities regardless of local regulatory requirements.

Our environmental risk management program uses a combination of 14 fundamental controls that are implemented at Company locations in environmentally sensitive areas, and 12 risk-based controls that are implemented to manage the environmental aspects and impacts of a specific business activity. The requirements for risk-based controls are described in business-specific environmental risk assessments for each of our geographical regions and business segments. Each of our worksites uses this risk assessment to create a documented, site-specific environmental program that describes which controls are applicable to the site and how those controls are implemented. Implementation of the

environmental management program is supported by the management systems and processes described in our corporate standards and several web-based IT systems designed to collect and manage environmental performance data, regulatory compliance documentation, and procedural documents.

Our environmental management program includes several processes that provide assurance of internal conformance to our requirements and of external compliance to applicable regulatory requirements. These assurance processes are documented and subject to periodic internal review. The Schlumberger environmental risk management program has been developed to align with the requirements of our external stakeholders, including our customers and regulatory agencies in the countries where we operate. To support those stakeholders, we have developed our program to include the requirements of two recognized independent environmental management standards: The International Standards Organization ISO14001:2015 and the environmental components of the International Finance Corporation (World Bank Group) Environmental and Social Performance Standards. Furthermore, a third-party organization has completed a review of our program's alignment to those two standards.

The Schlumberger Environmental Management Standard includes the following risk-based controls applicable to our global operations:

- » Air emissions
- » Chemicals and materials management
- » Environmental competencies for key personnel
- » Environmental communications
- » Contractual environmental risk management
- » Ecosystems and biodiversity impacts and management
- » Environmental due diligence
- » Environmental impact assessment
- » Environmental risk identification and risk management
- » Environmental nuisance management
- » Resource management
- » Spill response and environmental emergency response
- » Waste management

### Environmental Reporting

We are committed to complying with or exceeding existing reporting regulations in every country in which we work. Through our HSE function, we collect regional data on GHG emissions, water use, oil spills, and waste and compile metrics for global data. Our Global Stewardship function is responsible for the public reporting of our global performance

metrics and for adding context to our annual performance. We continue to advance our data collection and risk analysis efforts to generate annual improvements in the measurement and management of our carbon footprint and to reduce our climate-related risk. Schlumberger facilities annually report to the U.S. Environmental Protection Agency (EPA) Toxic Release Inventory in accordance with applicable regulations.

### Climate Change

Our environmental objectives and programs align with the United Nations Sustainable Development Goals (SDGs) of providing access to affordable, reliable, sustainable, and modern energy for all (SDG #7), encouraging and developing ways to responsibly consume and produce resources (SDG #12), taking urgent action to combat climate change and its impacts (SDG #13), and protecting life under water and on land (SDG #14 and #15). We also support the efforts of IPIECA, the global oil and gas industry association for advancing environmental and social performance. IPIECA helps the oil and gas industry be part of the climate change solution by providing members with guidance on greenhouse gas (GHG) reporting and information on best practices regarding energy efficiency and GHG management, and by convening expert workshops to explore key climate-related issues.

In December 2019, we became the first company in upstream E&P services to commit to setting a science-based target to reduce our GHG emissions, as defined by the Science Based Targets initiative (SBTi). SBTi is a collaboration between CDP, the United Nations Global Compact, World Resources Institute, and the World Wide Fund for Nature, and is one of the We Mean Business Coalition commitments.

In line with SBTi's stated criteria, we will define our GHG reduction target by 2021 and, following approval, we will have between 5 and 15 years to reach our set target. Our science-based target will align with the goals of the U.N. Paris Agreement and will be calculated using expertise from our extensive scientific community. The target will include emissions set by SBTi's approved criteria and will be validated based on science and specific contribution to the climate challenge. We have set an initial target to reduce GHG emissions from our fuel and power consumption by 30% by 2025. We will revise this target accordingly once our science-based target has been defined and approved. A portion of the 2020 short-term cash incentive compensation opportunity for our CEO and other members

of our senior management is based on achieving our annual internal emissions reduction objectives as part of this five-year goal. We are also examining opportunities to reduce our indirect GHG emissions from associated input and outputs of our operations.

As described in the Governance and Ethics section of this report titled "Managing Corporate Risk", we believe that our comprehensive risk assessment program is reasonably designed to identify and manage those enterprise-wide risks that have the potential to significantly affect our businesses over the short-, medium- and longer terms. In line with TCFD recommendations, our risk assessments cover exposures to both physical and transition climate-related risks and their respective financial impact.

For example, we review acute physical risks associated with extreme weather in areas susceptible to severe weather, flooding, and increases or decreases in rain and snow. Those variances may impact our business by causing extreme changes in precipitation patterns that may result in flooding, changes in road or well-site conditions, or damage to facilities. This may result in increased operating costs or decreases in revenue through disruptions at our facilities, in our supply chain, or at well-sites; equipment damage and repair requirements; and increased insurance premiums. To manage these extreme weather risks, we work with a third-party loss prevention firm to conduct site visits, assess potential risks to our facilities, and propose mitigating actions. Additionally, Schlumberger has business continuity and crisis management processes in place to mitigate potential disruptions caused by extreme weather events, as discussed further in the section titled "Business Continuity, Emergency and Crisis Management." Additionally, our insurance policies help mitigate the risk of loss of assets at our facilities.

We also review:

- » chronic physical risks related to climate change, such as the potential impact of sea-level rise on our global footprint; and
- » climate-related transition risks, such as policy and legal risks, including the potential impact of a carbon tax on Schlumberger and our customers, and technology risks, such as equipment obsolescence driven by our customers' increased focus on emissions reductions and the associated costs to develop new technologies with a reduced environmental impact.

In 2018, we began working with a climate consulting firm to complement our initiatives for managing climate-related risks by applying scenario-based analyses in accordance with the U.N. Paris Agreement, using both RCP 2.6 and RCP 8.5 scenarios. We began with a comprehensive climate assessment for Norway—a country that is representative of our operational activities. Through country-specific climate-assessments, we are able to conduct a more in-depth analysis of both climate-related risks and opportunities for the assessed countries. In our Norway assessment, we reviewed climate-opportunities such as increasing resource efficiency by applying best practices to reduce power consumption through behavior change, implementing renewables like solar, and optimizing and upgrading our HVAC systems. We also identified climate-related opportunities through our impact-reducing portfolio of products and services, including our Schlumberger New Energy ventures as outlined in the section of this report titled "Technology Advantage."

Findings from our Norway assessment were communicated to Schlumberger management and our Board and are further shaping our internal climate strategy. For example, because of opportunities identified as part of this assessment, Schlumberger has since partnered with the [LowEmission Research Centre](#), a consortium of industry participants in Norway with a common goal of achieving ambitious carbon emissions reductions at the country level. Additionally, after identifying some mid-term flooding risks in Norway, we launched a global sea-level rise assessment, which we expect to complete in 2020. We have expanded our climate assessment project and, as of September 2020, our operations in countries representing over 50% of our total 2019 revenue are participating in the program.

Externally, our position as a global technology leader provides us an unparalleled ability to address climate change with technologies that help our customers increase their operational performance while reducing or avoiding emissions, lowering water usage, and improving chemistry applications. For additional information about our impact-reducing technologies, please see the section of this report titled "Technology Advantage."

## Biodiversity

To minimize, mitigate, and manage significant ecosystem and biodiversity impacts, Schlumberger has developed a risk-based procedure for the creation of ecosystem and biodiversity management plans, to be applied to sites where relevant. These plans are designed to protect sensitive wildlife areas, flora and fauna, ecosystems, and conservation areas. They also seek to prevent the introduction of invasive species, and they establish conditions to facilitate the rehabilitation or restoration of land areas impacted by Schlumberger operations and project activities. The plans detail any local regulations requiring reporting on ecosystem and biodiversity management activities, which are periodically reviewed to ensure applicability.

Schlumberger designs and manages its operations to minimize the impact on ecosystems and biodiversity across the life cycle of each facility, activity, product or service. Appropriate risk control levels are applied when Schlumberger operates in environmentally sensitive areas, including areas that have the potential for significant wildlife loss or where operations could possibly introduce invasive species or could impact a large body of land or water. Furthermore, where applicable or appropriate, we aim to preserve the indigenous vegetation of the land when we build worksites and use native plants and species when rehabilitating worksites.

Environmental impacts that require remedial or restorative work are reported, investigated and reviewed in our HSE reporting system. Our ecosystem and biodiversity risk management processes and our environmental spill and emergency response procedures are designed to provide assurance that all required remediation and restoration activities occur concurrently with our operations, both at Schlumberger facilities and at our customers' worksites.

As far as reasonably practical, Schlumberger uses existing infrastructure to avoid or reduce the need for land clearance for construction. Where practical, new Schlumberger infrastructure is not placed in environmentally sensitive areas. The Company strives to minimize environmental disturbance, restrict the movement of machinery and equipment during work activities, plan land restoration, and schedule activities that may cause disruption and disturbance to wildlife as appropriate to avoid sensitive periods of the year.

Schlumberger's Biodiversity Standard states that, unless impracticable, activities should be avoided in the following types of sensitive areas:

- » Conservation priority areas not currently under protection
- » Environmentally sensitive areas
- » Internationally recognized areas
- » Legally recognized areas
- » Sites located in, or adjacent to, protected areas of high biodiversity value
- » Areas with potentially significant biodiversity value which might be at risk of adverse impact

Furthermore, before initiating any business activity, we develop a risk assessment and evaluate potential impacts of current and planned activities on biodiversity, in order to mitigate and monitor impacts throughout the contract lifecycle. In designing Schlumberger facilities and worksites, we also seek to minimize the physical footprint of our activities and operations to reduce potential environmental impacts, particularly in environmentally sensitive areas.

## Protecting Wildlife

Measures are taken to avoid interactions with wildlife within close proximity to activities or operations that could cause health and safety incidents or operational disruptions. Activities are also to be located, designed and constructed to avoid disruption to wildlife movements or habitats. In locations where the risk of said impact cannot be eliminated, arrangements are made to accommodate movements in order to minimize potential harm.

## Invasive Species

Measures are implemented to avoid the potential for introductions of invasive species, including the transportation of substrates (like soil or plant materials) that may harbor invasive species. If we find that we have caused invasive species to be introduced, measures are taken to eradicate such species from the natural habitats.

## Rehabilitation and Restoration of Land

Planning is undertaken to rehabilitate and restore land associated with our assets and infrastructure to either (i) the original condition of the site prior to activities, or (ii) a condition suitable for the land's next intended use.

## Prevention and Management of Land Contamination

During due diligence processes, a risk-based assessment is undertaken on acquisition of or entry to an asset to understand potential past and current impacts to soil and water bodies, as well as any environmentally sensitive receptors. Minimum setback distances or restrictions are put in place for activity infrastructure in proximity to flood prone areas, watercourses and wetlands, and individual and public water supplies.

Land contamination is avoided by using ground protection measures, such as secondary containment or impermeable layers during the disassembly of any surface facilities or equipment.

## Decommissioning and Abandonment

Worksites that show visible signs of impact by hydrocarbon activities, or are known sites of previous spills and releases, have soil samples tested to show that the soil has been returned to ambient conditions with reports to the local regulatory authority, if applicable.

All cuttings pits are closed per local regulations or in accordance with good international practices where regulations are not applicable.

## Measuring and Monitoring

A measuring and monitoring plan is developed to include, among other things:

- » The number and types of grievances raised by external stakeholders in relation to the actual or perceived adverse impact to land and biodiversity.
- » Progress toward land restoration objectives.
- » Incidences of soil or ground contamination.
- » Evidence of positive contributions to conservation efforts, such as outreach programs, education, research, and proactive conservation actions.
- » Allocation and protection of land within the contract area that has been designated for biodiversity conservation and management.
- » Evidence for incorporation of adaptive management of impacts on biodiversity and ecosystems.

## Evaluating Potential Impacts Through Digital Technology

In 2012, we began developing a modeling software that facilitates the incorporation of sustainability aspects into our engineering and operational practices by calculating environmental metrics related to well stimulation, such as emissions, air quality, water use, noise, and chemical exposure. The modeling software was integral to developing environmentally focused technologies such as the BroadBand Sequence\* fracturing service and StimCommander\* automated stimulation delivery platform. After using the modeling software internally for five years, we recognized the evolving needs of our customers to engage a wide variety of stakeholders. Therefore, we began working closely with industry partners to evaluate the external release of the modeling software to enhance planning and communication across the industry, independent of whether Schlumberger is providing the services.

In 2018, we introduced Site Preparation and Drilling modules, which model key upstream oil and gas activities to expand the coverage of the modeling software beyond well stimulation. In 2019, we built a Production module, which models the longest portion of a well's life and other critical aspects of wellsite operations that drive key sustainability metrics. We have presented the modeling software globally to numerous customers interested in using the software for a variety of applications, from modelling the impacts of wellsite technologies to communicating with regulators and stakeholders. Internally, we continue to use the tool within our planning and marketing functions, helping to package the right fit of services, activities, and technologies that align with our customers' sustainability objectives and targets. We continue to identify functionality and user experience improvements and work towards integration with other key Schlumberger applications in our digital portfolio.

## Managing Facilities

The Schlumberger Global Facilities Management and Maintenance Standard defines our responsibilities associated with managing facility activities. Our goal is to minimize utility use and the impact of our activities on the environment. The standard is designed to assist employees in confirming that facility activities maintain compliance with Schlumberger policies and relevant local environmental legislation and

directives. Waste generated by any facility task must be measured and disposed of in a responsible manner with a licensed waste broker, and materials (particularly chemicals) that reduce or control pollution must be handled and stored responsibly. The standard requires energy-saving products and practices to be used in all aspects of facilities management activities and that a record is kept of energy use. In addition, employees and contractors who carry out facility activities must receive appropriate training, particularly when their work may have an impact on the environment.

In 2019, 739 Schlumberger sites and facilities worldwide were subject to environmental audit requirements due to the nature of the operations conducted at those sites, and 53 of these sites were certified to the ISO14001 standard. In addition, Schlumberger's environmental management system has been independently reviewed against the requirements of ISO14001 and has been documented as meeting all of the requirements of the ISO standard. Therefore, at our sites where a third-party ISO14001 certificate is not applicable, our environmental management system nevertheless meets or exceeds the requirements of the ISO standard. In the United States, we have activities that are subject to regulation by the Occupational Safety and Health Administration (OSHA) Hazardous Waste Operations and Emergency Response (HAZWOPER) standards. Schlumberger has established and implemented compliance programs associated with the requirements of these regulations, and as of December 2019, more than 9,000 Schlumberger employees in the United States have received training associated with HAZWOPER programs and compliance.

One significant way in which our facilities management processes support Schlumberger's sustainability goals is through our efforts to reduce power consumption. We have set an initial target to reduce GHG emissions from our fuel and power consumption by 30% by 2025. Our facilities' initiatives to reduce power consumption focus on educating our workforce on energy conservation best practices to promote behavior change, implementing renewable energy solutions at sites where feasible, updating HVAC systems and/or optimizing facility heating and cooling cycles, and strengthening our renewables strategy, targeting our facilities located on independent power grids.

Below are several examples of our facilities initiatives in 2019:

- » We initiated a pilot program in North America for managing our utility consumption and spend. Through this program, which currently covers 40% of our North American facilities, we use an online platform to track our utility usage, identify outliers and opportunities, and maintain proper reporting of energy, water, waste, and emissions.
- » Since 2017, Schlumberger has worked with a local Norwegian energy consultant to reduce the power consumption of certain key facilities in Norway. This pilot program focused on facility heating and cooling optimization, as well as changing employee behavior. In 2019, we expanded this project to three additional Norway facilities and applied lessons learned from the pilot phase. As of September 2020, 22% of our Norway sites are covered by this project. The project has resulted in a significant reduction in average yearly power consumption at these sites, resulting in considerable cost savings in 2019. The rollout of this program to other Norway facilities is ongoing in 2020.
- » We installed solar panels on the roofs of several of our key Schlumberger facilities in India and Egypt. We worked with local utility companies on the hardware installations, resulting in minimal capital expenditures and a reduced rate for electricity. Across our newly solar-powered sites, we produced over 1.5 GWh of solar power, resulting in significant carbon dioxide (CO<sub>2</sub>) emissions reductions of more than 900 metric tonnes of CO<sub>2</sub> equivalent and approximately USD \$250,000 in aggregate annual savings.
- » We were able to significantly reduce annual carbon emissions at one of our large research centers in the United States by adjusting the air flow system to align the air changes with comparable labs in the nearby area. This reduction was equivalent to the estimated amount of carbon emissions produced by the personal cars of the entire staff working in that center during 2019.
- » In Thailand, we optimized energy consumption at a Schlumberger site through a project sponsored by the local city council. As a result of this project, we reduced 20% of the facility's carbon emissions, resulting in savings of 60 metric tonnes of CO<sub>2</sub> equivalent.

\*Mark of Schlumberger

## Managing Chemicals

Schlumberger places a strong emphasis on protecting human health and the environment, and maintaining operational safety. We have a chemical management process in place to manage the risks associated with chemicals used in Schlumberger activities, products, and services, and to protect Schlumberger employees, customers, contractors, suppliers, property, and the environment. Our chemical management process also serves to promote compliance with regulatory and contractual requirements and avoid significant business losses resulting from chemical-related incidents. In 2020, we formalized our existing chemical management process into a new global Chemical Standard, covering the lifecycle of a chemical from product development, sourcing, procurement, manufacturing, and sale, to use and safe handling, transportation and storage, to the end of the lifecycle at disposal.

Schlumberger is committed to reducing risks associated with chemicals through the elimination and substitution of chemicals, waste minimization, and waste elimination programs. We apply a risk assessment process prior to introducing new chemicals and compounds to our operations.

At the beginning of the lifecycle of a product, we evaluate its chemistry to identify appropriate methods of mitigating chemical-related risks. Our dedicated chemical regulatory team works in close coordination with our research and development team to identify and reduce HSE and regulatory risks early. Our product development and sustaining teams focus on identifying chemical-related opportunities, as well as developing and using more environmentally sustainable chemicals.

We have long been committed to transparency in our chemical disclosure. We also require our suppliers to provide us with full disclosure regarding any chemicals that we purchase from them before we can include such chemicals in our portfolio. In 2010, we developed a system-level full disclosure process for hydraulic fracturing chemicals, which process was adopted several years later by FracFocus 3.0, a registry for public disclosure of fracturing chemistry in the U.S. and Canada. After nearly a decade and more than 25,000 disclosures by Schlumberger, our industry-leading rate of disclosure for chemical constituents continues to be nearly 100%. In 2019, Schlumberger used a total of 77,549,337 m<sup>3</sup> of hydraulic fracturing fluid in its global operations. This figure includes water and chemical additives.

We require that our products comply with applicable laws in the jurisdictions where they may be distributed. We also develop and implement compliance processes in accordance with applicable regulatory regimes, such as the European Union's Registration, Evaluation, Authorization and Restriction of Chemicals regulation (REACH). In the last decade, we developed a robust REACH compliance program, under which we timely registered all required substances in accordance with applicable regulations. Our REACH registrations help us maintain our access to the European market and demonstrate our commitment to compliance.

## Environmental Performance Data

In 2019, our greenhouse gas (GHG) emissions and water use increased, and our electricity use decreased, as the industry continued to rebalance and international activity increased. We continue working to improve our internal processes for gathering and reporting GHG emissions, water consumption, electricity generation, waste, and loss of containment. Each year we increase the number of sources from which we track data.

### Third-Party Audit

For 2019, we engaged PricewaterhouseCoopers (PwC) to audit our methodology for quantifying direct and indirect GHG emissions linked to our operations around the world. As a part of this process, PwC auditors reviewed our processes and procedures and verified selected environmental and health and safety data. Environmental data audited for 2019 includes Scope 1 and Scope 2 GHG emissions, waste production, water consumption, spill, and energy consumption. Health and safety data audited for 2019 includes the number of fatalities, employee and contractor lost-time injuries and illnesses, and the associated work hours to determine frequencies and rates. PwC has expressed a limited assurance that our data are, in all material respects, fairly presented and in accordance with Schlumberger procedural guidelines.

### Air Emissions

Schlumberger wellsite activities increased in 2019, leading to a 14.1% increase in our overall Scope 1 emissions to 1.62 million tonnes, compared to 1.42 million tonnes in 2018. This increase was mainly due to the continued upturn in pressure pumping activities in North America.

Our overall Scope 2 emissions decreased by 9.4% to 0.58 million tonnes in 2019, compared to 0.64 million tonnes in 2018, due to our initiatives to reduce power consumption across key facilities. Combined Scope 1 and Scope 2 GHG emissions increased by 7.3% to 2.218 million tonnes in 2019 from 2.065 million tonnes in 2018. Our Scope 1 and Scope 2 emissions data covers all Schlumberger business lines and all geographical locations where we operate; we continue to strengthen our reporting capabilities with the aim of reporting 100% of our emissions.

Scope 3 emissions from key supplier categories increased 15% from 2018 to 2019 to 1.368 million tonnes. In line with SBTi's criteria for setting a Scope 3 science-based emissions reduction goal, we are working on increased transparency around supplier emissions by re-qualifying and quantifying carbon intensive supplies. We are also developing a supply chain engagement plan to help our suppliers lower their GHG emissions.

The Scope 1, 2 and 3 data included herein for 2019 is consistent with categories of emissions data disclosed in previous years. As part of our commitment to setting a science-based target on emissions reduction by 2021, we are undergoing a thorough review of all emissions data categories and reporting processes with the aim of increasing transparency and identifying key gaps in our current reporting. Through this review process, we have identified, and may continue to identify, particular gaps that will result in a restatement of certain 2019 data. One such gap is fuel purchased by customers for our operations. We anticipate providing a restatement addressing such gaps in connection with setting our science-based emissions target.

### Water Use

Water use data includes water used for domestic purposes, equipment cooling, equipment washing, manufacturing, and testing. Our water data covers 100% of business operations at our facilities but does not include water used in the delivery of our services at the wellsite. Water used at the wellsite in processes such as drilling or pressure pumping are not included because this water is purchased, controlled, and accounted for by our customers. Our overall water use increased to 5.6 million cubic meters in 2019 from 4.9 million cubic meters in 2018. This water increase came primarily from our production management projects. In 2019, Schlumberger recycled 131,000 cubic meters of water.

## Loss of Containment

We have procedures in place reasonably designed to minimize, respond to, and control the environmental impact of uncontained spills at Company worksites and at some third-party controlled worksites. Our data for industry-recognized number of incidents greater than one barrel and hydrocarbon bulk fluid spills covers 100% of our business operations. In 2019, our industry-recognized number of incidents decreased to 28 from 44 in 2018. Our volume of hydrocarbons bulk fluid spills increased slightly to 536 barrels in 2019 from 522 barrels in 2018.

Our data for industry-recognized spills of hydrocarbon greater than 1 barrel over the past five years is shown in the table below:

	2015	2016	2017	2018	2019
Number of Industry-Recognized Incidents	22	32	45	44	28
Volume (U.S. Barrels)	217	547	436	522	536

## Waste Management

Our waste data covers 100% of our business operations and includes waste from facilities, manufacturing, building, remodeling, and discarded sand from wellsite operations. We reuse materials when possible and continue to seek opportunities to reduce both our direct consumption of resources and the waste we generate. In 2019, we increased our waste by 27%, to 639,000 metric tonnes from 503,000 metric tonnes in 2018, and we recycled 185,000 metric tonnes of waste.

Schlumberger is committed to managing and reducing waste materials and effluent discharges throughout our facilities, and we have set internal objectives and targets focused on effluent management. Most Schlumberger sites have internal waste minimization plans, and certain sites are required to submit waste minimization and pollution prevention progress reports. Our waste suppliers are contractually required to comply with all applicable laws, ordinances and regulations at the federal, state, provincial, and local levels. We periodically audit our approved waste suppliers and we hold at least one annual environmental business review with our top suppliers. We reserve the right to conduct both audits and business reviews when or as frequently as necessary.

Since 2010, Schlumberger has completed nearly 400 projects as part of its "Lean and Green" program aimed at lowering resource consumption and reducing waste. Lean and Green initiatives have encouraged employees to reduce electricity usage, water usage, fuel and material consumption, and waste, as well as to share environmental technologies, best practices, and innovations for environmental improvement. In 2019, Lean and Green projects focused on waste reduction resulted in avoiding over 500,000 kg of waste by, among other things: removing single-use water bottles and cups; upgrading equipment to reduce hazardous waste; reusing packaging material and consolidating shipments; laundering and reusing personal protective equipment; increasing recycling of metals and sand; and moving paper documentation to online record storage in key Schlumberger locations. We continue to roll out these initiatives globally. From 2010 to 2019, Schlumberger Lean and Green projects resulted in aggregate net savings of more than USD \$11.2 million.

## Raw Materials

Our raw materials data include use of sand, proppants, brines, cement, barite, and bentonite. In 2019, our raw materials use increased to 11.3 million tonnes from 10.5 million tonnes in 2018, driven by hydraulic fracturing activity in North America. Raw material utilization usually follows changes in wellsite activity.

## Electricity Use

Electricity use decreased slightly to 1,198,000 megawatt-hours in 2019 from 1,284,000 megawatt-hours in 2018. Our electricity use data covers 100% of our business operations.

## Site Activity

As Schlumberger is an energy services company, the majority of our business consists of providing products and services on our customers' sites—which are not in our operational control. For our lump sum turnkey projects where, on behalf of our customers, we manage the operations at rigs (including drilling, completions, cementing, fracturing, and decommissioning operations), in 2019 we drilled 223 wells (well sites) with an average of 32 drilling rigs.

Across our global operations (including sites managed by our customers), Schlumberger drilled an average of 1.8 million meters per month in 2019.

## Key Environmental Issues

Based on information obtained from our customers along with an internal review that assessed applicability, degree of impact, and risk, Schlumberger has identified three environmental issues that are material to our business (subject to the following paragraph). Our top material risk, unintended releases to the environment, includes both well integrity and container integrity. We also continue to monitor our water use and our GHG emissions and continue to assess new methods for water optimization and GHG reductions.

***Notwithstanding the use of the terms "material" and "materiality" in this report, Schlumberger believes that individual companies are best suited to determine what information is "material" under the long-standing U.S. Supreme Court definition of that term and whether to disclose this information in U.S. Securities and Exchange Commission financial filings. Please refer to the "Disclaimer" on the inside back cover of this report for additional information.***

## Unintended Releases to the Environment

A properly constructed well creates barriers crucial to reducing the risk of uncontrolled release of formation fluids. Ensuring well integrity requires a thorough understanding of the short- and long-term conditions that the well might encounter, knowledge that enables optimization of the well design from the very beginning. Schlumberger has a portfolio of unique cementing technologies and logging tools for ensuring and evaluating well integrity.

Zonal isolation is created and maintained in the wellbore through the cementing process. Cement supports and protects well casings and helps prevent fluids in one zone from mixing with fluids in another zone. Cement systems that help establish zonal isolation work in a variety of reservoir conditions and remain in place throughout the life of the well. Schlumberger cementing technologies provide a wide range of solutions to achieve zonal isolation.

We have developed a Well Integrity Barrier Standard containing 10 critical requirements that employees must follow on the job. The development of this standard involved a company-wide initiative to raise awareness and impose mandatory rules defining the minimum requirements for training, certification, and knowledge of the barriers we provide. We also use a risk assessment methodology to maintain sufficient controls in place to prevent the failure of any barriers we provide to our customers. Focusing on process safety, the methodology uses risk evaluation to analyze and demonstrate causal relationships in high-risk scenarios.

Regularly scheduled inspections, evaluations, and testing of bulk storage containers by qualified personnel are critical parts of discharge prevention. Our inspection and testing program involves an external visual inspection along with extensive testing and examination to evaluate container integrity, taking into consideration the unique conditions of each container, including its existing condition, age, service history, original construction specifications, and previous inspection results. These inspections are site specific and they meet or exceed industry standards. Additionally, the Schlumberger Environmental Management Standard establishes a minimum level of protection for all primary containers by using secondary containment, spill preparedness and response, and prohibitions against certain activities. This requirement is implemented even when local regulatory requirements are set to a lower standard.

To identify efficient ways to reduce the number and severity of spills, in 2016, one Schlumberger subsidiary, M-I SWACO, initiated the Environmental Spill Incident Review Program and conducted a full analysis of spill incidents with an emphasis on data. The program produced qualitative and quantitative information through four corresponding initiatives: technical analysis of spill data; teamwork through quarterly spill review calls; training of personnel to understand spill causes and prevention; and tracking of global progress. By identifying trends in data and the top four causes of spills, better practices and training were put in place for spill management and prevention. The program helped to reduce M-I SWACO's monthly spill rate by 29% from 2016 to 2019.

### Greenhouse Gas Emissions

Our greenhouse gas (GHG) emissions strategy is driven by external and internal areas of focus. Externally, we provide a broad range of technologies and services to help our customers lower their emissions. Development of an oil and gas field can be intensive, often requiring hundreds of wells utilizing equipment for drilling and completion as well as delivery of large quantities of resources. Our technologies help our customers achieve lower emissions by reducing the delivery of resources such as proppant and water to the wellsite, and by drilling wells faster and more efficiently. Internally, we continue to direct our efforts at increasing the accuracy of our emissions measurements by adding more data sources and expanding the geographic scope of our emissions scrutiny. This work enables us to better understand our overall GHG footprint and find new ways to reduce our emissions.

We have set an initial target to reduce GHG emissions from our consumption of fuel (Scope 1) and power (Scope 2) by 30% by 2025. We will revise this target accordingly once our science-based target has been defined and approved in 2021. A portion of the 2020 short-term cash incentive compensation opportunity for our CEO and other members of our senior management is based on achieving our annual internal emissions reduction objectives as part of this five-year goal.

Our fuel reduction initiatives, largely involving our fleet of heavy and light vehicles, include reduced idling campaigns, behavior changes in journey management, fuel efficient technology, and conversions to electric and hybrid vehicles, as well as the development and rollout of our automatic pump idling technology. In 2019, we launched an initiative in North America to increase visibility of the idling time that occurs with our vehicles, which led to better management and reduction of idling, as well as decreased maintenance costs. For example, one North America coiled tubing crew reported a 38% reduction in annual costs and a significant reduction in associated emissions. This initiative is being implemented globally beginning in 2020.

Our power reduction initiatives, focused largely on our global facility energy footprint, include employee behavior programs, energy efficiency projects, increased awareness and accuracy on baseline energy

consumption data, increased use of renewables, and facility rationalization as outlined in the "Managing Facilities" section of this report.

As of September 2020, Schlumberger does not use renewable fuel for its on-road equipment; however, we continue to analyze opportunities for emissions reductions in this area. We are also reviewing opportunities to decarbonize certain carbon-intensive supplies, to reduce indirect emissions coming from our supply chain. We are also examining other opportunities to reduce our indirect GHG emissions from associated input and outputs of our operations.

### Water Use Optimization

Responsible water management is key to our operations and performance. Through technological innovation, facility management, and corporate engagement, Schlumberger has prioritized the efficient management of resources, including water, to reduce adverse environmental impacts for our Company and communities around the world. By incorporating next-generation technologies and services into operations in water-stressed areas, we are preparing for a transition within our industry to meet evolving regulatory measures and community expectations. Approximately 13% of our portfolio of impact-reducing technologies align with SDG #6, clean water and sanitation.

Schlumberger requires that its activities, products and services be designed, procured and used with the goal of efficiently managing resource consumption. Where reasonably practicable, Schlumberger operations and activities involving water resources must maximize the re-use of water; investigate opportunities for rainwater collection and the potential for using suitable effluent from other processes as the source of water; minimize freshwater use, especially in areas prone to seasonal, sporadic, or year-round water shortages; and if cooling water is required, use recirculating systems where feasible.

When we take actions relating to water resources, we consider local circumstances such as environmental sensitivities and water availability. We also develop site-specific water resource management procedures that address the water usage requirements at our facilities and operations, as well as controls and procedures to manage related

impacts. A resource management procedure for water generally identifies the applicable sources of water supply and the principle uses of water, and also includes, among other things:

- » A risk assessment of the suitability, quality, sustainability, and reliability of the water supply to Schlumberger and, where applicable, to other relevant stakeholders.
- » An assessment of opportunities to improve water use efficiency.
- » An assessment of the requirements for process and potable water over the lifetime of the operation or project.
- » Details of applicable permits and licenses, which are required to be obtained prior to sourcing water supplies.
- » Planned inspection and maintenance programs for water storage and supply infrastructure.

## Technology Advantage

As a service company, Schlumberger aims to be the performance partner of choice and meet the needs of our customers, including their sustainability objectives and targets. Several of our customers have made public commitments to reduce their carbon emissions footprint, better protect biodiversity, and use fewer natural resources. To help our customers achieve their sustainability goals, Schlumberger currently has approximately 100 technologies or solutions that reduce emissions or negative impacts on local biodiversity.

Schlumberger is committed to developing innovative technologies aimed at enhancing oilfield efficiency, reducing E&P costs, improving productivity, maximizing reserve recovery, and increasing asset value—all while achieving these goals in a safe and environmentally sound manner. Our global network of Technology centers also positions Schlumberger to accelerate a diverse range of innovative technological approaches to support the energy transition. Our broad technology portfolio includes a range of impact-reducing options to help our customers decrease their environmental footprint, use cleaner chemistry, reduce waste, and increase decarbonization elements in the E&P process. Our customers seeking to address their sustainability targets choose these technologies in part because of the quantifiable reductions in planned or unplanned

GHG emissions and energy consumption. We have also developed customized technology plans for our customers to address their environmental priorities (including reduction of waste, carbon emissions and water use), using the United Nations Sustainable Development Goals as a reference framework.

Schlumberger is at the forefront of the rapid transition to digital technologies, artificial intelligence, and the detailed characterization and control of all operations through the proliferation of sensing and actuation devices on edge networks. Through consistent R&D investment we extensively use advanced cloud and edge computing, allowing rapid development and implementation of technologies for operational efficiency. Significant reductions in operational footprint are being achieved through remote operations and automation and control systems. These systems are also reducing environmental impact and enhancing safety.

We also have a technology “watch” program to identify opportunities for commercializing revolutionary technologies being developed at our partner universities, and to connect promising university teams with our Schlumberger New Energy and Technology organizations. Some of the technologies we are “watching” relate to the use of data analytics and artificial intelligence to improve energy efficiency, as well as wellsite renewable energy technologies.

### Methane Reduction

Methane emissions are the largest source of Scope 1 and 2 emissions in the oil and gas industry, and we believe Schlumberger can play a significant role in reducing oilfield methane emissions through the deployment of new digital technologies. To that end, in 2019 we were active in testing and developing new methane leak detection technologies. We have developed an efficient method of inspecting facilities for emission leaks using active laser sensors mounted to aircrafts. Also, as part of the Schlumberger New Energy portfolio of ventures, we have invested in GHGSat, the world’s first satellite dedicated to monitoring methane and other GHGs. In 2019, GHGSat announced the discovery of one of the world’s largest anthropogenic methane emissions sources. Additionally, we continue to monitor and collaborate on different initiatives, including as advisors on a broad study of numerous mobile methane detectors led by Stanford University.

Schlumberger also recognizes that the reduction of oilfield methane emissions requires collaboration from different players in the oil and gas industry, and we continually engage with operators, academics, and innovators on this priority. We have highlighted the numerous new technologies being developed that are more effective and efficient at reducing oilfield methane emissions than existing technology, as well as emerging technologies that can be used to gauge the effectiveness of the new detectors. We are also actively following and have been involved in the evolution of the OOOOa technical rule regarding emissions standards for new and modified oil and gas facilities.

In 2019, we were asked by the Environmental Defense Fund (EDF), a non-profit organization focused on climate change and other global environmental challenges, to share our thoughts on what new methods and technologies are available to reduce oil and gas methane emissions, what their impact might be, and what is needed to realize that potential. Our interview with EDF is available [here](#).

### Solar Impulse Foundation Efficient Solutions

Schlumberger became a partner of the Solar Impulse Foundation’s World Alliance for Efficient Solutions in 2017. The World Alliance for Efficient Solutions is working to select 1,000 technology solutions that protect the environment while maintaining profitability. When a solution’s technological feasibility, profitability, and environmental or socioeconomic benefit has been validated by subject matter experts, it receives an “Efficient Solutions Label”. Eight Schlumberger scientists and engineers volunteered as subject matter experts in 2019, and together they have assessed more than 120 submissions since the inception of the program. In 2019, Schlumberger’s THIOPAQ\* biodesulfurization system was awarded the Efficient Solution label based on its ability to reduce chemical inputs and waste associated with traditional methods of natural gas processing. The THIOPAQ system uses non-hazardous and naturally occurring bacteria to convert hydrogen sulfide from biogas and conventional gas production into usable sulfur-based products, such as fertilizer.

## Schlumberger New Energy

Schlumberger has a long history of technology development and business implementation in multiple industrial sectors. In 2019, we put in place the plan for our Schlumberger New Energy businesses, which we announced publicly in 2020. This portfolio of technologies and services applies a differentiated approach to participating in the low-carbon economy and expanding our services and technology offerings beyond oil and gas. Focused on energy efficiency, energy storage, and renewable energy production, Schlumberger New Energy aims to create unique positions in adjacent markets and introduce breakthrough technologies in energy verticals while leveraging Schlumberger's domain expertise, global footprint, and execution platform. We will also use our new partnership models combined with our experience in technology industrialization to develop a new market for Schlumberger.

### Geothermal

Schlumberger has served the geothermal industry by evaluating and drilling geothermal resources and, through GeothermEx, we have participated in geothermal projects in more than 50 countries, leading to the successful installation and operation of nearly 8,000 megawatts of geothermal power.

Expanding on our prior geothermal industry experience, we designed an innovative way to use low-heat geothermal as a heating and cooling source for buildings and campuses, which led to the formation of Celsius Energy, a Schlumberger start-up based in France. Celsius Energy combines proprietary technology, design optimization, and modern digital control systems to offer fit-for-purpose solutions for both existing and new construction buildings, enabling a 70% reduction in overall building energy consumption from conventional sources, along with reductions in associated carbon emissions. Celsius Energy is installing its technical demonstration in our own Schlumberger Riboud Product Center in Clamart, France. For this innovative solution, Celsius Energy [received the Solar Impulse Efficient Solution Label](#) and was [recognized by the United Nations and the Bloomberg 50 Climate Leaders' Program](#).

### Hydrogen

Hydrogen is a versatile energy carrier and a key component of the energy transition for many countries that have set carbon neutrality targets by 2050, making both low-carbon "blue" hydrogen and zero-emission "clean" hydrogen critical to achieving these worldwide emissions reduction objectives. We are pursuing both emerging markets for carbon-neutral hydrogen production: the first by combining carbon capture and storage (CCS) with hydrogen production using natural gas as a feedstock, and the second through water electrolysis powered by renewable electricity through Genvia. Our Genvia hydrogen production technology venture is a partnership between Schlumberger New Energy, the French Alternative Energies and Atomic Energy Commission (CEA), Vinci Construction, and other partners. This venture is aimed at accelerating the development and first industrial deployment of the CEA high-temperature, high-efficiency reversible solid oxide electrolyzer technology, to produce clean hydrogen by water electrolysis using a renewable source of electricity.

### Carbon Services

Schlumberger has been involved in more than 50 carbon capture, utilization, and storage (CCUS) projects around the world since 2005. We help our customers avoid emissions through the provision of services and technologies for permanent geological CO<sub>2</sub> storage. Schlumberger focuses on the challenges of storing CO<sub>2</sub> captured from power and industrial sources underground to help mitigate climate change and protect the environment. We are continuing our participation in many CCUS projects, such as the Illinois Industrial Carbon Capture and Sequestration Project, a large-scale demonstration project designed to store 1 million tonnes of CO<sub>2</sub> annually approximately 7,000 feet underground in the Mount Simon Sandstone. In 2019, Schlumberger participated in two new CCUS projects in the United States.

We also offer technologies for monitoring and verifying CO<sub>2</sub> storage associated with enhanced oil recovery operations. For example, we are providing CO<sub>2</sub> monitoring services at the Farnsworth Field in Texas, where more than 1 million tonnes of CO<sub>2</sub> from an ethanol plant in Kansas have been permanently stored underground through ongoing enhanced oil recovery operations.

### New Ventures

Schlumberger New Energy has a portfolio of investments in promising technologies with start-up companies in a broad range of disciplines. Since 2016, Schlumberger has invested in new ventures focused on the energy transition. The two newest partnerships made in 2019 focus on mobility transformation and the move to vehicle electrification. First, our investment in Pure Energy is leading to the development of a novel, proprietary continuous process for the direct extraction of lithium from subsurface brines that increases recovery efficiency. This process returns almost all of the brine to the reservoir, using an environmentally benign method, with a significantly smaller footprint than the incumbent extraction technologies. Second, we partnered with PolyPlus, a U.S.-based battery company, to develop the next generation of rechargeable batteries with a significantly higher energy density aimed at an increased range for electric vehicles and increased safety. Our investment in PolyPlus builds on the many years of experience that Schlumberger has in developing and manufacturing innovative batteries for harsh environments. We are also participating in the circular economy via our investment in Molyworks, a U.S. start-up developing unique mechanisms for producing high quality printable metallic powder from scrap metals to convert the low value scrap into high value products. These recycling benefits include reducing mining wastes, air pollution, and water pollution, with significant energy and raw materials savings, as well as a 40% reduction in water use.

Other Schlumberger New Energy investments include technologies relating to nanocrystalline cellulose as a clean viscosifying agent, wireless power, high-pressure mass spectrometry, exoskeletons, automation and remote control, and cybersecurity.

# Social and Community

Our commitment to social sustainability spans from our focus on employee health and safety, to preserving and respecting human dignity, to developing a diverse workforce, to promoting STEM and HSE education in the communities where we live and work. Our mature local content strategy launched in the early 2000's forms the foundation of our in-country value globally.



# Social and Community

**Schlumberger's long-established values have always included a commitment to invest in our people and local communities. By applying our high standards of conduct company-wide, our efforts have a positive impact on our employees, contractors, suppliers, and customers, as well as the communities in which we live and work.**

## Education

We believe that empowering the educational advancement of school children and women makes a powerful contribution to developing economies, as well as to the individuals themselves. Our educational focus is on science, technology, engineering, and mathematics (STEM), as well as HSE subjects.

We offer professional development for STEM teachers, HSE-focused student workshops and supplemental instruction, Company-sponsored STEM events, clubs, challenges and competitions, and initiatives promoting literacy and numeracy skills for young children. Through the Schlumberger Foundation, we provide funding for women from developing and emerging economies to pursue advanced graduate study in STEM subjects at top universities worldwide. Our community outreach programs are fully aligned with the United Nations Sustainable Development Goal #4 of ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all.

### Schlumberger Excellence In Education Development

Our Schlumberger Excellence in Education Development (SEED) program encourages STEM learning through camps, teacher professional development, workshops, and employee classroom visits. Through SEED,

we engage employees, educators, retirees, spouses, and volunteers around the world to share their passion for learning and science with students. This hands-on program focuses on robotics, computer science, and energy education, and relies on the scientific and technological expertise of our workforce, who directly engage with the communities where we live and work. Worldwide, more than 112,000 students attended more than 1,100 SEED activities in 2019.

### Computer Science

To encourage children to develop an interest in computer science, we sponsor workshops and clubs that introduce computer-based programming and coding to students as early as the second grade, using an MIT-based platform called SCRATCH. To provide hands-on training, we also donate resources related to our Petrel\* E&P software platform to high schools and universities around the world. Through Schlumberger NeXT, a training and competency solution, we sponsor high school competitions using our OilSim\* upstream learning simulator. We have also partnered with Code.org, Microsoft TEALS, and local educational systems to support the professional development of teachers in computer science education.

### Robotics

Our SEED workshops introduce students to the exciting world of robotics, with a special focus on girls and children from developing countries and

lower socioeconomic backgrounds. In our workshops, Schlumberger employees and other facilitators, including teachers and local university students, teach the programming, coding and building aspects of robotics. Our employees also discuss with students how Schlumberger engineers use robotics when designing our technology and tools to solve problems for our customers or communities.

In addition, we often support schools and communities by sponsoring competitive robotics teams and clubs. Our local operating teams have

2019 SEED BY THE NUMBERS	
Number of Engagements <sup>1</sup>	1,107
Students Impacted	112,967
Teachers Participating	322
Schlumberger Employee Volunteers	1,389

<sup>1</sup>Beginning in 2019, we expanded our SEED category to include all our STEM community engagements worldwide, including professional development for STEM teachers, student workshops and supplemental instruction, Company-sponsored STEM events, clubs, challenges and competitions, and initiatives promoting literacy and numeracy skills for young children.

<sup>1</sup>Mark of Schlumberger

helped prepare student teams for competitions and encouraged students to explore science and engineering as a college major or career.

#### Energy Education

We have formed partnerships with several organizations to develop workshops and educational programs that help students and teachers understand the highly technical skillset needed to work in the energy industry, with a focus on local energy sources. Our partnerships include the American Geosciences Institute, Society of Petroleum Engineers, the Offshore Energy Center, and the Independent Petroleum Association of America.

#### Faculty for the Future

Faculty for the Future, the flagship program of the [Schlumberger Foundation](#), awards fellowships to women from developing economies to pursue advanced graduate studies in STEM subjects at leading research institutes abroad.

The program's mission is to accelerate gender equality in STEM and alleviate barriers to women's participation in STEM disciplines. The program's commitment to gender parity in science aligns with SDG #4, quality education, and #5, gender equality, in recognition that full access to and participation in STEM fields is essential for the empowerment of women and girls.

Since the program's launch in 2004, a total of 739 women from 82 countries have received Faculty for the Future fellowships to pursue PhD and post-doctorate STEM research programs at 282 universities and research institutions around the world. In 2019, the Schlumberger Foundation awarded 19 new fellowships and renewed 77 fellowships.

Faculty for the Future Fellows are expected to return to their home countries upon completion of their studies, in order to contribute to the economic, social and technological advancement of their home regions.

Today, Faculty for the Future alumnae are strengthening the STEM teaching and research faculties of their home countries' institutions, and also serving their communities through their leadership in science-based entrepreneurship and public sector service.

In addition to the financial support provided to these women, Faculty for the Future hosts in-person forums where fellows and alumnae meet to share their experiences and help foster an international community of women leaders in STEM. Each grant recipient is offered the opportunity of attending one of these forums during their research program. Participants meet and engage with distinguished scientists and listen to accomplished leaders share their insights. Through knowledge-sharing sessions and panel discussions, participants learn skills and techniques to raise their visibility and improve their chance of successfully impacting their community.

In 2019, program leaders visited Pakistan and met with 24 Faculty for the Future alumnae, local universities, research centers, industry partners, and government agencies. The visit helped the Schlumberger Foundation gather information on ways it can help alumnae build on the momentum Faculty for the Future provides and leverage their recently acquired skillsets to bring positive change to their local communities. Furthermore, the visit helped bring recognition to the program and alumnae from their home institutions, government officials and non-government organizations.

#### HSE for Youth

Schlumberger is committed to promoting HSE learning for children, in order to pass down our HSE leadership and experience to the next generation of Schlumberger families, customers and communities. Since 2009, our employees have shared their expertise through our HSE for Youth programs, trainings and modules covering first aid, internet safety, injury prevention, climate change, water sanitation, road safety, personal security, and HIV/AIDS, malaria and Ebola prevention. We aim to inform and empower young people to make responsible and safe decisions regarding health, safety, and environmental issues.

In 2019, more than 4,300 young people participated in 169 HSE for Youth workshops held across 50 countries. Parents and other volunteers helped organize workshops to teach children how to stay alert, think calmly and act quickly to protect themselves when at home, school or elsewhere in the community. Participants included children of our customers and employees, as well as children from local communities, schools and orphanages. These workshops covered a variety of topics, as shown at right, and have helped thousands of children learn about personal safety.

FACULTY FOR THE FUTURE BY THE NUMBERS	
New Fellowships Awarded in 2019	19
Fellowships Renewed in 2019	77
Alumnae Home Countries	82
Total Fellows and Alumnae since 2004	739
Host Universities and Research Institutions	282

HSE FOR YOUTH BY THE NUMBERS			
TOPICS	NUMBER OF TOPICS COVERED	LOCATION	NUMBER OF WORKSHOPS
Injury Prevention	28	Middle East & Asia	41
Personal Security	22	Africa	34
Internet Safety	27	Europe	21
Road Safety	53	Russia	16
HIV/AIDS	1	North America	21
Climate Change/ Environment	5	South America	12
Water	3	<b>Total</b>	<b>145</b>
Malaria	13		
First Aid	17		
<b>Total</b>	<b>169</b>		

## Health and Safety

Schlumberger is committed to maintaining the highest health and safety standards for employees, customers and contractors. Our commitment encompasses health and safety risks in the office and other facilities, such as laboratories and workshops, out in the field, when traveling on Company business, and at home.

Our HSE Management System defines the principles by which we conduct our operations worldwide, and our management team applies rigorous policies and standards throughout the Company. Nothing is more important to us than ensuring our employees, contractors and customers get home safely to their families at the end of each day. We also have a long-standing commitment to sharing our HSE leadership and best practices through technical papers, active involvement with industry trade associations and specialist HSE organizations, and other means.

Keeping our people safe is also central to our ability to drive high performance. We improved on our safety performance in 2019 by decreasing our industry recognized rate of automobile accidents per million miles by 12% and our total recordable incident rate by 26% year-over-year. 2019 was our best year on record in terms of our total recordable incident rate.

### Health

Schlumberger strives to protect the health of its employees and to manage their health risks in the workplace.

To reduce work-related and location-specific health risks, Schlumberger promotes industrial hygiene, ergonomics, a healthy lifestyle, and preventive medicine. Good health management helps to reduce illness in the workplace, increase employee and family well-being, and streamline health care costs for employees and the Company. It also helps increase customer retention and satisfaction, optimize business performance and the Company's reputation, and reduce project disruptions while protecting the health of those involved.

We have a global network of health professionals who provide medical support at our operational locations. Each of our operating locations has a specific preventive training program with a focus on health and industrial hygiene, and each program is adapted to the working environment and location. Before new operations begin, and regularly thereafter, employees undergo medical checks and health-risk assessments.

### *Heart Healthy Campaigns*

Schlumberger has been supporting the American Heart Association through the Houston Heart Walk for eight consecutive years. In 2019, more than 200 Houston-area employees and family members joined the walk to raise awareness about the benefits of exercise. Part of our global Heart Healthy campaign included providing temporary CPR training kiosks at Schlumberger facilities to teach employees what to do in case of a heart attack and raise awareness of cardiovascular risk factors. The kiosks included a "how to" video along with a practice mannequin, like those used in classroom CPR training sessions, so employees and their family members could practice the movements and pressure needed to correctly perform CPR.

Also in 2019, Schlumberger team members in Sub-Saharan Africa launched the Africa Heart Beat campaign to increase health awareness among our workforce in the region. More than 1,200 people participated in running and walking activities as part of this initiative, and collectively they covered a distance of approximately 7,000 km.

### *Schlumberger Active Campaigns*

Since 2018, Schlumberger has initiated a series of health campaigns to encourage employees to be more physically active. Our first Active campaign in Europe drove active participation with Company-sponsored events, and encouraged employees in Europe to track and share their fitness-related activities through an internal Schlumberger app. The app includes a leader board with recognition badges to incentivize employee engagement through friendly and healthy competition. Employees were also encouraged to share stories and pictures of their activities on an internal social networking platform. The success of the Active campaign in Europe inspired similar campaigns at Schlumberger locations around the globe, including in Central America, East Asia, Australia, South East Asia, North America, South America, North Africa, Sub-Saharan Africa, and the

Middle East. The app has been replicated across more than 60 countries across all continents. In the Far East region, the Active campaign achieved 35 million steps in 2019. In the Russia and Central Asia region, Schlumberger team members recorded 121 million steps and burned approximately 1.4 million calories. In Bahrain, employees participated in a relay marathon. In Scandinavia, teams participated in an eight-week competitive fitness challenge.

Although the Active campaigns were primarily focused on health, they also encouraged our personnel to be more actively engaged in all aspects of HSE. The use of innovative technology solutions has encouraged personnel to access other HSE-related apps more actively, and the teamwork aspects of these campaigns have led to a healthy competition between Schlumberger locations regarding other aspects of HSE.

### Safety

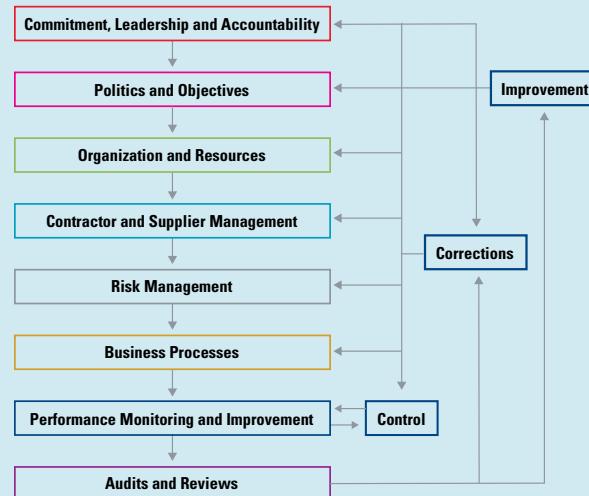
#### *Shared Responsibility for Safety*

Schlumberger maintains a safe and productive work environment free from alcohol, controlled substances, and illegal drugs. We design our equipment and workplaces to enable safe operations and we provide comprehensive training in injury prevention, driving safety, hazard identification, and risk assessment and management. We require comprehensive reporting of hazardous situations and conditions to identify opportunities for improvement and remedial actions to prevent recurrence. Within Schlumberger, all employees and contractors are authorized, empowered and required to intervene and stop any job if they consider a situation to be unsafe—a practice fully supported by Company management.

### *HSE Management System*

The Schlumberger HSE Management System sets forth the principles by which we conduct our operations worldwide regarding HSE and security. Schlumberger management communicates our global quality, health, safety and environment (QHSE) policy, as well as our HSE philosophy, priorities, objectives and requirements, to all employees, customers, contractors, and third parties associated with our business. Our global HSE standards are implemented in all our operations and comprehensively assessed to assure compliance. We require that each Schlumberger geographic and operational business unit and function provide positive evidence of conformance to our HSE Management System.

Our HSE Management System model comprises eight interrelated elements, reflected on the diagram below.



We work to continually improve upon our HSE outcomes through (i) regular conformance checks on day-to-day standards and procedures (referred to in the diagram at left as “control”); (ii) conformance checks on the management system as a whole (referred to in the diagram at left as “correction”), and (iii) as needed, appropriate modifications to the management system (referred to in the diagram at left as “improvement”).

As of September 2020, our HSE Management System comprised 26 global standards, which we require be implemented within all Schlumberger operations and facilities, regardless of whether a particular operating location or facility has chosen to commit to third-party certification, such as the International Organization for Standardization (ISO), American Petroleum Institute (API), or Occupational Health and Safety Assessment Series (OHSAS) standards.

Schlumberger’s HSE Management System uses a risk-based approach, which allows us to focus resources on the geographic locations, activities and services that present a higher risk to the Company, our personnel and our customers. Our risk-based strategy also enables us to develop focused, concise HSE standards that are easily read, understood and monitored for effectiveness and compliance.

Each risk-based HSE standard contains the following items:

- » A statement of intent
- » The objective of the standard
- » A scope of application
- » Requirements for implementation of controls
- » Clear statements of responsibility for the management of the subject matter
- » Performance monitoring criteria for performance and compliance

Our risk-based approach involves setting prescribed control measures that apply at all Schlumberger sites and to all of our activities and employees, as well as to contractors under our operational control. Schlumberger’s HSE function has developed specific strategies for our risk-based HSE standards, covering both the fundamental controls that apply globally throughout all Company activities without variation, and certain risk-based controls—assessed by country, business operation and location—where application increases proportionally with the assessed risk. At the global

level, each Schlumberger HSE standard has an assigned “owner” who is responsible for developing and monitoring the standard, and for ensuring that it is regularly updated to reflect the Company’s commitment to continuous improvement, industry best practices, and lessons learned.

Each year, Schlumberger holds a global meeting of the senior HSE managers in our geographic locations and senior corporate HSE personnel, in order to review the Schlumberger HSE standards as well as emerging regulatory changes to reflect both internal and external updated HSE best practices. This annual HSE management review is focused on identifying opportunities for improvement both in our HSE Management System and in HSE performance. We also set annual performance and improvement objectives (including leading and lagging performance indicators), review existing HSE standards, and develop new HSE standards, personnel engagement initiatives, and campaigns for the year.

In 2019, we revised the following global HSE Standards: Business Continuity, Crisis and Emergency Management; HSE Training; Auditing; Hydrogen Sulfide; Personal Protective Equipment; Environmental Management; Schlumberger Empowerment Teams; and Injury Prevention. We also issued a new Electrical Safety Standard in 2019.

#### *Leadership Commitment*

Foundational to the Schlumberger HSE Management System is a commitment by our leadership team to invest in and promote HSE initiatives, programs and the system as a whole, and to personally demonstrate HSE excellence.

Managers at all levels of the Company are responsible for maintaining a culture of HSE excellence, so that all employees see prevention of HSE incidents and accidental losses as an integral part of their daily activities. We expect all managers and supervisors to set a personal example of HSE excellence by actively contributing to HSE risk management, including by providing necessary resources to develop and maintain a proactive HSE Management System throughout the organization. We also expect Schlumberger managers to encourage the involvement of all employees and to empower them to develop and implement appropriate solutions to HSE issues within their areas of responsibility.

Below are some examples of manager involvement in HSE, as applicable based on area of responsibility:

- » Participating in HSE meetings
- » Periodically visiting the field
- » Keeping personal HSE training up to date
- » Leading HSE audits, inspections and assessments, and following up on the remedial action plans
- » Setting location and personal HSE objectives.
- » Reviewing performance indicators
- » Reviewing HSE reports and following up on the closure of action items
- » Participating in and reviewing investigation of accidents
- » Administering reward programs
- » Reviewing driving performance reports

At Schlumberger, each geographical area has a dedicated HSE manager, HSE training and communications coordinator and injury prevention coordinator, along with a team of additional HSE personnel to support their operations. These regional teams are supported by a core group of HSE subject matter experts at the corporate level. In addition, in some cases subject matter experts are based within certain geographical areas depending on the risk and exposure to HSE hazards, such as security specialists, driving coordinators and health professionals.

At the site level, personnel with specific subject matter roles may facilitate and support the technical implementation of our HSE standards, depending on the size, specific risks and operational requirements of the site. A few such examples include roles focused on mechanical lifting, dropped objects, and working at height responsibilities.

Within Schlumberger, all employees and contractors are authorized, empowered and required to intervene and stop any job if they consider a situation to be unsafe—a practice fully supported by Company management.

#### ***Schlumberger SAFE***

Our Schlumberger SAFE program encompasses a series of strategic HSE programs, tools and multi-year initiatives that reinforce our unified, global approach to our organization's HSE commitment. We designed this program based on the four pillars of our global HSE strategy: Leadership, Employee

Engagement, Training and Reporting, and Compliance. Since the program's launch in 2017, we have focused on making our HSE emphasis personal, engaging and fun through innovative training and communication methodologies. The first two years of this campaign have already delivered meaningful results, including helping to reduce the frequency of total recordable injuries and automotive accidents, as well as other improvements in leading HSE indicators.

Examples of Schlumberger SAFE initiatives include:

- » personal HSE leading indicator dashboards and scorecards with metrics such as proactive HSE reporting, HSE leadership engagements and field HSE visits;
- » global safety improvement campaigns that use innovative communication techniques, such as internal social media channels, infographics and personal interactions based on a facilitated learner-centered approach;
- » the development of Company mobile apps for proactive HSE risk identification reporting and observation and intervention reporting;
- » revitalized HSE training for new personnel, supervisors and managers that uses a variety of modern learning techniques; and
- » the implementation of improved processes for monitoring and increasing compliance with Company requirements.

In addition, our Schlumberger SAFE Forum, launched in 2018, introduces supervisors and managers to our latest HSE programs and campaigns through a set of interactive exhibits that can be easily assembled at any Schlumberger location. For remote locations, we have also deployed a truck outfitted with a mobile version of the Schlumberger SAFE Forum to give personnel working in field locations the opportunity to experience in person our latest Company HSE initiatives. In 2019, 39 Schlumberger SAFE Forums were organized to assist supervisors and managers in increasing HSE awareness and engagement at local facilities around the globe.

We also have a wide range of recognition programs based on the Schlumberger SAFE campaigns for individuals, teams, locations, and geographic initiatives and improvements. For example, in 2019, our global HSE function won our Performed by Schlumberger program's "CEO Award" for the Schlumberger SAFE Campaign, out of almost 600 project submissions. The CEO Award is the program's highest accolade, given to a team or project that demonstrates exceptional levels of teamwork,

innovation and business impact for the Company and our customers. Schlumberger personnel around the globe cast their votes, selecting the top four submissions for the awards.

#### ***Life-Saving Rules***

In 2019, Schlumberger launched a 10-week global campaign to introduce the revised International Association of Oil and Gas Producers (IOGP) Life-Saving Rules, which updated the 2010 IOGP Life-Saving Rules. Schlumberger actively participated in developing both sets of IOGP Life-Saving Rules. From our CEO and executive leadership to our frontline workforce, we are committed to the IOGP Life-Saving Rules and to achieving and sustaining the industry goal of having no fatalities.

As part of our 2019 campaign, Schlumberger CEO Olivier Le Peuch and our HSE management team recorded personal videos covering four key messages:

- » Schlumberger fully supports this standardized industry initiative.
- » We are fully committed to reducing the number of work-related fatalities to zero.
- » Every employee and contractor is empowered and, in fact, obligated to "stop the job" if they see any Life-Saving Rule not being followed (or any other unsafe act). Anyone who intervenes will have the full support of Company leadership.
- » Compliance with the Life-Saving Rules is not just about Company requirements. Compliance is about making sure you go home safe to your loved ones.

The campaign then introduced one new rule each week for the following nine weeks. This approach gave our workforce time to focus and reflect on the content and expectations of each new rule. For each new rule, a senior Schlumberger leader recorded a video discussing the importance of the rule, along with examples of incidents and high potential events, and explained how the relevant Life-Saving Rule and associated actions could have prevented or did prevent the loss of a life.

All non-office personnel are required to complete IOGP Life-Saving Rules training and, in 2019, this totaled over 72,000 field personnel worldwide.

Schlumberger's Life-Saving Rules training materials were targeted to frontline workers and made available in local languages. In addition, in alignment with SDG #17, partnerships for the goals, we translated IOGP's training and communication materials, such as work cards, posters, and rule-in-a-minute animations, into 17 languages, and then provided the translated content to IOGP to be shared across the industry as part of our commitment to partnerships. The Life-Saving Rules have also been incorporated into our new employee and new contractor safety training packages, and an e-learning package is available for refresher training.

Schlumberger also analyzed the applicability of the nine Life-Saving Rules for our global operations using Schlumberger-specific data over a 10-year period. We conducted a detailed analysis of work-related fatalities, high potential events and lost workday case injuries to identify those that most commonly resulted in fatalities. A ratio of fatalities to lost workday cases showed trends similar to the IOGP data used to develop the industry Life-Saving Rules.

#### ***HSE Auditing***

In 2019, Schlumberger implemented a global risk-based approach and improvements to our HSE auditing and inspections process. We revised all the global templates used to audit compliance against our HSE standards and we required that an audit and inspection plan be developed and documented each year. This annual plan details the schedule of audits and inspections to be performed at each worksite and the respective areas of responsibility during the year. We use a global online dashboard to review the results of the plan's implementation and to monitor the completion and compliance of audits and inspections.

In 2019, we recorded more than 260,500 audits and inspections in Schlumberger's global online QHSE business system. More than 20,000 of these were audits conducted using our global compliance audit templates, which have been developed to determine adherence to our QHSE standards. Our robust internal auditing and inspection process has been rigorously implemented, and its performance equals or exceeds that of a third-party certified HSE management system. Operational locations seek certification to international standards, such as ISO, API or OHSAS, only where there is a clear business case to do so.

#### ***Fatalities***

Regretfully, Schlumberger suffered three work-related fatalities in 2019. Schlumberger's 2019 fatal accident rate for employees and contractors was 0.75 per 100 million work hours, which was lower than the 2019 IOGP contractor fatal accident rate of 0.92 per 100 million work hours.

Each of our work-related fatalities was thoroughly investigated and studied, remedial actions were implemented to prevent reoccurrence, and the associated lessons learned were communicated throughout the Company. For example, to address the lessons learned from electrocution incidents and incorporate additional controls, Schlumberger issued a new global Electrical Safety Standard in 2019. Schlumberger also issued new standard work instructions for activities requiring energy isolation verification, deployed additional testing equipment to field personnel, and included further electrical safety training in the requirements for technicians. We also discussed these fatality incidents in our executive leadership videos as part of the IOGP Life-Saving Rules campaign.

No work-related illness fatalities occurred at Schlumberger in 2019.

Schlumberger also tracks employees' non-occupational illness fatalities, such as deaths due to heart disease and cancer, in our global online QHSE business system. These data inform our global and regional health and wellbeing campaigns.

#### ***Learning from Events***

Schlumberger's global HSE Event Reporting and Management Standard details our requirements for the notification, recording and investigation of HSE incidents and high potential events, including management reviews, remedial and preventative work plan actions, and follow-up actions to confirm effective implementation. We use our global online QHSE business system to manage the lifecycle of an event, from classification to investigation to remedial action implementation. During 2019, more than 142,000 people used the system, with over 12.7 million logins registered. The system also recorded an average of 1,400 QHSE meetings per day in 2019, totaling more than 511,000 for the year, sent more than 40 million emails to approximately 125 million email recipients, and processed more than 3.8 million items including risk identification reports, meetings, audits, exemptions, management of change requests, observations, inspections, events, suggestions, and recognitions. Our personnel can search and

review two decades worth of reports and data in our QHSE business system. This yields significant opportunities for learning from events and trends, for benchmarking, and for the identification of emerging hazards.

Schlumberger also has a process to generate concise "HSE Alerts" to share best practices and lessons learned from HSE events. HSE Alerts are stored in Schlumberger's HSE Communications Toolbox and are organized by hazard category such as Life-Saving Rule, Product Line and Geography, to help users identify relevant subject matter for organizational learning. HSE Alerts are also sent directly to employees by email. HSE Alerts that we receive from customers and industry organizations are also shared on our internal HSE web portal and on internal social media groups for general HSE, subject matter or location-specific updates, to which anyone in the organization can subscribe.

These lessons learned and best practices are incorporated into our HSE Standards, policies, practices and training resources. Our goal is to promote continuous HSE learning and best practices throughout the organization, and to facilitate reflective discussions at both formal safety meetings and in informal discussions among our team members, such as during pre-job safety briefings.

#### ***Security Management***

Due to the nature of our global business and operations, Schlumberger maintains a focus on managing security for our personnel and assets. Our employees, their families, contractors, third parties, and our company assets may be exposed to security-related threats, including armed conflict, criminality and civil unrest. Our objective is to reduce security risks to a level deemed "as low as reasonably practicable" through effective implementation of fundamental and risk-based controls and active continuous monitoring of security conditions.

Schlumberger security specialists—both employees and contractors under our operational control—are required to maintain security arrangements that are consistent with applicable laws and the following international standards:

- » Voluntary Principles on Security and Human Rights
- » United Nations Universal Declaration of Human Rights
- » United Nations Code of Conduct for Law Enforcement Officials
- » United Nations Principles on the Use of Force and Firearms

## PRE-TRAVEL SECURITY AND HEALTH REQUIREMENTS

Schlumberger's online QHSE business system serves as a repository for country-specific health and security information, including the Company's security risk ratings for countries and regions within countries. Prior to traveling for business reasons, Schlumberger personnel are required to review applicable security and health information for their destination country and, for high-risk destinations, have their travel approved. Our travel booking system automatically sends emails with travel advice, relevant security, health and cultural information, local Schlumberger emergency contact numbers, and national authority emergency information.

Control measures for Schlumberger personnel—proportionate to the country security threat and/or alert level—may include travel security guidance or precautions, security escorts upon arrival in a country or region, and the use of Company-approved accommodations (e.g., staff houses or hotels with adequate security standards).

Health specific requirements for travel may include certain vaccinations and certificates, preventive medication, and training on disease prevention (such as malaria protection controls like bed nets, repellents and testing kits), water and food hygiene, animal bite and sting prevention, other immediate response actions, climate-related hazards, and medical emergency management.

## Business Continuity, Emergency and Crisis Management

Each Schlumberger location has comprehensive emergency response plans and trained personnel to respond to anticipated local emergency scenarios such as emergency evacuation, fire, medical emergency response, security threat response, spill response, natural disasters, and other specific operational hazards such as hazardous substances, hydrogen sulfide releases and well control incidents. More than 5,000 location emergency response drills were held and recorded in the global online QHSE business system in 2019.

Also in 2019, Schlumberger released a comprehensive revision to its global Business Continuity, Emergency and Crisis Management Standard. Although the Company's global standard has been in place for more than 20 years, in 2019 we adopted a risk-based approach and incorporated research from the Harvard School of Public Health's National Preparedness Leadership Initiatives and meta-leadership programs, as described in the

[Harvard Business Review](#). In revising this standard, we developed a global hierarchy of crisis and emergency management and response teams in order to effectively respond to developing crisis events and to protect our people, assets and ability to operate, as well as the environment, stakeholders' interests and Schlumberger's reputation. This program is based on our fundamental corporate commitment to the Company's HSE function as a core differentiating competency.

Each of the crisis management teams (CMTs) and emergency management teams (EMTs) comprise nine core members, primarily representing Schlumberger business functions:

- |                                 |                 |
|---------------------------------|-----------------|
| » Crisis management team leader | » Legal counsel |
| » Crisis management coordinator | » IT services   |
| » Communications coordinator    | » Facilities    |
| » Stakeholder manager           | » Finance       |
| » Human resources               |                 |

Designated emergency and crisis management centers are suitably equipped and maintained in geographically dispersed locations. This makes technical subject matter expertise continually available to the geographic CMTs and EMTs via business line global operations control centers.

To support our crisis, emergency and business continuity management process, we have implemented standardized Company tools and guidance across the organization. Examples of such tools include:

- » A global online risk mapping tool with geographically conducted vulnerability assessments that include the identification of threats to each business line, function and manufacturing center.
- » A comprehensive global reference manual and an online library of available resources, such as notification and response flowcharts, checklists and drill scenarios, as well as best practices, which are regularly updated based on lessons learned from Company responses to drills and real crisis situations.
- » Designated trained CMTs and crisis management planning at both corporate and geographic area levels, as well as designated trained EMTs and emergency management planning in every country of operation, all of which follow a company-wide crisis and emergency management playbook.
- » An Incident Response app that links to our global crisis management online portal, in order to maintain real-time communications throughout

each response cycle by recording decisions, actions, and stakeholder maps.

- » Emergency situation identification, vulnerability assessment, and response planning for every Company location, using global tools to maintain consistent assessment of the threats, internal and external resource capability analysis, and plans for control and mitigation of emergency situations.
- » Communication tools, including mass e-mail distributions, text message alerts with receipt confirmation, news and updates on our Company intranet and internal social media channels, 24-hour emergency call centers, and standard IT tools for managing and documenting actions taken and interactions with stakeholders.
- » Business impact analysis and continuity planning assessment tools, templates and guidance, covering (among other things) anticipated business disruptions.

We also annually conduct a global-level review of our consolidated geographic, functional and business line risks to check for correlations and trends, and report the same to our executive management. For additional details, please see the Corporate Governance section of this report titled "Managing Corporate Risk" on page 5.

In 2019, we continued implementing our crisis management training programs throughout the organization. Approximately 300 senior leaders around the world attended a two-day crisis or emergency management team training course during the year. These training courses enable attendees to participate in practical exercises combining crisis management best practices, techniques from global academic experts, and expertise from within the Company. Our comprehensive trainings incorporate realistic scenarios, so that theoretical training is successfully translated into practical skills. Our initial trainings are also supplemented with refresher trainings and regional readiness assessments.

We also conduct regular crisis and emergency management drills—quarterly at the country level, bi-annually at the geographic area level, and annually at the corporate level—in order to practice coordinating people, organizations, resources, and information to best mitigate and control a wide range of scenarios, from our initial response through reestablishing operations. In 2019, we conducted a series of cybersecurity drills in addition to operational drill scenarios.

## Contractor Management

An effective and efficient supply chain is essential to Schlumberger's success. Our overall objective is to maximize value for the Company through best-in-class planning, sourcing and procurement, achieved through the rigorous use of systematic and integrated processes to select, develop and manage our supplier base. We work with our suppliers in a socially responsible and ethical manner and continuously seek to improve the way we and our suppliers conduct business.

### Contractor Management Standard

In 2018, we revised our Contractor Management Standard to align with the IOGP industry best practices for managing HSE risks from contracted services. In addition, our Supply Chain standards and procedures govern how we engage with suppliers and contractors, and we use industry best practices as the global basis for managing the HSE risks from contracted services. Together, these standards set forth a risk-based process to identify, onboard and manage suitably capable contractors.

After completing our supplier approval processes, we add newly approved suppliers (including suppliers of contracted services) to a central approved supplier list, which contains information about each supplier, including capability assessments, specific audits, contractual responsibilities (contract mode), and the scope of work that such supplier is qualified to provide to Schlumberger. Our approved supplier list contained more than 44,000 approved suppliers with whom Schlumberger had a spend in 2019.

### Contractor Performance Management

Schlumberger monitors the HSE performance of its contractors during all phases of our contracts, using various methods:

- » We report any hazardous situation (including any "near miss") and take actions where necessary to correct the situation relating to the contracted service.
- » We report at-risk behaviors and immediately provide coaching to contractors to correct such behaviors.
- » We positively report and reinforce safe behaviors.
- » We regularly hold formal meetings with the management of suppliers that provide us services, to discuss the supplier's performance and agree on any actions needed for continuous service improvement. We also hold informal meetings with these service providers. In total, we recorded more than 27,500 meetings with service providers and contractors in our QHSE online business system in 2019.

During 2019, more than 38,000 contractors contributed to Schlumberger's overall safety performance. Our contractor Lost Time Injury Frequency Rate (LTIFR) was 0.50 per million work hours, consistent with our combined employee and contractor LTIFR of 0.52 per million work hours.

As of December 2019, more than 13,500 contractors were registered to use Schlumberger's global online QHSE business system. Our contractors are required to follow all Schlumberger HSE programs while at a Schlumberger controlled facility, unless they have an equivalent HSE program with roles and responsibilities defined in an agreement with us.

### Contractor Audits

In 2019, Schlumberger recorded 1,291 contractor audits in our global QHSE business system. In addition, we conducted 353 land transport contractor audits in alignment with the IOGP industry best practice for land transport contractor assessments (IOGP Report 365).

### Contractor Training

New Schlumberger contractors engaged in 2019 completed nearly 127,000 certifications that year. Applicable contractors are included in our New Employee Safety Training (NEST) program, which provides critical safety training in order to manage new employees' increased HSE risks. We also have specific NEST trainings for short-term contracted employees. For additional details about our HSE training programs, please see the section of this report titled "HSE Training" on page 33.

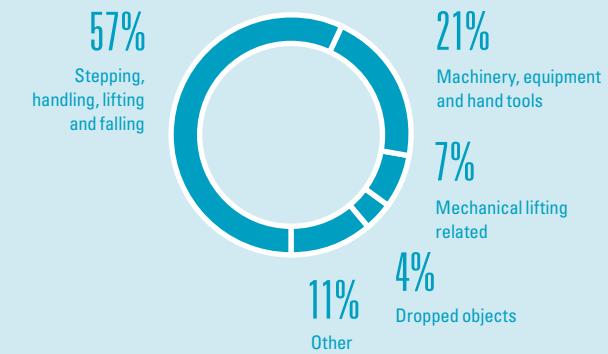
### Injury Prevention

Schlumberger is committed to injury prevention for employees and contractors through effective implementation of internal best practices as well as those from the oil and gas industry.

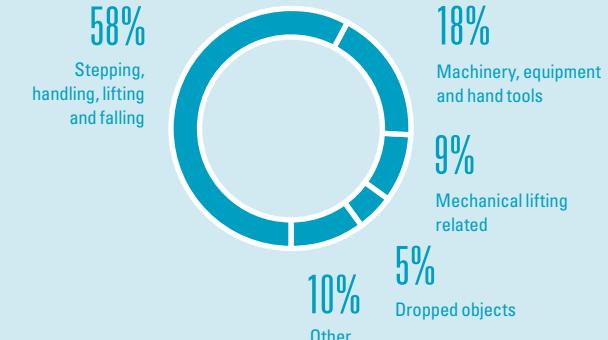
In 2019, we updated our risk-based Injury Prevention Standard, which details the controls required to minimize risk of workplace injuries related to stepping, handling, manual lifting, and working with machinery, equipment and tools. This revision incorporated the new IOGP Life-Saving Rules, as well as updates to our injury prevention training and additional content on the Company's Design for HSE program.

Schlumberger's work-related workplace total recordable injuries (TRI) and lost-time injuries (LTI) by hazard category for 2019 are shown in the charts below:

### Total Recordable Injuries (TRI) by Hazard Category (2019)

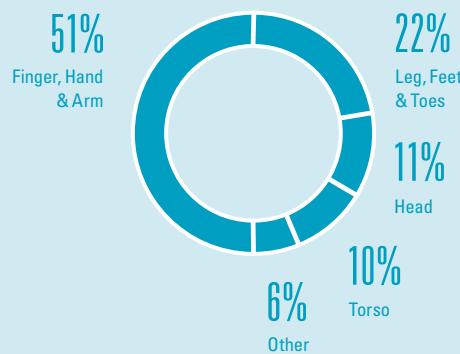


### Lost Time Injuries (LTI) by Hazard Category (2019)

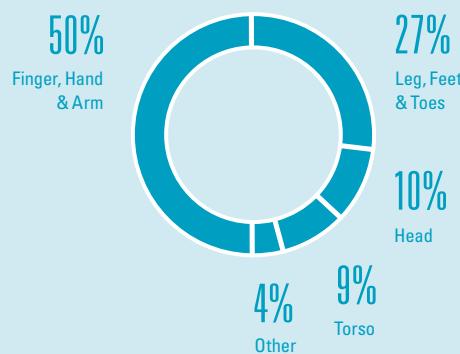


The charts below reflect our 2019 TRI and LTI by body part injured:

### Total Recordable Injuries by Body Part (2019)



### Lost Time Injuries by Body Part (2019)



We provide injury prevention training to new employees within the first month of employment, along with annual refresher coaching supported by 363 trainers and 31 master trainers around the globe. In 2019, more than 93,000 employees and contractors were certified at Level 1 training and more than 63,000 were certified at Level 2 training (accompanied by a Commentary Task Assessment conducted by a trained coach).

We have also implemented our Schlumberger "Warm Up to Work" program globally across the Company. Warm Up To Work was designed to improve the health and wellbeing of our workforce and increase awareness about the importance of injury prevention at the workplace. This program includes exercises for workshop and field personnel to warm up their muscles and increase flexibility and the range of motion of joints. For office personnel, it includes a series of stretching exercises help to prevent neck, shoulder, and back discomfort. The program also has an interactive website with short videos that show how to perform the exercises correctly, as well as other resources available in nine languages.

As shown in the charts at left, approximately half of our 2019 TRI and LTI involved injuries to fingers, hands and arms. To address these types of injuries, we have identified various hands-free work aids to reduce direct exposure to these body parts, and then implemented them worldwide. To mitigate the severity of hand and finger injuries, we regularly review improvements in high impact glove technology, and we incorporate pilot testing of new types of gloves to improve the level of protection, fit and comfort. Communication programs and initiatives promoting hand and finger safety continue to be a focus area for our global injury prevention campaigns and local initiatives, such as the "1,2,3 por tus manos" (1,2,3 for your hands) program in the Latin America North area.

#### ***Mechanical Lifting and Dropped Objects***

Both the Company and the oil and gas industry as a whole recognize mechanical lifting and dropped objects as posing risks for fatalities and serious injuries. As a result, we investigate and review all incidents involving any injury as well as high-potential events with or without any injury. We share lessons learned internally using our HSE Alert process and incorporate them into our applicable Company standards, trainings and HSE communication resources.

In 2019, mechanical lifting-related injuries accounted for 7% of our TRI, of which 45% involved forklifts or their loads and 44% involved cranes or their loads. Dropped objects related to 4% of our 2019 TRI. Of the combined TRI for mechanical lifting and dropped objects, 47% of injuries involved hands, arms and fingers, and 31% involved legs, feet and toes.

In 2019, Schlumberger personnel entered nearly 196,000 proactive risk identification reports relating to mechanical lifting and dropped objects into our global online QHSE business system, a 15% increase year-over-year. We continue to focus on effective management of dynamic dropped objects and DROPS Red Zones, proactive risk identification reporting, and the implementation of hands-free lifting techniques and tools.

Mechanical lifting operations on rig sites often involve multiple parties, particularly during rig-up, rig-down and rig-move activities. Maintaining adequate control of operations on rig sites is a key focus for Schlumberger, because rig sites account for proportionately higher rates of mechanical lifting incidents involving injuries in comparison to other working environments. From 2015 through 2019, approximately 30% of Company-involved work-related recordable injuries at mechanical lifting incidents occurred at rig sites (onshore and offshore). The Schlumberger Mechanical Lifting Standard sets forth various control measures to designate and delineate the parties' responsibilities, including a Company-designated lifting crew for any operation that involves the use of a mobile crane. The lifting crew comprises a person in charge, an appliance operator, and a banksman/slinger or signaler, and all crew members are required to be deemed competent and appropriately trained for their roles.

Another of key injury prevention focus for Schlumberger relates to contractors that supply us with mechanical lifting services and/or equipment. From 2015 through 2019, approximately 30% of the Company's mechanical lifting-related recordable injuries involved contractors. Our Mechanical Lifting Standard (in accordance with our Contractor Management Standard) requires that all contractors involved in mechanical lifting activities be audited prior to on-boarding. Our site and country mechanical lifting experts participate in these contractor audits to confirm that contracted equipment and services meet both Schlumberger requirements and any applicable regulatory requirements.

In 2019, we also launched or continued various global awareness campaigns focused preventing injuries during mechanical lifting operations, which covered mitigation measures such as:

- » Avoiding being in the “line of fire”
- » Loading and unloading of vehicles
- » Managing areas where personnel may be exposed to dropped object hazards (referred to as DROPS Red Zones)
- » Using barriers
- » Inspecting slings, and rigging and slinging practices
- » Using hands-free lifting tools
- » Using high impact gloves

We also supplemented our global safety awareness campaigns with regional initiatives, such as our “Forklift Blind-spot” awareness campaign in Europe, “SAFE Forklift in Action” campaign in Latin America, and land transport load and cargo securing campaign in North Africa.

### Driving Safety

Road traffic incidents are ranked by the World Health Organization among the top ten causes of fatalities worldwide, and reports from the IOGP indicate that driving-related incidents have historically been a significant cause of fatalities in upstream operations. In 2019, 4% of our TRI and LTI were associated with land transport activities.

In 2019, our driving safety focus continued to be on journey management, the implementation of new technologies to improve driver performance, and driver training. Our comprehensive driver management system consolidates best practices to systematically reduce or eliminate accidents through training, journey and trip management, safe driving behavior, and compliance with [Our Code of Conduct](#). Our risk-based approach provides effective management of driving activities in the countries where we operate.

### *Journey Management and Data Analytics*

Our Journey Management Centers around the world reinforce safe driving behaviors and deliver increased support for our drivers during each journey. The centers verify each trip for compliance with our journey management procedures, with higher risk driving environments being subject to more stringent controls and standards. These centers serve every country in which we operate with real-time journey tracking in 15 languages, 24 hours a day, 365 days a year.

Through these centers, we monitor driving behavior using real-time tracking and provide immediate feedback to our drivers. The centers use data analytics to define, measure and shape driving behaviors, and to develop initiatives that help our drivers continuously improve their performance. For example, we have designed and deployed an algorithm to analyze driving data in North America, together with an internal website to provide drivers and managers with real-time continuous feedback of any instance of non-conformance with our journey management protocols. The website provides an easily accessible interface to translate the driving data we have collected into actionable information to sustain continuous improvement. In 2019, we analyzed more than 9,000 business trips per weekday, totaling approximately 2.9 million trips across North America during the year. Deployment of this algorithm has shown up to a 96% reduction in journey management non-conformances and a 73% reduction in mileage driven by unidentified drivers since we introduced this initiative.

### *New Technology to Improve Driving Safety*

We analyze global event data to identify, develop and implement targeted innovative solutions to improve driving safety through driver engagement and vehicle enhancements. Our driving performance app utilizes sensors in the driver's mobile device to enable the recognition of vehicle movement. Drivers are provided with a customized dashboard and immediate feedback on their driving performance to identify personalized areas of improvement. This app is easy to deploy, promoting driver engagement with immediate in-vehicle feedback to increase personal awareness of driving performance and identify any hazardous behaviors. The app has been deployed for use by our employees and contractors and, on request, it has been extended to include Schlumberger family members.

Another technology implemented to improve driving performance on Schlumberger-owned vehicles is an advanced driver-assistance system (ADAS). This technology enhances vehicle safety systems and reduces human error by alerting the driver to maximum speed limits and lane departures, as well as the proximity of pedestrians and other vehicles to prevent collisions.

Feedback from Schlumberger drivers on these driver aid systems has been positive overall. Even where these technologies provide drivers with just a few more seconds of reaction time, their earlier awareness of potential hazards allows drivers to quickly react to prevent collisions and potentially save lives.

### *Driver Training*

Every Schlumberger driver, from field to office, is required to complete regular fit-for-purpose driver training, including the use of simulators and driver-improvement monitors to provide real-time, in-vehicle driving performance feedback. Personnel who drive on Company business receive both practical and theoretical training from qualified and skilled master trainers. At just one facility in the United States, Company drivers completed the equivalent of 261,000 driving training hours in 2019. Across all our driving training facilities, we incorporate scenarios designed to provide trainees with advanced skills, such skid pan, emergency steering, head-on collision avoidance, and off-road recovery. Driving simulators also allow drivers to practice their skills on a variety of road types facing different climatic and environmental conditions, in a safe and controlled manner. We reinforce this regular training on an annual basis with a “commentary drive,” where a trained assessor reviews and assesses each driver's skills on public roads, as part of our ongoing driver training certification requirements. In 2019, Schlumberger had more than 45,300 certified drivers globally.

Below are examples of the various training courses provided at Schlumberger's dedicated training centers.

STANDARD TRAINING	COURSE DURATION	CANDIDATE
Light Vehicle Training	3 days	Drivers of vehicles with a gross vehicle weight rating (GVWR) of less than 10,001 lb (also called "light vehicles")
Medium Vehicle Training	6 days	Drivers of truck and trailer combination vehicles with a GVWR of 10,001 lb to 26,000 lb
Heavy Vehicle Straight	6 days	Drivers of straight truck vehicles with a GVWR exceeding 26,000 lb
Heavy Vehicle Training	11 days	Drivers of tractor and trailer vehicles with a GVWR exceeding 26,000 lb
Driver Assessor School	5 days	Experienced drivers who will be performing driver assessments and in-vehicle skills development and teaching techniques and conflict resolution
Driver Trainer Assessor School—Light	3 days	Assessors who will be teaching driving theory in a classroom setting
Driver Theory	8 hours	All Schlumberger drivers are required to complete driver theory and advanced skills maneuvers theory training
Driver Intensive	5 days	Light vehicle drivers who require additional development of in-vehicle skills

#### *Driver Training Simulators*

Hands-on sessions with qualified instructors allow Schlumberger drivers to learn and apply practical skills in customized vehicles within the controlled setting of the driving training centers. We also use driver training simulators with multiple vehicle profiles including light, heavy articulated and non-articulated vehicles to enable drivers to practice their basic and advanced skills in a safe environment. The simulators provide drivers with the experience of a variety of driving environments, such as suburban, freeway, mountain, snow, ice and rain, the ability to practice a wide range of skills appropriate to minimizing driving hazards, including collision avoidance and skid control.

#### *Driving Performance Recognition*

In 2020, Schlumberger won the Egypt Petroleum Show's HSE Excellence in Energy Award for "Best Health and Safety Project of the Year," for our work done in 2019 to modernize driving safety in Egypt through the use of technology. This program involved implementing technology and innovative training with virtual commentary drive skills assessments for Company drivers, engagement with land transport contractors and key stakeholders, and road safety instruction for children.

Schlumberger also has an internal program to recognize and reward Company drivers for high performance. Driving performance is also recognized geographically based on the performance of top drivers using data recorded in Schlumberger's driving app.

## Schlumberger Empowerment Teams

Schlumberger Empowerment Teams (SETs) are action-oriented teams implemented to identify, eliminate or reduce workplace risk at the location level. The teams bring together local employees, line management and HSE professionals in a cooperative effort to strengthen personnel engagement with, and improvement of, HSE performance, by focusing on local initiatives.

All Company locations are covered by a SET, and each location with more than 50 assigned people is required to have its own dedicated SET. Each SET has an assigned leader and six to 15 members, depending on the number of personnel at the location, and comprises a cross-section of our workforce with representation from our business lines and functions, as well as various levels of seniority and authority. SET membership is also required in Schlumberger's career development program for non-HSE disciplines. Each member of a SET focuses on one of three areas at a time—engagement, situational insight or compliance—and then rotates focus areas every four months so that all SET members develop skills in all three focus areas. SET leaders also receive additional training in HSE and facilitation techniques. In 2019, we had more than 4,000 active SET members across 58 countries, representing 4% of our total employee population and 3% of our total workforce (employees and contractors).

In 2019, we recorded more than 6,500 SET meetings in our global QHSE online business system. The SETs identify location-specific HSE issues, provide solutions and best practices, and assist with the implementation of company-wide HSE recognition programs. For example, the global SET network was critical to the successful roll-out of our Life-Saving Rules campaign in 2019. Each SET also develops an annual improvement plan with specific HSE improvement objectives and a budget to support the implementation of its activities for the location. Local SETs have implemented a variety of initiatives and projects related to driving, environment, health, injury prevention, security, communications, and family and community outreach.

Schlumberger recognizes SET achievements through a global award program, with awards for the best SET, best SET leader, and special categories such as injury prevention, driving, security, environment, and health initiatives. The initiatives were judged on criteria such as innovation and improvement impact.

## HSE Training

We manage, monitor and record the HSE online training certifications of all Schlumberger employees and more than 13,500 contractors via our global online QHSE business system. In 2019:

- » The system recorded more than 4 million online certifications and logged more than 6.5 million training hours, averaging approximately 46 hours of training per individual.
- » Worldwide, more than 470 certified trainers of our New Employee Safety Training (NEST) program conducted more than 1,100 NEST classes, providing training to approximately 16,700 employees and contractors.
- » More than 950 Schlumberger managers and approximately 4,500 supervisors attended one of our 424 facilitated two-day HSE leadership training courses.
- » An additional 300 personnel were trained in HSE event investigation and more than 600 were trained in HSE auditing.
- » Nearly 700 HSE specialists and SET leaders were trained in facilitation techniques.

## New Employee Safety Training

A significant proportion of injuries in the oil and gas industry involve personnel with less than one year of service within a company. At Schlumberger, an internal study of historical injury data showed that more than half of our work-related injuries involved employees and contractors with one year of seniority or less. As a result, we identified NEST as a key area of opportunity for improvement in safety performance.

All new Schlumberger employees and contractors working under our direct supervision are required to complete NEST courses covering key HSE topics. NEST uses a blend of innovative learner-centered educational methodologies to empower new personnel to take ownership of their safety performance, by equipping them with a clear understanding of the control measures and mindset required to conduct their work activities safely. NEST uses trained facilitators and incorporates innovative technologies, such as virtual reality, micro-learning videos and mobile apps and gamification, in order to support some of the key training modules and cater to millennial preferred learning styles.

## Leadership Training

In 2018, we redesigned our HSE leadership training curriculum based on employee feedback and surveys to accomplish two key objectives: first, to ensure that managers and supervisors develop and maintain a comprehensive understanding of the Company's HSE rules and tools; and second, to assist in leaders expanding their emotional intelligence skills, which we identified as a critical competency for them to effectively drive desired HSE behavior, motivation and performance improvements.

The HSE leadership program includes facilitated training, incorporating key concepts, such as transformational leadership, in on-demand micro-learning tools like infographics and videos. The majority of classroom time is spent with participants working on team exercises, risk analyses and presentations related to realistic workplace case studies. Following the formal trainings, we provide managers and supervisors with a variety of materials in multiple languages and different formats to assist them in applying the tools and leadership skills they developed in the classroom.

### ***Professional Development Program (HSE<sup>PRO</sup>)***

HSE<sup>PRO</sup> is a Schlumberger training and development program designed for employees in our HSE function. The program seeks to sustain and further develop our HSE function's capabilities, in order to support operational compliance in an increasingly complex industry and operating environment, and to develop talent and expand career opportunities within the Company's HSE community. The program incorporates e-learning, internal and external training classes, personalized coaching, and "on the job tasks". These tasks have been designed to develop and demonstrate participants' HSE knowledge and competency related to general oilfield activities as well as business group-specific activities and risks. Participants are also required to complete the NEBOSH International General Certificate in Occupational Health and Safety or have an equivalent HSE-related bachelor's degree.

In 2019, more than 500 employees participated in HSE<sup>PRO</sup> across more than 50 countries. We also achieved our 2019 objective for this program, which was for more than 90% of HSE<sup>PRO</sup> participants to timely complete the program modules.

### ***HSE Communications***

We maintain and regularly update our global HSE Communication Toolkit, a central online repository for HSE resources in multiple languages. The Toolkit contains user-friendly, interactive materials to increase personnel engagement with HSE issues, and to maximize learning during HSE gatherings. We also make available to all employees and contractors with access to the internal Schlumberger network various HSE resources including:

- » HSE Nudges to help influence employee behavior;
- » Schlumberger SAFE Meetings and Moments to enhance HSE learning;
- » instructions for facilitating a Schlumberger SAFE Forum;
- » videos and presentations to use in safety meetings; and
- » posters and other infographics to prompt HSE-focused discussions in the workplace.

We also require every Schlumberger location to develop an HSE communication plan, designed to ensure that clear, relevant and appropriate HSE information is communicated to the different audiences at that location at appropriate intervals.

### ***Health and Safety Nudges***

Nudge theory is a concept developed in behavioral economics for understanding how people think, make decisions, and behave. Subtle, smart "nudges" can promote and influence safer and healthier behaviors. At Schlumberger, our nudge program reinforces our strong HSE culture and further develops our workforce HSE engagement.

We began introducing HSE nudges in 2018, and we expanded the nudge program in 2019 by developing and implementing a "nudge toolkit" across our global HSE operations. Applying nudging techniques has encouraged our workforce to achieve desired HSE behaviors. In total, we have designed and released 35 nudges to influence healthy behaviors and safe practices, including nudges relating to healthy food choices, anti-smoking, using the stairs, holding handrails, safe walkways, and energy efficiency.

### ***HEALTH NUDGES***

Health nudges encourage healthy lifestyle choices using visual cues, such as:

- » Posters and nutrition information in breakrooms and on vending machines to influence healthy eating
- » Floor stickers and posters that direct employees to the water cooler and remind them to drink more water
- » Calorie-count stickers and posters on staircases to encourage employees to take the stairs instead of the elevator

To encourage personnel to make healthier choices at the vending machines in the canteen and break rooms, an operational location in Sub-Saharan Africa used the health-related nudge "Re-Think Your Sugar". The facility displayed sugar cubes below an image of each drink to accurately represent the grams of sugar in each drink to visually illustrate the amount of sugar contained in a variety of soft drinks. After six weeks, 73% of personnel surveyed said that their choices had been affected by the "sugar board" display, with 24% having completely eliminated soft drinks from their diet and 13% having reduced their soft drink consumption habits.

### ***SAFETY NUDGES***

Safety nudges serve as safety reminders, such as:

- » Posters to remind employees to double-check their personal protective equipment
- » Floor and wall stickers to remind employees to use handrails when walking up or down stairs
- » Stickers on vehicle visors and keychains to remind employees to remain vigilant and drive safely
- » Reflective tape on the back of vehicles to make them stand out and prevent rear-end collisions

## Industry HSE Leadership

Schlumberger is an active participant in the development of national and international standards with industry organizations including the American Petroleum Institute, the International Standards Organization, the IOGP Standards Committee, and IPIECA, the global oil and gas industry association for advancing environmental and social performance. Accordingly, our global HSE standards incorporate best practice guidance from such organizations as shown in the table at right.

Schlumberger also has a long-standing commitment to sharing best practices and our HSE technical expertise through industry organizations. In 2019, Schlumberger employees served within IOGP on its Management Committee, as Vice Chairs of the Environment and Safety standing committees, and as Chairs, Vice Chairs, and active participants of several sub-committees and task forces. Also in 2019, Schlumberger had 19 technical papers accepted at the 2020 SPE International Conference and Exhibition on HSE and Sustainability, some of which were co-authored with industry associations and oil and gas companies. Several Schlumberger senior leaders participated as panel or plenary speakers, and Schlumberger representatives served on the executive committee and on several discipline organizing committees. Schlumberger personnel also participate in the development of industry best practices in specialist oil and gas associations, such as through membership on the DROPS global steering committee.

Many individual Schlumberger employees are also active members of various international, national and regional oil and gas trade associations, including:

- » Society of Petroleum Engineers
- » International Association of Oil and Gas Producers
- » International Association of Drilling Contractors
- » the International Association of Geophysical Contractors
- » the Center for Offshore Safety (United States)
- » Step Change in Safety (United Kingdom)
- » ARPEL (Latin America and Caribbean region)
- » Australian Petroleum Production & Exploration Association
- » the Norwegian Oil and Gas Association
- » Netherlands Oil and Gas Exploration and Production Association

SCHLUMBERGER STANDARD	→	BEST PRACTICE GUIDANCE
Driving and Journey Management Standard	aligns with	IOGP Report 365, Land transportation safety recommended practice. Additionally, land transport contractor assessments are conducted in accordance with IOGP requirements.
HSE Event Reporting and Management Standard	aligns with	IOGP safety data reporting user guide, scope and definitions (updated annually)
Personnel and Asset Security Standard	incorporates and references	IOGP Reports on security risk management guidance (several are referenced)
Health Standard	references	IOGP and IPIECA Reports on health matters (several are referenced)
Environmental Standard	incorporates and references	IOGP Reports on environmental subject matter (several are referenced)
Contractor Management Standard	incorporates	Capability assessments and contractor management practices as recommended by IOGP Report 423, with geophysical operations conducted in accordance with IOGP Report 423
Mechanical Lifting Standard	incorporates	IOGP Report 376, Lifting and hoisting safety recommended practice
DROPS Standard	incorporates	DROPS Forum requirements and best practice guidance
Schlumberger HSE Leadership and Culture Campaigns and Tools	incorporates	IOGP Reports on Human Factors, including Reports 435 and 452, and IOGP Life-Saving Rules, Report 459, with a transition to the nine new Rules released in 2018
Schlumberger Aviation Guidelines	adopts	IOGP Report 590, Aircraft Management Guidelines
Schlumberger Design for HSE Program	incorporates	IOGP 454, Human factors engineering in projects

## HSE Performance Objectives

Schlumberger executive management defines and documents our annual strategic HSE objectives and performance targets. We require that these strategic objectives and performance targets be:

- » relevant to Schlumberger's activities, products and services;
- » consistent with our HSE policies and strategic aims;
- » equal in importance with Schlumberger's other business performance objectives;
- » implemented and maintained at all organizational levels;
- » clearly communicated;
- » consistent with our commitment to meet or exceed applicable regulatory requirements and/or Schlumberger standards, where regulations are not in place; and
- » designed to continuously to improve our HSE management system and HSE performance.

We measure these objectives and targets jointly for employee performance and performance by applicable contractors (in accordance with IOGP guidance), and we cascade them across the Company through geographic and business unit-specific objectives. These objectives, as shown in the table, contain a combination of lagging and leading HSE indicators, which are monitored using our global online QHSE business system.

Schlumberger sets internal performance metrics on lagging indicators at a standard that is higher than required by regulatory or industry lagging indicator reporting. For example, our TRIR internal metric includes off-duty injuries and illnesses, which are not required to be reported as "work-related" by regulatory authorities, such as OSHA, or industry associations, such as IOGP. In addition, our AARm internal metric includes all motor vehicle crashes, many of which are not required to be reported as "work-related" by industry associations.

In addition to our company-wide HSE strategic objectives, we also annually set HSE personal objectives for all Schlumberger managers. The purpose of these personal objectives is to ensure that managers demonstrate high and visible HSE leadership and promote HSE compliance. For 2019, these objectives were set as follows, with specific targets varying depending on a manager's level of operational responsibilities:

- » between one and three HSE leadership engagement visits per quarter;
- » between six and 13 risk identification reports completed per quarter; and
- » an overall training completion rate exceeding 90%.

Below are examples of several of our 2019 HSE objectives and applicable achievement levels.

HSE INDICATOR	OBJECTIVES	ACHIEVEMENT <sup>1</sup>
<b>Total Recordable Incident Rate per million work hours (TRIR)<sup>2</sup></b> » Covers injuries and illnesses for employees and applicable contractors <sup>3</sup>	» We annually set company-wide and geographic-specific TRIR objectives as percentage improvement compared to prior year's performance	» 2019 Objective: 7% reduction ✓ ACHIEVED
<b>Automotive Accident Rate per million miles (AARm)<sup>2</sup></b> » Covers miles driven by employees and applicable contractors <sup>3</sup>	» We annually set company-wide and geographic-specific AARm objectives as percentage improvement compared to prior year's performance	» 2019 Objective: 3% reduction ✓ ACHIEVED
<b>Overall Training Coefficient</b> » Covers employees and applicable contractors <sup>3</sup>	» We annually set company-wide and geographic-specific objectives for compliance with required HSE training programs	» 2019 Objective: Compliance level exceeding 90% overall ✓ ACHIEVED
<b>Risk Identification Reporting Rate</b> » Covers employees and applicable contractors <sup>3</sup>	» We annually set company-wide and geographic-specific objectives to increase our risk identification reporting rate	» 2019 Objective: 20% increase ✓ ACHIEVED

<sup>1</sup> Reflects only company-wide objectives and achievement levels. Geographic- and business line-specific objectives and achievement levels are not reflected.

<sup>2</sup> Reflects all Schlumberger-involved incidents or accidents, as applicable, including incidents that are not required to be recorded by IOGP or OSHA (such as incidents occurring during off-duty hours).

<sup>3</sup> References to "applicable contractors" in this chart refer to the 38,000 contractors whose performance is included in our global QHSE business system as of December 31, 2019. These contractors are to some degree under Schlumberger's operational control, and so are included in our safety metrics in accordance with IOGP best practices relating to contractor management (Mode 1 and Mode 2 contractors, as defined in IOGP Report 423). See also the section of this report titled "Contractor Management."

## HSE Performance Data

Schlumberger captures HSE performance data through our global online QHSE business system. Accessible by all employees and certain contractors, this system enables them to monitor reported HSE events, incidents and observations. We use lagging indicator incident data to benchmark our performance against industry data sources. The system facilitates the investigation process and management of remedial work plans and actions to prevent recurrence. Comprehensive investigations are conducted for incidents and high-potential events to identify learning opportunities, and lessons learned are incorporated into improvements of our facilities, equipment, processes, training, and systems.

To promote continuous improvement, Schlumberger personnel are actively encouraged to report hazardous situations and near misses in risk identification reports and observation/intervention reports. Our HSE reporting also benefits from an HSE reporting app that enables employees to create a report and submit it to our global system in minutes using their mobile device. In 2019, our workforce submitted an average of more than 49 HSE reports per person into our global QHSE system, totaling more than 7 million HSE risk identification reports for the year.

We use this data to monitor trends and identify areas of concern. Schlumberger employees can also use the system to suggest improvements, post recognitions, track HSE training, and analyze HSE data. The system can be used to assign job-specific HSE training and facilitate and track the testing and certification of computer-based training material.

Our 2019 total recordable incident rate of 1.10 per million work hours (for employees and contractors) and our 2019 total recordable injury rate of 1.07 per million work hours (for employees and contractors) were each the lowest that Schlumberger has ever recorded. Our 2019 automotive accident rate improved by 12% year-over-year, from AARm 0.34 to 0.30, even with a 1% increase in total distance driven during the year. Land transport-related injuries accounted for 4% of all employee and contractor total recordable injuries and lost time injuries.

In 2019, Schlumberger automotive accidents resulted in eight lost workday cases and seven other recordable injuries to our employees and contractors in 13 incidents. As a result, Schlumberger has focused considerable efforts on improving driving performance, including through the implementation of new safety technologies. We analyze all motor

2019 INCIDENT, INJURY AND ILLNESS RATES		
EMPLOYEES AND CONTRACTORS	PER MILLION WORK HOURS	PER 200,000 WORK HOURS
Total Recordable Incident Rate	1.10	0.22
Total Recordable Injury Rate	1.07	0.21
Total Recordable Illness Rate	0.025	0.005

EMPLOYEES AND CONTRACTORS	PER MILLION WORK HOURS	PER 200,000 WORK HOURS
Lost Time Incident Rate	0.52	0.10
Lost Time Injury Rate	0.51	0.10
Lost Time Illness Rate	0.0075	0.0015

LAND TRANSPORT RELATED INJURIES IMPROVEMENT FROM 2018 TO 2019			
	EMPLOYEES AND CONTRACTORS	EMPLOYEES ONLY	CONTRACTORS ONLY
Lost Time Injuries	47% improvement	55% improvement	25% improvement
Total Recordable Injuries	52% improvement	58% improvement	20% improvement

vehicle crashes in order to evaluate the effectiveness of the technologies we have implemented. Company data indicates that, in 2019, we significantly reduced the following types of collisions:

- » Head-on collision – 31% improvement year-over-year
- » Vehicle run off road – 53% improvement year-over-year
- » Hit vehicle in front – 23% improvement year-over-year
- » Animal strike – 41% improvement year-over-year

The International Association of Oil and Gas Producers (IOGP) annually reports upstream oil and gas work-related safety performance statistics. Schlumberger uses the IOGP definitions and reporting criteria to classify

HSE data. The data include injuries sustained by company employees and contractors engaged in work-related activities.

PricewaterhouseCoopers (PwC) auditors reviewed our processes and procedures for 2019 and verified a selected subset of our 2019 data. Health and safety data audited for 2019 includes the number of fatalities, employee and contractor lost-time injuries and illnesses, and the associated work hours to determine frequencies and rates. PwC has expressed a limited assurance that our data are, in all material respects, fairly presented and in accordance with Schlumberger procedural guidelines.

## Human Rights

Schlumberger is committed to conducting business in a manner that preserves and respects human dignity. Our commitment to respecting human rights is reflected in our [Code of Conduct, Human Rights Position Statement, Working Conditions Requirements](#), and other policies and procedures, and covers all Schlumberger business activities as well as our supply chain, including suppliers, contractors and labor agents. People are at the core of everything we do, and we will continuously work to improve the respect for human rights across our company.

We implement a cross-functional leadership approach in our global operations that enables us to align our business priorities and our core values on human rights issues. We recognize the relevance of the U.N. Guiding Principles on Business and Human Rights and adhere to international standards, including:

- » the International Bill of Rights,
- » the OECD Guidelines for Multinational Enterprises,
- » the eight fundamental Conventions as designated by the International Labour Organization,
- » the U.N. Global Compact ten principles, and
- » the Voluntary Principles on Security and Human Rights.

We have identified five key human rights focus areas relevant to our global operations, as reflected in the chart at right. We defined these human rights focus areas based on (i) performance data collected in our global QHSE business system; (ii) a third-party supply chain risk assessment; (iii) application of the “Human Rights Compliance Assessment Quick Check” tool; and (iv) dialogue with our employees, investors, and customers through IPIECA and other external stakeholder groups. We believe these focus areas cover Schlumberger’s salient human rights issues, as defined in the U.N. Guiding Principles Reporting Framework.

### Our Human Rights Focus Areas

We have identified five key human rights areas relevant to our global operations, as reflected in the below chart.

IN THE WORKPLACE	LOCAL COMMUNITIES	INDIGENOUS PEOPLES	SECURITY ARRANGEMENTS	SUPPLY CHAIN
<ul style="list-style-type: none"> <li>» Decent work</li> <li>» Non-discrimination</li> <li>» Gender diversity</li> <li>» Safe working conditions</li> <li>» Grievance mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>» Economic and social disruption</li> <li>» Environmental impacts</li> <li>» Cumulative impacts</li> </ul>	<ul style="list-style-type: none"> <li>» Recognition of rights</li> <li>» Respectful interactions</li> </ul>	<ul style="list-style-type: none"> <li>» Employee safety in high-risk environments</li> <li>» Use of force by security providers</li> <li>» Decent work for those in security</li> </ul>	<ul style="list-style-type: none"> <li>» Decent work</li> <li>» Prevention of modern slavery</li> <li>» Safe working conditions</li> <li>» Avoidance of conflict minerals</li> </ul>

### *In the Workplace*

Schlumberger’s Working Conditions Requirements, first published in 2005 and updated in 2019, promote respect for the rights and welfare of our employees and those working within our supply chain. These Requirements define the general principles that inspire Schlumberger’s approach to human rights in the workplace, including:

- » Employment is freely chosen.
- » Child labor shall not be used.
- » No discrimination is practiced.
- » No harsh or inhumane treatment is allowed.
- » Fair wages are paid.
- » No worker should pay a fee for a job.
- » Freedom of association is respected.
- » Complaints and feedback systems for workers are in place.
- » Working conditions are safe and hygienic.

Beyond specific country legal and regulatory requirements, our Working Conditions Requirements provide a common baseline for the expected treatment of employees, contractors, temporary workers, trainee workers, migrant workers, and foreign contracted workers. We expect contractors, suppliers and agents to respect human rights in the workplace and comply with the Requirements.

In addition, Schlumberger obeys the employment laws of the countries in which it operates and does not engage in discrimination based on race, color, gender, age, sexual orientation, gender identity, ethnicity, disability, religion, union membership, or marital status in hiring and employment practices such as promotions, rewards, and access to training, as indicated in our Code of Conduct and our Human Rights Position Statement.

## Local Communities

We respect the rights of local communities and work with our customers to create shared values and to align roles and responsibilities on human rights issues. Recognizing that all direct community interfacing is typically the responsibility of the customer, we are nevertheless committed to identifying, preventing, mitigating, and resolving social risks and impacts; optimizing employment and contracting opportunities in the communities where we operate; and ensuring that community concerns, issues, or problems are taken seriously.

We identify, assess and manage potential impacts and risks to local communities using two key processes. First, through the Schlumberger Social Risk Assessment process, we collect information during initial planning phases, analyze social hazards in terms of risks to people and projects, and then develop appropriate responses for use in implementation, monitoring and evaluation phases. In addition, in our projects with a large social footprint, we implement our Social and Environmental Management Standard, which recognizes the International Finance Corporation Performance Standards on Environmental and Social Sustainability as a key point of reference. Our standard provides a framework for managing our local impacts and maintaining respect for the rights of individuals and groups in local communities and provides specific guidance in key technical areas.

## Indigenous Peoples

Schlumberger recognizes the rights of distinct peoples living in distinct regions to self-determined development and control of ancestral lands. We look to build strong relationships, respect, and opportunities between Schlumberger and the communities where oil and gas activities are undertaken on lands traditionally owned by or under customary use of indigenous peoples.

For example, our policies and procedures in Canada include an Indigenous Relations Policy, an Indigenous Engagement Leadership Statement, and a Local and Indigenous Participation Implementation Plan. We have implemented a self-identification program for our Canada-based employees who identify as Metis, Inuit or First Nations. We also require Canada-based employees to complete indigenous awareness training, which was completed by 95% of our Canada-based employees as of year-end 2019. In Western Canada, we have also established joint-venture partnerships with the Sahtú, Inuvialuit, and Fort McKay First Nations to deliver oilfield services.

## Areas Covered by the Social and Environmental Management Standard

### Social

- Community Relations
- Management of Nuisance
- Local Content
- Social Investment
- Indigenous Peoples and Cultural Heritage
- Land Acquisition and Land Access

### Environmental

- Waste Management
- Water Resource Management
- Management of Greenhouse Gases and Air Emissions
- Environmental Emergency Management
- Land and Biodiversity Management
- Hazardous Materials Management

stances to protect people and assets in a manner respecting human rights, and that are consistent with applicable laws and international standards, including the Voluntary Principles on Security and Human Rights. Where appropriate, we apply IPIECA guidance for operating in areas of conflict.

We carry out assessments on threats and vulnerabilities in each country where we operate. Our objective is to reduce security risks to a level deemed "as low as reasonably practicable" through effective implementation of fundamental and risk-based controls and active continuous monitoring of security conditions. In line with our Personnel and Asset Security Standard, our security risk evaluation process identifies security risks, the potential for violence in each operational location, and available human rights records of public and private security providers, paramilitaries, and law enforcement agencies. All security providers retained by Schlumberger are required to adhere to our Code of Conduct, and we conduct periodic audits to verify compliance with our policies and procedures.

### Supply Chain

Schlumberger sources from suppliers that work in a professional, ethical, competitive, and cost-effective manner consistent with our policies, procedures and business objectives. We require that our suppliers, contractors and labor agents comply with the laws of the countries in which they operate, or with industry guidelines where they exist and are more stringent than local law. We prohibit any use or contracting, directly or indirectly, of child labor, forced labor, human trafficking, or any other form of modern slavery.

In 2018, Schlumberger formed a cross-functional human rights working group under the leadership of our Vice President of Global Stewardship, Vice President of Global Procurement and Director of Compliance. This group oversees our efforts to identify and prevent exploitative work practices and modern slavery in our business and supply chain. In 2019, we commissioned an independent risk analytics firm to assess the risk of modern slavery in our supply chain, as discussed below.

**CRITICAL SUPPLIERS**

We classify suppliers as “critical” if they provide materials, components, or services that may significantly influence one or more aspects of Schlumberger products and service performance. This includes elements such as safety, technology, and competitiveness, as well as compliance with operations integrity, HSE, and ethics standards.

We conduct routine audits of our critical suppliers, which may incorporate supplier performance, finance, contract, HSE, quality, and ethics and compliance components, including human rights and labor questions. All suppliers, contractors, and agents must be approved and managed in accordance with internal requirements.

**SUPPLY CHAIN HUMAN RIGHTS ASSESSMENT**

In 2019, Schlumberger completed a high-level risk assessment, performed by an independent risk analytics firm, across our global operations to identify the primary human rights risks in our supply chain in an effort to prevent any indirect use of modern slavery. This assessment covered all of our active direct suppliers—meaning those suppliers who provide goods and services directly to Schlumberger—across various purchasing categories and countries in which our suppliers do business.

We used two key indicators—country risk and category risk—to analyze key supplier categories and markets for use of enhanced supplier due diligence processes. Country risk refers to the relative risk exposure of our suppliers based on each supplier’s invoicing or service delivery location, based on the strength of national legal frameworks related to human rights, country-level implementation and enforcement capabilities, and the prevalence and severity of human rights violations and modern slavery within the country. Category risk refers to the relative risk exposure of our suppliers based on the materiality of human rights and modern slavery risks for each industry, operation-type or other “category” to which they are assigned.



We are assessing our key findings related to modern slavery from this supplier risk assessment as part of our larger corporate risk assessment program. For additional details, please see the Corporate Governance section of this report titled "Managing Corporate Risk" on page 5. We are also using findings from this supplier risk assessment to inform a variety of risk mitigation measures, including enhanced due diligence for suppliers exposed to the highest risk, local supplier engagement activities in certain countries, and training for internal procurement teams. We will continue to review and strengthen our processes to prevent, identify and manage modern slavery risks in our supply chain.

#### CONFLICT-FREE MINERALS

Schlumberger is committed to purchasing parts and products containing minerals that have been procured through a validated conflict-free supply chain, avoiding the use of minerals that have financed conflict in designated countries, and we expect our suppliers to abide by the same standard. When a validated conflict-free supply chain or a robust mineral-tracing program is established, we expect our direct suppliers to procure minerals using only that validated supply chain. If a direct supplier provides us with minerals that have not been procured through a validated supply chain or that are found to have financed conflict, we will recommend that the supplier seek an alternative means of sourcing to prevent possible termination of our relationship with that supplier.

## Stakeholder Engagement

To learn about the changing needs and expectations of our stakeholders, we actively listen to stakeholder feedback and align our business processes to conform to local and national priorities.

Our stakeholder engagement takes many forms. We meet regularly with investors, join industry initiatives and partnerships, participate in academic forums and, in consultation with our customers, we often participate in local community meetings.

#### Customers

Continuous engagement with customers enables us to appreciate their needs and expectations around many issues in the oil and gas industry. Through customer engagement, we can focus our investment in technologies and solutions that are tailored to meet market requirements while also remaining aligned with our Global Stewardship priorities.

Strategic planning demands that we respond to environmental and other concerns in a manner that leads toward our sustainable existence in the communities where we live and work.

#### Employees

As of September 30, 2020, Schlumberger employed approximately 82,000 people representing over 170 nationalities. We sell products and services in more than 120 countries. We are deeply committed to nationality and gender diversity throughout the Company. Our employees are the most professional women and men in the oil and gas services industry. We consider them to be the most credible ambassadors of Schlumberger, and one of the Company's most important stakeholder groups.

#### Communities

We strive to make a marked and positive impact wherever we work. The results of our efforts touch our employees, contractors, suppliers, and customers as well as the communities in which we live and work. Schlumberger trucks and equipment are often the most visible aspect of our presence in these communities, and our impact is frequently measured by local populations in increased potholes, dust, and traffic

noise. Our direct impact on local economies can also be measured in taxes, customs tariffs, the wages we pay to local workers, the promotion of our strong health and safety culture, and the wide range of initiatives we undertake to build supply chain capacity in communities.

#### Universities

Schlumberger has a long history of partnering with universities. Our relationships with universities and other academic institutions around the world contribute to developing our products and services and provide a plentiful source of potential employees. These partnerships are part of our Global Stewardship network, our program to manage our impact on the wider environment and in the communities where we live and work.

#### Suppliers

Our Supply Chain team pursues relationships with suppliers based on cooperation, trust, reliability, and communication. We procure products and services through manufacturers and suppliers that demonstrate high standards for quality, service, pricing, performance, after-sales support, and supply chain management. The Company continues to examine the feasibility of supplier capacity building programs in several countries.

#### Investors

Schlumberger maintains the highest standards of transparency in disclosing information about the Company to investors. We believe these efforts help investors make objective financial decisions as well as judgments about environmental and social issues. In 2019, our work to keep investors informed was acknowledged by Institutional Investor when Schlumberger was once again recognized as a Most Honored Company.

Schlumberger uses many avenues to engage investors who seek perspective on the Company. For example:

- » At speeches and conference presentations, Schlumberger's CEO and senior managers explain our corporate strategy and the technical means by which we are carrying it out.
- » Conference calls that follow each quarterly earnings release provide context and color about our financial and operating results, and we answer questions from institutional investors and analysts. ESG roadshow meetings provide investors with annual updates on our sustainability focus and progress.

- » Face-to-face meetings at conferences and at Schlumberger and investor offices create the personal contact essential to investors' understanding of the Company.
- » Tours of Company facilities worldwide—including North America, the Middle East, and Europe—provide investors with first-hand experience of our operations.
- » Our Investor Relations website offers complete financial performance data, archived press releases, replays of conference calls, and our annual report and proxy statement.
- » Senior Investor Relations staff responds promptly to market inquiries.
- » Through our annual Global Stewardship Report, we update investors on our environmental, social and governance performance, initiatives and progress.

Face-to-face meetings and Company site tours were postponed beginning in the first quarter of 2020 in response to the COVID-19 pandemic.

#### **Governments and Policy Makers**

Government and regulatory officials and other policy makers seek out Schlumberger domain experts for their knowledge of and experience in many aspects of the oil and gas industry. Although the Company is politically neutral and does not lobby, we routinely assist regulatory officials who are interested in gaining practical understanding of the technologies and processes that can reduce emissions and our industry's carbon footprint. We engage with policy makers in a wide variety of capacities including, but not limited to:

- » In 2019, we attended an Atlantic Council European Energy Security Roundtable meeting held in Brussels.
- » We are sponsors and active participants in the National Academy of Sciences Roundtable Project on Unconventional Hydrocarbon Development.
- » We are a founding member of the Global CCS Institute and have participated in numerous international meetings.
- » Through our relationship with the Petroleum Equipment and Services Association, twice a year Schlumberger trains Foreign Service Officers from the U.S. State Department on how the energy industry can best work with local communities to drive engagement and value.
- » We are a founding member of the OPEC Fund for International Development's Energy Access Program and continue to engage with the program as its mission and associated projects evolve.
- » We are members of the Bloomberg Sustainable Business International Advisory Board, which has oversight on the topics, guest speakers,

and other activities associated with the Bloomberg Sustainable Business Summits around the globe.

- » We are a member of the National Petroleum Council (NPC), which provides advice on energy sourcing and energy security to the U.S. Department of Energy.
- » We actively participated in the NPC Carbon Capture, Utilization, and Storage (CCUS) study requested in 2017 by the U.S. Secretary of Energy, to provide analysis on the potential of, and challenges associated with, CCUS technology and infrastructure. The report was finalized and published in 2019 and is available [here](#).
- » We actively participated in the NPC Arctic Potential study requested in 2018 by the U.S. Secretary of Energy, to reassess the 2015 Arctic Potential study and provide views on how the current regulatory environment could be enhanced. The report was finalized and published in 2019 and is available [here](#).

Additionally, we work with various think tanks and non-governmental organizations—some of which influence policy—to drive ESG change across our industry. These include:

- » Solar Impulse Foundation Partnership
- » Aspen Global Energy Forum
- » Low Emission Research Centre – SINTEF
- » Center for Global Energy Policy – Columbia University
- » Baker Institute for Public Policy – Center for Energy Studies – Rice University
- » Natural Gas Initiative & Seismicity Research Program – Stanford University
- » World Petroleum Council
- » The Carbon Capture and Storage Association

#### **Industry**

Schlumberger manages and coordinates active relationships with numerous industry organizations. Most notably, we are members of the Petroleum Equipment & Services Association, American Geosciences Institute Foundation, American Petroleum Institute, Society of Petroleum Engineers, American Association of Petroleum Geologists, International Association of Oil & Gas Producers, and IPIECA. Schlumberger senior executives serve on the boards and/or advisory committees of these organizations. We hold nonpolitical positions and adhere to a do-not-lobby policy. As a result, these groups frequently call on us for technical advice and guidance.

Additionally, since 2018, Schlumberger has been an active member of the Permian Strategic Partnership, a coalition of leading Permian Basin energy companies who joined to work in partnership with leaders across the region's communities to address current and future challenges. Areas of focus include making roads safer, improving education, upgrading healthcare, increasing affordable housing, and training the next generation of workers. Schlumberger has been active on the education and housing committees focusing on expanding and strengthening the teacher talent available to Permian public-school students. This supports the development of strong public school leaders and enhanced strategic planning, innovation and execution, while building local partnerships.

#### **Reporting on Performance**

To continuously strengthen and increase transparency around our ESG reporting efforts, Schlumberger uses key sustainability frameworks to guide our non-financial disclosures. These include:

- » Global Reporting Initiative (GRI) Standards,
- » IPIECA, IOGP, API Sustainability Reporting Guidelines,
- » Sustainability Accounting Standards Board Standards (SASB),
- » Task Force on Climate-Related Financial Disclosure (TCFD) Recommendations,
- » U.N. Sustainable Development Goals, and
- » U.N. Guiding Principles on Business and Human Rights Reporting Framework.

In 2019, we also engaged with several third-party firms that collect and report on corporate ESG performance, including:

- » Bloomberg
- » CDP
- » FTSE Russell
- » ISS ESG
- » MSCI ESG
- » RobecoSAM
- » Sustainalytics

**Our Management on University Advisory Boards****18**

Schlumberger Senior Leaders

**11**

Number of Universities

**Recruiting by the Numbers****151,000**

Job Applicants

**69**

Countries

**601**

Universities

**55+**

Disciplines Recruited

## Employment and Human Capital

At Schlumberger, “People First” is the first element of our corporate strategy. We are proud of our meritocratic culture and our commitment to early responsibility and internal promotion. We offer our employees a challenging work environment where they are treated fairly with equal access to opportunities across different business areas and locations, accelerating their development while fostering an agile workforce and the next generation of business leaders.

We also recognize that our ability to attract, develop, motivate and retain a highly competent and diverse workforce has been the key to our success for many decades. As a service company, we believe it is critical for our people to be able to communicate with our customers in their native languages and to share the values of the people in the countries where we work. We are known as a company with global resources and local expertise, able to understand, respect and work in the local culture of our customers. As such, we recognize that diversity and inclusion is not just the right thing to do—it is a business imperative. It is about attracting the best talent from around the world and enabling creativity and innovation to drive business success.

### University Collaborations

Since 1954, Schlumberger has engaged with universities and colleges around the world to help develop technical leaders, contribute to innovations and research in engineering and energy technology, and resolve challenges facing the energy sector. Our university collaborations focus on digitalization, the development of adaptive business models, artificial intelligence, machine learning, cybersecurity, and virtual reality. Projects include developing technologies to lower artificial lifting cost, increase efficiency in exploration, improve the cost effectiveness of well construction, and reduce the emissions footprint of oil and gas extraction operations.

Our university engagement initiatives play a key role in our recruiting and sustainability strategies. Through these collaborations, we support education and research in STEM subjects, and we attract talented, local university graduates from the countries in which we work. We also select certain institutions for our University Ambassador Program, through

which we assign a senior-level Schlumberger manager as an “Ambassador” to an institution targeted for recruiting, research, community outreach and technology transfer opportunities. We also regularly sponsor academic chairs and scholarships, and support competitions organized by professional societies, such as the American Association of Petroleum Geologists Imperial Barrel Award and the Geoscientists Without Borders project of the Society of Exploration Geologists. In 2019, we received approximately 151,000 job applicants across 69 countries and 601 universities, encompassing more than 55 disciplines.

In addition, Schlumberger leaders serve on university boards around the world. Our representatives also serve on advisory boards, departmental industry affiliates’ committees, and student project committees at the undergraduate and graduate levels. As of December 31, 2019, 18 Schlumberger senior leaders sat on advisory boards at 11 universities.

### *Partnership with Arts et Métiers in France*

Arts et Métiers, one of France’s oldest engineering schools specializing in mechanical, industrial and energy engineering, is a participant in Schlumberger’s University Ambassador Program. In 2019, we recruited more interns and graduates from Arts et Métiers than from any other university in France. We also organized a full-day working session among 16 laboratory research directors from the university together with geographical, business and technical leaders from Schlumberger, in order to discuss common technical interests, projects, and gender balance initiatives.

### *Partnership with University of Guyana*

In Guyana, we have partnered with the University of Guyana to encourage energy technology education and develop local talent for work in the country’s growing oil, gas and energy industry. This partnership demonstrates our commitment to investing in, and having a positive impact on, the communities where we operate. In 2019, Schlumberger donated several Petrel® E&P software platform licenses, together with student workstations, to the Faculty of Engineering and Technology’s new geotechnical computer lab. Access to this technology helps the university train students on our software platform—widely used in the industry to analyze subsurface data from exploration to production—so that upon graduation they will be better equipped to enter the workforce. Read more about these efforts at [here](#).

<sup>\*</sup>Mark of Schlumberger

## Veteran Program

The Schlumberger veteran program seeks to empower veterans through successful recovery and transition after military service. Through this program, Schlumberger representatives host or participate in veteran community engagement events at universities, military bases and certain Schlumberger facilities. The program is active in the United States, Canada, and Ukraine.

In 2019, through the veteran program, we presented on how to attract, recruit, engage and retain veterans at the Veterans in Energy Forum in Washington, D.C. and the Permian Strategic Partnership Workforce Development Committee in Midland, Texas. We also sponsored the Rice University Veteran Business Battle in Houston, Texas, to support and promote veteran entrepreneurship, and participated in a 24-hour indoor cycling competition to raise funds for Homes for Heroes, a non-profit veteran service organization that builds houses for homeless veterans in Canada and the United States. We also implemented our registered apprentice program through the U.S. Department of Labor, through which qualified veterans receive a monthly stipend from the U.S. Veterans Administration while working in an apprenticeship at Schlumberger. Since 2018, Schlumberger has been recognized as a "Military Friendly Employer" each year by a division of VIQTORY, which rates companies on their programs to recruit and retain veteran employees.

## Learning and Development

Our investment in employee training and development is one of the largest among oilfield services companies.

As a technology company, our success is determined by our people, their technical expertise, and their drive to continuously strive for excellence. Since our early days, Schlumberger has consistently invested in training and development, while continually cultivating our learning mindset to adapt to a changing world and evolving technologies.

Learning is available to all full- and part-time employees and contractors around the world. It is delivered through classroom-based and virtual instruction, live simulations at learning centers, self-paced learning using the latest interactive technologies, and on-the-job education. We are continuously investing in learning technologies to expand access to learning to all our employees.

Development opportunities include coaching, mentoring, and cross training through career mobility to expose employees to new roles, geographies, business lines, and functions.

All employees are encouraged to take an active part in their learning journey and be continuous learners. They prepare annual training and development plans with their managers and agree on specific actions for the year. Employees are also evaluated on "self-development" during their annual appraisal, which is part of our Commitment Mindset from our Code of Conduct. Our goals are to foster collaboration between employees and the Company and create value for employees by enabling them to maintain their current skills while also developing their talents to reach their full potential.

We also offer several internships for students, and many of our employees started with Schlumberger this way. Interns generally progress through a period of intensive off-the-job technical training or receive on-the-job training interspersed with formal seminars. In 2019, we provided more than 900 internships to students from top universities around the world.

### HSE Training

HSE training continues to be a top priority at Schlumberger. For many topics, we use a learner-centered training approach that encourages active participation and incorporates a combination of micro-learning videos, group discussions, virtual reality, and role play. Employees also have access to an online platform for interactive training that uses self-study and assessments to help them fulfill their required certifications. Throughout their careers, employees are assigned training, re-certification, or refresher training based on their specific roles and responsibilities, work environment, geographic location, and activity risks. For additional details about our HSE training programs, please see the section of this report titled "HSE Training" on page 33.

### Employee Development

Consistent with our commitment to internal promotion, we strive to identify top talent within Schlumberger, and to provide opportunities for employees who demonstrate exceptional competency and performance to progress to ever higher levels of responsibility within the Company. We seek to nurture our talent pool to maximize each employee's

development potential through a combination of training and experience. Throughout their careers, our employees benefit from opportunities to take on a variety of assignments for professional and personal growth. The Company benefits by having broadly diverse and experienced teams working throughout the world with great energy and enthusiasm. This continual knowledge sharing accelerates the development of our people and enriches our ability to serve our customers. Our "borderless career" philosophy means we support flexible career paths, helping employees develop their skills across different functions, businesses, and geographies. Additionally, we provide employees with the necessary training to enable them to fulfill the requirements of their current role or position.

### NExT

NExT, a Schlumberger company, provides capability, competency, and professional development services for the oil and gas industry. E&P curriculum taught by NExT includes more than 700 courses, training programs, and competency services covering technical and software skills that help attendees develop the petrotechnical expertise they need to meet complex industry challenges. NExT has access to more than 3,000 instructors whose collective expertise includes every E&P discipline. NExT delivers more than 1,500 training sessions each year, and has trained more than 70,000 E&P professionals worldwide.

### Learning Centers

Our global network of learning centers is busy year-round. Primarily designed to deliver our technical programs, the learning facilities include classrooms, wells, rigs, and workshops. The courses are delivered by Schlumberger instructors, who have gained their expertise through practice and experience in operations roles. New trainees follow a fixed-step training program that lasts three to five years. During this period, they attend multiple courses at the learning centers that last from a few days to 12 weeks. The learning centers also host a range of classes including employee onboarding, technical, safety, personal development, business, and managerial courses.

### Developing Local Supply Chain Talent

The global nature of our business presents several logistical challenges, one of which is difficult geographies. Success in these areas depends on having supply chain professionals capable of dealing with our complex operations. To enable a strong pipeline of people who have these skills,

Schlumberger has partnered with top-tier supply chain training programs to assist our team members in geographies where supply chain training is not widely available. Team members are selected to learn and build expertise with the intention of returning to their markets and increasing the level of supply chain performance.

### Knowledge Management

The Schlumberger approach to knowledge management encourages employees around the globe to share their expertise across the full spectrum of the Company's day-to-day activities—including technical challenges, health, safety, and environmental topics, and best practices across all domains. Schlumberger's knowledge management systems and processes connect and motivate our people to collaborate, learn and share expertise and insights, and enable us to deliver the highest-quality service to our customers worldwide.

In 2019, Schlumberger employees completed 8 million searches and viewed 11 million pieces of vetted information in our corporate knowledge database. To facilitate networking within the Company and encourage knowledge sharing, every employee maintains an expanded curriculum vitae on our intranet, and these were accessed more than 7.9 million times during 2019. The Schlumberger InTouch service helps improve service delivery and facilitate the rapid, universal deployment of new technology. It provides technical and operational support to Schlumberger field engineers 24 hours a day, seven days a week, through more than 90 full-time InTouch Engineers located around the world. Our intranet portal, myHub, provides employees with a selection of Company news articles, announcements, and resources that are relevant to their geographic location, position, and interests. In 2019, an average of 45,000 users visited myHub each day, from 1,400 locations around the world.

Schlumberger's strength in knowledge management is shared externally through our speaking engagements events such as the American Productivity and Quality Center (APQC) annual Knowledge Management Conference and KMWorld's yearly Knowledge Management event. In 2019, Schlumberger received the first-ever Excellence in Knowledge Management Award from APQC.

### Diversity, Equity, and Inclusion

One of Schlumberger's greatest strengths is the diversity of our workforce.

As a service company, we believe that our ability to develop innovative, fit-for-basin solutions for our customers and to execute on our business strategies relies on attracting and retaining top talent—including local talent—through a combination of cultural, educational, and individual perspectives. As such, achieving nationality and cultural diversity and gender balance across all parts of our organization has been a focus for Schlumberger for many years.

As we continue to increase the diversity of our workforce, we strive to promote inclusion and cultivate an atmosphere of equality and belonging, where every member of the Schlumberger team is encouraged to share ideas and positively contribute to our organization.

### No Discrimination

Schlumberger obeys the employment laws of the countries in which it operates and does not engage in discrimination based on race, color, gender, age, sexual orientation, gender identity, ethnicity, disability, religion, union membership, or marital status in hiring and employment practices such as promotions, rewards, and access to training, as indicated in our Code of Conduct and our Human Rights Position Statement.

### National and Cultural Diversity

One of our greatest strengths is the diversity of our workforce, with employees of many nationalities and backgrounds working together and sharing common objectives. Schlumberger recruits and develops people in alignment with our business objectives and aims to maintain our population diversity in proportion to the revenue derived from the countries in which we work. Our long-standing commitment to national and cultural diversity fosters a culture that is global in outlook yet local in practice, and this permeates every layer of the Company, including every level of management.

### Management Diversity

Employees from non-Western countries and emerging economies are integrated into every level of our workforce, including senior management. Our executive leadership team includes officers from Europe, North America, Asia, Australia, North Africa, and the Middle East.

Our Board of Directors also reflects the diversity of the Company. Two of our nine directors are women. Among our directors, three are citizens of the United States, three are citizens of France, one is a citizen of Saudi Arabia, one is a dual citizen of both Russia and Israel, and one is a dual citizen of both Argentina and the United Kingdom.

### LGBT+

We strive to foster a culture where employees who identify as lesbian, gay, bisexual, transgender or non-binary are encouraged to be their authentic selves and are respected as valued members of the Schlumberger team. Schlumberger sponsors an LGBT+ and allies workgroup within the Company, aimed at supporting LGBT+ employees, improving engagement on diversity and inclusion topics, and advising on changes in our training and work practices.

### Age Diversity

Ongoing changes in the composition of our workforce require an adaptive approach toward recruitment, retention, and the mobility of our employees. We value the perspectives and the breadth of experience of our most senior employees. When our senior professionals retire, it is important that their knowledge is captured and passed on to the next generation.

Schlumberger is dedicated to hiring, training, and retaining the best and brightest talent to fill the leadership roles and opportunities created when senior professionals retire. By fostering a culture of advancement and professional development, we are continually exposed to fresh perspectives and insights that enable us to stay at the cutting edge of innovation.

### **Gender Balance and Pay Equity**

Achieving improved gender balance has been a focus of policy and action in Schlumberger since the late 1970s, when we began recruiting women for field operations roles. Since then, we have continued to expand opportunities for women across our field operations, technology, business, and management roles. We believe that these gender diversity initiatives help us maintain our competitive edge.

We set our first gender balance target in 1994, with a goal of having women comprise 15% of our salaried workforce by 2015. We achieved that goal ahead of schedule in 2011. Our current gender balance goal is to have women comprise 25% of our salaried workforce by 2025. A portion of the 2020 short-term cash incentive compensation opportunity for our CEO and other members of our senior management is based on achieving our annual internal gender balance objectives as part of this five-year goal.

In 2019, women made up 16.9% of the total Schlumberger workforce (including salaried and hourly employees), up from 16.3% in 2018. Among our salaried employee population, 20.9% were women, and 19.7% of our management roles were held by women. Women held 13.2% of all senior management roles at the Company in 2019. As of September 2020, women filled the following senior executive roles at Schlumberger: one executive vice president reporting to the CEO, one basin president, one division president, and one additional executive officer in a functional role. In addition, women represented approximately 40% of our 2019 hires of salaried employees with science, technology, engineering, and mathematics (STEM) backgrounds.

Schlumberger also continually monitors compensation equality for women and men across all job grades globally, with the goal of maintaining equity. We comply with applicable laws and regulations in various jurisdictions requiring reporting of gender diversity and pay parity data. Our 2019 gender pay gap report for the United Kingdom is available [here](#), and our 2019 gender equality indicators report for Schlumberger entities in France is available [here](#).

### **Empowering Women in Technology**

Schlumberger participates in a number of internal and external initiatives to support women at Schlumberger and, more broadly, women's careers in technology.

Connect Women is an internal Schlumberger networking community, where women and men meet regularly to exchange ideas, promote gender equality, and support career progression within Schlumberger. In 2019, the Connect Women network had 91 local chapters around the world and more than 6,800 members. Global activities included 11 webinars and roundtable discussions that promoted self-development and knowledge sharing. To date, there are 24 local support groups that mentor technical employees through their professional advancement. The Connect Women social network also hosts photo challenges and webinars about career development, collaborates on events with technical communities, and promotes gender equality, inclusion and diversity.

Schlumberger also sponsors the Grace Hopper Celebration of Women in Computing, a series of conferences promoting women's research and career opportunities in computing. In 2019, we conducted more than 70 interviews with conference attendees for positions including data scientists and software engineers, and we offered employment opportunities to 35% of those interviewed. In addition, we hosted "meet and engage" sessions with conference participants that provided a platform for networking and discussions about Schlumberger technologies.

In addition, we annually sponsor the Serve to Succeed (S2S) Social Impact Challenge, through which members of the Society of Women Engineers at colleges and universities volunteer their time to service organizations and charities, to empower their communities to drive change for good. In 2019, 11 universities participated in the S2S Challenge, holding 175 events with nearly 1,100 volunteers.

### **Respect in the Workplace Training**

Schlumberger employees are expected to treat one another professionally, based on with mutual respect, trust and individual dignity. They must also display respect when interacting with customers, contractors and others affected by our operations, including members of local communities. Schlumberger does not tolerate any form of harassment or other offensive action. More than 90,000 members of our workforce completed our 2019 global "Respect in the Workplace" training, which covered topics such as cultural differences, sexual harassment, bystander intervention and reporting processes.

# Index and Data

Schlumberger uses key sustainability frameworks to guide our non-financial disclosures, including:

- » Global Reporting Initiative (GRI) Standards
- » Sustainability Accounting Standards Board (SASB) Standards
- » Task Force on Climate-Related Financial Disclosure (TCFD) Recommendations
- » U.N. Sustainable Development Goals
- » U.N. Guiding Principles on Business and Human Rights Reporting Framework

In addition to these frameworks and standards, Schlumberger reviews and incorporates, when applicable, guidelines issued by IPIECA, the global oil and gas industry association for environmental and social issues, and by the American Petroleum Institute and the International Association of Oil & Gas Producers. Priority issues for the energy services industry include a range of environmental, social, and governance topics. Based primarily on information obtained through regular and ongoing interaction with our stakeholders, Schlumberger reports on data that is relevant to our Company performance. The content in this report was chosen based on prioritized ESG topics using the criteria of applicability, degree of impact, and risk/opportunity. When an indicator is useful, we provide reliable and verifiable data to the greatest extent possible utilizing internal data collection systems. In addition, we have engaged PricewaterhouseCoopers (PwC) to review our processes and procedures and verify a sample of certain Environmental, Health, and Safety data as outlined in the report. PwC has expressed a limited assurance that our data are, in all material respects, fairly presented and in accordance with Schlumberger procedural guidelines.

# Global Reporting Initiative (GRI) Standards

GRI Disclosure Number	GRI Disclosure Title	Information Location <sup>1</sup>
<b>General Disclosures</b>		
<b>Organizational Profile</b>		
102-1	Name of the organization	3
102-2	Activities, brands, products, and services	3
102-3	Location of headquarters	3
102-4	Location of operations	3
102-5	Ownership and legal form	3
102-6	Markets served	3
102-7	Scale of the organization	3
102-8	Information on employees and other workers	3, 4
102-9	Supply chain	39–41
102-10	Significant changes to the organization and its supply chain	40–41
102-13	Membership of associations	42
<b>Strategy</b>		
102-14	Statement from senior decision-maker	2
<b>Ethics and Integrity</b>		
102-16	Values, principles, standards, and norms of behavior	4–10
<b>Governance</b>		
102-18	Governance structure	4–6
102-22	Composition of the highest governance body and its committees	4–6
102-23	Chair of the highest governance body	4–6
102-24	Nominating and selecting the highest governance body	5–6
102-25	Conflicts of interest	8

GRI Disclosure Number	GRI Disclosure Title	Information Location <sup>1</sup>
102-29	Identifying and managing economic, environmental, and social impacts	6
102-30	Effectiveness of risk management processes	5, 28
102-35	Remuneration policies	6
<b>Stakeholder Engagement</b>		
102-40	List of stakeholder groups	41–42
102-42	Identifying and selecting stakeholders	41–42
102-43	Approach to stakeholder engagement	41–42
102-44	Key topics and concerns raised	41–42
<b>Reporting Practice</b>		
102-45	Entities included in the consolidated financial statements	4
102-51	Date of most recent report	Reports
102-52	Reporting cycle	Reports
102-53	Contact point for questions regarding the report	Back Cover
<b>Economic Topics</b>		
<b>Economic Performance</b>		
201-1	Direct economic value generated and distributed	3
201-2	Financial implications and other risks and opportunities due to climate change	9, 13
<b>Market Presence</b>		
202-2	Proportion of senior management hired from the local community	45
<b>Indirect Economic Impact</b>		
203-1	Infrastructure investments and services supported	10, 38–41
203-2	Significant indirect economic impacts	10, 22–23, 43–45
<b>Procurement Practices</b>		
204-1	Proportion of spending on local suppliers	39–40

GRI Disclosure Number	Information Location <sup>1</sup>	Information Location <sup>1</sup>
<b>Anti-Corruption</b>		
205-1	Operations assessed for risks related to corruption	8
205-2	Communication and training about anti-corruption policies and procedures	8
<b>Anti-Competitive Behavior</b>		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	8–9
<b>Environmental</b>		
<b>Energy</b>		
302-1	Energy consumption within the organization	17, 57
302-2	Energy consumption outside of the organization	18
302-4	Reduction of energy consumption	15, 18
302-5	Reductions in energy requirements of products and services	18
<b>Water and Effluents</b>		
303-3	Water recycled and reused	16–18, 57
<b>Biodiversity</b>		
304-2	Significant impacts of activities, products, and services on biodiversity	14
304-3	Habitats protected or restored	14
<b>Emissions</b>		
305-1	Direct (Scope 1) GHG emissions	16, 18, 56
305-2	Energy indirect (Scope 2) GHG emissions	16, 18, 56
305-5	Reduction of GHG emissions	2, 13, 16, 18
<b>Effluents and Waste</b>		
306-2	Waste by type and disposal method	15–17, 57
306-3	Significant spills	17, 57
306-4	Transport of hazardous waste	17
<b>Environmental Compliance</b>		
307-1	Non-compliance with environmental laws and regulations	9, 12, 16–17
<b>Supplier Environmental Assessment</b>		
308-1	New suppliers that were screened using environmental criteria	8, 16, 18
308-2	Negative environmental impacts in the supply chain and actions taken	8, 16, 18

GRI Disclosure Number	GRI Disclosure Title	Information Location <sup>1</sup>
<b>Social</b>		
<b>Occupational Health and Safety</b>		
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	29–30, 58–59
<b>Training and Education</b>		
404-1	Average hours of training per year per employee	33–34, 60
404-2	Programs for upgrading employee skills and transition assistance programs days	32–35, 44, 46
404-3	Percentage of employees receiving regular performance and career development reviews	33–34
<b>Diversity and Equal Opportunity</b>		
405-1	Diversity of governance bodies and employees	3, 45–46
<b>Child Labor</b>		
408-1	Operations and suppliers at significant risk for incidents of child labor	10, 38–41
<b>Human Rights Assessment</b>		
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	10, 27, 38–41
<b>Local Communities</b>		
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413-2	Operations with significant actual and potential negative impacts on local communities	38–41
<b>Supplier Social Assessment</b>		
414-1	New suppliers that were screened using social criteria	38–41
414-2	Negative social impacts in the supply chain and actions taken	38–41
<b>Public Policy</b>		
415-1	Political contributions	8–9
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416-1	Assessment of the health and safety impacts of product and service categories	24–38

# Sustainability Accounting Standards Board (SASB)

## Oil & Gas – Services

Topic	Accounting Metric	Code	Information Location <sup>1</sup>
<b>Corporate Governance</b>			
Business Ethics & Payments Transparency	Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	EM-SV-510a.1	8
	Description of the management system for prevention of corruption and bribery throughout the value chain	EM-SV-510a.2	8
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	EM-SV-530a.1	12–17, 36, 46
Critical Incident Risk Management	Description of management systems used to identify and mitigate catastrophic and tail-end risks	EM-SV-540a.1	5, 28
<b>Environmental</b>			
Emissions Reduction Services & Fuels Management	Total fuel consumed, percentage renewable, percentage used in: (1) on-road equipment and vehicles and (2) off-road equipment	EM-SV-110.a.1	16, 18, 56–57
	Discussion of strategy or plans to address air emissions-related risks, opportunities, and impacts	EM-SV-110.a.2	5, 13, 15, 18
	Percentage of engines in service that meet Tier 4 compliance for non-road diesel engine emissions	EM-SV-110.a.3	—
Water Management Services	(1) Total volume of fresh water handled in operations, (2) percentage recycled	EM-SV-140a.1	16, 57
	Discussion of strategy or plans to address water consumption and disposal-related risks, opportunities, and impacts	EM-SV-140a.2	9, 13–17
Chemicals Management	Volume of hydraulic fracturing fluid used, percentage hazardous	EM-SV-150a.1	16
	Discussion of strategy or plans to address chemical-related risks, opportunities, and impacts	EM-SV-150a.2	16
Ecological Impact Management	Average disturbed acreage per (1) oil and (2) gas well site	EM-SV-160a.1	—
	Discussion of strategy or plan to address risks and opportunities related to ecological impacts from core activities	EM-SV-160a.2	14–15

<sup>1</sup>All page numbers refer to 2019 Global Stewardship Report unless otherwise noted.

Topic	Accounting Metric	Code	Information Location <sup>1</sup>
<b>Social</b>			
Workforce Health and Safety	(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	EM-SV-320a.1	27, 31–33, 36–37, 58
	Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle	EM-SV-320a.2	24–26

Activity Metric	Code	Information Location <sup>1</sup>
Number of active rig sites	EM-SV-000.A	17
Number of active well sites	EM-SV-000.B	17
Total amount of drilling performed	EM-SV-000.C	17
Total number of hours worked by all employees	EM-SV-000.D	58

<sup>1</sup>All page numbers refer to 2019 Global Stewardship Report unless otherwise noted.

# Task Force on Climate-Related Financial Disclosures (TCFD)

	<b>Disclosure</b>	<b>Information Location<sup>1</sup></b>
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	4–5
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	2, 4–6, 13
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	2, 5–6, 9, 13, 15, 19–20
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	5–6, 7, 9, 11, 13, 15, 19–20
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	5–6, 13
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	5–6, 13, 15
	b) Describe the organization's processes for managing climate-related risks.	5–6, 13, 15
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	5–6, 13
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	5, 13, 15, 18–19
	b) Disclose Scope 1, 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	16, 18, 56
	c) Describe targets used by the organization to manage climate-related risks and opportunities and performance against targets.	2, 6, 13, 15–18

# United Nations Sustainable Development Goals (UN SDGs) Mapping

Goal	IPIECA Focus Areas	Schlumberger Focus Areas
 <b>3</b> GOOD HEALTH AND WELL-BEING	<ul style="list-style-type: none"> <li>» Health Impact Assessments</li> <li>» Road Safety</li> <li>» Worker &amp; Community Protection</li> </ul>	<ul style="list-style-type: none"> <li>» COVID-19 Response</li> <li>» Crisis Management</li> <li>» HSE Management System</li> <li>» Fatality Goal</li> <li>» Health &amp; Safety Performance Data</li> <li>» HSE Training</li> <li>» Schlumberger Active Campaigns</li> <li>» Contractor &amp; Supplier Management</li> </ul>
 <b>4</b> QUALITY EDUCATION	<ul style="list-style-type: none"> <li>» Local Content Strategy</li> <li>» Workforce Education</li> <li>» Technology Training</li> </ul>	<ul style="list-style-type: none"> <li>» Schlumberger Excellence in Education Development (SEED)</li> <li>» Schlumberger Foundation – Faculty for the Future</li> <li>» HSE for Youth</li> <li>» University Collaborations</li> <li>» Knowledge Management</li> <li>» Permian Strategic Partnership</li> <li>» In-Kind Giving</li> </ul>
 <b>5</b> GENDER EQUALITY	<ul style="list-style-type: none"> <li>» Gender-Sensitive Policies</li> <li>» Inclusive Decision-Making</li> <li>» Women's Employment Opportunities</li> </ul>	<ul style="list-style-type: none"> <li>» Employee Affinity Groups</li> <li>» Diversity &amp; Inclusion Program and Training</li> <li>» Gender Balance Goal</li> <li>» Gender-Pay Gap Disclosures</li> <li>» Schlumberger Foundation – Faculty for the Future</li> </ul>

Goal	IPIECA Focus Areas	Schlumberger Focus Areas	
<b>6</b> CLEAN WATER AND SANITATION 	» Water Strategy » Water Use Efficiency » Water Risk Management	» Impact-Reducing Technology Portfolio » HSE Management System » Water Use » Water Recycling » Integrated Water Solutions	
<b>7</b> AFFORDABLE AND CLEAN ENERGY 	» Natural Gas » Energy Efficiency » Alternative Energies	» Impact-Reducing Technology Portfolio » Schlumberger New Energy » Solar Impulse Foundation Partnership » Fleet Electric/Hybrid Conversion Project » Science-Based Target Commitment	
<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	» Skills Assessment » Local Employment » Workforce & Supplier Development	» In-Country Value » Schlumberger Foundation – Faculty for the Future » Responsible Supply Chain » Knowledge Management » Training & Development » Veterans Program	» Permian Strategic Partnership » Local Technology Access Strategic Initiative » Cross-Functional Human Rights Working Group » People Analytics
<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 	» Efficient Waste Management » Supply Chain Sustainability » Product Stewardship	» Supply Chain Management » Lean & Green Program » Research & Innovation » Impact-Reducing Technology Portfolio » Solar Impulse Foundation	
<b>13</b> CLIMATE ACTION 	» Resilience & Adaptive Capacity » Emissions Mitigation » Strategic Planning	» Carbon Emissions Reduction Goal » Science-Based Target Commitment » TCFD Support » Country Climate Assessments » Facilities Management » Third-Party Assurance Report	» Environmental Performance Data » Impact-Reducing Technology Portfolio » Supply Chain Management » Schlumberger New Energy » Global Sea-Level Rise Risk Assessment » Solar Impulse Foundation

Goal	IPIECA Focus Areas	Schlumberger Focus Areas
<b>14</b> <small>LIFE BELOW WATER</small> 	<ul style="list-style-type: none"> <li>» Accident Prevention &amp; Response</li> <li>» Environmental Assessments</li> <li>» Ocean Acidification Minimization</li> </ul>	<ul style="list-style-type: none"> <li>» HSE Management System</li> <li>» Biodiversity Focus</li> <li>» Chemicals Management</li> <li>» Environmental Performance Data</li> <li>» Impact-Reducing Technology Portfolio</li> </ul>
<b>15</b> <small>LIFE ON LAND</small> 	<ul style="list-style-type: none"> <li>» Ecosystem Management</li> <li>» Mitigation Hierarchy</li> <li>» Biodiversity Offsets</li> </ul>	<ul style="list-style-type: none"> <li>» HSE Management System</li> <li>» Biodiversity Focus</li> <li>» Chemicals Management</li> <li>» Environmental Performance Data</li> <li>» Impact-Reducing Technology Portfolio</li> </ul>
<b>17</b> <small>PARTNERSHIPS FOR THE GOALS</small> 	<ul style="list-style-type: none"> <li>» Dialogue &amp; Coordination</li> <li>» Government Capacity</li> <li>» Sustainable Energy</li> </ul>	<ul style="list-style-type: none"> <li>» IPIECA</li> <li>» Solar Impulse Foundation</li> <li>» UK Carbon Capture &amp; Storage Association</li> <li>» GHGSat</li> <li>» Global CCS Institute</li> <li>» Petroleum Equipment &amp; Services Association (PESA)</li> <li>» National Petroleum Council (NPC)</li> <li>» Stanford University Natural Gas Initiative</li> <li>» American Petroleum Institute (API)</li> <li>» International Oil and Gas Producers (IOGP)</li> <li>» French Alternative Energies and Atomic Energy Commission (CEA)</li> </ul>

# Performance Data Table

Metric	Units	Year			Reference
		2017	2018	2019	
<b>Corporate Governance</b>					
Number of Employees Worldwide, approximately	—	100,000	100,000	105,000	<a href="#">3</a>
Countries With Products, Sales and Services	—	85+	120+	120+	<a href="#">3</a>
Nationalities Represented in Our Workforce	—	140+	140+	170+	<a href="#">3</a>
National Mix	Latin America	percentage	12	13	<a href="#">3</a>
	North America	percentage	21	23	<a href="#">3</a>
	Middle East, Asia	percentage	29	30	<a href="#">3</a>
	Europe, CIS, Africa	percentage	37	34	<a href="#">3</a>
Revenue Contributions	Latin America	percentage	13	11	<a href="#">3</a>
	North America	percentage	31	37	<a href="#">3</a>
	Middle East, Asia	percentage	31	29	<a href="#">3</a>
	Europe, CIS, Africa	percentage	23	22	<a href="#">3</a>
	Other	percentage	2	1	<a href="#">3</a>
Revenue	in millions of dollars	30,440	32,815	32,917	—
Income from Continuing Operations	in millions of dollars	-1,505	2,138	-10,137	—
Cash Dividends per Share	in millions of dollars	2.00	2.00	2.00	—
Cash Flow from Operations	in millions of dollars	5,663	5,713	5,431	—
<b>Environmental Performance</b>					
CO <sub>2</sub> e Emitted (Scope 1) <sup>2</sup>	thousands of metric tonnes	1,358	1,422	1,629	<a href="#">16</a>
	thousands of metric tonnes	561	642	589	<a href="#">16</a>
	thousands of metric tonnes	1,919	2,065	2,218	<a href="#">16</a>
	thousands of metric tonnes	911	1,185	1,368	<a href="#">16</a>
	thousands of MWh	6,644	6,814	7,718	—

<sup>1</sup>All page numbers refer to 2019 Global Stewardship Report unless otherwise noted.<sup>2</sup>We use the procedures established in the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) to calculate our annual CO<sub>2</sub>e emissions in Schlumberger. As part of that process, we need to apply conversion factors to energy consumption data to derive CO<sub>2</sub>e values. Those conversion factors are taken from the IPCC Third Assessment Report (TAR 100 year), and IPCC Fourth Assessment Report (AR4 – 100 year). The 2019 Scope 1, 2 and 3 data included herein is consistent with categories of emissions data disclosed in previous years. As part of our commitment to setting a science-based target on emissions reduction by 2021, we are undergoing a thorough review of all emissions data categories and reporting processes with the aim of increasing transparency and identifying gaps in our current reporting. Through this review process, we have identified, and may continue to identify, certain gaps that will result in a restatement of certain 2019 data. One such gap is customer-purchased fuel used for our operations. We anticipate providing a restatement addressing such gaps in connection with setting our science-based emissions target.

Environmental Performance			2017	2018	2019	Page Number <sup>1</sup>
Electricity Use <sup>3</sup>		thousands of MWh	1,154	1,284	1,198	<a href="#">17</a>
Fuel Used – Natural Gas		thousands of MWh	435	514	1,364	—
Fuel Used – Oil/Diesel		thousands of MWh	5,055	5,016	5,156	—
Fuel Consumption by Type	Distillate Fuel Oil No. 1	percentage	18	4	5	—
	Diesel/Gas Oil	percentage	82	96	95	—
Water Use <sup>3</sup>		thousands of cubic meters	3,816	4,933	5,602	<a href="#">17</a>
Total Water Recycled		thousands of cubic meters	140	134	131	<a href="#">17</a>
% Water Recycled		percentage	4	3	2	—
Waste Generated by Year		thousands of metric tonnes	539	503	639	<a href="#">17</a>
Waste Recycled		thousands of metric tonnes	184	182	185	<a href="#">17</a>
Raw Materials Used		thousands of metric tonnes	8,383	10,453	11,300	<a href="#">17</a>
Number of Incidents >1 bbl of Oil		—	45	44	28	<a href="#">17</a>
Hydrocarbon Bulk Fluids Spilled <sup>4</sup>		barrels	436	522	536	<a href="#">17</a>
ISO 14001 Certified Sites		number of sites	74	113	53	<a href="#">15</a>
Sites Subject to Environmental Audit Requirement		number of sites	713	753	739	<a href="#">15</a>
Sites Subject to Environmental Audit Requirement		percentage	10	15	7	<a href="#">15</a>
CO <sub>2</sub> e Per \$B Revenue Per Year <sup>2</sup>		metric tonnes	63,040	62,929	67,382	—
CO <sub>2</sub> e Per Employee Per Year <sup>2</sup>		metric tonnes	19.2	20.6	21.1	—
Nonproductive Time Rate Improvement from Baseline Year (2011)		percentage	59.8	54.6	60.1	<a href="#">9</a>
Social Performance			2017	2018	2019	Page Number <sup>1</sup>
Community and Education						
SEED: STEM Activities	Engagements <sup>5</sup>	—	143	151	1,107	<a href="#">22</a>
	Teachers	—	1316	811	322	<a href="#">22</a>
	Students	—	17,689	18,465	112,967	<a href="#">22</a>
	Volunteers	—	1,008	1,655	1,389	<a href="#">22</a>
HSE for Youth	Workshops	—	199	206	169	<a href="#">23</a>
	HSE Topics	—	9	10	9	<a href="#">23</a>
	Attendees	—	4,000+	4,000+	4,300+	<a href="#">23</a>
	Countries	—	41	50	50	<a href="#">23</a>

<sup>1</sup>All page numbers refer to 2019 Global Stewardship Report unless otherwise noted.<sup>2</sup>We use the procedures established in the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) to calculate our annual CO<sub>2</sub>e emissions in Schlumberger. As part of that process, we need to apply conversion factors to energy consumption data to derive CO<sub>2</sub>e values. Those conversion factors are taken from the IPCC Third Assessment Report (TAR 100 year); and IPCC Fourth Assessment Report (AR4 – 100 year). The 2019 Scope 1, 2 and 3 data included herein is consistent with categories of emissions data disclosed in previous years. As part of our commitment to setting a science-based target on emissions reduction by 2021, we are undergoing a thorough review of all emissions data categories and reporting processes with the aim of increasing transparency and identifying gaps in our current reporting. Through this review process, we have identified, and may continue to identify, certain gaps that will result in a restatement of certain 2019 data. One such gap is customer-purchased fuel used for our operations. We anticipate providing a restatement addressing such gaps in connection with setting our science-based emissions target.<sup>3</sup>We have established norms for consumption per person in North America and we use those norms to calculate estimated consumption of natural gas, electricity and water at facilities that do not report this data, using applicable employee headcount. For Cameron and for Engineering and Manufacturing facilities in North America, consumption values are directly reported. The headcount-based estimates are used for other office and operational facilities in North America. The norms referred to above were established in 2009 and are reviewed annually and updated when necessary.<sup>4</sup>Hydrocarbon Bulk Fluids Spilled has been restated from liters to barrels. Where available, volumes of hydrocarbon spills are reported using information provided by customers or by third-party spill response contractors. Additionally, when applicable, known volumes of stored liquids may be used to determine spill quantities. Finally, in situations where none of the above procedures are applicable, estimates of spilled volume may be made from measurements in impacted areas.<sup>5</sup>Beginning in 2019 Schlumberger expanded the SEED category to include all our STEM engagements worldwide including professional development for teachers, student workshops and supplemental instruction, company sponsored STEM events, clubs, challenges and competitions, as well as initiatives promoting literacy and numeracy skills for young children.

Community and Education			2017	2018	2019	Page Number <sup>1</sup>
Faculty for the Future	New Fellowships Awarded	—	38	50	19	<a href="#">23</a>
	Fellowships Renewed	—	140	111	77	<a href="#">23</a>
	Alumnae Home Countries	—	81	81	82	<a href="#">23</a>
	Fellows and Alumnae <sup>6</sup>	—	634	683	739	<a href="#">23</a>
	Host Universities of Study <sup>6</sup>	—	251	261	282	<a href="#">23</a>
Corporate Giving	Commercial Initiatives (In Kind)	in millions of dollars	2,400	2,630	2,260	—
	Community Initiatives	in millions of dollars	9	9	9	—
Social Risk Assessments (2009-2019)	Total Assessments	—	40	44	48	—
	Yearly Assessments	—	5	4	4	—
	Continents	—	6	6	6	—
	Countries	—	22	22	22	—
Number of Social and Environmental Baseline Studies	—	—	11	13	1	—
Health and Safety			2017	2018	2019	Page Number <sup>1</sup>
Company's health and safety system certified to OHSAS 18001		percentage	1	1	1	—
Fatalities <sup>7</sup>	Employee	—	1	1	2	—
	Contractor	—	2	2	1	—
	Company Total	—	3	3	3	<a href="#">27</a>
	Third Party	—	2	3	3	—
	Fatal Accident Rate	per 100 million work hours	0.86	0.79	0.75	<a href="#">27</a>
Combined Lost Time Injury Frequency (CLTIF) (Fatality + LWDC + RDWC) Employees + Contractors <sup>7</sup>		per million work hours	0.91	1.09	0.83	—
Automotive Accident Rate (Employees + Contractors)		per million miles	0.33	0.34	0.30	<a href="#">36</a>
% data coverage as % of employee work hours for injury and illness		percentage	100	100	100	—
% data coverage as % of contractor work hours for injury and illness		percentage	100	100	100	—
Third party (PwC) verification for injury and illness data		—	Yes	Yes	Yes	<a href="#">6</a>
Total hours worked	Employees	—	244,524,020	263,364,700	281,135,730	—
Total Recordable Incidents (Injuries and Illnesses) (Fatality + LWDC + RDWC + MTC) Employees + Contractors						
Total Recordable Incidents	Workforce (Employees + Contractors)	—	467	564	438	—
Total Recordable Incident Rate (Frequency) <sup>7</sup>	Workforce (Employees + Contractors)	per million work hours	1.34	1.48	1.10	<a href="#">37</a>

<sup>1</sup>All page numbers refer to 2019 Global Stewardship Report unless otherwise noted.<sup>6</sup>Represents the total number of fellows and alumnae or host universities and research institutions, as applicable, cumulative since the Faculty for the Future program began in 2004.<sup>7</sup>To convert from per million work hours to per 200,000 work hours, divide by 5.

Health and Safety			2017	2018	2019	Page Number <sup>1</sup>
Lost Time Incidents (Injuries and Illnesses) (Fatality + LWDC) Employees + Contractors						
Total Lost Work Time	Workforce (Employees + Contractors)	hours	31,256	61,296	46,000	—
Lost Time Incident Rate (Frequency) <sup>2</sup>	Workforce (Employees + Contractors)	per million work hours	0.47	0.68	0.52	37
Total Recordable Injuries (Fatality + LWDC + RDWG + MTC)						
Total Recordable Injury Rate (Frequency) <sup>2</sup>	Workforce (Employees + Contractors)	per million work hours	1.29	1.46	1.07	37
Lost Time Injuries (Fatality + LWDC)						
Lost Time Injury Rate (Frequency) (LTIFR) <sup>2</sup>	Employees	per million work hours	0.49	0.71	0.52	—
Lost Time Injury Rate (Frequency) (LTIFR) <sup>2</sup>	Contractors	per million work hours	0.42	0.57	0.5	—
Lost Time Injury Events (Lost Work Day Cases + Fatalities)	Employees	—	121	255	145	—
Total Lost Work Time (Injury)	Employees	days	3,904	5,628	4,554	—
Lost Time from Accidents (Injury)	Employees	hours	31,232	45,024	36,432	—
Lost Time Severity Rate <sup>2</sup>	Employees	lost days per million work hours	16	21	16	—
Lost Time Illnesses (Fatality + LWDC)						
Lost Time Illness Rate (Frequency) (OIFR) <sup>2</sup>	Employees	per million work hours	0.008	0.015	0.007	37
Supply Chain			2017	2018	2019	Page Number <sup>1</sup>
Number of critical suppliers		absolute number	2,230	2,257	2,712	40
Audits of Tier 1 suppliers	Critical Suppliers	percentage	44	32	48	40
	Total Suppliers	absolute number	41,232	42,218	44,389	40
Critical suppliers for which more than 40% of their revenue comes from Schlumberger		percentage	6	9	5	—
		absolute number	79	195	229	—
Spend analysis covers 100% of suppliers		percentage	100	100	100	—
		absolute number	41,232	42,228	44,389	40
Of spend is covered in risk analysis		percentage	45	78	68	—
Suppliers that are at high risk		percentage	<1	<1	<1	—
Supplier audits conducted		absolute number	453	568	387	—
Of audited suppliers have a documented development plan		percentage	51	35	37	—

<sup>1</sup>All page numbers refer to 2019 Global Stewardship Report unless otherwise noted.<sup>2</sup>To convert from per million work hours to per 200,000 work hours, divide by 5.

Recruiting and University Collaboration		2017	2018	2019	Page Number <sup>1</sup>
University Interns	—	700+	1000+	900+	<a href="#">44</a>
Recruiting Job Applications	—	310,000	254,000	151,000	<a href="#">43</a>
Number of Countries Recruited In	—	60+	70	69	<a href="#">43</a>
Number of Universities Recruited At	—	471	621	601	<a href="#">43</a>
Disciplines Recruited	—	55+	55+	55+	<a href="#">43</a>
Management on University Advisory Boards	Schlumberger senior leaders	24	29	18	<a href="#">43</a>
	number of universities	19	22	11	<a href="#">43</a>
Training		2017	2018	2019	Page Number <sup>1</sup>
Investment for Operations Engineers, Petrotechnical Experts, and Specialists	Average Time per Position	hours	163	212	207
	Average Spend per Position	US dollars	15,100	8,400	8,807
	Training Days	days	196,100	244,000	277,100
	Training Centers	centers	9	7	7
NExT Training	Professionals Trained	—	15,000+	16,000+	19,000+
	Instructors Across 11 Disciplines	—	3,000+	3,000+	3,000+
	Classes Held Worldwide	—	1,500+	1,650+	1,500+
	Practical Courses & Programs	—	700+	750+	700+
	Dedicated Subject Matter Experts	—	22	19	16
Knowledge Management		2017	2018	2019	Page Number <sup>1</sup>
Number of Times Employee CVs are Viewed	—	8,543,975	7,600,000	7,980,000	—
Number of Times Employees Have Viewed Database Info	—	14,984,698	7,700,000	11,250,000	<a href="#">45</a>
Total Number of Objects in Knowledge Base	—	2,176,832	2,200,000	2,480,000	—
Number of Entries in Corporate Encyclopedia	—	29,000	30,000	28,000	—
Total Downloads of Technical Articles	—	182,000	138,000	340,000	—
Employees Involved in Forums, Newsletters and Workshops	—	31,000	33,000	33,000	—
Number of Live Webinar Viewers	—	39,000	28,500	44,000	—
Number of Webinars	—	700	620	740	—
Number of Bulletin Board Posts and Replies	—	327,000	254,000	296,000	—
Diversity		2017	2018	2019	Page Number <sup>1</sup>
Women in the Company	percentage	16	16.3	16.9	<a href="#">45-46</a>
Women in Management Positions	percentage	18.3	18.8	19.7	<a href="#">45-46</a>
Women in Junior Management Positions	percentage	19.7	20	21.1	<a href="#">46</a>
Women in Senior Management Positions	percentage	12	13.3	13.2	<a href="#">46</a>

<sup>1</sup>All page numbers refer to 2019 Global Stewardship Report unless otherwise noted.

## DISCLAIMER

This report, as well as other statements we make, contain "forward-looking statements" within the meaning of the U.S. federal securities laws — that is, any statements that are not historical facts. Such statements often contain words such as "aim," "goal," "ensure," "expect," "may," "believe," "predict," "plan," "estimate," "intend," "commit," "pledge," "anticipate," "think," "should," "would," "could," "will," "see," "likely," and other similar words. Forward-looking statements address matters that are, to varying degrees, uncertain, such as statements about our goals, plans and projections with respect to corporate responsibility, sustainability, and environmental matters; performance and operational targets and other goals; our efforts to enable our customers to achieve their own ESG goals; forecasts or expectations regarding, or dependent on, our business outlook; growth for Schlumberger as a whole and for each of our divisions (and for specified business lines or geographic areas within each division); oil and natural gas demand and production growth; oil and natural gas prices; pricing; our response to, and preparedness for, the COVID-19 pandemic and other widespread health emergencies; access to raw materials; improvements in operating procedures and technology; capital expenditures by Schlumberger and the oil and gas industry; the business strategies of Schlumberger and those of our customers; our digital strategy; future global economic conditions; and future results of operations. These statements are subject to risks and uncertainties, including, but not limited to, the inability to reduce environmental impact; the inability to reduce the cost-per-barrel of hydrocarbon developments; changing global economic conditions; changes in exploration and production spending by our customers and changes in the level of oil and natural gas exploration and development; the results of operations and financial condition of our customers and suppliers, particularly during extended periods of low prices for crude oil and natural gas; our inability to achieve our financial and performance targets and other forecasts and expectations; our inability to meet workforce expectations and perform at desired ESG and stewardship standards; our inability to deliver technologies and processes to enable our customers to achieve their own ESG objectives and anticipate future ESG needs; general economic, geopolitical and business conditions in key regions of the world; foreign currency risk; pricing pressure; weather and seasonal factors; unfavorable effects of health pandemics; availability and cost of raw materials; operational modifications, delays or cancellations; challenges in our supply chain; production declines; our inability to recognize intended benefits from our business strategies and initiatives, such as digital or new energy, as well as our restructuring and structural cost reduction plans; changes in government regulations and regulatory requirements, including those related to offshore oil and gas exploration, radioactive sources, explosives, chemicals, hydraulic fracturing services and climate-related initiatives; the inability of technology to meet new challenges in sustainability and exploration; the competitiveness of alternative energy sources or product substitutes; and other risks and uncertainties detailed in our most recent Forms 10-K, 10-Q, and 8-K filed with or furnished to the U.S. Securities and Exchange Commission (SEC). If one or more of these or other risks or uncertainties materialize (or the consequences of any such development changes), or should our underlying assumptions prove incorrect, actual outcomes may vary materially from those reflected in our forward-looking statements. Forward-looking statements are aspirational and not guarantees or promises that goals or targets will be met. The forward-looking statements in this report speak only as of September 30, 2020, and Schlumberger disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise.

This report contains certain terms used in various ESG reporting frameworks, including the Global Reporting Initiative Standards, IPIECA Sustainability Reporting Guidelines, Sustainability Accounting Standards Board Standards, Task Force on Climate-Related Financial Disclosure Recommendations, U.N. Sustainable Development Goals, and U.N. Guiding Principles on Business and Human Rights Reporting Framework (collectively, the "Frameworks"). In doing so, Schlumberger does not intend to and is not endorsing or adopting such terms or the definitions thereof as used in one or more of the Frameworks. Schlumberger is not obligating itself to use such terms in the ways defined by or used in the Frameworks, and makes no representation or warranty as to any such use or definition in the Frameworks. For example, with respect to the use of the terms "material" and "materiality" as applied to environmental, social and governance issues, Schlumberger believes that individual companies are best suited to determine what information is "material" under the long-standing U.S. Supreme Court definition of that term and whether to disclose this information in SEC filings.

This report covers Schlumberger's owned and operated businesses and does not address the performance or operations of our suppliers, contractors or partners unless otherwise noted herein. All financial information is presented in U.S. dollars unless otherwise noted herein.



Many of the terms found in this report are defined in the award-winning [Schlumberger Oilfield Glossary](#). Launched in 1998, this collection of industry terms includes more than 4,600 entries for oilfield-related activities and technologies. The Oilfield Glossary mobile app can be downloaded from the Apple App Store.



Aligned with our environmental efforts, this report is available in PDF format only.

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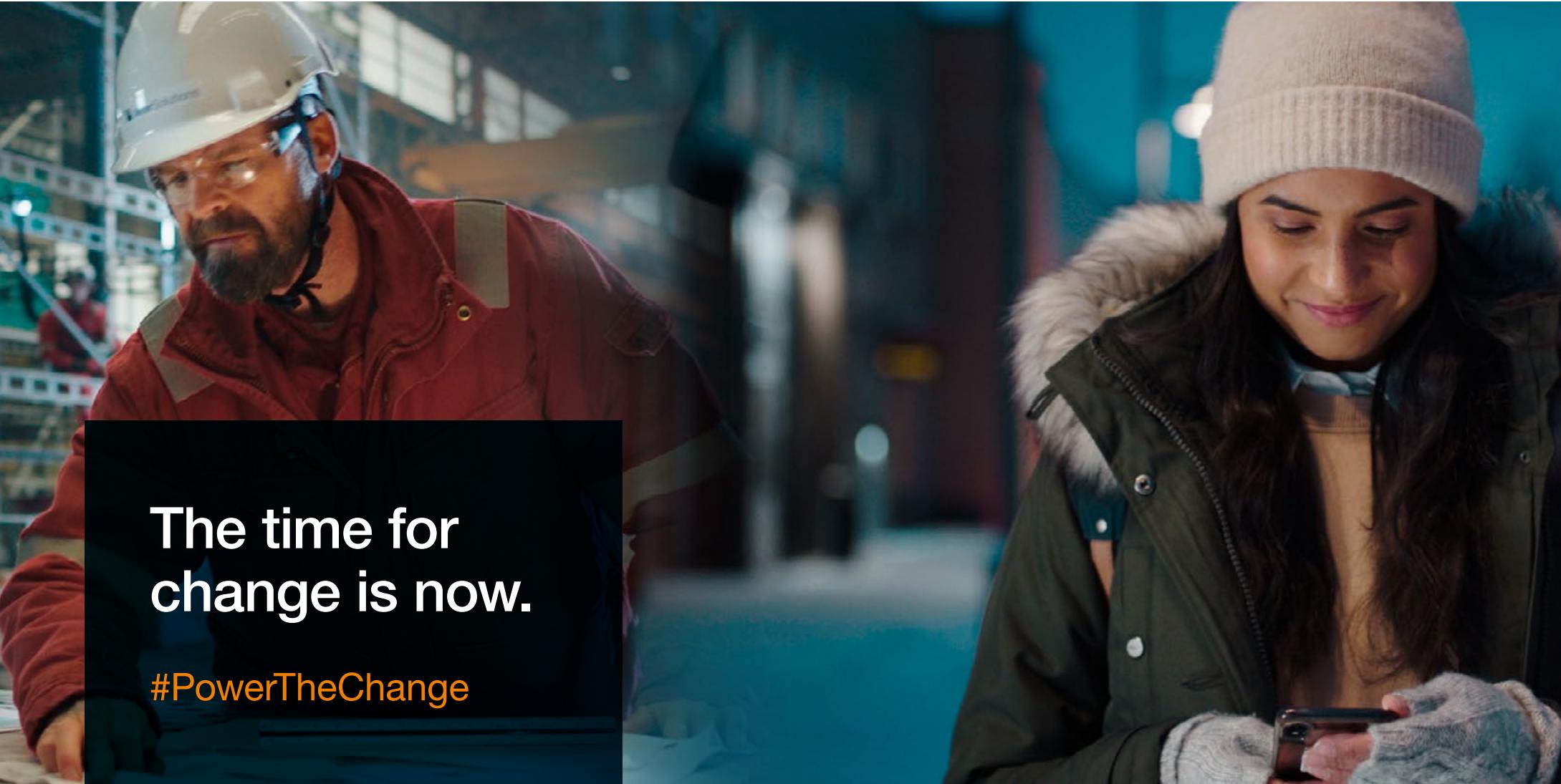
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**Schlumberger**



The time for  
change is now.

#PowerTheChange

Incremental change is no longer enough. We have to transform how we behave, lead and operate.

We have an opportunity to reimagine the way in which technology and energy shape our lives and build our environment.

Now is the time to take action to create a future beyond what we thought possible.

## #PowerTheChange

The time for change is now. In our common quest to create a cleaner, safer and more sustainable future, we must take ownership and accountability.



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Aker Solutions saw great challenges and also many achievements in 2020. While COVID-19 and market volatility negatively impacted our operations for most of the year, we were able to successfully complete the merger with Kvaerner. Together we are a leading supplier company, focused on sustainability and well-positioned for new energy markets.

Our actions in 2020 focused on the health and safety of our employees and maintaining deliveries for our clients. We also made significant structural and strategic changes to transform the company to be a supplier accelerating the transition to sustainable energy production. Sustainable business is the license to operate, both in the energy industry, and as a respected employer, partner, and global economic citizen. Since joining Aker Solutions as CEO in August 2020, we have revised the enterprise strategy to even further strengthen the sustainability goals and targets.

In 2019, Aker Solutions set clear, long-term revenue targets around renewables and low-carbon solutions. Last year we revised those targets to be even more aggressive. By 2025, the company's aim is that one third of our revenue should come from low-carbon oil and gas projects or from renewable energy business. By 2030, the goal is two thirds of our revenue. Aker Solutions is helping customers and the world reduce emissions, whether through supplying low-carbon solutions or the innovative engineering and design that is vital for rapidly expanding renewables markets.

The merger between Aker Solutions and Kvaerner combines two strong, respected organizations but with different starting points when it comes to reporting, both in structure and complexity. Through 2021, we will continue to expand our reporting on

KPIs for the new organization, including on CO<sub>2</sub> emissions. We have committed to a 50% reduction in our absolute carbon emissions (Scope 1 and Scope 2) by 2030, using 2019 as a baseline. The baseline will be established using the combined CO<sub>2</sub> emissions data for Aker Solutions and Kvaerner for 2019.

In 2020, the COVID-19 pandemic brought new challenges from an HSSE perspective. We took immediate and decisive action in January 2020 to ensure the health and safety of our employees, suppliers and local communities and to prevent the spread of the virus. In collaboration with customers and authorities, we established procedures for virus precautions and shared consistent and reliable information with our employees around the world. We also collaborated with our local health care systems, providing donations of protective equipment during the first phase of the pandemic, when supplies were short.

Due to the restrictions brought forward by the pandemic, many of our activities and initiatives were postponed or put on hold. But we also found new ways of collaborating with our charitable partners through digital events or refocusing our efforts. As an example, we used in-house equipment to produce face shields for local hospitals. We also made donations to local societies to enable stronger virus precautions.

We should not underestimate that the pandemic will continue to influence our lives and our projects in 2021 and beyond, but there is also great potential and growth to come from a more responsible and sustainable way of doing business. As an industry we are facing a dual challenge: how to transition to a low carbon future, whilst simultaneously fulfilling the world's need for affordable energy and profitable jobs. This is a challenge no company or individual is capable of solving alone. It will require bold moves, different ways of collaborating and new partnerships.

Sustainability is no longer a theory or single talking point. Governments, societies, investors and clients are making the transition from discussing and planning to action and accountability. Regulation on climate action and new industry strategies will provide opportunities for Aker Solutions to grow our role as one of the world's largest suppliers to oil and gas companies. Aker Solutions is committed to helping the world make the transition to a low carbon, sustainable economy.

Best Regards,



Kjetel Digre

**Chief Executive Officer**

# Key Figures

87

NATIONALITIES IN OUR WORKFORCE

24%

FEMALE LEADERS

568

CO<sub>2</sub> EMISSION INTENSITY<sup>1</sup>

12%

INCREASE IN STUDIES RELATED TO  
ENERGY TRANSITION PROJECTS

0.27

SERIOUS INCIDENT  
FREQUENCY

A

ESG 100 2020 RANKING<sup>2</sup>

**Merger between the former Aker Solutions and Kvaerner organizations:** The merger was concluded on November 16, 2020. HSSE data from Kvaerner is included for the full year 2020. Diversity data is for merged organization as of December 31, 2020.

1) metric tons CO<sub>2</sub> per million hours worked.

2) Annual analysis and ranking of how the 100 largest companies on the Oslo Stock Exchange report on ESG.

## 2. Sustainability at Aker Solutions



Sustainability at Aker Solutions is about making responsible business decisions that create value while protecting the environment and contributing to the good of society.

With a clear focus on environmental, social, and governance activities, sustainability at Aker Solutions is enacted by:

- Committing to working together to face the climate change challenge
- Taking ownership to create a cleaner, safer and more sustainable future by finding improved solutions
- Acting responsibly to the benefit of our employees and society



## Our view

A leader in forging a sustainable future for the global energy industry and the world it serves.

The time for change is now. In our common quest to create a cleaner, safer and more sustainable future, we must take ownership and accountability.

At Aker Solutions we are changemakers and accelerators. We are resilient, and we know from experience, that we are able to solve hard problems, even when they seem impossible.

## Merger of Aker Solutions and Kvaerner

In July 2020, Aker Solutions announced the merger with Kvaerner and in November 2020, the merger was completed and the new Aker Solutions was launched. During the merger process, Aker Solutions spun off the development side of the offshore wind business and the carbon capture (CCUS) business into two new, separate companies, Aker Offshore Wind and Aker Carbon Capture.

The combination of Aker Solutions and Kvaerner created a new company with a stronger position and optimized portfolio that can focus on radically improving efficiencies in oil and gas deliveries, including through the use of industrial software and digital technology, while simultaneously being a leading execution partner that helps accelerate the transition to renewables.

The two companies share complementary capabilities, a common history and a long working relationship with aligned values, dedicated employees and a vigorous commitment to be a leader in the energy transition. The combined company has about 14,500 employees worldwide in more than 50 locations in over 20 countries.

The new Aker Solutions is one of the world's leading suppliers of solutions to reduce climate gas emissions from oil and gas installations, and for delivery of complete renewable energy production facilities. Spinning off Aker Offshore Wind and Aker Carbon Capture does not mean we are pulling out of low-carbon and renewable markets. The opposite is true: Aker Solutions will act as a partner for products, engineering, construction and execution within these segments.

**“** Aker Solutions will act as a partner for products, engineering, construction and execution within low carbon oil and gas projects and renewable markets.

Our offering spans the entire value chain. We help oil companies develop concepts for new projects in the first phase, we deliver complete and integrated oil and gas installations offshore and onshore when the projects are decided, and we perform maintenance and operations support. And at the end of an installation's lifetime, we plan and execute the decommissioning, and we perform the recycling of components. Even with increasing development of renewable energy, the world will need oil and gas for a long time and this remains our main source of revenue. We are proud that we have technology, skilled employees and facilities that can enable oil and gas production with low carbon, or even zero, emissions.

## Our values



### Values

All Aker Solutions employees share a common set of values – the compass that guides our policies, our operations and our behavior.

In 2021, Aker Solutions is embarking on a six-month strategy and culture process to gain feedback and insight from employees all across the organization. One of the elements of this project is to review the existing cultural framework with employees and customers and gather new ideas and opinions. At the end of the process, depending on the feedback, new or updated values may be introduced in the second half of 2021.

## Targets

We have over the past 50 years become one of the key contractors in the global oil and gas industry. Now, our role is to be the supplier that enables customers and the society to accelerate the transition to sustainable energy production.

We are increasingly delivering solutions that enable oil companies to operate production facilities with low carbon emissions, executing projects for carbon capture and storage and providing solutions for renewable energy production.

Our goal is that our activities within low carbon solutions for oil and gas operations, together with projects for renewable energy sources, will count for 1/3 of our total revenues in 2025 and 2/3 in 2030.

We believe oil and gas will remain our largest revenue contributor, but in order to remain competitive we will have to deliver cost-effective solutions to optimize performance and minimize the environmental footprint in both new and existing segments.

## Governance

Aker Solutions works proactively to ensure sustainability, integrity and responsibility in its operations.

Sustainability at Aker Solutions is about making sustainable business decisions that add value to the company, its stakeholders and society. Sustainability considerations are integrated in internal processes and business operations and tailored to diverse local contexts and stakeholder expectations. The company is a signatory to the UN Global Compact, and thereby respects and adheres to the precautionary principle (Principle 7). This report is our annual Communication

## Aker Solutions' Sustainability Governance Structure



on Progress. Aker Solutions has published corporate responsibility / sustainability reports since 2006, with annual releases since 2010.

Aker Solutions reports and communicates on sustainability according to the Global Reporting Initiative (GRI), Carbon Disclosure Project (CDP) and the Task Force on Climate Related Financial Disclosures (TCFD). We also follow the Euronext guidance on ESG reporting of January 2020. Aker Solutions' strategy supports the UN Sustainable Development Goals. For information about Aker Solutions' third party ESG ratings, see the appendix.

Sustainability at Aker Solutions is owned by the CEO. The board of directors is responsible for

overseeing and safeguarding management of the company's sustainability (environmental, social, and governance - ESG) work.

In 2020, the company's communications team, under the COO, had the responsibility to assess, maintain and report on these topics while the company's delivery centers are responsible for implementing, monitoring and sharing the company's sustainability work. Each of the company's locations is responsible for ensuring compliance with local legal requirements in addition to the corporate requirements.

Sustainability is embedded into Aker Solutions enterprise strategy and is not a separately developed strategy.

Decisions are made every day that have an impact across our value chain: they affect people, customers and suppliers, as well as the environment and the communities in which we operate. Some of these decisions have a short-term impact, while others have a long-term effect on stakeholders and the environment. Aker Solutions believes that the effects are positive overall, but the company is aware of the difficult trade-offs and dilemmas that characterize the oil and gas industry. We know that how we conduct ourselves as an employer and as a business has a profound impact on the company's ability to create long-term value for society and for our shareholders. More information on risk management can be found in our [Corporate Governance Report](#).

The code of conduct is the key governing document and the foundation of our drive to uphold the highest levels of integrity and avoid becoming complicit in unethical or illegal behavior. We strive to minimize harm to the environment by providing environmentally sound technology for our own activities and those of our customers'. We recognize our responsibility to positively impact societies and strive to ensure that they benefit from our operations.

Aker Solutions' Management System is governed through 10 policies anchored at the highest level in the organization that describe the intention and direction of the organization as formally expressed by top management. They are valid for everyone in Aker Solutions and may be shared with our customers and prospective customers. Our business processes are owned by our global functions and business segments with responsibility and authority to standardize and optimize our work processes to secure efficient operation. The 10 policies are: Governance, HSSE, Performance, People, Finance, Supply Chain, Data

Protection & Information Security, Customers & Strategy, Segment Execution and Business Integrity. These policies can be found on [our website](#). Due to the merger with Kvaerner in November 2020, the policies were updated to reflect the new organization and are now published.

## Stakeholder Engagement

Aker Solutions is committed to ongoing engagement with stakeholders to listen to their concerns and understand their expectations. The basis and scope of this report has been shaped by the new materiality assessment conducted in 2020, and by our stakeholders' expectations obtained through monitoring and dialogue.

We interact with employees, unions, investors, customers, suppliers, owners, governments and national authorities, banks, non-governmental organizations, industry groups and collaborative partners. The frequency of our engagement, activities, communication channels and key topics discussed are included in the tables on the following pages.

In March 2020, Aker Solutions implemented Yammer as our main internal communications tool and networking platform. With applications for laptops and mobile devices, Yammer allows for digital communication, engagement and connection across the global organization. Throughout this report, references are made to communications shared via Yammer. After the merger between Aker Solutions and Kvaerner was completed, Kvaerner employees were added to the global and local Yammer communities. All employees in Aker Solutions have access to Yammer either through computer or mobile device.



## Stakeholder Engagement Table

Stakeholder Group	Type of Engagement and Aker Solutions' content / response	Frequency of Engagement	Key Topics and Concerns Discussed
Customers and Collaboration Partners	<ul style="list-style-type: none"> <li>■ Phone and email communication</li> <li>■ Customer and project meetings</li> <li>■ Tradeshows and technical sessions</li> <li>■ Site tours and audits</li> <li>■ Customer satisfaction surveys</li> <li>■ Tender responses and presentations</li> </ul>	Daily, Weekly, Monthly, Quarterly, Annually	<ul style="list-style-type: none"> <li>■ Anti-corruption and bribery</li> <li>■ Climate risks</li> <li>■ Emergency preparedness</li> <li>■ GHG emissions</li> <li>■ Human rights</li> </ul> <ul style="list-style-type: none"> <li>■ Low carbon solutions for customers</li> <li>■ Occupational health and safety</li> <li>■ Quality issues</li> <li>■ Responsible supply chain</li> </ul>
Employees and Potential Employees	<ul style="list-style-type: none"> <li>■ Internal communication channels (Yammer / Arena)</li> <li>■ Global webcasts, Local townhalls, Team meetings</li> <li>■ Social media</li> <li>■ Performance dialogues and reviews</li> <li>■ Career development conversations</li> <li>■ Code of conduct and other trainings</li> <li>■ Employee surveys</li> </ul>	Daily, Weekly, Monthly, Quarterly, Annually	<ul style="list-style-type: none"> <li>■ Diversity and equal opportunity</li> <li>■ GHG emissions</li> <li>■ Human rights</li> <li>■ Low carbon solutions for customers</li> <li>■ Occupational health and safety</li> <li>■ Strategy</li> <li>■ Talent attraction, development and retention</li> </ul>
Financial Community and Owners	<ul style="list-style-type: none"> <li>■ Phone and email communication</li> <li>■ Investor meetings and roadshows</li> <li>■ Press releases</li> <li>■ Annual and quarterly reporting</li> <li>■ Regular and annual general meetings</li> </ul>	Monthly, Quarterly, Annually (and ongoing basis when relevant)	<ul style="list-style-type: none"> <li>■ Climate risks</li> <li>■ Compliance and Governance</li> <li>■ Financial results and outlook</li> <li>■ Low carbon solutions for customers</li> <li>■ Strategy</li> </ul>
Governments, Authorities, NGOs and Industry Groups	<ul style="list-style-type: none"> <li>■ Phone and email communication</li> <li>■ Scheduled meetings</li> <li>■ Visits and tours at Aker Solutions' facilities</li> <li>■ Committee meetings</li> <li>■ Contact at established arenas / conferences</li> <li>■ Community events, sponsorships and partnerships</li> <li>■ Participation on advisory boards</li> <li>■ Social media</li> </ul>	Monthly, Quarterly, Annually Frequency depends on type of government / public authority body  Aim for pro-active approach regarding priority cases about frame conditions, specific topics, etc.  For NGO's with focus of less direct relevance for Aker Solutions' business, contact is as needed, driven mostly by events	<ul style="list-style-type: none"> <li>■ Anti-corruption and bribery</li> <li>■ Climate risks</li> <li>■ Compliance, including adherence to regulations to protect health, safety and environment</li> <li>■ Diversity and equal opportunity</li> <li>■ Frame conditions related to current operations / new business opportunities</li> <li>■ Human rights</li> <li>■ Information / updates regarding status and outlook for operations</li> <li>■ Low carbon solutions for customers</li> <li>■ Outlook for market trends and opportunities for new contracts, and potential effects on local / regional / national employment</li> <li>■ R&amp;D and technology, including focus on the effects on reducing environmental footprint, improving safety or increasing value creation</li> <li>■ Rules / Regulatory compliance</li> <li>■ Spills</li> <li>■ Status and plans for training / education of existing new employees, including programs for apprentices</li> <li>■ Status of operations, and effects on local / regional / national employment</li> </ul>

Continues on next page

## Stakeholder Engagement Table Page cont.

Stakeholder Group	Type of Engagement and Aker Solutions' content / response	Frequency of Engagement	Key Topics and Concerns Discussed
Media	<ul style="list-style-type: none"> <li>■ Phone and email communication</li> <li>■ Interviews</li> <li>■ Press releases</li> </ul>	<p>Daily, Weekly, Monthly Frequency depends on type of media, reach to key Aker Solutions' stakeholders, and editorial focus vs Aker Solutions' key business activities.</p> <p>Aim for pro-active approach to key media.</p> <p>For less prioritized media, contact frequency as needed, driven by company / industry / local activities.</p>	<ul style="list-style-type: none"> <li>■ Anti-corruption and bribery</li> <li>■ Climate risks</li> <li>■ Compliance, including adherence to regulations to protect health, safety and environment</li> <li>■ Diversity and equal opportunity</li> <li>■ Human rights</li> <li>■ Low carbon solutions for customers</li> <li>■ Outlook for market trends and opportunities for new contracts, and potential effects on local / regional / national employment</li> <li>■ R&amp;D and technology, including focus on the effects on reducing environmental footprint, improving safety or increasing value creation</li> <li>■ Status and plans for training / education of existing and new employees, including programs for apprentices</li> <li>■ Status of operations, and effects on local / regional / national employment</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>■ Phone and email communication</li> <li>■ Meetings</li> <li>■ Supplier visits and audits</li> <li>■ Business planning</li> <li>■ Business and project reviews</li> <li>■ Negotiations and prospects discussions</li> </ul>	<p>Daily, Weekly, Monthly, Quarterly, Annually</p>	<ul style="list-style-type: none"> <li>■ Anti-corruption and bribery</li> <li>■ Competitive roadmap and strategies</li> <li>■ Cost efficiency</li> <li>■ Human rights</li> <li>■ Innovation and new technologies</li> <li>■ Joint improvement programs</li> <li>■ Low carbon solutions for customers</li> <li>■ Modern Slavery Act statement</li> <li>■ Occupational health and safety</li> <li>■ Project performance</li> <li>■ Quality and deliveries</li> <li>■ Responsible supply chain</li> </ul>
Unions	<ul style="list-style-type: none"> <li>■ Phone and email communication</li> <li>■ Labor / Works council meetings</li> <li>■ Committee meetings</li> <li>■ Consultation meetings and Formal negotiations</li> <li>■ Involvement and consultations related to strategic change and transformation processes effecting employee conditions</li> <li>■ Informal collaboration discussions</li> <li>■ Representation on Aker Solutions' Board of Directors and legal entity Boards</li> </ul>	<p>Daily, Weekly, Monthly, Quarterly, Annually</p>	<ul style="list-style-type: none"> <li>■ Contract / tariff / salary negotiations</li> <li>■ Diversity and equal opportunity</li> <li>■ Human rights</li> <li>■ Occupational health and safety</li> <li>■ Strategic change and transformation processes</li> <li>■ Working conditions</li> </ul>

## Materiality Assessment

In the first half of 2020, we conducted a materiality assessment to review our sustainability priorities. The purpose of the materiality assessment is to allocate resources to areas where the potential impact is the greatest and to identify which sustainability topics are material for Aker Solutions. This will enable us to better manage sustainability risks and opportunities while at the same time provide our stakeholders with material disclosures.

The assessment considers the level of materiality of a topic against two parameters:

- Issues influencing the decision-making of stakeholders, and / or
- The significance of (economic, environmental and social) impacts

The assessment included external and internal stakeholders to help evaluate decision-making priorities and significance of impacts. We experienced an encouraging level of engagement from our stakeholders throughout the process.

The topics listed below are the areas addressed in the materiality assessment. In 2021, we will update the assessment to reflect the merger with Kvaerner (November 2020).

- Low carbon solutions for customers
- Occupational health and safety
- Responsible supply chain
- Human rights
- Climate risks
- GHG emissions
- Diversity and equal opportunity
- Anti-corruption and bribery

- Energy management
- Emergency preparedness
- Talent attraction and retention
- Waste management
- Water management
- Spills

To secure the independence and integrity of the process, the materiality assessment was conducted by a reputable third-party organization.

Conducting a materiality assessment is in line with the Euronext guidance on ESG reporting of January 2020, and NASDAQ as well as the Sustainable Stock Exchange Initiative. It is also a requirement when reporting according to the GRI Standard.

## Charters and Memberships

Aker Solutions is a signatory to the UN Global Compact, the world's largest corporate sustainability initiative, and is committed to its 10 principles.

The company is also a member of Trace International, an international organization promoting transparency and compliance with anti-corruption rules and participates in informal compliance forums with other Norwegian companies.

Aker Solutions officially committed to the [NOIA \(National Ocean Industries Association\) ESG Network](#) by signing a Participation Agreement in July 2020. Signatories pledge their companies will participate in the NOIA ESG effort, providing support to the initiative by encouraging new member companies to attend, helping to create content for the events, and providing information and resources, such as examples of ESG programs and reports.



# UN Sustainable Development Goals

## Our Commitment

Starting with the highest level of the organization, Key Performance Indicators (KPIs) and specific targets hold leadership, managers and employees accountable for sustainability at Aker Solutions. Throughout this report we will share many of these KPIs and targets to demonstrate the company's global commitment to responsible business.

Aker Solutions supports the UN Sustainable Development Goals (SDGs), a collection of 17 global goals set by the United Nations General Assembly in 2015. We have prioritized 9 SDGs where we believe we can have the most impact and where we seek to contribute positively. In 2021, we will review this prioritization to make sure the goals are aligned with the KPIs, targets and material issues for Aker Solutions.



### Good health and well-being

Ensure healthy lives and promote well-being for all at all ages



### Quality education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



### Gender equality

Achieve gender equality and empower all women and girls



### Affordable and clean energy

Ensure access to affordable, reliable, sustainable and modern energy for all



### Decent work and economic growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



### Responsible consumption and production

Ensure sustainable consumption and production patterns



### Climate action

Take urgent action to combat climate change and its impacts



### Life below water

Conserve and sustainably use the oceans, seas and marine resources for sustainable development



### Peace, justice and strong institutions

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

# Climate-Related Risks

Aker Solutions follows the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

The TCFD recommended disclosures and our responses can be found in the independent Climate Risk Review on [our website](#). The original Climate Risk Review and Assessment was completed in February 2020 and will be updated in 2021.

Aker Solutions has identified several climate-related risks and their potential business impacts, and these are tracked through our enterprise risk management system. Moving forward, we will continue to carefully monitor climate risk especially with regard to regulatory and market changes.



## Physical Risks

- Extreme weather, floods, drought
- Changes in natural resources (water scarcity)

### Potential impacts

- Damage to physical assets
- Disruption to operation, supply chain, market, public infrastructure
- Degradation or limitation on resources



## Regulatory and Liability Risks

- Carbon tax, energy regulations, product efficiency regulations
- Lawsuits from parties who suffer damage

### Potential impacts

- Compliance cost
- Restriction on use of carbon intensive assets
- Liability cost



## Technology Risks

- Breakthroughs or incremental improvements

### Potential impacts

- Existing technologies becoming obsolete
- Required investment in new technologies
- Write offs for technologies, stranded assets



## Market Risks

- Change in consumer and investor behavior
- New production models

### Potential impacts

- Viability of business models
- Change in company valuation and access to capital



## Reputational Risks

- Concerns surrounding the nature of company's activities and impacts

### Potential impacts

- Damage to brand value
- Lost revenue
- Challenges recruiting talent, and attracting investors, lenders, and political goodwill

# Preparing for the EU Taxonomy

Aker Solutions is closely monitoring the EU's work on Sustainable Finance and the EU Taxonomy regulation.

The new legislative and non-legislative actions introduced in the European Green Deal and the EU Sustainable Finance Action plan will require financial market participants and companies to consider and disclose how they are working with sustainability in a new and standardized manner.

The EU Taxonomy, a cornerstone of this work, establishes a classification system with criteria for which economic activities can be considered

environmentally sustainable. Large companies will be required to disclose to what extent their turnover, investments and operational costs align with the EU Taxonomy criteria. Going forward, we plan to analyze and disclose how our operations align with the EU Taxonomy criteria. We will also assess how the framework can be used for internal risk management, financial planning and strategy processes within Aker Solutions.



# About this Report

The initiatives highlighted in this report include those that have an impact on our employees, customers, investors and societies where we are present.

## **GRI Standards**

Aker Solutions reports and communicates on sustainability based on the Global Reporting Initiative (GRI) framework. This report has been prepared in accordance with the GRI Standards: Core Option.

Our overview of disclosure according to GRI, including references to sections of the report where GRI indicators are reported upon and the list of material aspects, can be found in the appendix. While preparing the report, we also follow the Euronext guidance on ESG reporting of January 2020.

## **Report Boundaries**

The report boundary is, in general, drawn around companies under the operational control of Aker Solutions ASA. However, we also provide information on some aspects where we have the potential to influence but do not have direct control.

## **Norwegian Accounting Act**

The report addresses the legal requirements for company reporting as specified in the Norwegian Accounting Act ("Regnskapsloven") for reporting on corporate social responsibility.

## **NCGB**

Aker Solutions adheres to the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Policy Board (NCGB). The objective of the Code of Practice is that companies listed on regulated markets in Norway will practice corporate governance that provides division of roles between shareholders, the board of directors and executive management more comprehensively than is required by legislation.

### 3. Conducting our Business with Integrity

Doing business with integrity is imperative at Aker Solutions. We are committed to operate with the highest standards of integrity, everywhere and always.



#### SUSTAINABLE DEVELOPMENT GOALS



- Promote compliance with legal and corporate requirements within the field of business integrity
- Build a culture that prevents unethical business practices
- Reduce and manage business integrity risk in all company activities

## Internal Organization

The Business Integrity and Compliance (BIC) function is responsible for continuously developing Aker Solutions' business integrity program. BIC is organized in a way that enables the company to work proactively with compliance across our operations. In the last quarter of 2020, as a result of the merger with Kvaerner and subsequent reorganization, the BIC team expanded its mandate to cover personal data protection as well as supply chain compliance. Resources have also been reallocated to provide adequate support to the new business segments going forward. The team also includes a global network of local compliance officers at several of our locations.



## Business Integrity Program

Aker Solutions' Code of Conduct is the company's main governing document. It addresses important principles and sets clear rules and expectations for behavior and ethical standards for all employees. The Code of Conduct is supported by the Business Integrity Policy, which outlines Aker Solutions' commitment to key areas such as anti-corruption, human rights, integrity risk management, integrity training and continuous improvement.

**“**Aker Solutions' Code of Conduct is the company's main governing document. It addresses important principles and sets clear rules and expectations for behavior and ethical standards for all employees.

Implemented at all locations globally, our business integrity program is the main tool for ensuring that business is conducted in a transparent and ethical manner. The business integrity program includes components that aim to reduce the risk of becoming involved in unethical or illegal behavior, with particular focus on anti-corruption and respect and support for human and labor rights.

Aker Solutions has a group wide business integrity strategy, which is updated annually. In addition, risk-based compliance plans with key focus areas and targets are developed for the business segments

(previously delivery centers) and aligned with local compliance plans for certain high-risk countries. Local compliance plans were created for Angola, Brazil, India and Malaysia in 2020.

The plans aim to support the implementation of the business integrity program, while also increasing awareness and reducing integrity risks in our operations. Progress on the plans and results are reported to the executive vice presidents on a quarterly basis. Progress on the business integrity work is reported monthly to the chief executive officer. The business integrity program is subject to monitoring by the board of directors, who has delegated the monitoring to the audit committee. The audit committee receives quarterly reporting from the chief compliance officer.

In 2020, neither Aker Solutions nor any employee faced criminal action related to corruption. No contracts with partners were terminated or allowed to expire due to violations related to corruption. The company is not aware of any ongoing investigation or any legal actions pending for anti-competitive, anti-trust or monopoly violations where Aker Solutions is identified as a participant or suspect, nor were any such legal actions completed during 2020. In the fourth quarter, some media referred to speculations that Aker Solutions' entities in Malaysia had not aligned its business licenses with local requirements. The company immediately provided information to both media and business partners confirming that Aker Solutions' entities in Malaysia fulfil all applicable requirements for the set-up of its entities in the country.

## Integrity Risk Assessments

### Operations and Projects

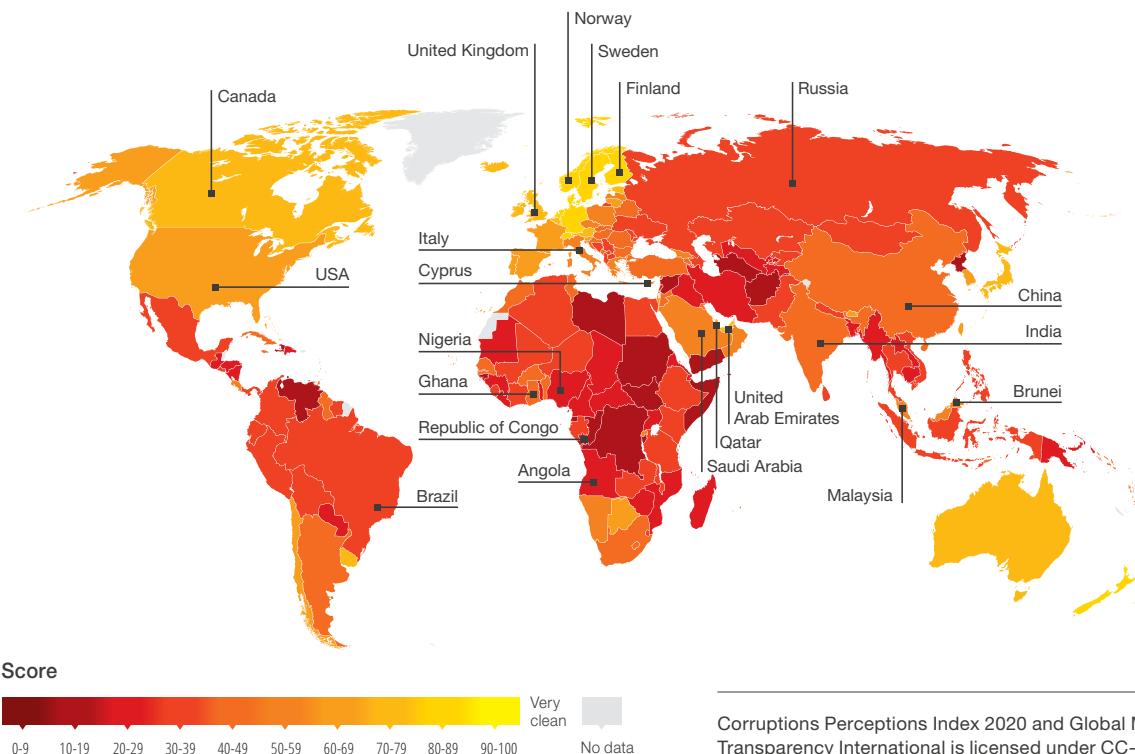
Aker Solutions is present at 56 locations in 22 countries, several of which have scores on internationally recognized indexes that indicate high inherent integrity risk. Normally, most locations complete business integrity self-assessments on an annual basis. Local management conducts a self-assessment of the locations' preventive setup and

internal controls using a standardized questionnaire containing ~60 questions related to responsible business conduct including e.g. anti-corruption and human rights. Weaknesses in the preventive setup and / or internal control environment are addressed through local action plans. Self-assessment scores are spot-checked and verified through reviews led by BIC. Due to the COVID-19 pandemic and subsequent reduced activity, such self-assessments were not conducted in 2020.

Transparency International's Corruption Perceptions Index (CPI) scores and ranks countries / territories based on how corrupt a country's public sector is perceived to be by experts and business executives. It is a composite index, a combination of 13 surveys and assessments of corruption, collected by a variety of reputable institutions. The CPI is the most widely used indicator of corruption worldwide. The CPI scores for the 22 countries where Aker Solutions is present are shown in the map below.

## Corruption Risk Picture

Country	Score
Finland	85
Sweden	85
Norway	84
Australia	77
Canada	77
United Kingdom	77
United Arab Emirates	71
United States of America	67
Qatar	63
Brunei	60
Cyprus	57
Italy	53
Saudi Arabia	53
Malaysia	51
Ghana	43
China	42
India	40
Brazil	38
Russia	30
Angola	27
Nigeria	25
Republic of Congo	18



Corruption Perceptions Index 2020 and Global Map by Transparency International is licensed under CC-BYND 4.0

In addition to local presence, Aker Solutions tenders for and executes projects globally. This requires a proactive approach and assessment of potential prospects in markets associated with high integrity risks. The assessments are performed before making any commitments in the tender phase. Based on the results of the assessments, the company may decide not to bid for potential prospects if the risks are deemed too high or implement project-specific activities to mitigate integrity risk if the tender is successful. The process aims to protect Aker Solutions against the risk of becoming complicit in illegal or unethical practices. As part of the process, the company assesses risks of corruption, human or labor rights infringements, environmental damage and the potential resulting reputational risks. Project risk assessments continued unchanged throughout 2020, despite reduced industry activity levels. The company performed 76 project risk assessments in 2020 compared with 107 in 2019 and 146 in 2018. A separate corporate risk committee evaluates any project seen as having an extraordinary risk.

## Reporting Concerns

Aker Solutions' whistleblowing channel allows anyone to report incidents, breaches or suspected breaches of the Code of Conduct, other internal policies, or laws and regulations. The web-based tool is hosted by a third party and designed to secure reports and all related data, as well as protect the identity of the whistleblower. This includes offering the possibility of anonymous dialogue between the whistleblower and the investigator.

Reports are received and managed by Aker Solutions BIC department. All reports are treated with strict confidentiality. When a case is substantiated, responses can range from internal communication and policy updates to warnings and dismissals. The company maintains a lessons learned database to share key learnings within the organization.

The number of cases reported in 2020 remains healthy at 1.1 reports per 100 employees and is largely in line with the global benchmark. In 2019, the number was also 1.1 reports per 100 employees. The global 2020 Risk & Compliance Hotline Benchmark is provided by Navex Global<sup>1)</sup> and reports a median of 1.4 reports per 100 employees. There were 169 reports in 2020, compared to 176 reports in 2019 and 117 reports in 2018. Around 59% of reports in 2020 concerned employee relations and human resources issues. The remaining cases were related to other business integrity topics. The steady number of reports throughout a challenging year is considered a sign that the channel is working and that awareness efforts have been effective.

BIC is responsible for deciding when investigation of a whistleblower report and related activities shall be closed. The closing of the whistleblower report is subject to monitoring by the board of directors and the audit committee.

In addition to the web-based tool, the company has an ethics helpline for questions or concerns. The helpline is open to all employees at [ethics@akersolutions.com](mailto:ethics@akersolutions.com).

<sup>1)</sup> The benchmark by Navex Global represents 12 industries and includes companies of various size and geography.

## Whistleblower reports

**169** **176**  
2020 2019

Reports concerning employee relations and human resources issues

**59%** **58%**  
2020 2019

## Training and Awareness

Continuous focus on awareness of compliance and business integrity is important to ensure that our employees know what to do if they find themselves in a difficult situation. Although our business integrity program, policies and procedures are applicable globally, we place importance on interacting with employees on the ground to ensure that the local context is considered in our communication and training material. This is to ensure that expectations of business conduct are understood in the context where the training is conducted.

The COVID-19 pandemic has restricted the ability to interact with employees in person. However, awareness activities were still implemented via other channels throughout the year to maintain focus on business integrity throughout a challenging situation. The traditional classroom training was adapted to a format more suited to online delivery and piloted in the India organization. BIC developed specific material highlighting increased business integrity risk due to COVID-19, which was rolled out as an awareness campaign to the global company in a CEO webcast, as well as to several management teams and shared via the global internal communication channel, Yammer. Some locations held virtual compliance weeks,

involving local management and employees in tailor-made activities designed to boost awareness of compliance topics while maintaining all appropriate measures to prevent infections. Local compliance resources made use of communication tools such as video messages, webcasts, email distribution campaigns and quizzes to engage employees in anti-corruption and other business integrity topics.

Aker Solutions governing body is the board of directors of Aker Solutions ASA. All directors are in the scope of a mandatory annual e-learning, where they confirm that they have read and understood the Code of Conduct. The Board composition of Aker Solutions was changed in December 2020. All directors, except those appointed in December 2020, completed this e-learning this year.

In 2020, approximately 11,840 personnel (own employees and direct hired-ins) completed a mandatory e-learning where they confirmed to have read and understood Aker Solutions Code of Conduct. This constitutes approximately 85% of all personnel identified in the target group. For details on number of employees trained, type of course and completion per region, see the appendix.

Aker Solutions' business ethics training program for company personnel<sup>1</sup> consists of three main mandatory components:



### E-learning course

E-learning course which introduces business integrity in Aker Solutions to all new company personnel



### Classroom course

Classroom course in business ethics for office-based company personnel, and all company personnel working in or traveling to high risk countries



### Code of Conduct

Code of Conduct E-learning course which all company personnel must complete annually

<sup>1)</sup> Company personnel is defined as own employees and hired-in consultants / contractors who report hours to and are directly remunerated by Aker Solutions. It does not include personnel employed and remunerated by suppliers / subcontractors.

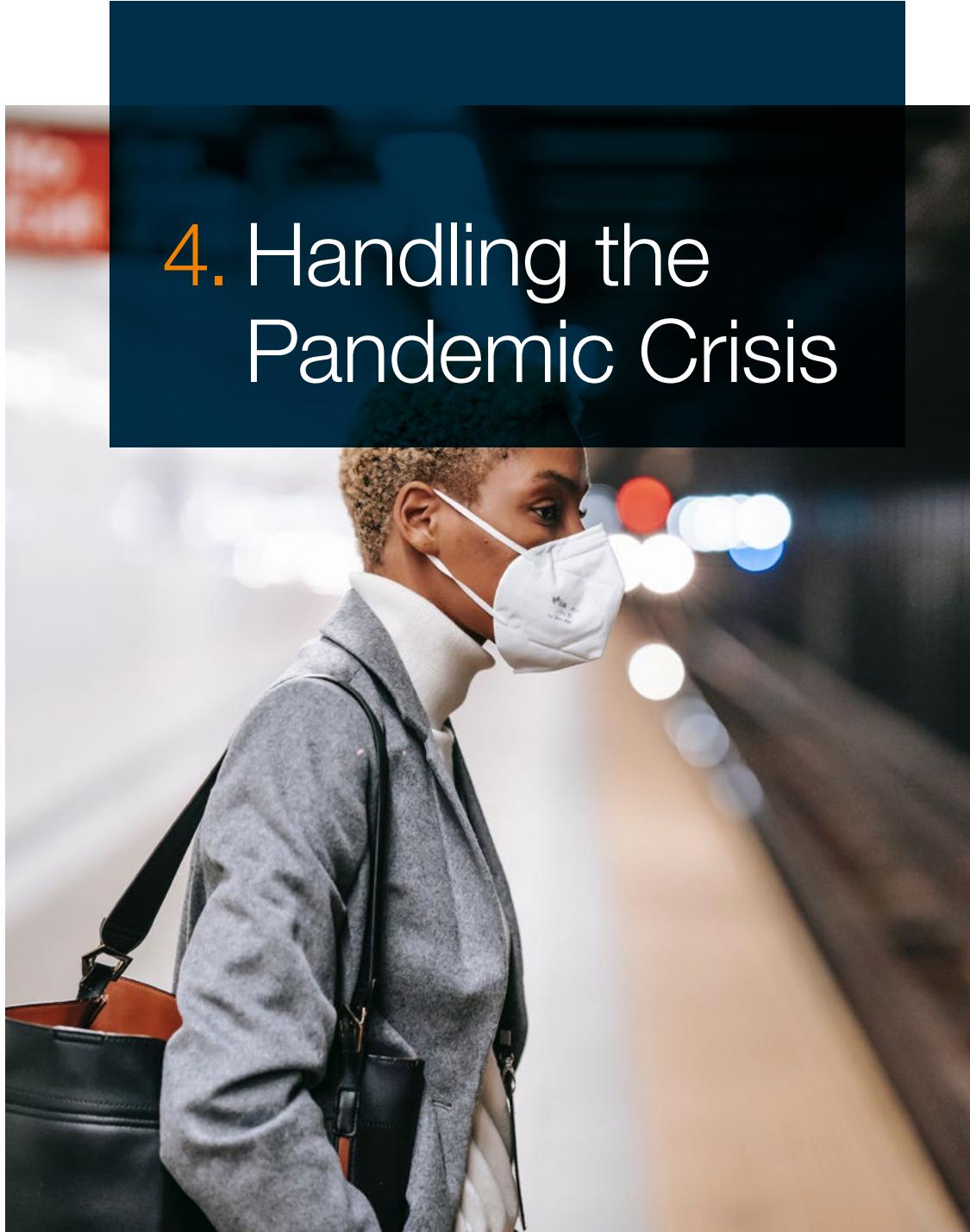
## Business partners

For Aker Solutions, alliance / joint venture / consortium partners represent the highest risk of being involved in or associated with corrupt activities and are therefore subject to more targeted awareness activity. When entering into such a partnership, evaluation of the partner's existing business integrity program is part of the integrity due diligence process, and awareness activities are designed to match the level of maturity of the partner as well as the degree of integration and type of activity performed by the partner on Aker Solutions' behalf. References to the Code of Conduct as well as applicable anti-corruption legislation is always included in the partner agreements. An individual follow-up plan is developed for all medium- and high-risk partners, and activities are monitored by the audit committee through quarterly reporting. At year-end 2020, Aker Solutions had 13 active medium- or high-risk partners. Most follow-up activities towards partners were postponed due to capacity and movement restrictions as a consequence of COVID-19.



2020 Targets	Status	Comment	Targets and Initiatives for 2021
Provide annual Code of Conduct training to all company personnel	✓	Annual target	Provide annual Code of Conduct training to all company personnel
Further digitalize key business integrity work processes	■	Delayed due to COVID-19	Restart projects to further digitalize key business integrity work processes
Evaluate business integrity training program with a view to provide more risk-based targeted training and enable assessment of training effectiveness	■	Delayed due to COVID-19	Evaluate business integrity training program with a view to provide more risk-based targeted training, adapt training to be delivered online and enable assessment of training effectiveness

## 4. Handling the Pandemic Crisis



In Aker Solutions, the COVID-19 pandemic has been managed since January 22, 2020 when the first travel restrictions were implemented, and the Executive Management Team was presented the initial crisis plan including trigger points.

# Timeline of Key Events

Aker Solutions began managing the COVID-19 pandemic in January 2020 and continued with communications and activities throughout the year and into 2021. This timeline shows some of the key events related to the early engagement and management of the pandemic.

## February 4

Aker Solutions mobilized the Tier 3 Corporate Crisis Management Team.

## February 23

Aker Solutions office in Milan, Italy closed – the first outside of China.

## February 26

Tier 2 Crisis Teams for Aker Solutions operations in Norway and UK were mobilized.

## By March 3

All country Tier 2 Crisis Teams were mobilized. Country-specific business continuity plans, with clear trigger points, were created. Clear guidelines for how to handle a suspected and confirmed case were issued. COVID-19 communications site was established on Yammer.

## March 12 – June 11

CEO held weekly/bi-weekly global webcasts (11 total) with all leaders in Aker Solutions.

## March 13

Demobilizing of non-Nordic citizens from Aker Solutions' sites and demobilizing offshore personnel started. Over 3 days, approximately 700 people were demobilized and safely returned to home countries. In Congo and Saudi Arabia, it was initially difficult to bring out expats, but all 9 were safely returned to their home countries within 3 weeks.

## April 16

The Tier 3 Crisis Team stood down as the current situation was determined to be business continuity under the new normal.

## As of March 2021

*Country Tier 2 Crisis Management teams continue to respond to issues and work closely with the head of HSSE. Aker Solutions continues to recommend that countries follow advice from WHO, ISOS and national health authorities. Some offices and locations have continued lock-down as advised by local and national authorities. Yammer continues to be the main communication channel for COVID-19-related information, guidance and requirements.*



## Late January 2020

Corporate dialogues around COVID-19 started with at-risk countries. Tier 2 Crisis Teams for Aker Solutions operations in China and Malaysia were mobilized. Epidemic/Pandemic Triggers and Phase Plan were established and approved by COO.

## January 30

The World Health Organization (WHO) declared COVID-19 a Public Health Emergency of International Concern (PHEIC).

Aker Solutions' framework for crisis management is based on ISO 22301 and the same structure is used for emergency response situations as well as for business continuity events. The structure for handling a crisis is a three-tiered approach where tier one is the location level, tier two is the country level and tier three is the Corporate Crisis Management Team. There are two governing documents outlining the organizational framework, expectations to the business and IT specific business continuity plans.

Country managers have during the pandemic had cross-functional and cross-delivery center accountability for their country and reported directly to the Corporate Crisis Management Team lead by the head of HSSE.



## Confirmed Cases of COVID-19

The first confirmed COVID-19 case within Aker Solutions' employee population was in the Fornebu office in Norway on March 8, 2020. The table on the right shows how this has developed throughout the year.

Tragically, 4 employees lost their lives to COVID-19 in 2020, two in India and two in Brazil. Aker Solutions provided support to their families during these difficult times.

**“** None of Aker Solutions' foreign workers have contributed to the spread of the virus within Norway.

Country	As of December 31, 2020
Brazil <sup>1</sup>	302
Norway <sup>2</sup>	216
India	41
USA	19
UK	18
Angola	13
APAC	9
Russia	6
Italy	1
Congo	1
<b>Total</b>	<b>626</b>

1. The high number of cases in Brazil is mainly related to offshore workers and Aker Solutions has worked intensively with the client to ensure good routines and the use of an international standard of testing.
2. The high number of cases in Norway is mainly due to foreign workers testing positive upon arrival. Aker Solutions has had strict measures in place to ensure that all foreign workers are being tested (before travel), upon arrival and after the recommended period. The company has had separate quarantine quarters and can document that none of these workers have contributed to spreading the virus in Norway.

## Measures Taken

First travel restrictions were communicated and implemented on January 22, 2020. Travel restrictions increased on February 6 with a complete international travel ban in place from March 16. As of publication of this report, these travel restrictions are still in place.

Aker Solutions has, in every country where we are present, followed the national health authorities' guidelines and / or restrictions. As of publication of this report, most office employees are still working from home and in certain countries the offices are locked down. In countries where our manufacturing, fabrication and services sites have been deemed business critical they have remained open with extra measures in place to maintain employee safety and protection from infection.



### Cleaning

Increased cleaning measures and hand-sanitizers were introduced at an early stage at every location and face masks were made available in countries or locations where this was applicable.

### IT

As part of the response from our IT department, two additional servers were added to increase capacity for more VPN (virtual private network) users. In some countries IT equipment was delivered to employee homes and employees have been allowed to check out various office furniture and IT equipment, such as ergonomic chairs and keyboards, to help ensure that employees working from home can prevent physical illness and injury and maintain a safe and healthy work environment.

### Supply Chain

Our supply chain management have been a part of all crisis teams from day one and have performed risk and sensitivity analyses on all key suppliers and deliveries. A dedicated team has been in place to secure deliveries, logistics and shipments. No major delays have been reported to date.

### Legal

The legal department has also been a part of the crisis teams from day one. Force majeure letters were sent to all clients and followed up through every project.

### Customer Management

The leadership teams and Key Account Managers worked closely with all clients to safeguard deliveries and progress in projects.

### Country Management

Country managers and finance teams worked on measures to secure government funding, reduce rent, fix cost and maintain dialogue with banks and financial institutions. In Norway, Aker Solutions has together with the Aker group worked on influencing the government on which measures to implement.

## Communication

Aker Solutions has from day one had focus on clear and reliable communication both internally and externally with the main communications objectives as follows:

- Manage impact of COVID-19
  - People – ensure employees receive correct, timely and relevant information
  - Business continuity – support leaders to maintain productivity
- Continue ongoing work to reduce cost and improve competitive position
  - Ensure global organization understands gravity of situation and need for change
  - Build understanding and acceptance in capital markets that Aker Solutions is introducing the right and necessary measures to address the current and future situation

A communications protocol describing channels, audience and frequency was established early during the crisis and adapted as the situation changed.



Externally, communications to clients and suppliers have been a high priority. On March 17, an [information page](#) was added to our website communicating our commitment to customers, contact information for key clients and countries and a link to our COVID-19 Management work instruction. A similar [information page](#) and update was added for our suppliers. In addition, a [press release](#) was issued on April 1 describing what measures had been taken thus far. Additional information and updates on these measures has been communicated in our regular quarterly reporting through press releases, presentations and webcasts.

Positive stories regarding donations and support to local hospitals and production of parts for facial masks have been published through social media, local and national media.



## Connecting our Employees in India

In India, less than 25 percent of our workforce is typically able to operate remotely from home, as most employees use desktop computers. With a lockdown appearing inevitable, the IT team began preparing office desktop computers to be moved as soon as required. When the lockdown was declared on Friday, March 20, over 475 desktop PCs were sent out to employees' residences. With these in place, about 55 percent of our employees in India were able to operate from home immediately.

Employees with personal home computers were identified and the IT team worked to get them online through VPN connections. Those needing high database requirements or working with 3D models were set up with Citrix and the remote desktop facility. The availability of high-speed internet was also a challenge, and some employees used mobile hotspots to connect from home.

In the beginning of April, additional desktop computers were prepared and sent to employees' residences by special transport. The strong commitment and teamwork (albeit remote!) between IT and facility management, resulted in 90 percent of the India team being connected and operational within six weeks from the start of the lockdown.

# 5. Safeguarding People and Assets

Safe operations are at the core of our values. We believe all incidents can and should be prevented.

## SUSTAINABLE DEVELOPMENT GOALS



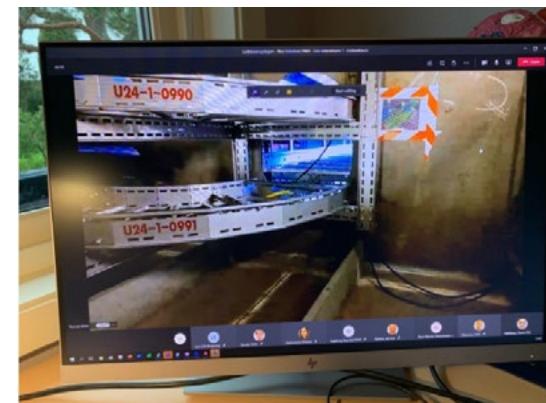
- Provide a healthy, safe and secure working environment for our workforce and customers
- Protect our customers' and our own information, operations and facilities

We work to ensure that employees and others working on our behalf can return home safely. The company often engages in work under challenging conditions, requiring the highest level of diligence in order to maintain the safety of employees and customers, subcontractors, consultants and other parties. In addition, we work to make sure that all work is planned, risk assessed and executed safely by ensuring we have robust control of work processes.

## COVID-19 Global Pandemic

The management of the pandemic while ensuring our business continuity across our global operations has been Aker Solutions' key priority in 2020. As a result, our health, safety, security and the environment (HSSE) plans for 2020, agreed in 2019, have been severely impacted.

However, in an extremely difficult environment, we have still managed to make positive progress in all areas of our HSSE performance in 2020, and this is testament to our people, leaders and the culture that we have developed over the previous years. A key part of managing the pandemic within Aker Solutions has been though enabling our staff to work at home and utilize digital tools. We have also successfully utilized technology to enable virtual site visits to make sure that our leaders can still see and hear what is happening at our worksites. From a work environment and mental well-being perspective, we have increased the focus on support across our operations.



## HSSE Policy and Management System

Aker Solutions' updated HSSE policy states that the company "shall promote safe, reliable and sustainable operations to achieve our goal of zero harm to people, assets and the environment." The foundation for this continuous diligence is the company's management system. This ensures that executive management is focused on HSSE performance and that all segments set HSSE initiatives and goals for the coming year. Significant work has been done this year on the Operating HSSE Management System to provide clarity and drive accountability into the organization.

Aker Solutions is compliant with ISO 14001 and ISO 45001 standards and our management system is based on the principles and requirements provided in these standards. Procedures and Work Instructions are also developed based on requirements in ISO standards and local and country-specific legislation. Compliance obligations for each country covers local legislation and requirements.

Our HSSE management system includes requirements for all employees, external personnel, suppliers and visitors working at or visiting all Aker Solutions locations. To ensure continual improvement of the system, the business level annual reviews are also included in the Aker Solutions Management Review. In addition, regular internal audits at the location level and an annual external audit are important parts of our improvement process.

Participation and consultation of workers and workers representatives, where they exist, is a key success factor for the HSSE Management System and a key ingredient in a strong HSSE culture. Leaders who encourage active employee participation in resolving HSSE issues promote employee ownership of those



issues. An overview of the minimum expected level of worker participation and consultation on specific activities, from a global perspective, is included in our management system. We enable participation, listen to our workers and cooperate actively with the industry to continuously improve and evolve our processes throughout the value chain.

Other work processes in Aker Solutions have specified requirements for worker consultation and participation. Where required, this is detailed in the applicable processes. Required worker participation and consultation, including determining and removing obstacles to ensure suitable collaboration, is detailed in the HSSE programs for individual units, locations and / or projects.

In 2020, information regarding occupational health and safety was mostly distributed on Yammer, our internal communication and networking tool. Information is also shared on local intranet pages and screens in common areas, where available.

Aker Solutions has implemented a Working Environment Committee (WEC). The goal of the committee is to progress and implement a safe working environment in the company. The committee takes part in planning the safety and environmental work and carefully monitoring developments in the working environment.

Chairmanship of the committee alternates between Aker Solutions management and employees every second year. The committee operates on a quorum basis, and in the case of a tied vote, the chair has the casting vote. The chief safety representative is a permanent member, while other employee representatives are chosen by the trade unions and

the management's representatives are appointed by the company. Trade unions that do not have their own representative may state their views to one of the representatives or directly to the chief safety representative in the committee. The WEC meets at least 4 times per year, and extra meetings can be called if needed.

Aker Solutions has one Corporate WEC and sub-committees per segment. Each sub-committee is made up of employees and delegates from the individual locations, with representatives from projects, departments and HSSE.

## Responsibilities of the Working Environment Committee:

- Answer questions relating to:
  - Company health service and safety service
  - Training and instruction in areas that may affect the working environment
  - Adaptations for employees with disabilities
- Manage plans for new buildings, processes or modifications that require the consent of the Norwegian Labour Inspection Authority and plans that may have a significant effect on the working environment, such as new machinery, rationalization measures, changes to work processes and preventive safety measures
- Participate in the company's health, safety and environment work and in mapping and preparation of action plans. Provide advice on prioritizations and measures
- Assess the health and welfare aspects of working schemes
- Review all reports on accidents, near-accidents and illnesses that may be due to the working environment. Focus on the causes of incidents and ensure that the employer does whatever is necessary to prevent these from happening again
- Review results and reports from occupational health surveys
- Prepare an annual report describing the activities for the year

## Entrenching a Safety Culture

In 2017, Aker Solutions launched a global HSSE mindset program. The quarterly program was continued in 2018 and 2019 with four new modules each year. In 2020, Aker Solutions entered into a collaboration agreement with key customers and peer companies to deliver common modules across our operations on a quarterly basis. Key focus areas were Avoid Major Accidents, Prevent Personal Injuries, Safe Work at Heights / Prevent Falling Objects and Working Environment. These were delivered successfully, and it is Aker Solutions' intent to continue with these collaboration themes in 2021. The goal is to create awareness of the main HSSE risks and / or opportunities to ensure our employees are prepared to handle these situations correctly in their daily work.

We collaborate closely with our clients on HSSE. It is a significant part of the onboarding process when contracts are awarded. Duty of Care audits are completed prior to mobilizing personnel and our personnel are encouraged to exercise their "Stop Work Authority" whenever they see a condition that they feel is unsafe, whether or not they are at an Aker Solutions site. We also work to influence and build health and safety measures through our participation in organizations like IOGP, Step Change in Safety (UK), Norske Industri (Norway) and many other organizations around the world.

## Training

Behavior and HSSE performance are significantly influenced by the competence of the workforce. In 2020, each country manager was responsible for establishing and implementing training programs to ensure that all employees have the necessary skills, training and competency to perform their assigned duties in a safe and environmentally- and socially-responsible manner. These trainings, presented in a language the trainee understands, include: HSSE policy and compliance; operations, mechanical and technical skills; emergency preparedness and response; and any mandated certifications. The program also includes plans for providing orientation and HSSE training to contractors and visitors.

Where specific competencies are required for various jobs, the required skill level is stated in the applicable work process. It's the responsibility of the managers to ensure that their employees have the correct competence to perform the job safely and in accordance with applicable legislative requirements.

Records of trainings are kept in the Aker Solutions' global system, People Portal Learning.

## Hands on Safety



## Life-Saving Rules

Aker Solutions is a member of the International Association of Oil & Gas Producers (IOGP). Membership in the IOGP allows Aker Solutions to collaborate with clients, peers and other exploration and production stakeholders to standardize and share knowledge in order to achieve improvements within HSSE, social responsibility, engineering and operations.

One of the main IOGP initiatives that Aker Solutions has implemented is the IOGP's Life-Saving Rules (LSR). These rules describe key actions to prevent fatal injuries during nine higher risk activities and were developed by IOGP based on analyses of serious incidents across the industry. While the roll-out was kicked off globally in Aker Solutions in March 2019, we have continued to establish and strengthen the focus in 2020. The LSR are now fully integrated into our management system and form the basis of our HSSE leadership development programs.

## Stop Work Authority

We encourage everyone in our company to exhibit their "Stop Work Authority" if they experience a situation or condition that is not as expected. All employees in Aker Solutions have the responsibility and authority to stop work when conditions appear to pose a hazard or if work does not seem to be of the right quality. The Stop Work Authority can be initiated when observing any condition or situation that poses a risk for personnel, environment, material or immaterial assets, or a risk of not fulfilling requirements (internal, client or other external requirements) that may affect the quality of our deliveries. All Stop Work issues are treated positively by the affected employees. No employee should suffer retribution or negative feedback for using their Stop Work Authority.

## Monitoring and Learning

Aker Solutions utilizes Synergi Life as our HSSE and Quality reporting tool. Employees, visitors and contractors can also report incidents, risk observations, near misses and improvements on paper cards if they don't have access to Synergi Life. As a learning organization, we depend on our employees to report incidents, hazardous situations and conditions, so we can prevent similar circumstances in the future.

We also carry out detailed incident review panels with senior leaders to ensure that the investigation process has identified the correct root causes and also identify any leadership or cultural issues that should be addressed.

Several HSSE performance dashboards within Synergi Life are utilized to measure lagging and leading KPIs across our global operation and are discussed at leadership meetings ensuring that managers are accountable for their units' performance.

The introduction of a confidentiality module in the Synergi reporting tool has enabled the function to register sensitive cases while also ensuring privacy aspects. Other improvements of the tool have enabled cases within physical, personnel and IT security to be differentiated and managed by the correct functions. This has also ensured improvements within trending and root-cause analysis. Most of the cases reported in 2020 were related to failure of technical components, personnel not adhering to security procedures and generic cyber-attacks. No serious security incidents were reported in 2020.

In addition, the online HSSE community enables professional discussions, information and document sharing, as well as internal networking and resource sharing, creating a complete learning package that is available throughout the company.

## Focus on Life Saving Rules



## Identifying Hazards, Managing Risks

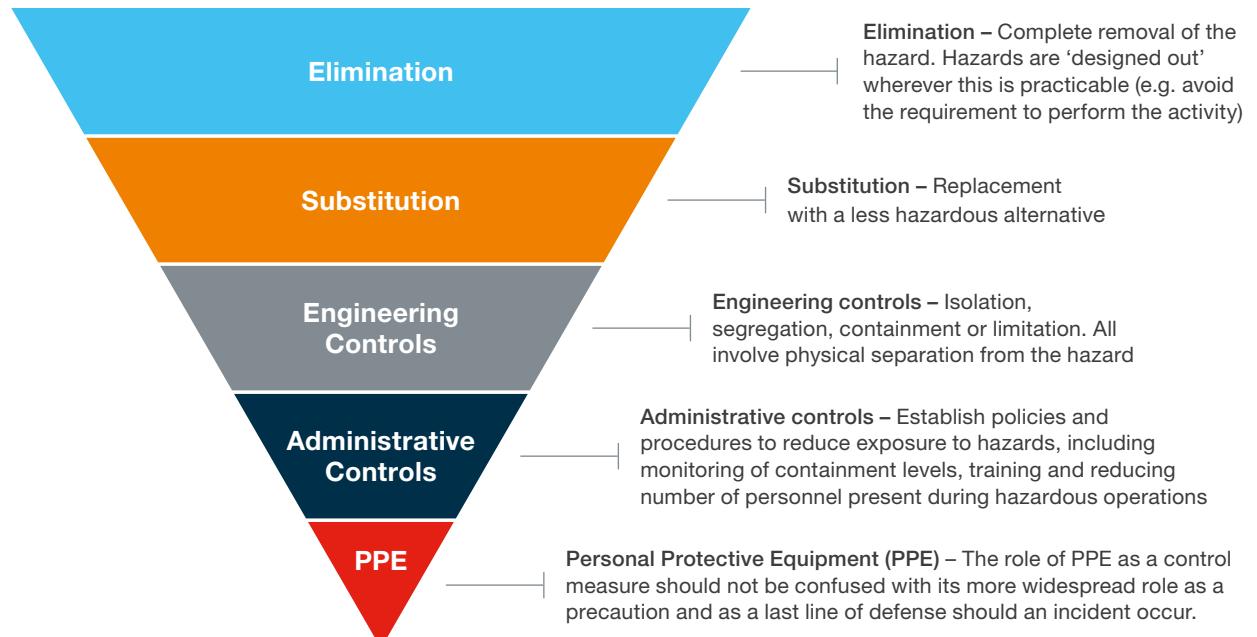
Risks related to HSSE are defined as a risk category in the Enterprise Risk Management (ERM) procedure. On a company level, these risks include physical security threats, crisis management risks (e.g. COVID-19 pandemic), the risk of major accidents related to malfunctions in our products and / or insufficient service and the risk for fatalities, serious injuries or environmental spills in our own operations. However, as Aker Solutions is a multifaceted company, most of the risks are identified and mitigated on lower organizational levels. The global HSSE function is responsible for the development, implementation and maintenance of the ERM framework within each discipline and has a global responsibility for operational effectiveness. Within this responsibility there also lies an obligation to develop and execute global HSSE audit programs and facilitate and coordinate efforts within all units.

To be able to capture and assess all hazards, personnel with diverse and relevant competencies and experience participate in the risk assessment team. A hazard / risk register is established at all Aker Solutions locations and there are ongoing projects to assess and manage all risks and opportunities connected to our facilities and activities.

When determining which controls / barriers are required to manage a hazard to an acceptable level, the hierarchy of controls is utilized. Priority is given to eliminating, replacing or isolating the risk.

The risk owner is responsible for communicating risks and controls to all relevant stakeholders, in particular those exposed to the risk. The communication should be timely and in an appropriate format to the target group, and the stakeholders should be given the opportunity to give feedback on the risks

## Hierarchy of Controls

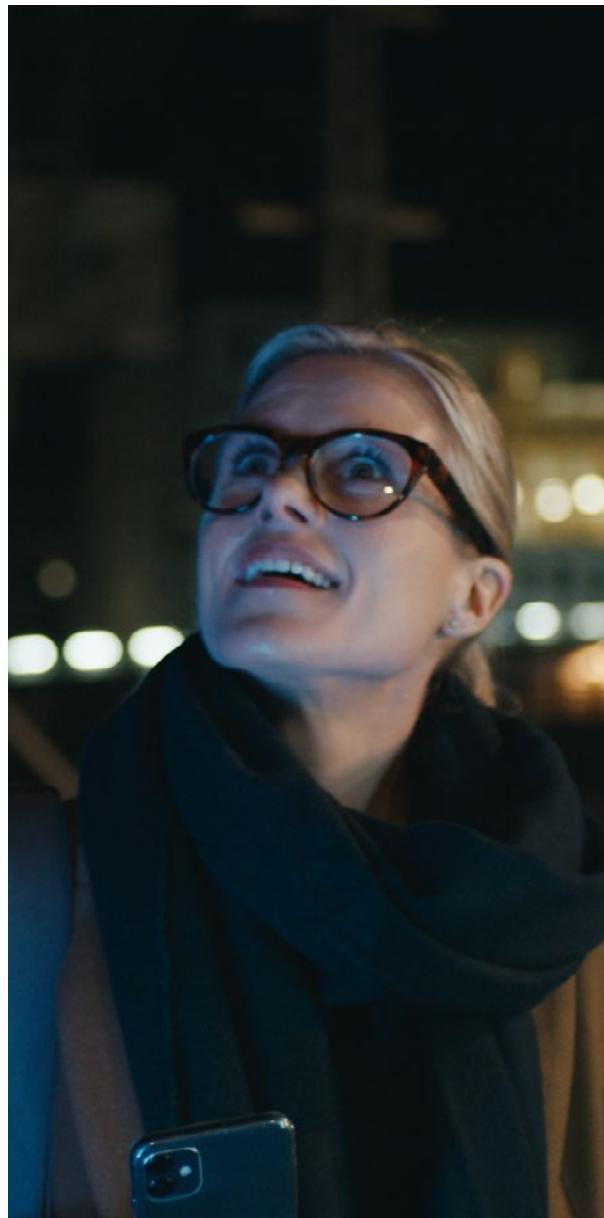


and controls. The risk owner is also responsible to implement controls to mitigate risk to an acceptable level. Controls or mitigations can include operating procedures or instructions, improvement procedures or the addition of new procedures.

## Major Accident Management

As a provider of integrated solutions from subsea to surface, through the entire life of an energy asset, we are aware of our responsibility when it comes to the prevention of major accidents that can result in fatalities and / or serious environmental or social

damage. Our integrated view gives us the insight needed to understand how decisions made about one component affects the other - at a total system level. In 2019, the company established a framework for implementation of Major Accident Management, with focus on defining the roles and responsibilities for technology domain areas. The program was to be implemented in 2020, but due to the COVID-19 pandemic was put on hold. This initiative will be revitalized in 2021 and it is our intent to develop our internal professional network in order to strengthen our focus on process safety and barrier management across the different engineering disciplines.



## HSSE Management of Suppliers and Subcontractors

Aker Solutions values the partnerships and relationships with its vendors and works to ensure that the highest quality products and services can be supplied to Aker Solutions without compromising HSSE. More information on our monitoring and auditing of key suppliers can be found in this report in the chapter Driving a Responsible and Sustainable Supplier Base.

## Security

Aker Solutions' commitment towards safeguarding employees, assets and reputation is demonstrated by the core team of security professionals and the operation of a 24/7 Global Security Operations Centre (GSOC). The Centre supports all aspects of Aker Solutions' global operations as well as some of the sister companies within the Aker portfolio.

In 2020, our plans to continue to onboard our sites around the world to the corporate systems for access management and remote surveillance was impacted by the COVID-19 pandemic, however in 2021, it is our intent to incorporate Mumbai, Al Khobar and Sandnessjøen.

All Aker Solutions employees are required to perform an annual Code of Conduct and business ethics training. For third party security personnel this is controlled through the individual contract with the security companies. Compliance is checked through the Security Risk Assessments (SRA), which are conducted regularly at all locations. The SRA checklist asks if the security guards are trained in human rights, ethical behavior and anti-corruption.

## Emergency Preparedness and Response

The main focus of the company's Corporate Emergency Response Team (CERT) in 2020 was to manage the business continuity and health issues associated with COVID-19.

The CERT is comprised of the leaders from the global HR, IT, HSSE, Security, Legal and Communications functions. The team trains at least once a quarter and all findings and learnings are registered in the Synergi tool.

## Occupational Health Services

Since Aker Solutions operates in more than 20 countries globally, Occupational Health Services (OHS) may have different set-ups in each country. In general, OHS is contracted from a certified OHS provider by our local HSSE or HR department and delivered according to a Service Level Agreement (SLA). Aker Solutions' Global Health discipline is responsible for keeping an overview of the contractual partners and safeguarding the execution of the service. Aker Solutions companies and legal entities in each country are responsible for free access to and quality of the OHS delivered to all employees and hired-in personnel. In 2020, Aker Solutions had OHS contracts at all locations where mandated by national regulations or client requirements.

The main functions and tasks of our OHS are (but not limited to):

- Assist with mapping and assessing health hazards and systematic surveillance of the work environment
- Assist with making annual workplace health action plans and deliver reports on implementation of actions plans
- Assist with industrial hygiene assessments and measurements
- Guide on changes in work processes that may have implications on worker's health
- Perform pre-employment health assessments, fitness for work and travel medical exams, including vaccination
- Perform periodic health surveillance exams based on individual exposure to health hazards
- Health promotion through courses, campaigns and seminars on work-life balance, healthy eating, exercise, smoke cessation and mental health resilience
- Assist with expertise and information on health and safety training courses
- Advice on prevention, management and promotion of workers mental and physical health
- Advice on prevention of work-related injuries and illnesses, including identification and reporting of work-related illnesses
- Assist with sick-leave follow-up, substance abuse programs, stress and fatigue management and personal and family conflicts

The type of OHS delivered to the employees and hired-in personnel is determined by national health and safety regulation, client specifications and the company standard defined in our Health Management and Surveillance Procedure. Depending on the scope and type of services requested, some are delivered on site and some at the location of the OHS provider. Access to the services is secured in local agreements with the workers and confidentiality regarding personal medical information is ensured by the individual OHS provider.

Quality of the service is ensured through the process of assessing the competence of different OHS providers before contracting and checking their authorization. Aker Solutions' Global Health discipline provides advice to the local organization in the selection of the best possible provider and input to the content of the SLA. Furthermore, during the contractual period the HSSE or HR organization engages in regular meetings with the service provider to adjust and improve the quality of services where and when needed. Workers are encouraged to give feedback if not satisfied with the service requested and delivered.

A primary task for our HSSE organization in close cooperation with the local OHS, is to identify and eliminate hazards in the working environment where possible, in order to minimize risk to health of all personnel. The Global Health discipline has recently introduced the Health Hazards Assessment E-score tool to document the identification, assessment and management of all potential health hazards in the workplace. A global work instruction describes this process which was first implemented in 2019 at 12 locations in 6 countries where Aker Solutions has

manufacturing activities. Actions to reduce the exposure to identified health hazards have been taken and continuous improvement plans are in place at these sites.

Information regarding non-occupational medical and healthcare services is mostly distributed on Yammer, our internal communication and networking tool. Additionally, information is shared on local intranet pages and screens in common areas, where available. In some locations, regular employees may have access to a broader range of services than externals depending on the type of service offered, contracts and local agreements.

Aker Solutions offers a wide range of health promotion activities and initiatives. Some initiatives are global and aim to reach out to all personnel working for Aker Solutions, other initiatives are national or local and are specific to local needs and requirements. In 2020, Aker Solutions focused on mental health and how to cope with the stress and uncertainty caused by the pandemic. Several articles and videos were internally published regarding these topics and numerous health promoting activities were offered at different locations, for example:

- Gym facilities and group training
- Online exercise classes
- Company sports and social clubs
- Mental health support line
- Webinars on mental health

## HSSE Indicators / Zero Incident Mindset

Aker Solutions operates with a zero-harm mindset and the belief that all incidents can be prevented. The Zero Days indicator counts days without a recordable injury or serious incident across the company. In 2020, Aker Solutions delivered 305 Zero Days, compared to 297 in 2019. This represents an increase of 8 days. However, the company is committed to reducing this number and has set a goal of 315 Zero Days for 2021.

Aker Solutions utilizes the lagging indicator Serious Incident Frequency (SIF) to focus on the trend and occurrence of high-risk incidents. These are incidents where the actual or potential consequence is deemed to be high or extreme, as defined by the company's classification matrix. The year-end result indicates a positive performance development on this KPI, with a SIF figure of 0.27 which is well below the target of 0.4. We experienced 12 serious incidents in 2020, with 7 of those incidents being dropped objects. Dropped objects is an improvement area where we will continue to focus in 2021.

For 2020 we had a goal of achieving a Lost Time Injury Frequency (LTIF) of <0.25. This target was met, with a year-end result of 0.18. The lost work-day cases were mainly injured fingers and hands due to squeezing and cuts, and arm injuries due to Line of Fire incidents. In 2021, we have initiated a collaboration effort with our key clients and peer companies on Line of Fire incidents. At the end of 2020, the Total Recordable Injuries Frequency (TRIF) was 1.26, compared to 1.29 in 2019, with a 2020 target of 1.10. Due to the merger with Kvaerner and the work completed at our Stord and Verdal yards, we will maintain our 2020 targets for LTIF and TRIF for 2021.

On November 16, 2020, the merger between Aker Solutions and Kvaerner was completed and HSSE KPIs were integrated together to deliver the HSSE performance highlighted. Although Kvaerner had higher risk operations due to the yards located in the Norwegian cities of Stord and Verdal, there were still improvements in all KPIs, with the exception of sick leave, compared to 2019. Analysis has showed the activities at our yards has some of our highest risk activities and we have acted to deliver HSSE leadership programs and to focus on control of work processes at these locations in 2021. For information on the different types of injuries in 2020, see the appendix.

When incidents occur, Aker Solutions initiates an investigation process according to our internal incident investigation standard. Depending on the risk classification of the incident, a team of investigators is tasked with uncovering the details of the incident.

The outcome of this process is a report describing the underlying causes of the incident and outlining the changes and measures that need to be implemented to prevent the incidents from reoccurring. All red or black incidents require an incident review panel, where cross-functional leaders review the investigation, identify all root causes and agree on clear actions to ensure that remediating arrangements are in place.

Typically, the most serious incidents occur due to an insufficient or missing risk assessment before the operation begins and / or managing change during the operation. This area receives a great deal of attention, including through the HSSE mindset program, implementation of lessons learned and in the day-to-day toolbox talks and operation planning meetings.

	Target values 2020	2020	2019	2018	Trend	Target values 2021
Fatalities	0	0	0	0	↗	0
Zero Days	> 314	305	297	288	↗	> 315
SIF	< 0.40	0.27	0.30	0.42	↗	< 0.30
LTIF	< 0.25	0.18	0.30	0.55	↗	< 0.25
TRIF	< 1.10	1.26	1.29	1.97	↗	< 1.10
Sick leave (percent)	< 2.60	3.02	2.50	2.60	↘	< 2.50

2020 Targets	Status	Comment	Targets and Initiatives for 2021
The most important target is always zero fatalities, and we shall promote safe, reliable and sustainable operations to achieve our goal of zero harm to people, assets and the environment	✓	Annual target	→ The most important target is always zero fatalities, and we shall promote safe, reliable and sustainable operations to achieve our goal of zero harm to people, assets and the environment
Roll-out the new Chemical Management system (Chess) for global use	✓		
Transition from OHSAS 18001 to ISO 45001 standard for Health and Safety	✓		
Develop and execute a global plan for registration of work-related illnesses in Synergi	✓		
Implement Major Accident Management	II	Delayed due to COVID-19	→ Implement Major Accident Management
Strengthen focus on HSSE mindset; develop a Hearts and Minds initiative on leadership and culture	II	Delayed due to COVID-19	→ Strengthen focus on HSSE mindset; develop a Hearts and Minds initiative on leadership and culture
Implement the use of health hazard E-score globally, monitor this as a HSSE KPI and reduce exposure to harmful hazards in the working environment	»	Ongoing	→ Implement the use of health hazard E-score globally, monitor this as a HSSE KPI and reduce exposure to harmful hazards in the working environment
Implement Control of Work. Step Change for Safety has developed an industry standard called Safe Working Essentials, which we will implement in applicable areas globally	»	Ongoing	→ Implement Control of Work. Step Change for Safety has developed an industry standard called Safe Working Essentials, which we will implement in applicable areas globally
Reduce health hazard exposure to our people	»	Ongoing	→ Reduce health hazard exposure to our people, focus on mental health
Continued focus on supply chain HSSE management	»	Ongoing	→ Continued focus on supply chain HSSE management

# 6. Our Environmental Impact

As part of the energy sector, we are focused on managing areas exposed to significant environmental risks, including oil spills, resource availability and carbon dioxide emissions.

## SUSTAINABLE DEVELOPMENT GOALS



- Reduce energy use in, and GHG emissions from, our operations
- Increase use of renewable energy as a source
- Reduce hazardous and non-hazardous waste, and prevent spills from our operations
- Contribute to decarbonizing global oil and gas projects and offerings
- Design and deliver renewable energy solutions for offshore wind, carbon capture utilization and storage (CCUS) and other emerging markets



**HSSE Policy:** Aker Solutions' commitment to reducing its environmental impact is detailed in its health, safety, security and environment (HSSE) policy.



We aim to develop and contribute to low carbon and renewable solutions, in addition to reducing our carbon footprint and managing our other significant impacts. Aker Solutions' commitment to reducing its environmental impact is detailed in its health, safety, security and environment (HSSE) policy:

- We shall secure prevention and control of events that have the potential to release hazardous materials and energy by focusing on process safety
- We shall conduct our operations through efficient use of materials and energy
- We shall design products and services to have no undue environmental impact, to be safe and to be efficient in consuming energy and natural resources
- We shall provide the right level of resources to ensure that this policy is implemented appropriately

The HSSE policy is implemented through the management system and various leadership development initiatives. Environmental targets and planned initiatives are governed in the company's HSSE plan for 2021. The environmental plan outlines the details.

## Impact from COVID-19

In 2020, COVID-19 caused disruption in our business and the magnitude of risk has been reduced. Most of the environmental impacts from our operations remain the same, including the potential for uncontrolled release of chemicals and hydrocarbons to air, soil or sea. Carbon emissions is also one of our main environmental aspects, whether from power generation, fuel combustion on our sites or air travel.

We continue to implement these environmental aspects into the company's global management system and risk register to ensure a clear overview and easy access to information. This implementation was scheduled to take place in 2020 but has been delayed due to the COVID-19 pandemic. This work will continue in 2021.

Due to COVID-19, the consolidation of worksites combined with the work from home requirement has caused lower emissions from physical office energy consumption and less waste. Since only business-critical travel has been allowed, emissions related to travel were significantly reduced and most meetings were held in an online or virtual format. We also transitioned workplace inspections to an online platform, creating even more opportunities to reduce business travel and travel-related emissions.

Identifying and managing potential environmental risks and ensuring that appropriate measures are taken for each project and location are integral aspects of the company's project tendering and execution. The new risks brought by the COVID-19 pandemic contributed to increased environmental awareness for Aker Solutions' employees and customers. We continue to monitor climate risks and opportunities and the TCFD recommended disclosures and our responses can be found in the independent Climate Risk Review on our website. The original Climate Risk Review and Assessment was completed in February 2020 and will be updated in 2021.

## Low Carbon and Renewable Offerings

The world will continue to need oil and gas, and this will be a key part of our activities for many years to come. Aker Solutions has a unique opportunity to support our business partners as we work together to face the climate change challenge and build a sustainable future for our clients and the industry at large. We are able to provide our customers with solutions that will lower the carbon emissions from their production via electrification while also designing and delivering renewable energy solutions for offshore wind, carbon capture utilization and storage (CCUS) and other emerging markets.

**“** In 2020, 23% of our front end and early phase engineering studies for clients were related to energy transition projects, as compared to 11% in 2019.

In Aker Solutions, the main ongoing renewables project is Hywind Tampen, the world's largest floating wind project sanctioned to date. We were awarded the EPCI contract for the floating foundations for the project in 2019 and work will continue in 2021. Within CCUS, Aker Solutions' is engaged across the value chain, with projects for the CO<sub>2</sub> capture facility for the Norcem cement factory in Norway, and the onshore Northern Lights CO<sub>2</sub> receiving facility and the related subsea system for injection of CO<sub>2</sub> into the seabed for storage, offshore Norway.

One upcoming segment where we are pursuing opportunities is the market for new hydrogen production plants. We are already engaged in early

phase work for several planned projects. With our design and project execution skills, we can deliver, in close cooperation with partners with specific hydrogen technologies, full scale hydrogen production plants.

Another interesting opportunity we have seen recently is within offshore fish farming. Offshore fish farms need to be larger and more robust to handle harsh weather as well as be financially viable. Aker Solutions' expertise from design and construction of offshore platforms easily transfers to this segment.

Aker Solutions will build on the expertise we have from delivering demanding oil and gas projects to provide unique and competitive offerings and succeed in these emerging markets.

## Managing Our Footprint

Our main goal continues to be further implementing and safeguarding the environmental management system and initiatives introduced into the organization since 2017.

Energy consumption in Aker Solutions is closely linked to the projects that are currently ongoing and the amount and type of work required (e.g. design services, manufacturing activities or services). The best means to monitor steady performance is through an overall reduction in energy consumption over an operational indicator. Aker Solutions uses man-hours. We focus on energy intensity, and ultimately carbon dioxide emission intensity. We have recalculated our carbon dioxide emission intensity as a merged company. For 2021, our aim is for a 5% reduction (<712 CO<sub>2</sub> tons per man-hours worked) based on 2020 targeted levels (750) through improving our internal processes, internal reduction of energy consumption,

improved technological solutions, improved purchasing criteria and by selecting renewables over non-renewables where possible.

Our total energy consumption in 2020 showed a 31 percent increase compared to 2019. This was expected due to the merger with Kvaerner. From November 16 to the end of the year, all activities from the legacy Kvaerner yards are included in our environmental data. All operational sites are reporting, however, due to sharing facilities and difficulty in obtaining accurate data for multi-tenant buildings, we have not included a few small sites with less than 10 people.

Energy intensity, which is energy consumed per million-man hours, is 41 percent higher than in 2019, which means we are using more energy per hour we work. While we have fewer employees working at our sites due to COVID-19 and workforce reduction, we still have to maintain our facilities and keep plants and yards open and functioning. This means that the energy consumed is spread over fewer man hours, resulting in higher energy intensity. Energy consumption is also increased by the addition of the activities at the yards in Stord and Verdal, included as a result of the merger with Kvaerner.

Compared to 2019, carbon dioxide emission intensity had a 24 percent decrease to 568 metric tons per million worked hours, a significant reduction. This is a direct result of the reduced activity and travel restrictions brought on by the COVID-19 pandemic. The main decrease comes from reduced Scope 3 emissions, due to the pandemic and our internal travel restrictions.

For 2020, our Scope 3 emissions include travel information for Brazil, Canada, China, India, Norway, UK and US. We expect that travel will increase slightly in 2021, due to re-opening of borders by countries as a result of the availability of the COVID-19 vaccines. Therefore, activities that were postponed in 2020 that require physical presence of personnel will resume and this may cause a slight increase in our CO<sub>2</sub> intensity in 2021.

“ By 2030, Aker Solutions has committed to reduce absolute carbon emissions (Scope 1 and Scope 2) by 50 percent, using 2019 as a baseline.<sup>1</sup>

In 2020, Aker Solutions experienced only minor spills with limited impact. Most were small spills of hydraulic oil and fuels, which were from equipment, and all spills were handled locally.

Aker Solutions was not subject to any significant fines or sanctions for non-compliance with environmental laws and regulations, and no grievances about environmental impact were filed through formal channels in 2020. We continuously monitor governmental guidelines, directives and regulations regarding the environment to ensure that we are informed and prepared for changes.

1) The baseline will be established using the combined CO<sub>2</sub> emissions data for Aker Solutions and Kvaerner for 2019.

The company responded to the CDP reporting framework on climate change for the full questionnaire in 2020, using 2019 performance numbers. Per CDP's scoring framework, we obtained a score of C. We will submit the full version of the questionnaire in 2021 using 2020 performance numbers.

Aker Solutions is also represented in several of the IOGP committees where environmental impacts from business are being discussed, making sure we contribute to a sustainable future for our industry.

As we are amid the energy transition, Aker Solutions is further committed to improve its operational excellence to minimize cost, focus on sustainable practices and stay ahead of schedule whenever possible.

Following the merger with Kvaerner in November 2020, a new strategy is being developed and will be released in the third quarter of 2021. With the focus on the energy transition, the goals and targets that come out of this new strategy will have an increased emphasis on the environment and climate change.

Aker Solutions continuously strives towards environmentally sound management of waste and environmental hazards. Our work towards developing and deploying environmental technologies, such as efficient production and decommissioning technologies, will further mitigate environmental impact for us and our customers.

See the appendix for environmental figures and data from 2017 to 2020.



The company completed the full questionnaire on Climate Change within the CDP reporting framework for the first time in 2020, based on 2019 data.

2020 Targets	Status	Comment	Targets and Initiatives for 2021
Carbon emission intensity from energy consumption and business travel <750 metric tons CO <sub>2</sub> per million worked hours (12-months rolling average)	✓	2020 Actual: 568 metric tons CO <sub>2</sub> per million hours worked, a 24% decrease from 2019	→ Carbon emission intensity from energy consumption and business travel <712 metric tons CO <sub>2</sub> per million worked hours (12-months rolling average)
Zero spills	✓	Annual Target	→ Zero spills
Local reduction targets on total waste. Targets are set in relation to the types of operations at each site	✓	Annual Target	→ Reduction of overall waste. Targets are set in relation with the types of operations at each site
Capture flight emissions for India, Brazil and Malaysia and include these in our emission accounting	»	Flight emissions data included India, Brazil and China. Malaysia was not included in 2020.	
Include environmental aspects and impact in risk management tool	✓		
Grow our de-carbonization agenda and build a strategy aligned across all delivery centers from an internal and external perspective	✓		
			NEW Align environmental aspects and impact assessment into projects and introduce the life cycle assessments processes.
			NEW Grow our de-carbonization agenda through renewables and low carbon targets of 1/3 of revenue by 2025 and 2/3 revenue by 2030
			NEW Promote the use of Key Environmental Performance Indicators for adoption into new projects

The theme for the 2020 World Environment Day was “Time for Nature” and employees from locations across Aker Solutions participated in individual and communal programs that were run at the site level. Employees shared their projects and efforts on Yammer using the tag **#fornature**.

With most countries in a full or semi-lock down at this time, these programs were also extended to include employee's families and several locations also participated in a 21-day challenge to reduce environmental impacts from home.



# 7. Driving a Responsible and Sustainable Supplier Base

We develop an open and transparent relationship with our suppliers and require them to adhere to our business ethics and standards.

## SUSTAINABLE DEVELOPMENT GOALS



- Ensure our suppliers have a healthy, safe and secure working environment
- Ensure our suppliers' adherence to our Code of Conduct
- Reduce material footprint in our products
- Use less materials in design
- Standardize design to reduce / reuse materials

## A Responsible Supply Chain

Our commitment to sustainability includes our external operations, such as those related to our suppliers and customers, as well as our internal operations. We are committed to engaging only with suppliers that meet our expectations. Suppliers are expected to adhere to our business ethics and values, including our standards for health and safety, human and labor rights, environment, quality management, business integrity and corporate social responsibility, as well as being competent and trustworthy.

After the merger with Kvaerner in November 2020, Aker Solutions' supply chain management team works with around 13,800 direct and indirect suppliers across the globe and employs 1,400 people. Supply Chain Management includes project and yard procurement, subcontracting, sourcing, global category management, supplier quality and

surveillance, material planning, inventory management and logistics. Material costs comprise the bulk of our budget and play a significant role in the success of the business. Sourcing IT services, travel and temporary personnel are important parts of our indirect procurement.

Through our international presence, we establish mutually beneficial relationships with local suppliers and subcontractors. Their local presence, knowledge and expertise is key to our business. It enables us to perform well in a complex industrial landscape and remote locations.

## Approved Vendor List (AVL)

In 2020, Aker Solutions' supply chain managed its entire list of qualified suppliers with the new integrated Approved Vendor List (AVL), thus improving compliance and visualization of our strongly consolidated supplier base.

Aker Solutions' supplier base is qualified and monitored through our AVL. Compliance with our requirements is assessed through process and / or technical audits or due diligence analyses. A chosen supplier, direct or indirect, is expected to meet certain key requirements and fully embrace our ethical standards.

AVL's rigorous qualification, monitoring and performance evaluation process to measure and predict supplier performance is supported by a fact and risk-based approach to supplier selection and development. The qualification requirements can be increased or decreased depending on the complexity of the product or service required and on the country or location of the supplier.



## Supplier Information System

Our Supply Chain Supplier Information System allows us to continuously monitor the performance of our qualified suppliers through the new dedicated dashboard, this includes HSSE and compliance aspects like human and labor rights risks. This information system is integrated with the company's internal audit management tool, which tracks audit reports and findings, lost time incidents and near misses, HSSE and operational performance. It also issues alerts when certifications are expiring.

Aker Solutions' supplier audit program is risk-based and determines where the company focuses its audits. In 2020, due to the limitations enforced by the COVID-19 pandemic, the company conducted 21 external audits of suppliers against the 110 planned, while 120 audits are planned for 2021. The audit includes a detailed questionnaire and verification of adherence with business integrity and compliance, e.g. UN Guiding Principles for Business and Human Rights.

In 2020, we reached 2,245 direct suppliers prequalified for the company's qualified supplier list (AVL). All the suppliers were screened for quality management, health, safety and environmental management, corporate social responsibility, anti-corruption and compliance management, human and labor rights management, supply chain management, human resources and process management. The supplier qualification summary is available to all purchasing departments. This information, combined with operational performance evaluations, provides the procurement department with a solid risk picture of our suppliers, enabling an informed selection.

The company identified and intended to prevent some potential risks of human rights infringements

against vulnerable supplier workers, due to the impact of the COVID-19 pandemic on supplier operations and profitability. Supply chain mitigated these risks by contacting suppliers and spreading additional awareness in respect of Aker Solutions requirements as far as human and labor rights are concerned. In addition to that, we rejected certain supplier qualifications based on poor environmental management or other compliance risks.

## Supplier Performance and Follow-up

In 2020, the Supplier Accreditation program was replaced by a selected portfolio of supplier performance monitoring and development initiatives aimed at minimizing quality surveillance, document review and purchase order administration, ultimately reducing costs and lead times.

This system builds on our systematic process of prequalification. Aker Solutions' supplier quality department within supply chain management drives detailed reviews of processes with main suppliers to ensure full quality control and HSSE in the product manufacturing processes as well as compliance to business integrity principles and respect to human and labor rights.

Our key focus is to ensure that suppliers have proven quality management processes, including change management.

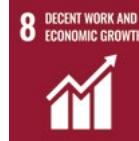
2020 Targets	Status	Comment	Targets and Initiatives for 2021
Reduce CO <sub>2</sub> transport intensity: drive reductions in Aker Solutions' Scope 3 GHG emissions intensity, by involving our freight forwarders as they are gradually offering low-carbon or zero-carbon transport solutions	✓	CO <sub>2</sub> transport intensity dropped from 0.11 kgCO <sub>2</sub> e/t.km in 2019 to 0.05 kgCO <sub>2</sub> e/t.km in 2020 <sup>1</sup>	→ Maintain the trend of CO <sub>2</sub> transport intensity reduction by utilizing more environmentally friendly transportation modes and improving consolidation
Conduct data analysis of suppliers that have the capacity to measure CO <sub>2</sub> e emissions, distribute CO <sub>2</sub> measurement guide and roll-out training campaigns	»	Data analysis completed	→ Based on data analysis conducted in 2020, provide suppliers with CO <sub>2</sub> measurement guide and roll-out training campaigns
Further reduce the number of incidents at suppliers through focused supplier development	✓	Annual Target	→ Further reduce the number of incidents at suppliers through focused supplier development and monitoring
Implement the risk-based human and labor rights approach through the roll-out of targeted communication / training initiatives and on-site audits	II	Delayed due to COVID-19	→ Implement and secure the risk-based human and labor rights approach through targeted communication / training initiatives and on-site supplier audits, where possible
			NEW Develop and provide annual business integrity and compliance refresher e-learning course to all employees with specific focus on human and labor rights and correct business conduct

<sup>1</sup>) t.km is tons transported multiplied by km

# 8. Respecting and Promoting Human Rights

At Aker Solutions, we take our responsibility to respect human rights seriously.

## SUSTAINABLE DEVELOPMENT GOALS



- Respect and comply with international human rights principles
- Build a workplace culture that promotes and respects human rights
- Ensure equal opportunities, equal remuneration and non-discrimination

## Respecting Human and Labor Rights

Aker Solutions respects and supports internationally accepted human and labor rights principles. Aker Solutions' Code of Conduct, business integrity policy and participation as a signatory to the UN Global Compact underpin the company's respect and support for international standards such as the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO Declaration on Fundamental Principles and Rights at Work. We oppose modern slavery in all its forms and our full statement in accordance with the UK Modern Slavery Act can be found on our website.<sup>1)</sup>

Aker Solutions is also bound by the framework agreement between Aker ASA, Fellesforbundet, Tekna, Nitro and IndustriALL Global Union for the development of good working relations in companies that are part of the Aker Group.

To adequately address the company's human rights risks, particular focus is paid to processes and functions such as Personal Data Protection, Health, Safety, Security and Environment (HSSE), Human Resources (HR), and Supply Chain.

As a large global company, Aker Solutions has a legitimate need for collecting and processing personal data related to company personnel as well as to certain business associates, while ensuring that the right to privacy is maintained for all affected individuals.

1) The 2020 statement in accordance with the UK Modern Slavery Act will be published in April 2021. The 2019 statement can be [found here](#).

Aker Solutions often engages in work under challenging conditions, requiring the highest level of diligence in order to maintain the human and labor rights and the safety of employees and customers, subcontractors, consultants and other parties. Relevant prescriptions in the International Bill of Human Rights include rights to liberty and security of the person, the right to enjoy just and favorable conditions of work, and the right to health.

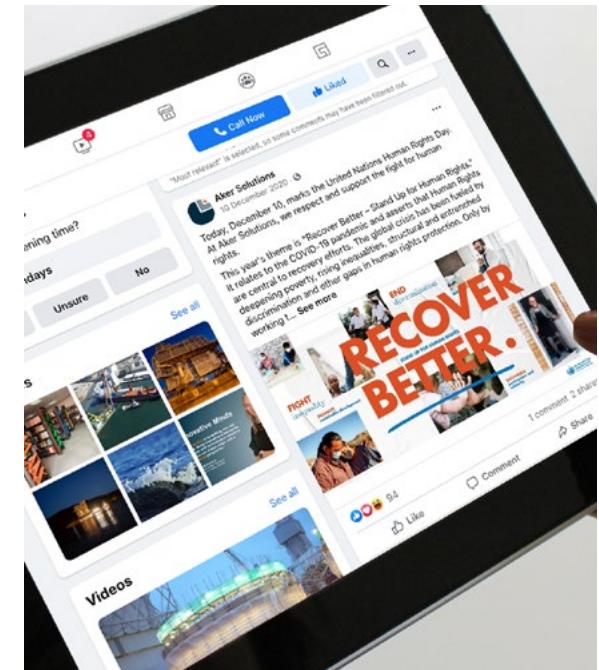
A competent and motivated workforce is vital to Aker Solutions' success. The HR function plays a key role in safeguarding all employment-related prescriptions in the International Bill of Human Rights throughout all employment-related processes. Such prescriptions include:

- Right not to be subjected to slavery, servitude or forced labor
- Right to equality before the law, equal protection of the law, and rights of non-discrimination
- Right to work
- Right to enjoy just and favorable conditions of work
- Right to form and join trade unions and the right to strike
- Right to a family life
- Right to an adequate standard of living

Aker Solutions has identified that a key risk exposure to human rights violations is found in the supply chain. The company therefore seeks to cascade its expectations for human rights protections to its suppliers and subcontractors. The most important prescriptions in the International Bill of Human Rights related to supply chain management are the right not to be subjected to slavery, servitude or forced labor, the right to enjoy just and favorable conditions of work, and the right to health.

## International Human Rights Day

The International Human Rights Day on December 10, 2020 was highlighted in posts on social media and Yammer, reminding all personnel of the company's commitment to respect and support human rights. The communication effort built on the official UN material for 2020 and the theme "Recover Better – Stand Up for Human Rights."



## Human Rights Program

To meet our commitments to respect and support human rights, Aker Solutions shall maintain a human rights program that is risk-based and designed to prevent, detect and respond to human rights risks and learn from incidents of human rights violations.

The human rights committee is responsible for maintaining Aker Solutions' human rights program. The program is designed to minimize and mitigate risk of human rights violations arising from the company's own activities and business relationships. The program consists of three main elements:

### 1. Governance:

- a. The **Code of Conduct** is supported by a global management system. Human rights concerns are by their very nature multi-faceted and linked to multiple business processes. Aker Solutions therefore strives to integrate human rights considerations into its core business processes. This approach also facilitates a company culture where human rights risk is considered as part of core business, rather than as a separate exercise.
- b. To ensure cross-functional discussions and participation, Aker Solutions' **human rights committee** is comprised of representatives from the following functions: HSSE, business integrity and compliance, human resources, data protection, supply chain and communications, as well as representatives from the employee unions. The committee's mandate is to ensure that the company has a sound human rights program and to continuously improve this program. The committee reports to the CEO and the audit committee on a quarterly basis.

### 2. Activities to identify, prevent and mitigate human rights violations:

- a. **Risk assessment:** The UN Guiding Principles Business Reference Guide is applied as a tool to identify Aker Solutions' human rights risks and which human rights the company is in a position to impact. The assessment is reviewed annually.
- b. **Communication:** Regular communication campaigns are organized to increase awareness on the Code of Conduct, whistleblowing, new training programs, changes in current program, systems and tools, etc.
- c. **Training:** Business ethics training is one of Aker Solutions' key initiatives in preventing unethical behavior, including human rights infringements. The purpose of the business ethics training is to clarify expected business conduct, personal responsibilities, relevant regulations and internal policies and inform on the consequences of breaches.
- d. **Due diligence:** To avoid becoming complicit in or associated with illegal or unethical practices conducted by other parties, including direct or indirect involvement in corruption, human rights-, environmental- or labor rights violations, Aker Solutions performs integrity due diligence (IDD) on its customers, suppliers and other business associates. Projects and new country entries are subject to integrity risk assessments.
- e. **Contractual clauses:** Contractual clauses are a tool to signal expectations of respect for internationally recognized human rights to

business associates. Contractual clauses can allow Aker Solutions to demand a contractual party to address and eventually rectify human rights violations or terminate a contract if deemed necessary. Aker Solutions endeavors to include human rights clauses in all contracts with its business associates.

### 3. Monitoring and reporting:

- a. **Inspections, reviews and audits:** Aker Solutions performs regular inspections at its own locations, projects and business partners. Controls of human rights guidelines and directives are regularly carried out, sometimes also in conjunction with a broader review of e.g. health and safety, procurement procedures and / or quality. Identified deviations from policies shall be specifically addressed and improvement actions listed. A key risk exposure to human rights violations is found in the supply chain. Contractual clauses providing right to audit is required for supplier relationships. Supply Chain conducts supplier audits, where human rights and anti-corruption is part of the audit program. A risk-based audit selection methodology has been developed to ensure that high risk suppliers are subject to audits.
- b. **Reporting of concerns, whistleblowing and grievance mechanisms:** All employees are encouraged to report concerns to enable implementation of corrective actions and continuous improvement of the company. Reports can happen through internal channels or the whistleblowing channel. Aker Solutions whistleblowing channel is open for all employees and non-employees who would like to report a breach of laws or regulations, the

Code of Conduct or other internal guidelines or governing policies. You can read more about our whistleblower channel in the chapter Conducting our Business with Integrity.

- c. Investigations:** BIC is given a specific mandate to investigate alleged corporate compliance violations. Investigations are carried out in accordance with the rules set out in the Whistleblowing Procedure and the Investigation Procedure. Incidents and investigations that uncover unwanted practices that put the company in risk of causing, contributing to or being complicit in human rights violations shall result in recommended remediation and improvement actions to reduce the future risk for similar non-compliances in the organization. Such improvements could include updates and strengthening of governing documents, introduction of new internal controls, enhanced training and awareness activities, change of roles and responsibilities etc.
- d. Internal and external reporting:** Aker Solutions is a listed company on the Oslo Stock Exchange and follows the Norwegian Accounting Act for annual reporting. In addition, Aker Solutions follows the Euronext guidance on ESG reporting of January 2020. Pursuant to the UK Modern Slavery Act 2015, the company reports annually on steps that have been taken to ensure that there is no slavery or human trafficking in the supply chain. Internally, the human rights committee reports on a quarterly basis to the audit committee.

## Key elements of Aker Solutions human rights program

### Governance

- Solid governing documents
- Organizational ownership

### Identifying, preventing and mitigating human rights violations

- Regular risk assessments
- Clear and visible communication of expectations at all levels in the organization
- Risk-based training, awareness and lessons learned programs
- Risk-based integrity due diligence of business associates
- Contractual clauses in agreements with business associates

### Monitoring and reporting

- Risk-based inspections, reviews and audits
- Effective channels for reporting of concerns / whistleblowing
- Adequate investigations of all reported concerns / whistleblower reports
- Regular reporting to Audit Committee and in annual Sustainability Report

## 2020 Achievements

Despite capacity restrictions, the Human Rights Committee maintained its quarterly meetings throughout the year. Topics covered by the committee included direct impact of a global pandemic on employees' right to a safe work environment (medical precautions, travel restrictions and other actions to minimize risk of infections). The committee also addressed the impact of the merger with Kvaerner on the human rights risk picture for the new Aker Solutions and developments in the global legislative environment on human / labor rights.

In the first quarter of 2020, the company issued a letter to over 9,000 suppliers outlining expectations and requirements in light of the COVID-19 pandemic,

focusing in particular on the need to respect human and labor rights despite a challenging business climate. A corresponding awareness session was held for buyers and other relevant personnel to raise awareness of potential human rights risk in the supply chain that could be exacerbated by the global pandemic. Internally, an awareness message highlighting increased business integrity risk due to COVID-19 was rolled out to the global company via CEO webcast, as well as to several management teams and the global internal communication channel.

No material human rights grievances against the company were reported in 2020.

2020 Targets	Status	Comment	Targets and Initiatives for 2021
Finalize a human rights policy		Delayed due to COVID-19	→ Finalize a human rights policy
Implement an integrity risk-based supplier audit program	>>	Framework developed	→ Implement the integrity risk-based supplier audit program
Develop a human rights e-learning course	>>	External provider identified	→ Purchase and roll-out a human rights e-learning course to relevant target groups
Further strengthen Aker Solutions' human rights program by implementing mitigating activities where appropriate and ensuring monitoring of processes with an inherent risk of human rights infringements		Delayed due to COVID-19	→ Further strengthen Aker Solutions' human rights program by implementing mitigating activities where appropriate and ensuring monitoring of processes with an inherent risk of human rights infringements

# 9. Ensuring a Competent, Engaged and Diverse Workforce

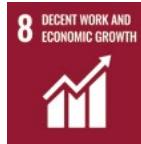


People are key to our success and we achieve this by attracting, developing, motivating and retaining highly competent employees globally.

## SUSTAINABLE DEVELOPMENT GOALS



- Increase employee engagement
- Build relevant competence in organization
- Adjust our working models to meet the demands of the business



The company has a diverse workforce, which it seeks to develop and motivate through competency management, employee engagement, career development and leadership training.

Aker Solutions has one of the industry's most admired environments for concept development and front-end work. Over decades, we have nurtured rising talents and become an attractive employer for the best and brightest. Our focus on accelerating the transition to sustainable energy production, and doing it responsibly, speaks to the next generation who want to contribute to the energy transition.

## Operational Response to COVID-19

The impact from the COVID-19 pandemic and a steep decline in oil demand and commodity prices led to a significant slowdown in activity levels in 2020.

The company introduced measures to protect the health and safety of people, which included temporarily closing sites and introducing home office solutions for thousands of employees around the world. The measures were sufficient to keep up productivity and the company managed to complete several important deliveries during 2020. In response to new market conditions, in the second quarter of 2020, Aker Solutions announced further measures to reduce cost and protect the company's balance sheet. The measures included temporary and permanent layoffs, removing contractors, site closures, early retirement initiatives and freezing pay levels. Aker Solutions decreased its permanent workforce by about 4,000. At the same time the number of contractors was reduced significantly to be aligned with the market fluctuations. Maintaining a flexible workforce protects permanent employees as project requirements fluctuate.

The governments in some countries introduced measures for temporary layoffs and furlough to help companies during the COVID-19 pandemic. In Norway, the US and the UK, Aker Solutions had on average about 600 employees on temporary leave during the second and third quarter of the year.

## Transforming Aker Solutions

The merged Aker Solutions will win projects in the global market, including delivering developments related to renewable energy. To succeed in being competitive, an important objective is to improve productivity, realize synergies and cut costs. The structure of the merged company has been simplified to create a lean and more agile organization, with fewer leaders on every level. Measures were taken to reduce the number of overhead positions in the company by close to 900 positions. The targeted 30 percent overhead cost savings were fully implemented during the fourth quarter, further improving competitiveness.

As a part of the merger and integration process, common operating principles were established to deliver on the main objectives of the new organization:

- Be digital, simple and lean
- Increase the ability to control risk
- Empower the organization ensuring that the decision making is as close to the operations as possible
- Be one company towards the client
- Create a strong cost base that is efficient

Clear expectations related to organizational design and leadership selection were provided to ensure



alignment to the operating principles. Diversity was one of the key criteria in the leadership selection and the following results were achieved:

- More distributed age profiles in leadership positions, with an average age of 47
- Increased percentage of female leadership from 22 percent to 24 percent
- Increased number of nationalities represented in leadership to 26

While the percentage of leaders in the new organization was 22 percent from Kvaerner and 78 percent from Aker Solutions, the total number of leadership roles in the two companies was reduced by about 25 percent. The new executive management team was also reduced by 40 percent, from 17 to 10 positions, with 30 percent of the executive management positions held by females. The Board of Directors for the new company has 10 members, and 40 percent are female.

## Diversity and Equal Opportunity

Aker Solutions is strongly committed to the principles of non-discrimination and equal opportunity, regardless of gender, nationality or other factors. As discussed in the previous chapter on human rights, in 2019, Aker Solutions established a human rights committee with a mandate from the CEO to ensure that the company has a sound human rights program and to work to continuously improve this program. Men have traditionally dominated the oil and gas industry and, particularly, offshore work. This continues to be reflected in our organization, where around 17 percent of our employees are women.

Men hold about 76 percent of our management positions and women hold 24 percent. Aker Solutions seeks to promote diversity in its workforce through clear requirements for diversity in recruitment and development of individuals and programs supporting equal opportunity, in accordance with its people policy and recruitment policy.

We have around 87 nationalities in our workforce. Aker Solutions is committed to enabling local staff to move into management positions, in support of rules for local content and job creation for nationals enacted in some countries. Local management teams actively seek to promote, build and retain local talent, ensuring legal compliance and securing long-term operations.

To increase awareness in the organization related to diversity and equal opportunity, live people statistics / dashboards are available for all line managers and employees via Employee Grand Central, a self-service center for employees and managers in Aker Solutions.

Aker Solutions has a procedure for handling whistleblower cases, and it is followed with respect to investigating discrimination allegations. It ensures all allegations are investigated and feedback provided to the whistleblowers where identity is known. For more information on the whistleblower channel, see the chapter Conducting our Business with Integrity.

In the UK, we are required to report publicly and to the government on the gender pay gap, which is the difference in the average pay and bonuses of all men and women across the company. The initial 2020 results for Aker Solutions show a continuing small decrease in the mean and median pay gap. This continues the downward trend from our first Gender Pay Gap report in 2017. The final pay gap outcomes for 2020 are due to be published in April 2021.

We welcome this transparency measure as an opportunity to engage with employees on equality, diversity and inclusiveness and to discuss these issues in the UK Employee Consultative Forum. The company continues to take measures to address the pay gap in the UK, including setting up a diversity and inclusion group. We are also working with schools and universities to promote the energy sector as an attractive career choice and to encourage more women to enter the industry. For 2021, we will also document the gender pay gap for our Norwegian operations.





## Local Content in Nigeria

In fulfilment of its local content commitment in Nigeria, Aker Solutions has established a Learning Center in Yenagoa, Bayelsa state. The Learning Center is to be utilized for Human Capacity Development Training aimed at bridging the technological gap in the oil and gas sector locally. The Center consists of a main building for training activities, a 23-room hostel building, a mini football pitch, and water and sewage treatment plants. The project was designed and constructed using local contractors and suppliers. In 2020, the project suffered some delays and setbacks mainly due to adverse weather conditions and the COVID-19 pandemic, however the construction was completed in January 2021 with testing & commissioning activities still on-going. The project has high focus on HSSE performance and has achieved zero lost time incidents since construction commenced in May 2018. The construction project is closely monitored and supported by local management and central functions in Aker Solutions.

## Leadership, Talent and Performance

In 2019, over 520 employees participated in our global leadership programs. After a review of these programs, a revised program portfolio was planned to be rolled out in 2020, however this initiative was put on hold due to the COVID-19 pandemic. As a part of the integration process, an on-boarding program was established for new leadership teams to ensure team development and alignment of the new organizational structure.

Implementation of a new software solution contributed to a more streamlined and focused approach to talent and performance management, including succession planning. The objective of these processes is to drive performance and to ensure that Aker Solutions has identified a pool of talent who can move into senior leadership and key professional roles.

Aker Solutions strives to offer professional development, worldwide career opportunities, competitive pay and benefits and a healthy work-life balance for all its employees. The company provides a range of courses and programs in order to develop employee skills in areas like technical & professional, HSSE, Q&CI, compliance, leadership and soft skills.

To reflect changes in business demand, a digitally connected, collaborative and mobile workplace for all employees has been built. This is called the Next Generation Workplace. Next Generation Workplace in Aker Solutions will enhance end-user collaboration and communications through an agile, mobile and secure computing platform. The set of tools (in this case the Microsoft Office 365 suite) should enable all employees to flourish in a more digitally connected, collaborative and mobile world. A digital learning portal has been established to enable the employees to fully utilize these tools.

Our performance process is built upon frequent performance conversations between managers and employees to ensure that we all work towards common goals, accelerate performance and help people grow and develop. The dialogues are mandatory for all employees and have been simplified over the last few years to make them more efficient and impactful.

## Protecting Personal Data

The past year introduced new challenges for international corporations with respect to processing of personal data such as COVID-19 and the Schrems II ruling by The Court of Justice of the European Union. Aker Solutions pays attention to both and continuously engages in finding solutions and mitigating risk. Personal data protection compliance is on the agenda for 2021, working with the new organization to assess risks and compliance and mitigating where needed.

## Employee Turnover

The global voluntary workforce turnover averaged 6.7 percent in 2020, the same as in 2019. We continue to have focus on career development plans to increase employee retention.

## Employee Representation and Engagement

Good industrial relationships are an important part of Aker Solutions' history and culture. We encourage employee representation in our business units worldwide. This is part of our commitment to human and labor rights. Employees worldwide have the right to be heard and represented and to form and join trade unions of their own choice. The global framework agreement between our parent company Aker ASA and Fellesforbundet / Tekna / Nito / IndustriALL Global Union ensures that all Aker companies are committed to providing employees the right to a healthy and safe working environment (ILO conventions 155 and 167). To achieve industry best practice, the company involves and works with employees, their representatives and trade unions to continually improve the company's health and safety performance in compliance with ILO guidelines for occupational health management systems.

Employee representatives provide employees with influence and lines of communication through their participation in working committees, on the board of directors and in operational improvement and organizational change projects. In 2020, the collaboration with employee representatives has been extended to also include discussions on the company's response to the COVID-19 pandemic. The employee representatives were also fully informed and included in the merger and integration process with Kvaerner. In 2020, union representatives in Norway had regular meetings with management on a local and regional level, in addition to more regulatory discussions in accordance with union agreements entered into by the company. Once a year, the unions hold a conference with a formal election process for union representatives in Norway.

## Local Content in Angola

Angola is a significant hub for Aker Solutions and since launching our first in-country operations in 2003, we have been focused on increasing local content capacity, including service base infrastructure. Following the first of a two-phase investment by joint venture AKSEL, construction of the Viana Controls Refurbishment Technology Center in Luanda was completed in 2020. Representing the first sub-Saharan country able to execute hyperbaric testing in-country, the Center brings significant efficiencies to work scopes and projects in Angola. The next phase of investment will include the establishment of additional facilities, including site offices, a workshop, and storage and training facilities.

We are also working closely with local educational institutions. Following the scientific and research labs investment achieved in 2017, a group of 4 Angolan students from the local university Universidade Agostinho Neto (UAN) were selected to study at the Norwegian University of Science and Technology to graduate with a Masters degree and PhD. Additionally, significant investments were made at the UAN campus. The engineering faculty library is now opened after being remodeled and equipped with new furniture, 250 academic books, computers and internet access. To ensure the sustained operation of the upgraded laboratories, the company is providing students with required training in order to use, maintain, and safeguard the facilities.



Twice a year, employee representatives from Norway, the UK, Brazil, Malaysia and India meet with management from the Aker ASA companies as part of the Global Works Council (GWC). In 2020, the GWC was expanded to include employee representatives from the US and Angola. Due to COVID-19, the meetings were held virtually. The council aims to develop communication and consultation between management and employees on issues such as operations and strategy. The meetings in 2020 included an update on business integrity, the outlook for the oil & gas industry and “green Aker” initiatives.

Regarding organizational changes that will affect employees, Aker Solutions follows the legal requirements for national legislation on the minimum requirements of notification period in the countries where there are operations. The legislation varies, but for most countries this is 12 weeks, though it can be as few as 4 weeks in some countries.

In 2019 and 2018, Aker Solutions conducted a global survey to gauge employee engagement. The feedback from this annual survey provides management with specific areas that need focus in the following year. Aker Solutions did not conduct a global survey in 2020.

## Key Staff Figures

In 2020, the number of employees decreased by 1,462 employees compared with 2019. In Norway, the number of employees increased by 2,018, mainly due to the merger with Kvaerner since the majority of their employees were located in Norway. Most of our international locations had a decrease in number of employees, with the biggest effects in Brazil (a reduction of 2,273), UK (a reduction of 665) and APAC (a reduction of 425). Any significant variation in the total numbers during the year are due to the COVID-19 pandemic and market volatility. Additional data and figures on our employees can be found in the appendix at the end of this report.



# Appendix

## Appendix: Global Reporting Initiative (GRI) Index

This report has been prepared in accordance with the GRI Standards 'core' level. We have sought to report fully on all possible dimensions of the disclosures, but where this is not possible, we have reported as comprehensively as possible, based on the data systems we have. The table refers to where information about each disclosure is presented in our Sustainability Report, Annual Report or company website. For a complete description of the individual disclosures, please see GRI's website ([www.globalreporting.org](http://www.globalreporting.org)).

### GENERAL DISCLOSURES

Disclosure #	Disclosure name	Location in 2020 Sustainability Report and / or answer to disclosure	2020 Sustainability Report page number
<b>Organizational Profile - 2016</b>			
102-01	Name of the organization	Aker Solutions	
102-02	Activities, brands, products, and services	2020 Annual Report: Note 3 (Revenue), Note 4 (Operating segments)	
102-03	Location of headquarters	The headquarters for Aker Solutions is located in Fornebu, Norway.	
102-04	Location of operations	2020 Annual Report: Note 27 (Subsidiaries), Other information chapter	
102-05	Ownership and legal form	2020 Annual Report: Note 1 (Company information), Note 12 (Shareholders - Parent Company Accounts)	
102-06	Markets served	2020 Annual Report: Board of Directors' report, Note 4 (Operating segments)	
102-07	Scale of the organization	Appendix: Key Staff Figures, Country by Country Report 2020 Annual Report: Balance sheet, Note 4 (Operating Segments), Note 27 (Subsidiaries), Note 16 (Equity), Note 17 (Borrowings), Note 23 (Capital Management)	69, 77
102-08	Information on employees and other workers	Appendix: Key Staff Figures A significant portion of the organization's activities are not performed by workers who are not employees.	56-60, 69-72
102-09	Supply chain	Main chapter: Driving a Responsible and Sustainable Supplier Base	47-49
102-10	Significant changes to the organization and its supply chain	The new organizational structure is described in the board of directors' report in the 2020 Annual Report.	
102-11	Precautionary Principle or approach	The company is a signatory to the UN Global Compact, and thereby respects and adheres to the precautionary principle (Principle 7).	
102-12	External initiatives	Main chapter: Sustainability at Aker Solutions, Our View Main chapter: Respecting and Promoting Human Rights	10, 14, 15, 51
102-13	Membership of associations	Main chapter: Sustainability at Aker Solutions, Our View Main chapter: Respecting and Promoting Human Rights Main chapter: Safeguarding People and Assets, Life-Saving Rules	10, 14, 15, 34, 51

## Appendix: Global Reporting Initiative (GRI) Index

### Strategy - 2016

102-14	Statement from senior decision-maker	CEO Introduction	4-5
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### Ethics and integrity - 2016

102-16	Values, principles, standards, and norms of behavior	Main chapter: Sustainability at Aker Solutions, Our View	8-9
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### Governance - 2016

102-18	Governance structure	Main chapter: Sustainability at Aker Solutions, Our View	10-11
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### Stakeholder engagement - 2016

102-40	List of stakeholder groups	Main chapter: Sustainability at Aker Solutions, Our View	11-13
102-41	Collective bargaining agreements	Main chapter: Ensuring a Competent, Engaged and Diverse Workforce. In 2020, 60% of our own employees were covered by collective bargaining agreements.	59-60
102-42	Identifying and selecting stakeholders	Main chapter: Sustainability at Aker Solutions, Our View	11
102-43	Approach to stakeholder engagement	Main chapter: Sustainability at Aker Solutions, Our View	11-13
102-44	Key topics and concerns raised	Main chapter: Sustainability at Aker Solutions, Our View	12-13

### Reporting practice - 2016

102-45	Entities included in the consolidated financial statements	2020 Annual Report: Note 27 (Subsidiaries)	
102-46	Defining report content and topic Boundaries	Main chapter: Sustainability at Aker Solutions, Our View Subchapter: About This Report	18
102-47	List of material topics	Main chapter: Sustainability at Aker Solutions, Our View	14
102-48	Restatements of information	No	
102-49	Changes in reporting	Yes. In 2020, a new materiality assessment was completed and a new list of material topics is used for the 2020 report. In 2021, Aker Solutions will update the assessment to reflect the merger with Kvaerner (November 2020).	
102-50	Reporting period	Calendar year (2020)	
102-51	Date of most recent report	Mar-20	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	sustainability@akersolutions.com	
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.	
102-55	GRI content index	Appendix, GRI Index table	62-68
102-56	External assurance	The 2020 report is not externally assured. We aim for external assurance for the 2021 Sustainability Report.	

## Appendix: Global Reporting Initiative (GRI) Index

### Management approach - Material topics

103 1-3	Material topic: Anti-corruption and bribery Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main chapter: Conducting our Business with Integrity	10-11, 19-24
103 1-3	Material topic: Human rights Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main chapter: Respecting and Promoting Human Rights Main chapter: Driving a Responsible and Sustainable Supplier Base	10-11, 47-54
103 1-3	Material topic: Diversity and equal opportunity Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main chapter: Ensuring a Competent, Engaged, and Diverse Workforce	10-11, 55-60
103 1-3	Material topic: Waste management Material topic: Spills Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main chapter: Our Environmental Impact	10-11, 41-46
103 1-3	Material topic: GHG emissions Material topic: Low carbon solutions for customers Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main chapter: Our Environmental Impact	10-11, 41-46
103 1-3	Material topic: Energy management Management approach	Main chapter: Sustainability at Aker Solutions, Our View, Governance Main chapter: Our Environmental Impact	8-11, 41-46
103 1-3	Material topic: Occupational health and safety Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main chapter: Safeguarding People and Assets	10-11, 30-40
103 1-3	Material topic: Emergency preparedness Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main chapter: Handling the Pandemic Crisis Main chapter: Safeguarding People and Assets	10-11, 27, 36-37
103 1-3	Material topic: Talent attraction and retention Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main chapter: Ensuring a Competent, Engaged, and Diverse Workforce	10-11, 55-60
103 1-3	Material topic: Responsible supply chain Management approach	Main chapter: Sustainability at Aker Solutions, Governance Main chapter: Driving a Responsible and Sustainable Supplier Base	10-11, 47-49
FSB's Task Force on Climate-related Financial Disclosures (TCFD)	Material topic: Climate risk Management approach	Main chapter: Sustainability at Aker Solutions, Climate-Related Risks Main chapter: Our Environmental Impact The TCFD recommended disclosures and our responses can be found in the independent Climate Risk Report found on our website: <a href="https://www.akersolutions.com/globalassets/sustainability/tcfด-climate-risk-review-2019.pdf">https://www.akersolutions.com/globalassets/sustainability/tcfด-climate-risk-review-2019.pdf</a>	10, 16, 42

## Appendix: Global Reporting Initiative (GRI) Index

### SPECIFIC STANDARD DISCLOSURES

#### MAIN CATEGORY: ECONOMIC

##### GRI Standard: 205 - Anti-corruption - 2016

205-1	Operations assessed for risks related to corruption	Main chapter: Conducting our Business with Integrity Due to the COVID-19 pandemic and reduced activity, many assessments were not conducted. We have partially reported for 2020, but this area will receive more focus going forward and we aim for complete reporting in 2021.	21-22
205-2	Communication and training about anti-corruption policies and procedures	Main chapter: Conducting our Business with Integrity Appendix: Business Ethics Training Overview We have partially reported for 2020, but this area will receive more focus going forward and we aim for complete reporting in 2021.	23, 24, 73
205-3	Confirmed incidents of corruption and actions taken	Main chapter: Conducting our Business with Integrity	20

##### GRI Standard: 206 - Anti-competitive Behavior - 2016

206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Main chapter: Conducting our Business with Integrity	20
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#### MAIN CATEGORY: ENVIRONMENTAL

##### GRI Standard: 302 - Energy - 2016

302-1	Energy consumption within the organization	Main chapter: Our Environmental Impact Appendix: Environmental Figures	43, 75
302-3	Energy intensity	Main chapter: Our Environmental Impact Appendix: Environmental Figures	43, 75

##### GRI Standard: 305 - Emissions - 2016

305-1	Direct (Scope 1) GHG emissions	Appendix: Environmental Figures	75
305-2	Energy indirect (Scope 2) GHG emissions	Appendix: Environmental Figures	75
305-3	Other indirect (Scope 3) GHG emissions	Appendix: Environmental Figures	75
305-4	Greenhouse gas (GHG) emissions intensity	Main chapter: Our Environmental Impact Appendix: Environmental Figures	75
305-5	Reduction of GHG emissions	Main chapter: Our Environmental Impact Appendix: Environmental Figures	43, 44, 75

##### GRI Standard: 306 - Effluents and Waste - 2016

306-2	Waste by type and disposal method	Appendix: Environmental Figures	76
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## Appendix: Global Reporting Initiative (GRI) Index

306-3	Significant spills	Main chapter: Our Environmental Impact Appendix: Environmental Figures In 2020, Aker Solutions experienced only minor spills with limited impact. Most were small spills of hydraulic oil and fuels, which were from equipment, and all spills were handled locally.	44, 76
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### GRI Standard: 308 - Supplier Environmental Assessment - 2016

308-1	New suppliers that were screened using environmental criteria	Main chapter: Driving a Responsible and Sustainable Supplier Base	48
308-2	Negative environmental impacts in the supply chain and actions taken	Main chapter: Driving a Responsible and Sustainable Supplier Base	48-49

### MAIN CATEGORY: SOCIAL

#### GRI Standard: 403 - Occupational Health and Safety - 2018

403-1	Occupational health and safety management system	Main chapter: Safeguarding People and Assets	32-33
403-2	Hazard identification, risk assessment, and incident investigation	Main chapter: Safeguarding People and Assets	36
403-3	Occupational health services	Main chapter: Safeguarding People and Assets	37-38
403-4	Worker participation, consultation, and communication on occupational health and safety	Main chapter: Safeguarding People and Assets	32-33
403-5	Worker training on occupational health and safety	Main chapter: Safeguarding People and Assets	34
403-6	Promotion of worker health	Main chapter: Safeguarding People and Assets	37-38
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Main chapter: Safeguarding People and Assets	32, 34
403-8	Workers covered by an occupational health and safety management system	Main chapter: Safeguarding People and Assets Aker Solutions' HSSE Management System covers all workers on our sites, no exclusions.	31

#### GRI Standard: 404 - Training and Education - 2016

404-3	Percentage of employees receiving regular performance and career development reviews	Main chapter: Ensuring a Competent, Engaged, and Diverse Workforce We have partially reported for 2020, but this area will receive more focus going forward and we aim for complete reporting in 2021.	58
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#### GRI Standard: 405 - Diversity and Equal Opportunity - 2016

405-1	Diversity of governance bodies and employees	Appendix: Key Staff Figures Board of directors: Male: 60% (6), Female: 40% (4), 30-50: 10% (1), 50+: 90% (9) Aker Solutions does not, unless required or necessary for compliance with local laws and regulations, gather sensitive data on employees or members of governance bodies, including many indicators of diversity such as ancestry and ethnic origin, creed, disability, or inclusion in vulnerable groups. <a href="https://www.akersolutions.com/who-we-are/ board-of-directors/">https://www.akersolutions.com/who-we-are/ board-of-directors/</a>	
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## Appendix: Global Reporting Initiative (GRI) Index

405-2	Ratio of basic salary and remuneration of women to men	Partial Reporting. In the UK we report publicly and to the government on the gender pay gap. The 2020 report will be published in April 2021. The 2019 report can be found here: <a href="https://www.akersolutions.com/globalassets/cr/downloads/gender_pay-gap_report_2019.pdf">https://www.akersolutions.com/globalassets/cr/downloads/gender_pay-gap_report_2019.pdf</a>	
<b>GRI Standard: 406 - Non-discrimination - 2016</b>			
406-1	Incidents of discrimination and corrective actions taken	Main chapter: Conducting our Business with Integrity Main chapter: Ensuring a Competent, Engaged, and Diverse Workforce	20-24, 57
<b>GRI Standard: 407 - Freedom of Association and Collective Bargaining - 2016</b>			
407-1	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk	Main chapter: Conducting our Business with Integrity Main chapter: Driving a Responsible and Sustainable Supplier Base Main chapter: Respecting and Promoting Human Rights	20-24, 48-49, 51-54
<b>GRI Standard: 408 - Child Labor - 2016</b>			
408-1	Operations and suppliers at significant risk for incidents of child labor	In addition to the controls performed during the pre-qualification and qualification phases (Supplier Qualification Questionnaire, Compliance Check on Bureau van Dijk, Audit) an additional analysis on human and labor rights has been conducted by country, and then by category of suppliers. A panel of suppliers included in certain specific categories considered at risk by nature (labor intensive categories) will be subject to a program that started in 2020 and will be implemented in 2021 (communications, awareness sessions, meeting with management, specific audit, etc.). Taking into account all the measures taken and also planned, it is reasonable to claim that the risk of having suppliers at evident significant risk in operation is lower, however Aker Solutions will strengthen its efforts in monitoring and intervene with target actions in risky areas, in order to prevent any possible failure of this framework, educate suppliers, and demonstrate its seamless commitment.	
<b>GRI Standard: 409 - Forced or Compulsory Labor - 2016</b>			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	In addition to the controls performed during the pre-qualification and qualification phases (Supplier Qualification Questionnaire, Compliance Check on Bureau van Dijk, Audit) an additional analysis on human and labor rights has been conducted by country, and then by category of suppliers. A panel of suppliers included in certain specific categories considered at risk by nature (labor intensive categories) will be subject to a program that started in 2020 and will be implemented in 2021 (communications, awareness sessions, meeting with management, specific audit, etc.). Taking into account all the measures taken and also planned, it is reasonable to claim that the risk of having suppliers at evident significant risk in operation is lower, however Aker Solutions will strengthen its efforts in monitoring and intervene with target actions in risky areas, in order to prevent any possible failure of this framework, educate suppliers, and demonstrate its seamless commitment.	

## Appendix: Global Reporting Initiative (GRI) Index

### GRI Standard: 410 - Security Practices - 2016

410-1	Security personnel trained in human rights policies or procedures	Main chapter: Safeguarding People and Assets We do not have the percentage of security personnel who have received training. We have partially reported for 2020.	37
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### GRI Standard: 412 - Human Rights Assessment - 2016

412-1	Operations that have been subject to human rights reviews or impact assessments	Main chapter: Conducting our Business with Integrity Main chapter: Respecting and Promoting Human Rights Projects to high risk countries were subject to human rights risk assessments. However, due to the COVID-19 pandemic and reduced activity, many location human rights risk assessments were not conducted. We have partially reported for 2020, but this area will receive more focus going forward and we aim for complete reporting in 2021.	21-22
412-2	Employee training on human rights policies or procedures	Main chapter: Conducting our Business with Integrity Main chapter: Respecting and Promoting Human Rights Due to the COVID-19 pandemic and reduced activity, a stand-alone human rights training was not implemented in 2020. Our Annual Code of Conduct, Business Ethics and Introduction to Business Integrity trainings do include information on Human Rights. See the Appendix: Business Ethics Training Overview for information on completion rates for these trainings. We have partially reported for 2020, but this area will receive more focus going forward and we aim for complete reporting in 2021.	23, 51-54, 73
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Main chapter: Sustainability at Aker Solutions Main chapter: Conducting our Business with Integrity Main chapter: Driving a Responsible and Sustainable Supplier Base Main chapter: Respecting and Promoting Human Rights	10-11, 24, 48-49, 51-54

### GRI Standard: 414 - Supplier Social Assessment

414-1	New suppliers that were screened using social criteria	Main chapter: Driving a Responsible and Sustainable Supplier Base In 2020, 377 new suppliers were added and screened.	
414-2	Negative social impacts in the supply chain and actions taken	Main chapter: Driving a Responsible and Sustainable Supplier Base	48-49

### SASB Oil and Gas Services - Critical Incident Risk Management

	Description of management systems used to identify and mitigate catastrophic and tail-end risks	Main chapter: Handling the Pandemic Crisis Main chapter: Safeguarding People and Assets	27, 36-37
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## Appendix: Key Staff Figures<sup>1,2</sup>

	2020		2019		2018		2017	
	#	%	#	%	#	%	#	%
<b>Total Staff</b>	<b>18,732</b>		<b>21,056</b>		<b>19,442</b>		<b>16,175</b>	
Own employees office <sup>3</sup>	8,929	61.6	9,198	57.7	8,561	58.2	8,165	59.2
Own employees non office <sup>3</sup>	5,565	38.4	6,758	42.4	6,144	41.8	5,631	40.8
Contract staff	4,238	22.6	5,100	24.2	4,737	24.4	2,379	14.7
Own employees (percent)	14,494	77.4	15,956	75.8	14,705	75.6	13,796	85.3
Norway of total own employees	8,037	55.5	6,019	37.7	5,833	39.7	5,574	40.4
<b>Age Groups Own Employees<sup>3</sup></b>								
<30	1,846	12.8	2,245	14.0	1,882	12.8	1,715	12.4
30-50	8,675	60.2	9,815	61.6	9,014	61.3	8,730	63.3
>50	3,900	27.0	3,882	24.4	3,809	25.9	3,351	24.3
<b>Part-time Own Employees</b>								
Part-time own employees Norway <sup>3</sup>	147	1.8	57	1.0	59	1.0	67	1.2
Part-time own employees UK	36	4.6	41	3.0	42	2.0	41	2.0

1) Kvaerner employee data is included from November 16, 2020

2) 2020 figures do not include 73 employees (11 located in North America, 43 located in Asia Pacific, 15 located in Europe, 4 located in Norway). 2019 figures do not include 14 employees (6 located in Asia Pacific, 5 located in Norway, 3 located in Africa). These employees are not included in our SAP system, so diversity information, including gender, is not available for them.

3) Regular and temporary employed on our payroll (judicially employed).

## Appendix: Key Staff Figures<sup>1,2</sup>

	2020			2019			2018			2017		
	Own	Contract	Total									
<b>Employees</b>												
Total <sup>3</sup>	14,494	4,238	18,732	15,956	5,100	21,056	14,705	4,737	19,442	13,796	2,379	16,175
North America	432	73	505	555	77	632	471	74	545	511	76	587
Brazil (including CSE)	3,073		3,073	5,346	0	5,346	3,883	0	3,883	3,345	0	3,345
Africa	177	25	202	187	1	188	212	0	212	225	10	235
Asia Pacific	2,049	375	2,424	2,474	814	3,288	2,246	720	2,966	2,085	303	2,388
Europe (excl. Norway and UK)	26	-	26	10	0	10	3	0	3	3	0	3
UK	700	152	852	1,365	613	1,978	2,056	1,273	3,329	2,049	1,060	3,109
Norway	8,037	3,613	11,650	6,019	3,595	9,614	5,834	2,670	8,504	5,578	930	6,508

	2020				2019				2018				2017			
	Female		Male		Female		Male		Female		Male		Female		Male	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
<b>Gender Distribution<sup>3</sup></b>																
Own employees office	2,313	26.1	6,542	73.9	2,447	26.6	6,739	73.4	2,320	27.1	6,241	72.9	2,172	26.6	5,993	73.4
Own employees non office	210	3.8	5,356	96.2	199	3.0	6,557	97.1	201	3.3	5,943	96.7	141	2.5	5,490	97.5
Total own employees	2,523	17.5	11,898	82.5	2,646	16.6	13,296	83.4	2,520	17.1	12,185	82.9	2,312	16.8	11,484	83.2
Own leaders %	131	23.8	420	76.2	144	21.9	513	78.1	136	23.9	433	76.1	124	22.5	427	77.5

1) Kvaerner employee data is included from November 16, 2020

2) 2020 figures do not include 73 employees (11 located in North America, 43 located in Asia Pacific, 15 located in Europe, 4 located in Norway). 2019 figures do not include 14 employees (6 located in Asia Pacific, 5 located in Norway, 3 located in Africa). These employees are not included in our SAP system, so diversity information, including gender, is not available for them.

3) Regular and temporary employed on our payroll (judicially employed).

## Appendix: Recruitment and Turnover Figures

	2020		2019		2018		2017	
	#	%	#	%	#	%	#	%
<b>Recruited<sup>1</sup></b>								
Recruited <sup>1</sup>	1,435		4,129		3,805		2,181	
Own employees office	514	35.8	1,800	31.7	1,731	45.5	527	24.2
Own employees non-office	921	62.2	2,329	68.3	2,074	54.5	1,654	75.8
<b>Age Groups Recruited<sup>1,3</sup></b>								
<30	368	25.6	1,259	30.5	1,081	28.4	480	22.0
30-50	905	63.1	2,487	60.2	2,256	59.3	1,278	58.6
>50	162	11.3	383	9.3	472	12.4	421	19.3
<b>Recruited Region<sup>1</sup></b>								
North America	61	4.3	151	3.6	164	4.3	161	7.4
Brazil (including CSE)	866	60.4	2,434	60.7	1,601	42.1	830	38.1
Africa	12	0.8	18	0.5	31	0.8	42	1.9
Asia Pacific	89	6.2	587	11.3	452	11.9	103	4.7
Europe (excl. Norway and UK)	3	0.2	11	0.2	1		2	0.1
UK	176	12.3	295	11.0	663	17.4	917	42.0
Norway	228	15.9	633	13.4	893	23.5	126	5.8
<b>Recruited Gender<sup>1</sup></b>								
Female	160	11.2	551	11.3	637	16.7	204	9.4
Male	1,275	88.9	3,578	88.7	3,168	83.3	1,977	90.6

	2020		2019		2018		2017	
	#	%	#	%	#	%	#	%
<b>Turnover<sup>2</sup></b>								
Turnover	781	5.8	1,059	7.0	786	5.5	881	7.0
Own employees office	505	64.7	691	65.3	596	75.8	640	72.6
Own employees non-office	276	35.3	368	34.7	190	24.2	241	27.4
<b>Age Groups Turnover<sup>2</sup></b>								
<30	115	14.7	193	18.2	83	10.6	98	11.1
30-50	579	74.1	771	72.8	599	76.2	648	73.6
>50	87	11.1	95	9.0	104	13.2	135	15.3
<b>Turnover Region<sup>2</sup></b>								
North America	23	2.9	40	3.8	62	7.9	55	6.2
Brazil (including CSE)	258	33.0	295	27.9	103	13.1	107	12.1
Africa	2	0.3	4	0.4	3	0.4	14	1.6
Asia Pacific	116	14.9	276	26.1	202	25.7	179	20.3
Europe (excl. Norway and UK)						1	0.1	
UK	78	10.0	164	15.5	147	18.7	182	20.7
Norway	304	38.9	280	26.4	268	34.1	344	39.0
<b>Turnover Gender<sup>2</sup></b>								
Female	143	18.3	204	19.3	178	22.6	195	22.1
Male	638	81.7	855	80.7	608	77.4	686	77.9

1) Regular and temporary employed on our payroll (judicially employed)

2) Regular employed

3) Kvaerner employee data is included from November 16, 2020

## Appendix: Parental Leave Own Regular Employees<sup>1</sup>

	Employees taking parental leave in 2019 (employed in 2020)			Employees taking parental leave in 2018			Employees taking parental leave in 2017			Employees taking parental leave in 2016		
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
<b>Norway</b>												
Employees taking parental leave	73	219	292	50	132	182	76	148	224	77	224	301
Employed at Aker Solutions 12 months after parental leave ended (percent)	91.8	82.2	84.6	92.0	95.5	94.5	86.4	82.2	83.6	70.1	72.3	71.8
<b>UK</b>												
Employees taking parental leave	23	43	66	21	22	43	28	31	59	24	63	87
Employed at Aker Solutions 12 months after parental leave ended (percent)	56.5	58.1	57.6	90.5	81.8	86.0	82.4	86.1	84.3	62.5	74.6	71.3
<b>Malaysia</b>												
Employees taking parental leave	17	48	65	16	26	42	12	63	75	21	68	89
Employed at Aker Solutions 12 months after parental leave ended (percent)	70.6	79.2	76.9	81.3	84.6	83.3	85.7	96.9	94.9	81.0	89.7	87.6
<b>India</b>												
Employees taking parental leave	11	57	68	15	31	46	13	41	54	22	73	95
Employed at Aker Solutions 12 months after parental leave ended (percent)	72.7	93.0	89.7	60.0	87.1	78.3	72.2	70.7	71.1	59.1	71.2	68.4

1) Regular employed

## Appendix: Business Ethics Training Overview<sup>6</sup>

The data includes only current employees

Course Type	Duration	Total number of company personnel trained end 2020 <sup>1</sup>	Total number of company personnel trained end 2019 <sup>1</sup>	Total number of employees trained end 2018 (incl. hired-in staff) <sup>1)</sup>	Total number of employees trained end 2017 (incl. hired-in staff) <sup>1</sup>
E-learning: Introduction to business integrity <sup>2</sup>	15 minutes	7,800	5,800	300	N/A
E-learning: Aker ASA's zero tolerance to corruption <sup>3</sup>	15 minutes	N/A	N/A	N/A	8,100
Classroom course in Business Ethics <sup>4</sup>	2 hours	8,900	14,700	11,700	10,600
E-learning: Annual Code of Conduct training <sup>5</sup>	10 minutes	11,800	17,200	12,200	11,000

1) The numbers have been rounded to the nearest 100

2) Replacement course released July 1, 2018.

3) The course has been discontinued and replaced with introduction to business integrity e-learning.

4) Topics: Values and policies, anti-corruption, conflict of interests, confidential information, human and labor rights, gifts and hospitality, country risk and reporting concerns (whistleblowing).

5) Topics: Anti-corruptions, gifts and hospitality, conflict of interest, export controls, privacy and data protection, caring for our people and protecting the environment.

6) Does not include employees joining from Kværner on November 16, 2020. They have not been subject to equivalent training programs.

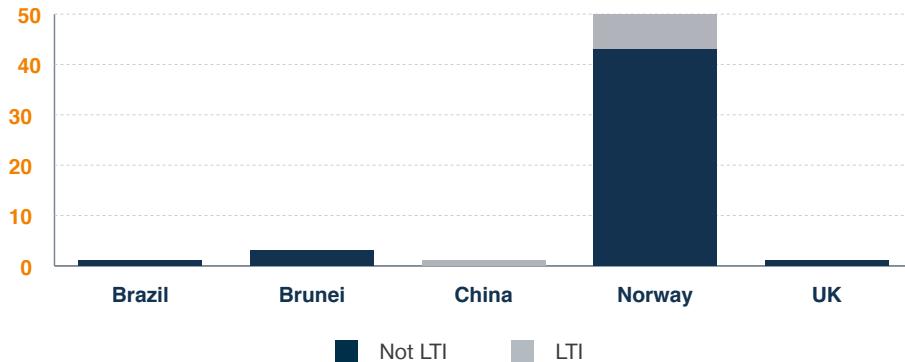
## E-learning: Annual Code of Conduct Training, by region

Region	Completed	%	Not completed	%	Total
Middle East and Africa	164	95%	9	5%	173
Americas	1,564	89%	191	11%	1,755
APAC	2,270	100%	2	0%	2,272
Europe	7,844	81%	1,845	19%	9,689
Total	11,842	85%	2,047	15%	13,889

## Appendix: Injuries by Type and Region

	Personal injuries, Count
<b>Arm/Elbow</b>	
Cut / Laceration / Puncture	2
Fracture	2
Sprain / Strain / Dislocation	1
<b>Back / Neck / Shoulder</b>	
Sprain/Strain/Dislocation	1
<b>Ear</b>	
Cut/Laceration/Puncture	1
<b>Eye</b>	
Cut / Laceration / Puncture	1
Foreign body	1
Soft tissue injury	1
Unspecified- other	1
<b>Finger</b>	
Blow/compression injury	2
Cut / Laceration / Puncture	10
Fracture	2
<b>Foot / Toe</b>	
Fracture	1

	Personal injuries, Count
<b>Head / Face</b>	
Concussion	1
Cut / Laceration / Puncture	3
Soft tissue injury	1
<b>Leg / Hip / Knee / Ankle</b>	
Cut / Laceration / Puncture	3
Fracture	1
Frostbite	1
Sprain / Strain / Dislocation	6
<b>Rib</b>	
Cut / Laceration / Puncture	1
<b>Tooth</b>	
Cut / Laceration / Puncture	1
Unspecified- other	1
<b>Wrist / Hand / Finger</b>	
Blow/compression injury	1
Cut / Laceration / Puncture	8
Fracture	4
Soft tissue injury	2
Unspecified- other	1



Aker Solutions uses the following industry standard definition for injury reporting and injury frequency reporting:

- **Lost Time Injury (LTI):** A lost time injury is any work-related injury, other than a fatal injury, which results in a person being unfit for work on any day after the day of occurrence of the occupational injury. 'Any day' includes rest days, weekend days, leave days, public holidays or days after ceasing employment.
- **Lost Time Injury Frequency (LTIF):** Number of lost time injuries per million worked hours. This indicator equals the GRI standard's Lost Day Rate (LDR)
- **Total Recordable Injuries (TRI):** include Fatalities, Lost Time Injuries (Serious - and Other Lost Time Injuries), Restricted Work Injuries and Medical Treatment Injuries. TRI does not include First Aid Treatment cases.
- **Total Recordable Injury Frequency (TRIF):** Number of Fatalities, Lost Time Injuries (Serious - and Other Lost Time Injuries), Restricted Work Injuries and Medical Treatment Injuries per million worked hours. This indicator equals the GRI standard's Injury Rate (IR)

Aker Solutions does not track the gender of injured persons, as this might come in conflict with GDPR regulations when in smaller departments

Aker Solutions keeps track of information whether the injured person is an employee, hired in, contractor etc. in our reporting system, but in reporting we include all categories in the same LTIF and TRIF. We follow IOGP industry standards for reporting boundaries.

The merger between Aker Solutions and Kvaerner was completed on November 16 2020, but the data for employee injuries is the total for both companies for the 12 months of 2020.

## Appendix: Environmental Figures

	Unit	2020 <sup>8</sup>	2019	2018	2017
<b>Total energy and carbon dioxide emissions<sup>1</sup></b>					
Energy consumption	MWh	145,520	110,930	97,434	90,709
Energy intensity <sup>9</sup>	MWh per million worked hours	3,317	2,352	2,554	2,499
Total carbon dioxide emissions	Metric tons	24,914	35,255	34,025	18,383
Total carbon dioxide emission intensity	Metric tons per million worked hours	568	744	790	506
Scope 1 and 2 emission intensity	Metric tons per million worked hours	456	472	434	NA
Scope 3 emission intensity	Metric tons per million worked hours	112	272	356	NA
Scope 1 carbon dioxide emissions	Metric tons	7,347	5,230	5,782	NA
Scope 2 carbon dioxide emissions	Metric tons	12,631	17,158	13,150	NA
Scope 3 carbon dioxide emissions <sup>2</sup>	Metric tons	4,936	12,867	15,094	NA
<b>Non-renewable fuel consumption</b>					
Diesel	m3	1,601	1,327	1,059	639
Gasoline	m3	19	47	11	13
Heavy fuel oil	m3	47,653	49	111	96
Natural gas	m3	1,001,275	725,579	448,507	408,341
<b>Renewable fuel consumption</b>					
Biofuel	m3	129	61	15	NA
Electricity consumption <sup>3</sup>	MWh	111,610	87,912	76,261	52,295
Heating consumption	MWh	NA	NA	NA	NA
Cooling consumption	MWh	NA	NA	NA	NA
Steam consumption	MWh	NA	NA	NA	NA

1) We report in accordance with GHG protocol

2) Air travels booked out of Brazil, Canada, China, India, Norway, UK, US

3) Aker Solutions does not sell energy

4) All information from facility providers and waste handling companies

5) Wastewater is not included in any calculations, neither hazardous or non-hazardous waste

6) For 2017 and earlier, hazardous waste was included in the recycled waste fraction

7) Not part of total recycled waste

8) Data includes full year 2020 for Aker Solutions and full year 2020 for Kvaerner

9) Types of energy included in energy intensity: diesel, gasoline, heavy fuel oil, natural gas, biofuel and electricity

## Appendix: Environmental Figures cont.

	Unit	2020 <sup>8</sup>	2019	2018	2017
<b>Non-hazardous waste and waste handling<sup>4</sup></b>					
Total waste, including hazardous waste <sup>5</sup>	Metric tons	16,183	8,350	9,034	6,410
Recycled waste, excluding hazardous waste <sup>6</sup>	Metric tons	9,740	5,105	6,420	5,570
Reuse	Metric tons	105	70	NA	NA
Incineration with energy recovery	Metric tons	2,852	746	NA	NA
Composting	Metric tons	90	16	NA	NA
Landfill	Metric tons	2,601	478	NA	NA
Other/not selected	Metric tons	249	329	NA	NA
Waste to energy, energy recovery	Metric tons	0	818	641	254
Recycling factor, excluding hazardous waste <sup>6</sup>	Percent	61	69	71	87
<b>Hazardous waste and waste handling method</b>					
Total Hazardous waste <sup>5</sup>	Metric tons	15,941	719	673	446
Hazardous waste treatment -handled by waste company	Metric tons	NA	149	NA	NA
Incineration with energy recovery	Metric tons	NA	72	NA	NA
Incineration without energy recovery	Metric tons	NA	3	NA	NA
Other/ not specified	Metric tons	NA	402	NA	NA
Recycling <sup>7</sup>	Metric tons	242	84	NA	NA
Reuse	Metric tons	NA	9	NA	NA
<b>Spills above reportable limit</b>					
Accidental spills	Number	0	0	0	0

1) We report in accordance with GHG protocol

2) Air travels booked out of Brazil, Canada, China, India, Norway, UK, US

3) Aker Solutions does not sell energy

4) All information from facility providers and waste handling companies

5) Wastewater is not included in any calculations, neither hazardous or non-hazardous waste

6) For 2017 and earlier, hazardous waste was included in the recycled waste fraction

7) Not part of total recycled waste

8) Data includes full year 2020 for Aker Solutions and full year 2020 for Kvaerner

Energy data is harvested locally either via meter readings at the sites or via invoicing of purchased electricity and fuels. Each location submit their environmental data on a monthly basis for the premises and activities controlled by Aker Solutions.

Conversion factors have been purchased from the International Energy Agency and emissions are given in CO<sub>2</sub> equivalents (CO<sub>2</sub>e), as per the 2019 IEA emission factors report. Scope 2 emissions are location based. All calculations are done automatically in our Synergi Life reporting tool.

All information on waste disposal methods are derived either from the site itself (some sites have their own compost facilities and do this in-house) or from the waste handling companies.

## Appendix: Country by Country Report<sup>5</sup>

Country	Employees <sup>1</sup>	Revenue <sup>2</sup> NOK million	Investments in assets <sup>3</sup> NOK million	Paid taxes <sup>4</sup> NOK million
Norway	8,037	20,595	210	0
Brazil	3,073	1,282	183	19
India	1,170	421	3	40
UK	700	2,334	36	8
Malaysia	496	2,073	99	2
Brunei	312	772	2	12
USA	231	1,907	20	3
Canada	201	717	2	17
Angola	144	980	39	95
Russia	41	502	1	23
Congo	23	106	0	10
China	19	80	4	0
Finland	15	16	0	0
Australia	11	424	0	0
Other	21	798	28	14
<b>Sum of countries</b>	<b>14,494</b>	<b>33,008</b>	<b>628</b>	<b>244</b>
Eliminations <sup>2</sup>	0	3,612	0	-0
<b>Total Aker Solutions</b>	<b>14,494</b>	<b>29,396</b>	<b>628</b>	<b>244</b>

- 1) The locations of employees are based on the location of the company where they are employed. Branches are therefore included in the figures for the legal entity.
- 2) Revenue figures per country include internal and external revenues and are based on location of the Aker Solutions company that has recognized the revenue. Intercompany sales are subtracted in the line "eliminations" to present external Aker Solutions revenues as in the income statement.
- 3) Investments in assets includes additions to property, plant and equipment as well as technology development and other intangible assets during the year.
- 4) Paid taxes include income taxes, withholding taxes and other corporate taxes, but does not include value added taxes (VAT) and other indirect taxes.
- 5) Aker Solutions and Kvaerner merged in November 2020. The employees and financial information in this table includes Aker Solutions and Kvaerner for the full year.

Transparency is essential in an industry that can have a significant impact on local communities. Aker Solutions operates globally, including in societies that depend heavily on oil and gas revenue, suffer from poverty, struggle with corruption and have low transparency. Openly sharing information and having honest dialogues with our stakeholders is one of the company's core values. It is crucial for improving transparency where we operate and building trust with those affected by our operations.

This table shows 2020 revenue, employees and investments as reported by the various Aker Solutions companies in each country. The right column reflects the amount of tax paid to each country.

## Appendix: ESG ratings

	Key topics measured	Scale	Aker Solutions' 2020 rating
MSCI ESG Ratings	Exposure to industry-specific ESG risks and ability to manage risks relative to peers	AAA to CCC	AA
ESG 100, The Oslo Stock Exchange	ESG strategies, risks and opportunities as reported by the company	A+ to F	A
Sustainalytics ESG Risk Rating	Preparedness, disclosure and performance for key ESG issues and risks	0 (negligible) to 40+ (severe)	26.4, Medium
CDP Climate Change Score	Company self-reporting on environmental and climate data	A to F	C

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## Colour description/Abbreviations

SR-Sustainability Report 2020  
 SPD-Sustainability performance data (datahub)  
 AR-Annual Report 2020  
 EP-Energy Perspectives 2020  
 CDP- Equinor CDP response 2020

Disclosure No.	Disclosure description	Equinor reference	Boundary	Assured by third party	Part omitted	Reason	Explanation
<b>100 series (Universal standards)</b>							
<b>Organisational disclosures</b>							
102-1	102-1 Name of the organization	SR Page 2	Equinor group	Yes, limited assurance			
102-2	102-2 Activities, brands, products, and services	AR 2.2 Business overview, SR page 7	Equinor group	Yes, limited assurance			
102-3	102-3 Location of headquarters	Forusbeen 50, 4035 Stavanger, Norway	Equinor group	Yes, limited assurance			
102-4	102-4 Location of operations	AR 2.2 Business overview, page 24	Equinor group	Yes, limited assurance			
102-5	102-5 Ownership and legal form	AR 3.4 Equal treatment of shareholders and transactions with close associates, page 107	Equinor group	Yes, limited assurance			
102-6	102-6 Markets served	AR 2.1 Strategy and market overview, page 17	Equinor group	Yes, limited assurance			
102-7	102-7 Scale of the organization	AR 2.2 Business overview, page 23-27	Equinor group	Yes, limited assurance			
102-8	102-8 Information on employees and other workers	SR Page 54-55; AR page 110-113.	Equinor group	Yes, limited assurance			
Equinor own disclosure	Number of permanent employees by region (home country basis)	SPD: Social performance including workforce	Equinor group	Yes, limited assurance			
Equinor own disclosure	Number of permanent employees per country (home country basis)	SPD: Social performance including workforce	Equinor group	Yes, limited assurance			
102-9	102-9 Supply chain	equinor.com/en/supply-chain.html	Equinor group	Yes, limited assurance			
102-10	102-10 Significant changes to the organization and its supply chain	AR 2.2 Business overview, page 24	Equinor group	Yes, limited assurance			
102-11	102-11 Precautionary Principle or approach	Reflected in Equinor Book <sup>1</sup> (Commitments, Code of Conduct <sup>2</sup> , Human rights policy <sup>3</sup> ) and embedded in fundamental requirements for sustainability (FR11)	Equinor group	Yes, limited assurance			
102-12	102-12 External initiatives	SR Page 2, 11, 18, 23, 26, 27, 29, 40, 41, 42, 51,	Equinor group	Yes, limited assurance			
102-13	102-13 Membership of associations	SR Page 29	Equinor group	Yes, limited assurance			
<b>Strategy</b>							
102-14	102-14 Statement from senior decision-maker	SR Page 3	Equinor group	Yes, limited assurance			
102-15	102-15 Key impacts, risks, and opportunities	SR Page 5, 14	Equinor group	Yes, limited assurance			

Disclosure No.	Disclosure description	Equinor reference	Boundary	Assured by third party	Part omitted	Reason	Explanation
<b>Ethics and integrity</b>							
102-16	102-16 Values, principles, standards, and norms of behavior	SR Page 8, 12, 36-38 and throughout the report; Equinor book <sup>1</sup> ; Equinor Code of conduct <sup>2</sup>	Equinor group	Yes, limited assurance			
102-17	102-17 Mechanisms for advice and concerns about ethics	SR Page 36-38; Equinor book <sup>1</sup>	Equinor group	Yes, limited assurance			
<b>Governance</b>							
102-18	102-18 Governance structure	SR Page 10-11	Equinor group	Yes, limited assurance			
102-19	102-19 Delegating authority	SR Page 10	Equinor group	Yes, limited assurance			
102-20	102-20 Executive-level responsibility for economic, environmental, and social topics	SR Page 10-11	Equinor group	Yes, limited assurance			
102-21	102-21 Consulting stakeholders on economic, environmental, and social topics	SR Page 4, 22, 27, 32, 40, 42, 46, 53	Equinor group	Yes, limited assurance			
102-22	102-22 Composition of the highest governance body and its committees	AR 3.8 Corporate assembly, board of directors and management, page 124-137	Equinor group	Yes, limited assurance			
102-23	102-23 Chair of the highest governance body	AR 3.8 Corporate assembly, board of directors and management, page 127	Equinor group	Yes, limited assurance			
102-24	102-24 Nominating and selecting the highest governance body	AR 3.7 Nomination committee, page 123-124	Equinor group	Yes, limited assurance			
102-25	102-25 Conflicts of interest	AR 3.9 The work of the board of directors, page 137-139	Equinor group	Yes, limited assurance			
102-26	102-26 Role of highest governance body in setting purpose, values, and strategy	AR 3.0 Board statement on corporate governance, page 117	Equinor group	Yes, limited assurance			
102-31	102-31 Review of economic, environmental, and social topics	SR Page 9, 10; Equinor book <sup>1</sup>	Equinor group	Yes, limited assurance			
102-32	102-32 Highest governance body's role in sustainability reporting	SR Page 10. The CEO is the highest body to approve the Sustainability report.	Equinor group	Yes, limited assurance			
102-33	102-33 Communicating critical concerns	SR page 37-38. Critical concerns can be reported to BoD's Safety, Sustainability and Ethics Committee and the BoD's Audit Committee as described in the instructions for these committees on Equinor.com ( <a href="https://www.equinor.com/en/about-us/board-of-directors.html">https://www.equinor.com/en/about-us/board-of-directors.html</a> )	Equinor group	Yes, limited assurance			
102-34	102-34 Nature and total number of critical concerns	SR page 10, 46	Equinor group	Yes, limited assurance			
102-35	102-35 Remuneration policies	AR 3.11 Remuneration to the board of directors and corporate assembly, page 141-142 AR 3.12 Remuneration to the corporate executive committee, page 143-152	Equinor group	Yes, limited assurance			
102-36	102-36 Process for determining remuneration	AR 3.11 Remuneration to the board of directors and corporate assembly, page 141-142 AR 3.12 Remuneration to the corporate executive committee, page 143-152	Equinor group	Yes, limited assurance			
102-37	102-37 Stakeholders' involvement in remuneration	AR 3.11 Remuneration to the board of directors and corporate assembly, page 141-142 AR 3.12 Remuneration to the corporate executive committee, page 143-152	Equinor group	Yes, limited assurance			
<b>Stakeholder engagement</b>							
102-40	102-40 List of stakeholder groups	SR Page 4	Equinor group	Yes, limited assurance			
102-41	102-41 Collective bargaining agreements	Sustainability data hub: Social performance including workforce	Equinor group	Yes, limited assurance			
102-42	102-42 Identifying and selecting stakeholders	SR Page 4	Equinor group	Yes, limited assurance			
102-43	102-43 Approach to stakeholder engagement	SR Page 4; Equinor book <sup>1</sup> ; Equinor Code of conduct <sup>2</sup>	Equinor group	Yes, limited assurance			
102-44	102-44 Key topics and concerns raised	SR Page 5 and throughout the report	Equinor group	Yes, limited assurance			

Disclosure No.	Disclosure description	Equinor reference	Boundary	Assured by third party	Part omitted	Reason	Explanation
<b>Reporting practice</b>							
102-45	102-45 Entities included in the consolidated financial statements	AR 4.1 Consolidated financial statements of the Equinor group, page 168-170	Equinor group	Yes, limited assurance			
102-46	102-46 Defining report content and topic Boundaries	SR Page 6 and 57.	Equinor group	Yes, limited assurance			
102-47	102-47 List of material topics	SR Page 5	Equinor group	Yes, limited assurance			
102-48	102-48 Restatements of information	SR Page 57	Equinor group	Yes, limited assurance			
102-49	102-49 Changes in reporting	SR Page 57	Equinor group	Yes, limited assurance			
102-50	102-50 Reporting period	SR Page 4. The reporting period is 01.01.2020 - 31.12.2020.	Equinor group	Yes, limited assurance			
102-51	102-51 Date of most recent report	20 March 2020	Equinor group	Yes, limited assurance			
102-52	102-52 Reporting cycle	Reporting cycle is annual.	Equinor group	Yes, limited assurance			
102-53	102-53 Contact point for questions regarding the report	SR Page 56	Equinor group	Yes, limited assurance			
102-54	102-54 Claims of reporting in accordance with the GRI Standards	SR Page 57	Equinor group	Yes, limited assurance			
102-55	102-55 GRI content index	SR Page 56	Equinor group	Yes, limited assurance			
102-56	102-56 External assurance	SR Page 57, 63	Equinor group	Yes, limited assurance			
<b>GRI Management approach - Climate change &amp; energy transition</b>							
103-1	Explanation of the material topic and its Boundary	SR page 5-6, 12-13, EP page 3-4	Equinor group	Yes, limited assurance			
103-2	The management approach and its components	SR page 10-11, 18-19, EP page 3-4	Equinor group	Yes, limited assurance			
103-3	Evaluation of the management approach	SR page 11, 24, 26 and throughout Climate & the energy transition	Equinor group	Yes, limited assurance			
<b>GRI Management approach - Safety &amp; security</b>							
103-1	Explanation of the material topic and its Boundary	SR page 4-5, 59	Equinor group	Yes, limited assurance			
103-2	The management approach and its components	SR page 10-11	Equinor group	Yes, limited assurance			
103-3	Evaluation of the management approach	SR page 11, 33	Equinor group	Yes, limited assurance			
<b>GRI Management approach - Integrity &amp; anti-corruption</b>							
103-1	Explanation of the material topic and its Boundary	SR page 4-5, 36	Equinor group	Yes, limited assurance			
103-2	The management approach and its components	SR page 4-5, 36	Equinor group	Yes, limited assurance			
103-3	Evaluation of the management approach	SR page 38	Equinor group	Yes, limited assurance			
<b>GRI Management approach - Human rights</b>							
103-1	Explanation of the material topic and its Boundary	SR page 4-5, 39	Equinor group	Yes, limited assurance			
103-2	The management approach and its components	SR page 4-5, 39	Equinor group	Yes, limited assurance			
103-3	Evaluation of the management approach	SR page 42	Equinor group	Yes, limited assurance			
<b>GRI Management approach - Environment</b>							
103-1	Explanation of the material topic and its Boundary	SR page 4-5, 57	Equinor group	Yes, limited assurance			
103-2	The management approach and its components	SR page 10-11	Equinor group	Yes, limited assurance			
103-3	Evaluation of the management approach	SR page 11, 22, 24, 26, 31, 38, 42, 48	Equinor group	Yes, limited assurance			
<b>GRI Management approach - Shared value</b>							
103-1	Explanation of the material topic and its Boundary	SR page 4-5, 50	Equinor group	Yes, limited assurance			
103-2	The management approach and its components	SR page 4-5, 50, 54	Equinor group	Yes, limited assurance			
103-3	Evaluation of the management approach	SR page 55	Equinor group	Yes, limited assurance			

Disclosure No.	Disclosure description	Equinor reference	Boundary	Assured by third party	Part omitted	Reason	Explanation
<b>200 series (Economic topics)</b>							
<b>201 - Economic Performance</b>							
201-1	201-1 Direct economic value generated and distributed	SR page 51; AR 5.4 Report on payments to governments, page 293-309	Equinor group	Yes, limited assurance			
Equinor own disclosure	Host government production entitlement	AR 5.4 Report on payments to governments, page 293-309	Equinor group	Yes, limited assurance			
Equinor own disclosure	Bonuses, royalties and fees	AR 5.4 Report on payments to governments, page 293-309	Equinor group	Yes, limited assurance			
Equinor own disclosure	Total employee costs (including salaries, pensions, payroll tax, other compensations)	SPD: Economic	Equinor group	Yes, limited assurance			
Equinor own disclosure	New Energy Solutions - gross capital expenditure	SPD: Economic	Equinor group	Yes, limited assurance			
Equinor own disclosure	R&D expenditure on low-carbon projects (total)	SR page 9, 28	Equinor group	Yes, limited assurance			
Equinor own disclosure	R&D expenditure to new energy solutions and energy efficiency (share of total)	SR page 9, 28	Equinor group	Yes, limited assurance			
Equinor own disclosure	Corporate sponsorships spend	SPD: Economic	Equinor ASA	Yes, limited assurance			
Equinor own disclosure	Corporate donations spend	SPD: Economic	Equinor ASA	Yes, limited assurance			
Equinor own disclosure	Total social investments spend (excl. Norway and Denmark)	SPD: Economic	Equinor group	Yes, limited assurance			
Equinor own disclosure	Voluntary	SPD: Economic	Equinor group	Yes, limited assurance			
Equinor own disclosure	Contractual obligations	SPD: Economic	Equinor group	Yes, limited assurance			
201-2	201-2 Financial implications and other risks and opportunities due to climate change	SR Page 14, 17	Equinor group	Yes, limited assurance			
Equinor own disclosure	NPV effect of International Energy Association (IEA) Stated policies scenario	SR page 17	Equinor group	Yes, limited assurance			
Equinor own disclosure	NPV effect of IEA Current policies scenario	SR page 17	Equinor group	Yes, limited assurance			
Equinor own disclosure	NPV effect of IEA Sustainable development scenario	SR page 17	Equinor group	Yes, limited assurance			
Equinor own disclosure	Minimum internal carbon price	SR page 17	Equinor group	Yes, limited assurance			
201-3	201-3 Defined benefit plan obligations and other retirement plans	AR 4.1 Consolidated financial statements of the Equinor group, page 215-218.	Equinor group	Yes, limited assurance			
<b>202 - Market Presence</b>							
202-2	202-2 Proportion of senior management hired from the local community	SPD Social performance including workforce	Equinor group	Yes, limited assurance			
<b>203 - Indirect Economic Impacts</b>							
203-2	203-2 Significant indirect economic impacts	SR page 51-52; AR 5.4 Report on payments to governments, page 293-309	Equinor group	Yes, limited assurance			

Disclosure No.	Disclosure description	Equinor reference	Boundary	Assured by third party	Part omitted	Reason	Explanation
<b>204 - Procurement Practices</b>							
204-1	204-1 Proportion of spending on local suppliers	SR page 52 SPD: Economic	Equinor group	Yes, limited assurance			
<b>205 - Anti-corruption</b>							
205-1	205-1 Operations assessed for risks related to corruption	SR page36-38. Significant risks are summarised in AR 2.12 Risk review, page 99 All Business Areas performed risk assessment according to Equinor requirements, relevant for corruption risk assessments.	Equinor group	Yes, limited assurance			
<b>206 - Anti-competitive Behavior</b>							
206-1	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No legal actions in 2020.	Equinor group	Yes, limited assurance			
<b>300 series (Environmental topics)</b>							
<b>301 - Materials</b>							
Equinor own disclosure	Hydraulic fracking chemicals use	SR page 48-49; SPD: Environment and climate	Operational control	Yes, limited assurance			
<b>302 - Energy</b>							
302-1	Energy consumption within the organization	SPD: Environment and climate  b. Fuel consumption from renewable sources: 0 TWh c iii. Cooling consumption: 0 TWh d iii. Cooling sold: 0 TWh d iv. Steam sold: 0 TWh f. Standards, methodologies, assumptions, and/or calculation tools used: The amount of energy from fuel consumption is calculated by multiplying the quantity of fuels with the lower heating value of the fuel. The gross energy consumption from electricity is derived by back-calculating the electricity consumption to obtain the gross energy content of the fuel(s) required to generate that amount of electricity.  g. Source of the conversion factors used: Gas: Asset specific gas composition analyses are performed to derive lower heating values. Electricity: IEA grid mix factors and US e-grid factors. Diesel: The LHV of diesel is determined by either local standards like produktforskriften from Klima- og miljødepartementet ( <a href="https://lovdata.no/dokument/LTI/forskrift/2017-12-21-2398">https://lovdata.no/dokument/LTI/forskrift/2017-12-21-2398</a> ) or collected directly from supplier product specification sheets.	Operational control	Yes, limited assurance			
Equinor own disclosure	Total gas and liquids production	SR Page 30	Equity basis	Yes, limited assurance			
Equinor own disclosure	Total gas and liquids production	SR Page 30	Operational control	Yes, limited assurance			
Equinor own disclosure	Renewable energy production	SR Page 30	Equity basis	Yes, reasonable assurance			
Equinor own disclosure	Renewables installed capacity	SR Page 25	Operational control	Yes, limited assurance			
Equinor own disclosure	Renewable installed capacity	SR page 25; SPD: Environment and climate	Equity basis	Yes, reasonable assurance			

Disclosure No.	Disclosure description	Equinor reference	Boundary	Assured by third party	Part omitted	Reason	Explanation
<b>303 - Water and effluents (2018)</b>							
303-1	Interactions with water as a shared resource	SR page 47-48 Due to the abundant availability of freshwater for our Norwegian and Danish onshore plants, and the limited use of freshwater in our offshore operations, the material withdrawal of freshwater is related to our US onshore operations only.	Operational control	Yes, limited assurance			
303-2	Management of water discharge-related impacts	SR page 47-48	Operational control	Yes, limited assurance			
303-3	Water withdrawal	SR page 48-49. SPD: Environment and climate Water withdrawal for our US onshore operations is only from surface water sources.	Operational control	Yes, limited assurance			
<b>304 - Biodiversity</b>							
304-1	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	SR page 46; SPD: Environment and climate	Operational control	Yes, limited assurance			
<b>305 - Emissions</b>							
305-1	305-1 Direct (Scope 1) GHG emissions	SR Page 30; SPD: Environment and climate. Emissions are reported on operational basis, as verified data on equity basis is not available. c: No biogenic CO2 emissions within Equinor scope 1 emissions. d: Absolute scope 1 emissions are reported for the current year. e: Most of Equinor's CO2 emissions (about 85%) is from combustion of gas, either in turbines or as flared gas. The emissions factors are site-specific and determined from gas composition analyses. About 10% of CO2 emissions are from the combustion of diesel. The emissions factor for diesel is determined by local or national guidelines.	Operational control	Yes, limited assurance			
		About 60% of our CH4 emissions are from fugitives and cold venting. Depending on local regulations, or whether you are onshore or offshore, these emissions are determined by area measurements, equipment measurements, modelling, flowmeters (for cold vents), OGI leak/no-leak, or using facility level activity data and standard emissions factors. The rest of the CH4 emissions are from combustion or flare, for the most part determined by using activity data (gas consumed), along with emissions factors as set forth by local and national guidelines. Equinor applies a GWP of 25 for methane. f: Equinor reports on both operational control and equity as specified in SR. g: The following main guidelines and standards are applied for determining GHG emissions: NOROG 044 – Recommended guidelines for emission and discharge reporting API - GHG Compendium 2009 EPA - Subpart W ISO 6976 - Natural gas					
Equinor own disclosure	Scope 1 GHG emissions	SR Page 30; SPD: Environment and climate.	Operational control	Yes, reasonable assurance			
Equinor own disclosure	CO2 emissions (Scope 1)	SR page 31; SPD: Environment and climate	Operational control	Yes, reasonable assurance			
Equinor own disclosure	CO2 emissions excl. flaring	SPD: Environment and climate	Operational control	Yes, limited assurance			
Equinor own disclosure	CO2 emissions from flaring	SPD: Environment and climate	Operational control	Yes, limited assurance			

Disclosure No.	Disclosure description	Equinor reference	Boundary	Assured by third party	Part omitted	Reason	Explanation
Equinor own disclosure	CO2 emissions from upstream operations	SPD: Environment and climate	Operational control	Yes, limited assurance			
Equinor own disclosure	CO2 emissions from midstream operations	SPD: Environment and climate	Operational control	Yes, limited assurance			
Equinor own disclosure	CO2 emissions from other operations	SPD: Environment and climate	Operational control	Yes, limited assurance			
Equinor own disclosure	CH4 emissions	SR page 30; SPD: Environment and climate	Operational control	Yes, reasonable assurance			
Equinor own disclosure	Hydrocarbons flared	SR page 30; SPD: Environment and climate	Operational control	Yes, limited assurance			
Equinor own disclosure	Routine flaring (share of total)	SPD: Environment and climate	Operational control	Yes, limited assurance			
305-2	305-2 Energy indirect (Scope 2) GHG emissions	SR page 30; SPD: Environment and climate.	Operational control	Yes, limited assurance			
Equinor own disclosure	Scope 2 GHG emissions (location based)	SR page 30; SPD: Environment and climate.	Operational control	Yes, reasonable assurance			
Equinor own disclosure	Scope 2 GHG emissions (market based)	SR page 30; SPD: Environment and climate.	Operational control	Yes, reasonable assurance			
305-3	305-3 Other indirect (Scope 3) GHG emissions	SR page 30; SPD: Environment and climate.	Equity basis	Yes, limited assurance			
Equinor own disclosure	CO2 emissions	SR page 30; SPD: Environment and climate	Equity basis	Yes, limited assurance			
305-4	305-4 GHG emissions intensity	SR page 20, 30 d. For all Equinor reported intensities it is specified which gases are included in calculated.	Operational control/ Equity basis	Yes, limited assurance			
Equinor own disclosure	Performance benchmark: IOGP industry average upstream CO2 emissions intensity	SR page 20; SPD: Environment and climate	Operational control	Yes, limited assurance			
Equinor own disclosure	CH4 intensity	SR page 21; SPD: Environment and climate	Operational control	Yes, limited assurance			
Equinor own disclosure	Upstream flaring intensity	SR page 21; SPD: Environment and climate	Operational control	Yes, limited assurance			
Equinor own disclosure	Performance benchmark: IOGP industry average upstream flaring intensity	SR page 21; SPD: Environment and climate	Operational control	Yes, limited assurance			
Equinor own disclosure	Net Carbon Intensity (Climate)	SR page 22; SPD: Environment and climate	Operational control	Yes, limited assurance			
305-5	305-5 Reduction of GHG emissions	SR page 21; SPD: Environment and climate Emission reductions reported are only targeted and reported as CO2 reductions. Other gases are not in the scope of this indicator. Thus reported CO2 emission reductions are equal to GHG emissions reductions. d: Reductions reported are all scope 1 reductions. e: International Organization for Standardization. (2012). ISO 14064 standard Part 2, Quantification of emission reduction projects. (Retrieved from Inquiero@Library and standards.no) IPIECA, & API (2007). Oil and natural gas industry guidelines for greenhouse gas reduction projects.	Operational control	Yes, limited assurance			
Equinor own disclosure	Energy efficiency and methane reduction	SR page 21	Operational control	Yes, limited assurance			
Equinor own disclosure	CO2 emissions captured and stored per year	SR page 28, SPD: Environment and climate	Operational control	Yes, limited assurance			
Equinor own disclosure	Accumulated CO2 emissions captured and stored	SR page 28, SPD: Environment and climate	Operational control	Yes, limited assurance			
Equinor own disclosure	Performance benchmark: CDP Corporate climate change survey	SPD: Environment and climate	Operational control	Yes, limited assurance			

Disclosure No.	Disclosure description	Equinor reference	Boundary	Assured by third party	Part omitted	Reason	Explanation
305-7	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	SR page 48-49; SPD: Environment and climate b: Gas combustion is the main source for NOx in Equinor. On the NCS, assets continuously calculate NOx emissions from gas combustion based on load, pressure and temperature for each single piece of equipment. Others use emissions factors which are specific for a particular equipment type. NOx emissions from diesel is also typically based on load and emission factors specific for each equipment type. SOx emissions are determined based the load and the properties of the fuel, as well as H2S content (ppm) for gas and S% for diesel. c. Saerforskriften - Avgift på utslipp av NOx NOROG 044 - Recommended guidelines for emission and discharge reporting	Operational control	Yes, limited assurance	a iii, v, vi and vii	Information unavailable	Assumed to be immaterial. Will be investigated for materiality, and then included in 2021 reporting, if material.
<b>306 - Effluents and Waste</b>							
306-3 (2020)	"306-3 Waste generated 306-4 Waste diverted from disposal 306-5 Waste directed to disposal"	SR page 48-49; SPD: Environment and climate.	Operational control	Yes, limited assurance	306-1 (2020) Waste generation and significant waste-related impacts 306-2 (2020) Management of significant waste-related impacts	Information unavailable	Assessments and descriptions needed for this disclosure is not available. Will be assessed in more detail in 2021 and considered for disclosure for 2021.
306-3 (2016)	306-3 Significant spills	SR page 35; SPD: Safety, health and working environment	Operational control	Yes, limited assurance			
Equinor own disclosure	Number of oil spills	SR page 35; SPD: Safety, health and working environment	Operational control	Yes, reasonable assurance			
Equinor own disclosure	Volume of oil spills	SR page 35; SPD: Safety, health and working environment	Operational control	Yes, reasonable assurance			
Equinor own disclosure	Number of other spills	SPD: Safety, health and working environment	Operational control	Yes, limited assurance			
Equinor own disclosure	Volume of other spills	SPD: Safety, health and working environment	Operational control	Yes, limited assurance			
Equinor own disclosure	Regular discharge of oil to water	SR page 47,49; SPD: Environment and climate	Operational control	Yes, limited assurance			
<b>307 - Environmental compliance</b>							
Equinor own disclosure	Environmental fees and taxes	SPD: Environment and climate	Operational control	Yes, limited assurance			
<b>308 - Supplier Environmental assessment</b>							
<b>400 series (Social topics)</b>							
<b>401 - Employment</b>							
401-1	401-1 New employee hires and employee turnover	SPD: Social performance including workforce	Equinor group	Yes, limited assurance			
Equinor own disclosure	Consultants	SPD: Social performance including workforce	Equinor group	Yes, limited assurance			
Equinor own disclosure	Contractor personnel	SPD: Social performance including workforce	Equinor group	Yes, limited assurance			
Equinor own disclosure	Ranking in Universum Engineering students employer Attractiveness survey (Norway)	SPD: Social performance including workforce	Equinor ASA	Yes, limited assurance			
Equinor own disclosure	Apprentices at year end	SPD: Social performance including workforce	Equinor group	Yes, limited assurance			

Disclosure No.	Disclosure description	Equinor reference	Boundary	Assured by third party	Part omitted	Reason	Explanation
Equinor own disclosure	Apprenticeships awarded per year	SR page 54., SPD: Social performance including workforce	Equinor group	Yes, limited assurance			
Equinor own disclosure	Graduates at year end	SPD: Social performance including workforce	Equinor group	Yes, limited assurance			
Equinor own disclosure	Graduates recruited per year	SR page 54., SPD: Social performance including workforce	Equinor group	Yes, limited assurance			
<b>402 - Labor/Management Relations</b>							
402-1	402-1 Minimum notice periods regarding operational changes	<p>The minimum notice periods may vary, depending on collective bargaining agreements, individual agreements and statutory requirements. Equinor follows local legislation. In addition, we aim to provide employees with information as soon as possible or as deemed relevant. We believe openness and collaboration with our employees will bring about the best solutions, hence we will often go further than the requirements when involving employees in organisational processes.</p> <p>Norway: There are no requirements of minimum weeks of notice period in the law. Employees have extensive information and consultation rights, most of which are to be found in the Basic Agreements concluded between employer and employee organisations. The management are obliged to take the views of the employees into account when making specific decisions. Therefore, it is important that consultation takes place before a decision is made. This also requires timely provision of all information needed to make an informed decision.</p> <p>There are frequent meetings with union representatives on different levels in the organisation, and the work environment committee to address organisational and operational changes. Any major issues concerning the operations that would affect employees would be debated with the employee representatives before the company decides on further direction.</p> <p>For other significant locations of operation, such as US, Brazil and UK, we follow local legislation.</p>		Yes, limited assurance			
<b>403 - Occupational Health and Safety</b>							
403-1	403-1 Occupational health and safety management system	<p>Generally, our mgt system is designed to meet internal and external requirements. National legal requirements are adhered to locally and presented as additons to the internal ones. Risk management is regulated through our global risk management process RM100 Manage risk. RM100 reflects the international standard ISO 31000 Risk management.</p> <p>All employees are covered by our management system, while coverage related to non-employees varies depending on their type of delivery. For example, drilling activities performed by contractors at our facilities are covered, while workers at construction yards may be excluded.</p> <p>The operational asset's organisation (line) has the final saying in classification of incidents.</p> <p>Details of our management system approach: SR: Page 10.</p>	Equinor group	Yes, limited assurance			

Disclosure No.	Disclosure description	Equinor reference	Boundary	Assured by third party	Part omitted	Reason	Explanation
403-2	403-2 Hazard identification, risk assessment, and incident investigation	<p>SR page 11, 32-35. SPD: Serious incidents, Personal health and safety, health and working environment, process safety</p> <p>SPD reporting boundary: We report health, safety and security incident data for our operated assets, facilities and vessels, including subsidiaries and operations where we are the technical service provider. In addition, we include contracted drilling rigs, floatels and vessels, construction projects and transportation of personnel and products if we are able to influence execution. We apply a framework of minimum requirements for recording safety and environmental data for operations within our control. In addition, we do case-by-case consideration to data recording, extending our sphere of influence beyond what is considered to be within our operational control.</p> <p>Hazard identification and assessment of risks is regulated through our global risk management process RM100 Manage risks and associated processes. RM100 reflects the international standard ISO 31000 Risk management.</p> <p>Reporting of hazards and hazardous situations in Synergi, a company-wide tool, is available to all through our corporate network.</p> <p>Our I am Safety initiative launched in January 2017 explicitly address the right and obligation to stop unsafe behavior and activities.</p> <p>The primary purpose of investigations following SSU incidents is to identify experience that can contribute to learning, as well to prevent recurrence. The most severe incidents are investigated by Corporate Audit in accordance with our internal process for investigation of incidents. Less severe incidents are investigated by the business line. Company-wide criteria are used to decide which incidents shall be investigated by whom. The selection criteria and work processes for surveys are available to everyone through our corporate network.</p> <p>The operational asset's organisation (line) has the final saying in classification of incidents.</p> <p>Generally, our management system is open for improvement proposals from all. Prior to major changes of requirements and principles, these are sent to relevant stakeholders for hearing.</p>	Operational control	Yes, limited assurance			
403-3	403-3 Occupational health services	<p>SR page 32 outline our way of working. Occupational health services that contribute to management of hazard and risk are executed according to a set of topic based work processes, including:</p> <ul style="list-style-type: none"> <li>- Establish worksite and occupational healthcare</li> <li>- Handle work related illness case</li> <li>- Health and international travel</li> <li>- Perform risk-based health assessment</li> <li>- Personal protective equipment</li> <li>- Prevention and handling/treatment of malaria</li> </ul> <p>The governing documents and the occupational health services are provided by subject matter experts and medical professionals overseen by the Chief Medical Officer.</p> <p>The governing documents are available globally through our corporate network.</p>	Equinor group	Yes, limited assurance			

Disclosure No.	Disclosure description	Equinor reference	Boundary	Assured by third party	Part omitted	Reason	Explanation
403-4	403-4 Worker participation, consultation, and communication on occupational health and safety	<p>SR page 32 outline our way of working</p> <p>The company has group level processes for worker participation and consultation according to national laws and regulations. Currently that includes: Group working environment committee covering Norwegian activities in accordance with arbeidsmiljøloven § 7-2 and a safety delegate service according to the Norwegian Working Environment Act.</p> <p>The governing documents, support material and relevant information on health and working environment, is available globally through our corporate network.</p>	Equinor group	Yes, limited assurance			
403-5	403-5 Worker training on occupational health and safety	<p>SR page 31-32.</p> <p>Equinor University delivers occupational health and safety training, including class room and web-based courses (e.g. First aid, noise, safe use of chemicals, travel awareness medical, psychosocial working environment and prevention of major accidents).</p> <p>Compulsory training courses is decided locally based on national laws and regulations and discipline specific needs.</p> <p>The full range of courses is available globally through our corporate network.</p>	Equinor group	Yes, limited assurance			
403-6	403-6 Promotion of worker health	Health insurance was implemented in Equinor ASA effective from January 2019. The health insurance scheme, supplementing public health services, offers access to private specialists, medical examinations and treatments, and is similar to local health insurance already provided in our subsidiaries.	Equinor group	Yes, limited assurance			
403-7	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<p>SR: Page 32.</p> <p>The Group's scope for recording, reporting and follow-up of incidents include all activities operated/ controlled by the company and certain activities operated/ controlled by business relationships. Business relationships comprise non-operated joint ventures, non-controlled companies and supply chain activities. Evaluation of whether health and safety impacts directly linked to our operations and activities through our business relationships shall be included in our scope of ongoing risk management, incident registration, verification work, follow-up and implementation of mitigating actions is decided on a case by case basis:</p> <ul style="list-style-type: none"> <li>- For non-operated Joint Venture (JV) a strategy for follow-up is established for each JV</li> <li>- Our supply chain activities are either fully included in scope of recording, reporting and follow-up of incidents or handled according to our Human rights policy3. For example we may follow-up and influence supply chain activities at construction yards by having safety ambassadors on site and see to that non-safe working practices are changed.</li> </ul>	Equinor group	Yes, limited assurance			

Disclosure No.	Disclosure description	Equinor reference	Boundary	Assured by third party	Part omitted	Reason	Explanation
403-9	403-9 Work-related injuries	<p>All work-related injuries and the relevant number of hours worked are registered in our corporate incident recording system (Synergi). All workers undertaking activities that the company controls or is able to exercise significant influence on are included in the scope of reporting. The system supports categorisation of injuries according to degree of severity, type of injury and part of body harmed.</p> <p>Work-related risks are assessed to ensure proper understanding of risk and adequate risk mitigation. The range of risks considered are selected based on accidents typical to our industry and type of activities. The risk assessments use incident information as one of several input sources.</p> <p>The number and rate of fatalities as a result of work-related injury, covering employees and contractors and number of hours worked are available at SPD: Safety, health and working environment.</p> <p>The number and rate of recordable work-related injuries; TRIF, is available in the SPD: Safety, health and working environment and the SR on p 34.</p> <p>The main type of work-related injury is addressed in the SR on page 32 and 34.</p> <p>Contextual information related to establishment of KPIs and indicators are available in the SPD: Safety, health and working environment.</p>	Operational control	Yes, limited assurance			
Equinor own disclosure	Lost time injury frequency (LTIF)	SPD: Safety, health and working environment	Operational control	Yes, limited assurance			
Equinor own disclosure	Work related illness frequency (WRI)	SPD: Safety, health and working environment	Operational control	Yes, limited assurance			
Equinor own disclosure	Sickness absence	SR page 36, SPD: Safety, health and working environment	Equinor ASA employees	Yes, limited assurance			
Equinor own disclosure	Oil and gas leakages with a leakage rate of 0.1kg per second or more [KPI]	SR page 36–37, SPD: Safety, health and working environment	Operational control	Yes, reasonable assurance			
Equinor own disclosure	Hours worked	SPD: Safety, health and working environment	Operational control	Yes, limited assurance			
Equinor own disclosure	Planned hours worked	SPD: Safety, health and working environment	Operational control	Yes, limited assurance			
Equinor own disclosure	Total serious incident frequency (SIF) [KPI]	SR page 36–37, SPD: Safety, health and working environment	Operational control	Yes, reasonable assurance			
Equinor own disclosure	Actual SIF	SPD: Safety, health and working environment	Operational control	Yes, reasonable assurance			
Equinor own disclosure	Incidents with major accident potential	SPD: Safety, health and working environment	Operational control	Yes, limited assurance			
Equinor own disclosure	Major accidents	SPD: Safety, health and working environment	Operational control	Yes, limited assurance			
Equinor own disclosure	Tier1 process safety event	SR page 36, SPD: Safety, health and working environment	Operational control	Yes, limited assurance			
Equinor own disclosure	Total recordable injury frequency (TRIF) [KPI]	SR page 36–37, SPD: Safety, health and working environment	Operational control	Yes, reasonable assurance			
Equinor own disclosure	Employee TRIF	SPD: Safety, health and working environment	Operational control	Yes, reasonable assurance			
Equinor own disclosure	Contractor TRIF	SPD: Safety, health and working environment	Operational control	Yes, reasonable assurance			
Equinor own disclosure	Total fatalities	SPD: Safety, health and working environment	Operational control	Yes, reasonable assurance			

Disclosure No.	Disclosure description	Equinor reference	Boundary	Assured by third party	Part omitted	Reason	Explanation
Equinor own disclosure	Employees fatalities	SPD: Safety, health and working environment	Operational control	Yes, reasonable assurance			
Equinor own disclosure	Contractors fatalities	SPD: Safety, health and working environment	Operational control	Yes, reasonable assurance			
<b>404 - Training and Education</b>							
404-1	404-1 Average hours of training per year per employee	SR page 5.9 and 54, SPD: Social performance including workforce	Equinor group	Yes, limited assurance			
<b>405 - Diversity and Equal Opportunity</b>							
405-1	405-1 Diversity of governance bodies and employees	a) Diversity of governing bodies: AR chapter 3.8 Corporate assembly, board of directors and management, page 123-135	Equinor group	Yes, limited assurance	b. Percentage of employees per employee category in each of the following diversity categories: i. Age group: under 30 years old, 30-50 years old, over 50 years old.	Information unavailable	This information is not available now, but we will work to establish the reporting on this in 2021.
Equinor own disclosure	Female apprenticeships at year end (share of total)	SPD: Social performance including workforce	Equinor group	Yes, limited assurance			
Equinor own disclosure	Apprenticeships awarded to women (share of total)	SR page 54., SPD: Social performance including workforce	Equinor group	Yes, limited assurance			
Equinor own disclosure	Female graduates at year-end (share of total)	SPD: Social performance including workforce	Equinor group	Yes, limited assurance			
Equinor own disclosure	Female graduates recruited (share of total)	SR page 54., SPD: Social performance including workforce	Equinor group	Yes, limited assurance			
Equinor own disclosure	Female leaders in Corporate Executive Committee, Business Areas and Business Clusters (share of total)	SPD: Social performance including workforce	Equinor group	Yes, limited assurance			
Equinor own disclosure	Women in Business Unit leadership positions (share of total)	SPD: Social performance including workforce	Equinor group	Yes, limited assurance			
Equinor own disclosure	Women in Business Sector leadership positions (share of total)	SPD: Social performance including workforce	Equinor group	Yes, limited assurance			
Equinor own disclosure	Women in Business Department leadership positions (share of total)	SPD: Social performance including workforce	Equinor group	Yes, limited assurance			
Equinor own disclosure	Non-Norwegians in Corporate Executive committee, Business Areas and Business Clusters (share of total)	SPD: Social performance including workforce	Equinor group	Yes, limited assurance			
Equinor own disclosure	Non-Norwegian in Business Unit leadership positions (share of total)	SPD: Social performance including workforce	Equinor group	Yes, limited assurance			
Equinor own disclosure	Non-Norwegians in Business Sector leadership positions (share of total)	SPD: Social performance including workforce	Equinor group	Yes, limited assurance			
Equinor own disclosure	Non-Norwegians in Business Department leadership positions (share of total)	SPD: Social performance including workforce	Equinor group	Yes, limited assurance			
Equinor own disclosure	Women in the Board of Directors (share of total)	a) Diversity of governing bodies: AR chapter 3.8 Corporate assembly, board of directors and management, page 126-130	Equinor ASA	Yes, limited assurance			
Equinor own disclosure	Women among the members elected by the shareholders (share of total)	SPD: Social performance including workforce	Equinor ASA	Yes, limited assurance			
Equinor own disclosure	Women among the employee representatives (share of total)	SPD: Social performance including workforce	Equinor ASA	Yes, limited assurance			
Equinor own disclosure	Local workforce diversity	SPD: Social performance including workforce	Equinor group	Yes, limited assurance			

Disclosure No.	Disclosure description	Equinor reference	Boundary	Assured by third party	Part omitted	Reason	Explanation
Equinor own disclosure	Satisfaction and motivation	SPD: Social performance including workforce	Equinor group (all Equinor employees)	Yes, limited assurance			
405-2	405-2 Ratio of basic salary and remuneration of women to men	SR page 55	Equinor ASA	Yes, limited assurance	a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.	Information unavailable	Base pay ratio women: men is reported for Equinor ASA. The breakdown per employee category or significant locations of operations is currently not reported. Equinor aims to establish reporting on these categories within 2021.
<b>406 - Non-discrimination</b>							
406-1	Incidents of discrimination and corrective actions taken	Four reports with allegations of discrimination. All reports assessed, and all concluded that allegations were not substantiated.	Equinor group	Yes, limited assurance			
Equinor own disclosure	Average overall zero tolerance for discrimination and harassment score	SPD: Social performance including workforce	Equinor group (all Equinor employees)	Yes, limited assurance			
<b>GRI 409: Forced or Compulsory Labor</b>							
409-1	409-1 Operations and suppliers at significant risks for incidents of forced or compulsory labor	SR: Page 41.	Equinor's suppliers, risk based approach	Yes, limited assurance			
<b>410 - Security Practices</b>							
410-1	410-1 Security personnel trained in human rights policies or procedures	SR page 35, SPD: Safety, health and working environment	Operational control				
<b>GRI 412: Human Rights Assessment</b>							
412-1	412-1 Operations that have been subject to human rights reviews or impact assessments	SR: Page 41.	Operational control	Yes, limited assurance			
412-2	412-2 Employee training on human rights policies or procedures	SR: Page 42 In 2020, we arranged for more than 2244 hours of training on human rights.	Equinor group, operational control	Yes, limited assurance	Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations.	Information unavailable	Full reporting on this will be investigated in 2021.

Disclosure No.	Disclosure description	Equinor reference	Boundary	Assured by third party	Part omitted	Reason	Explanation
412-3	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<p>SR: Page 5, 9</p> <p>Equinor's human rights expectations are communicated to all suppliers and business partners, through our Code of Conduct and explicit human rights clauses in significant agreements.</p> <p>Definition of significant investment agreements included: "Major contracts within engineering and construction, subsea and marine installation". These are areas where we have large transactions in monetary value and/or perceived high human rights risk.</p>	Equinor group	Yes, limited assurance	Percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Information unavailable	The total number of "significant investment agreements" is not available. Full reporting on this will be investigated in 2021.
<b>GRI 415: Public Policy</b>							
415-1	415-1 Political contributions	Ref. Equinor Code of Conduct, part 5.5: "We will make Equinor's position known on important industry matters through proactive engagement with government policy makers and other stakeholders, such as the media, civil society and international institutions. However, we will not make gifts, donations or otherwise support political parties or individual politicians."	Equinor group	Yes, limited assurance			

<sup>1</sup>[Equinor book](#)

<sup>2</sup>[Equinor Code of conduct](#)

<sup>3</sup>[Equinor Human rights policy](#)

<sup>4</sup><https://www.equinor.com/en/supply-chain.html>

<sup>5</sup><https://www.equinor.com/en/how-and-why/impact-assessments.html>

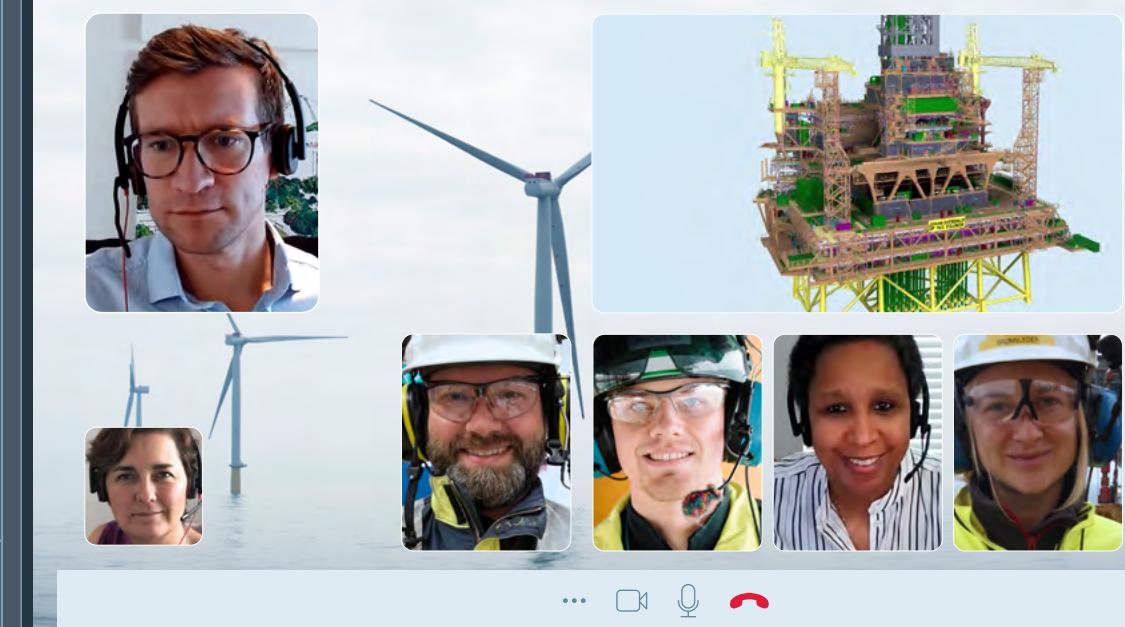


equinor



# 2020

## Sustainability Report



## Our year 2020

Started construction at Hywind Tampen, the world's largest floating offshore windfarm (88 MW), aiming at scaling up floating offshore wind and providing power to five platforms.

Made an investment decision with partners to partly electrify the Sleipner field in the North Sea.



Signed a MoU with Scatec and Hydro to jointly develop a 480 MW solar power plant in Brazil.

Announced an investment decision and financial close on Dogger Bank A (1.2 GW) and B (1.2 GW) in the UK and divested 10% to capture value.

Launched an offshore wind partnership with BP and divested half of our shares in Empire Wind and Beacon Wind to capture value.

Signed a MoU to form a strategic partnership with Panasonic and Hydro to explore possibilities for establishing a sustainable and cost-competitive European battery business.



Officially opened the Johan Sverdrup field, which has record-low operational CO<sub>2</sub> emissions (0.67 kg CO<sub>2</sub> per barrel produced). Daily production capacity increased to half a million barrels of oil per day in phase 1.

Achieved safe start-up of the Snorre Expansion Project, which extends the lifetime of the Snorre A platform in the North Sea.

Strengthened our climate ambitions by setting an ambition to reach net-zero emissions by 2050, including emissions from production and use of energy. This adds to the ambitions of achieving carbon neutral global operations by 2030 and cutting absolute emissions in Norway to near zero by 2050.



Sanctioned four oil and gas projects, two in Norway and two internationally.

Joined Europe's biggest green hydrogen project, the NortH2 project, which aims to produce green hydrogen (4 GW by 2030 and 10+ GW by 2040) and submitted a proposal with partners to create a low carbon cluster in the Humber in the United Kingdom.



Completed an internal investigation report on the long-term oil seepage at the Mongstad refinery and started follow-up work.

The Norwegian Environmental Agency reported Equinor to the police in three cases related to spills and emissions to the environment at the Mongstad refinery.



Experienced a fire at the Hammerfest LNG plant at Melkøya. No personnel injuries were reported, but extensive repair is needed, which requires the plant to remain closed for up to 12 months. A fire was also reported in the Tjeldbergodden compressor building.

# Message from the CEO

Dear stakeholder.

Equinor has set clear ambitions for the future. We aim to be a leader in the energy transition by building the energy industry of tomorrow and becoming a net-zero company. We are developing as a broad energy company founded on a strong commitment to sustainability and by delivering on our strategy – always safe, high value and low carbon.

Society has to move faster towards net-zero emissions, and we aim to be a committed partner on that journey. Early last year, we outlined our climate roadmap and set new ambitions. We are on track to achieve carbon neutral global operations by 2030, and in line with the Paris Agreement we have worked our ambitions further. By 2050, Equinor aims to be a net-zero company – including emissions from the use of the energy we provide.

We will reduce emissions from our own oil and gas production, accelerate growth within renewables and develop markets for hydrogen, carbon capture and storage. This is good for the climate and a solid business strategy that ensures competitiveness and drives change towards a future that will have to be net zero. It sets a clear strategic direction and demonstrates Equinor's continued commitment to long-term value creation in line with the Paris Agreement. Equinor wants to be a leading company in the energy transition, and these ambitions set us at the forefront.

Ensuring safety and security of everyone working in and for Equinor, is a prerequisite for everything we do. We have seen improvements in important areas, especially

the reduced number of personnel injuries. However, we still have challenges. During the second half of 2020, we experienced serious oil and gas leakages and fires at some of our onshore plants. We take these incidents very seriously and are investigating them and implementing mitigating actions. They are stark reminders of the need to further improve safety, and the continuous and necessary work required to prevent major accidents.

2020 was an extraordinary year. It was a challenging and tough time for us all, for some more than others. The Covid-19 pandemic overshadowed everything in our societies and influenced much of our work. This is why we took, and continue to take, measures to reduce the spread of the virus to keep our people safe. Moreover, the pandemic had, and still has, a significant impact on our markets. The demand for oil and gas decreased and we saw unprecedented market conditions and uncertainties in the first half of 2020.

Despite the pandemic, we have managed to conduct our business – at sea and on land. The organisation is adapting to new routines both on our installations and while working from home. I am impressed by the way our employees, leaders and suppliers continue to manage the current circumstances.

Our actions will continue to be inspired and guided by the United Nations Sustainable Development Goals. We have also integrated human rights more concretely into the way we work by strengthening our corporate policy, delivering

more rigorous training for our employees, suppliers and partners and by further integrating human rights due diligence in our work processes.

We are preparing for a future that will be different. Where the need for energy will be as high as ever, but with far lower emissions. Equinor aims to stand out as one of the companies that shaped that future. Guided by our purpose: To turn natural resources into energy for people and progress for society, we want to be a leader in the energy transition developing the energy industry of tomorrow.

**Anders Opedal**  
President and Chief Executive Officer



# Strategy & governance



## Material topics and stakeholder dialogue

Both the content and structure of this report reflects our most material sustainability impacts across the value chain, and the sustainability topics that were most significant to us and our stakeholders in 2020.

When assessing materiality, we consider the global sustainability context, transparency and relevant reporting standards. We have evaluated our impacts across our own activities and business relationships. These include actual and potential, positive and negative impacts on people, including human rights, the environment and the economy. These are described on page 5 and illustrated on page 7.

Relevant sustainability standards and reporting frameworks have informed our assessment, such as the GRI Standards (including the draft Oil and Gas Sector Standard), the Recommendations of the Task Force on Climate-related Financial Disclosures and the UN Global Compact. The Paris Agreement and the United Nations Sustainable Development Goals are key external frameworks which we respond to.

We engage stakeholders in continuous dialogue throughout the year to help inform our content selection process. Stakeholders are consulted both directly and indirectly, and we strive to remove potential barriers (language, social and geographical) when interacting. The Chair of the Board of Directors, the CEO and other senior managers, amongst others, engage in stakeholder dialogue. Key stakeholder groups include employees, shareholders, governments, regulators, business partners and suppliers, customers, local communities, academia, non-governmental organisations and society at large. Regular dialogue, media analysis, investor meetings and other outreach to key stakeholders on sustainability topics, have helped capture the stakeholder views and concerns most relevant for this report. Throughout 2020, we have engaged in dialogue with the investor group Climate Action 100+ on Equinor's climate ambitions and strategy. Our policy expectations and a joint statement with Climate Action 100+ can be found on our website.

To give independent perspectives on our activities, we have invited some stakeholders to share their views on our activities as "External voices" which feature throughout this report. These individuals represent a variety of backgrounds, disciplines and geographical areas. The views expressed are those of the individual and do not represent views by Equinor. The contributors are not remunerated.

This year, we present our material topics in a slightly more detailed way, however the most material topics remain the same. Some of the topics are overlapping, but the totality of our 18 material topics represent Equinor's most important sustainability impacts and focus areas.

## Our material topics and impact on the Sustainable Development Goals (SDGs)

Material topic	Impact	Related quantitative figure 2020	Selected SDGs	Impact on SDGs	
Ensuring responsible operations	Health and safety, incl. emergency response	High impact	Total recordable injury frequency (TRIF): 2.3	SDG 8	<ul style="list-style-type: none"> <li>Providing good work places with safety as our priority</li> <li>Potential safety incidents</li> </ul>
	Security	Medium impact	Percentage of security personnel who have received formal training in the organisations human rights policies: 85		
	Integrity and anti-corruption	Medium impact	Cases reported to public ethics helpline: 183	SDG 17	<ul style="list-style-type: none"> <li>Supporting initiatives to promote transparency and anti-corruption, e.g. UN Global Compact and the EITI</li> <li>Transparent reporting of payments to governments</li> <li>Exposure to integrity risks</li> </ul>
	Human rights in the supply chain	Medium impact	Supplier human rights (HR) verifications conducted: 37	SDG 8	<ul style="list-style-type: none"> <li>Promoting respect for human rights related to our operations and in our supply chain</li> <li>Exposure to human rights risks related to our activities and supply chain</li> </ul>
	Human rights in communities	Medium impact	Countries in which supplier HR verifications undertaken: 9 Investment agreements and contracts including human rights clauses or screening (no.): 33		
	Biodiversity, oceans & sensitive areas	Low impact	Operations inside and adjacent to protected areas: 0 and 12 Regular discharges of oil to water: 1,300 tonnes	SDG 14	<ul style="list-style-type: none"> <li>Managing environmental impacts and promoting sustainable ocean management</li> <li>Risk of potential spills and pollution of air or water</li> <li>Potential noise impacts on marine life</li> </ul>
	Air emissions, water and waste	Low impact	Nitrogen oxides emissions (NOx): 36,000 tonnes; Hazardous waste generated: 318,000 tonnes; Total freshwater withdrawal: 8 million m <sup>3</sup> ; Share of production in areas of high water stress: 0%		
Creating shared value	Economic impact (direct and indirect)	Medium impact	Purchase of goods and services: 16.1 billion USD	SDG 8	<ul style="list-style-type: none"> <li>Provide energy</li> <li>Economic impact through taxes, jobs, supply chain and local content</li> <li>Supporting STEM education</li> </ul>
	Local community impact	Medium impact	Share of procurement spend locally: 89%		
	Diversity and inclusion	Medium impact	Earnings ratio (women:men): 98%; Women in Corporate Executive Committee, Business Areas and Business Clusters (share of total): 47%		
	Employment and skills development	Medium impact	Employee hours worked: 38.9 million hours; Contractor hours worked: 84.9 million hours; Average hours of training for employees: 174	SDG 4 and SDG 8	<ul style="list-style-type: none"> <li>Promoting diversity and inclusion in our workforce</li> </ul>
Building a low-carbon advantage	Climate risk and resilience	High impact	NPV effect of IEA Sustainable Development Scenario: -22%	SDG 13	<ul style="list-style-type: none"> <li>Providing energy with significantly lower operational emissions than the industry average</li> <li>Investing in renewable energy and low carbon solutions such as CCS and hydrogen, to lower the GHG intensity of energy provided (scope 1, 2 and 3)</li> <li>GHG emissions from operations, supply chain and use of our products</li> <li>Working with suppliers to reduce emissions from supply chain, and maritime operations in particular</li> <li>Policy engagement to support the goals of the Paris Agreement</li> </ul>
	GHG emissions scope 1 & 2	High impact	GHG emissions scope 1 & 2 (million tonnes CO <sub>2</sub> e, scope 2 location based): 13.5		
	GHG emissions scope 3	High impact	250 million tonnes CO <sub>2</sub> e (cat. 11, equity basis)		
	Supply chain emissions	High impact	CO <sub>2</sub> emissions from Equinor's maritime activities (oil tankers, supply vessels, drilling rigs, construction vessels etc.): 4.8 million tonnes		
	Renewable energy	High impact	1,662 GWh renewables production (equity basis) 749 MW Renewables installed capacity (operational control)		
	Low carbon technologies and nature-based solutions	High impact	CO <sub>2</sub> emissions captured and stored in reporting year: 1.1 million tonnes		
	Climate policy engagement	High impact	Number of energy and climate associations, where Equinor holds membership, screened for alignment with Equinor's climate stance: >80	SDG 13	

## Our value chain and key sustainability impacts

Equinor has activities in more than 30 countries. However, most of our operations take place in our core countries Norway, the United Kingdom, Brazil and the United States.

Our value chain spans from exploration and accessing acreage, through development and production or electricity generation, to transportation, processing and refining. Our products, oil, gas and electricity, are offered to the market through our marketing and trading activities. Globally, we engage with almost 9,000 suppliers. We have around 21,000 employees, of which 85% are based in Norway.

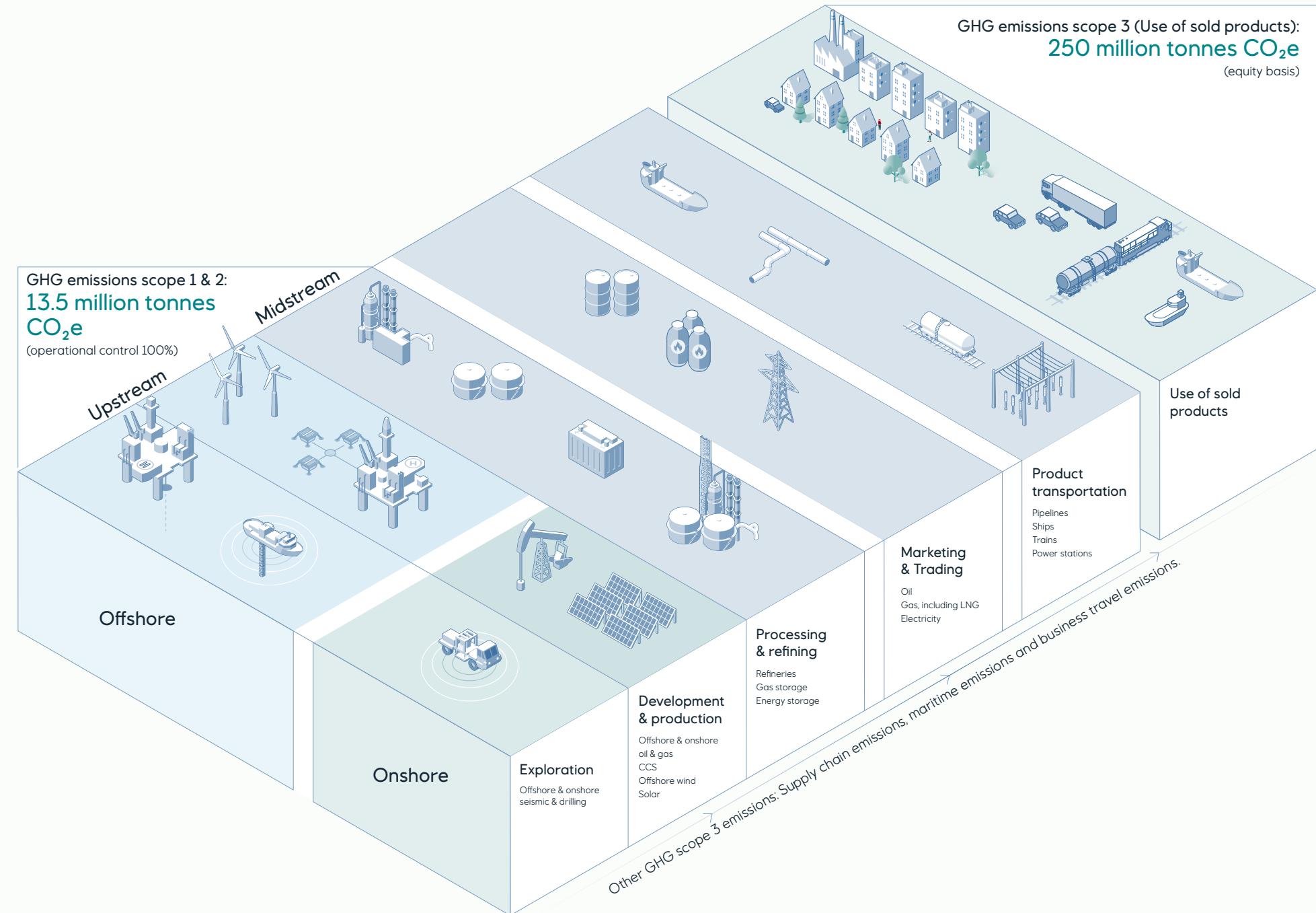
Our operated oil and gas volumes are around 40% larger than our equity-based production. Thus, our Scope 1 CO<sub>2</sub> emissions based on operational control (100%) are larger than our equity-based CO<sub>2</sub> emissions. Midstream emissions equal approximately 32% of our total scope 1 emissions (operational control), while upstream activities make up nearly all remaining emissions. Approximately 87% of Equinor's scope 1 emissions (operational control) occur in Norway. Our scope 3 emissions reflect our equity-based production volumes, and they do not include scope 3 emissions from volumes owned by the Norwegian State and other third-party volumes. Details are provided in "Sales volumes" in our Annual Report and Form 20-F.

### Reporting boundaries

Aligned with industry practice and regulatory requirements, we report safety and environmental data on operational control (100%) basis, including operations where Equinor is a technical service provider. GHG data is reported both on equity and operational control basis. Economic data are reported based on equity share, and workforce data covers employees in our direct employment. Human rights data is collected from operated and non-operated assets.

**For more information about reporting boundaries, see "About the report" in appendices.**

Production volumes oil and gas (operated)	Production volumes oil and gas (equity)	Liquid/gas split (equity)	Renewable energy production (equity)	Number of employees
1,106 million barrels of oil equivalents (mmboe)	758 million barrels of oil equivalents (mmboe)	54/46	1,662 GWh	21,245



# Sustainability at Equinor

Equinor's purpose is to turn natural resources into energy for people and progress for society. Our strategy – always safe, high value and low carbon – positions us to deliver long-term value creation in support of the goals of the Paris Agreement. Our sustainability priorities – building a low-carbon advantage, ensuring responsible operations, protecting the environment and creating shared value – are closely linked with our three strategic pillars.

We are guided by our vision – shaping the future of energy – and we believe that our strategy and long-term perspective on value creation will make us more competitive in the long term. Our values – open, collaborative, courageous and caring – help us set direction for our decisions, actions and the way we engage with others.



## Contributing to the United Nations Sustainable Development Goals

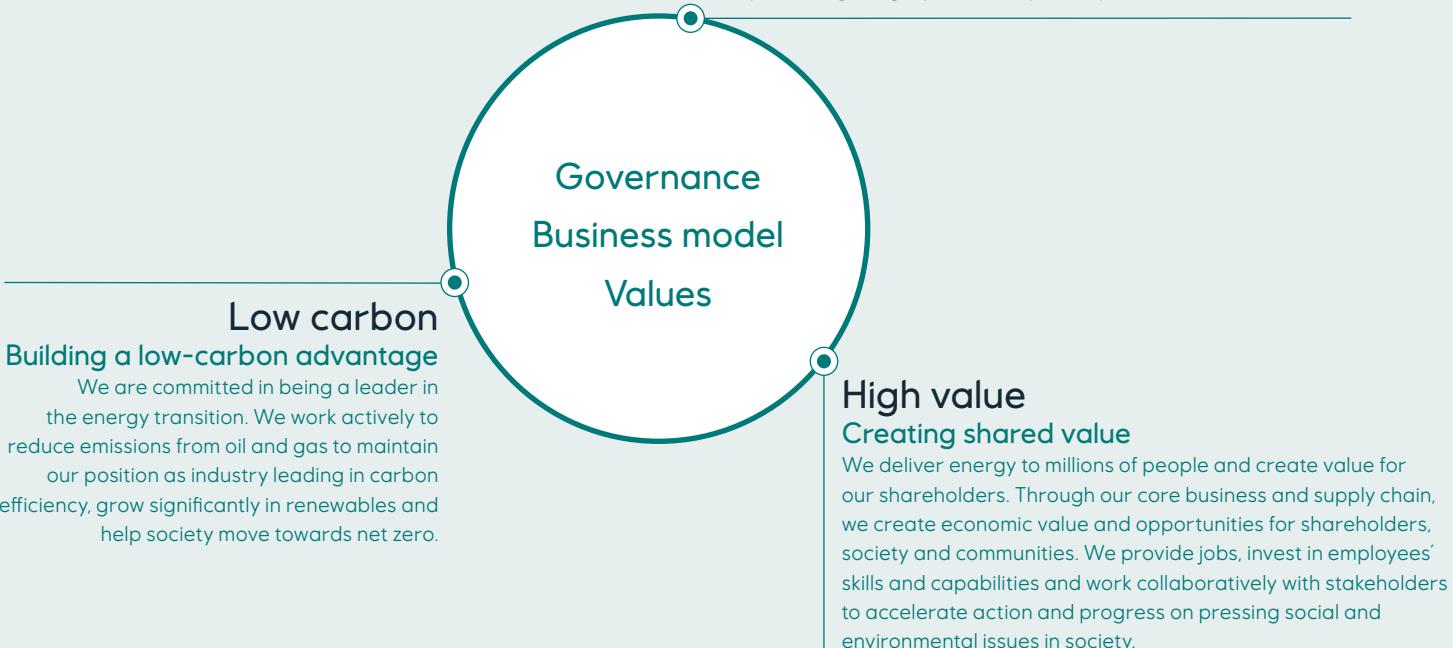
Equinor works actively to support the United Nations Sustainable Development Goals (SDGs) and shares the view that business has a key role to play in implementing the goals. We contribute to social and economic development in the societies and communities we operate in, by delivering energy, creating economic value and jobs, developing people and working on climate action, as well as by conducting responsible business activities.

Our business activities have both positive and negative impacts on the SDGs. Equinor supports all the 17 SDGs and contributes in particular to the following six goals: Quality education, affordable and clean energy, decent work and economic growth, climate action, life below water and partnerships for the goals. Our specific impact on each of these goals is described in the table on page 5.

## Always safe

Ensuring responsible operations  
Protecting the environment

Safe and responsible operations are essential for our license to operate and an enabler of long-term value creation. We have set clear targets for continuous improvement of our safety records. We are managing our environmental impact, respecting human rights and promoting integrity and transparency.



# Sustainability ambitions and results

Sustainability agenda		Material topics	Indicators	2020	2019	Ambition*
 	<b>Ensuring responsible operations</b>	Health and safety, incl. emergency response	SIF (number per million hours worked)	<b>0.5</b>	0.6	0.4
			TRIF (number per million hours worked)	<b>2.3</b>	2.5	2.2
			Oil and gas leakages (No.)	<b>11</b>	10	9
		Security	Security personnel who have received formal training on human rights policies (%)	<b>85</b>	-	-
		Integrity and anti-corruption	Employees who completed the Code of Conduct course (%)	<b>87</b>	93	95
		Human rights in the supply chain	Supplier human rights verifications conducted (No.)	<b>37</b>	50	Integrate human rights practices, improve risk management and evolve ambitions
		Human rights in communities	Significant investment agreements and contracts including human rights clauses or screening (No.)	<b>33</b>	-	
	<b>Protecting the environment</b>	Biodiversity, oceans & sensitive areas	Operations inside and adjacent to protected areas (No.)	<b>0 &amp; 12</b>	0 & 8	Develop a corporate position on biodiversity
		Air emissions, water, waste and discharge	Share of production in areas of water scarcity (%)	<b>0</b>	0	-
	<b>Creating shared value</b>	Economic impact (direct and indirect)	Tax contribution (billion USD)	<b>3.1</b>	8.8	-
		Local community impact	Share of procurement spend locally (%)	<b>89</b>	85	-
		Employment and skills development	Average hours of training for employees (No.)	<b>17.4</b>	28.6	-
		Diversity and inclusion	Diversity and inclusion index (work environment survey score)	<b>37 &amp; 78</b>	35 & 77	55 & 80 by 2025
 	<b>Building a low-carbon advantage</b>	Climate risk and resilience	Impact of IEA Sustainable Development Scenario vs. EPA 3Q20, on Equinor's portfolio (NPV impact, %)	<b>-22</b>	-14	-
		GHG emissions scope 1 & 2	Upstream CO <sub>2</sub> intensity (kg CO <sub>2</sub> /boe)	<b>8.0</b>	9.5	8.0
			GHG emissions scope 1 & 2 (million tonnes CO <sub>2</sub> e, location based)	<b>13.5</b>	14.9	40% reduction by 2030 in Norway
			CH <sub>4</sub> intensity (%)	<b>0.03</b>	0.03	Near zero
		GHG emissions scope 3	Flaring intensity (%)	<b>1.7</b>	2.5	0 routine flaring by 2030
			Net carbon intensity (g CO <sub>2</sub> e per MJ energy produced)	<b>68</b>	68	0 in 2050
			GHG emissions scope 3 (million tonnes CO <sub>2</sub> e, cat.11, equity basis)	<b>250</b>	247	Part of net-zero ambition in 2050
		Supply chain emissions	Maritime emissions (million tonnes CO <sub>2</sub> )	<b>4.8</b>	-	-50% by 2030 (Norway)
		Renewable energy	Installed capacity (GW)	<b>0.75</b>	0.75	4-6 by 2026
		Low carbon technologies and nature-based solutions	Low carbon and energy efficiency R&D, share of total R&D expenditure (%)	<b>32</b>	20	25
		Climate policy engagement	Review of industry associations performed	<b>Yes</b>	Yes	Annually

\* 2020 ambitions unless stated otherwise. Definitions and boundaries are listed in Appendix.

# Embedding sustainability in how we work

## Our management approach

At Equinor, our approach to sustainability is embedded in how we work. This includes our corporate governance principles, performance and reward framework, risk and impact management and how we work with suppliers and partners. This approach is embedded in our management system.

## Governance

The Equinor ASA Board of Directors (BoD) and Corporate Executive Committee review, monitor and discuss safety, security and sustainability issues and risks. Sustainability includes climate change, energy transition, human rights, integrity, environmental and social issues. The Chief Executive Officer (CEO) is day-to-day responsible for Equinor's management actions related to sustainability, including actions related to climate change and the energy transition.

Climate change and the energy transition are discussed in most of the ordinary BoD meetings either as integral parts of strategy and investment discussions or as separate topics. In 2020, as part of establishing a new climate roadmap for Equinor, the BoD participated in a half-day workshop which included climate risk training. In the BoD's annual evaluation of its own work and competence, climate change capabilities and knowledge were highlighted as key competencies for the BoD going forward.

The BoD members are elected by the corporate assembly. In addition, there are employee-elected representatives as required by Norwegian company law. The board's composition is diverse in terms of expertise, background and geography

enabling the board to address the company's strategy, goals and challenges. The BoD members have experience from oil, gas, renewables, shipping, telecom, politics and climate policy.

The BoD has three sub-committees which act as preparatory bodies; the safety, sustainability and ethics committee (SSEC), the compensation and executive development committee (BCC), and the audit committee (BAC).

The SSEC assists the BoD in its supervision of the company's safety, security, sustainability and ethics policies, systems and principles. This includes quarterly reviews of risk issues and performance (including climate-related risks and performance) and an annual review of the Sustainability report.

The role of the BCC is to assist the BoD in its work on terms and conditions of employment for the CEO, and on the philosophy, principles and strategy for the compensation of leading executives in Equinor. In order to better reflect Equinor's strategy and the energy transition, the instructions for the BCC were updated in 2020 to include climate and energy transition related goals as part of the remuneration policies.

The BAC's role is to assist in the exercise of the BoD's management and control responsibilities and to ensure that the group has an independent and effective external and internal auditing system. As part of this, the committee also supervises the implementation of and compliance with the group's expectations, commitments and requirements for ethical conduct concerning financial reporting.

Equinor has a separate corporate risk committee chaired by the Chief Financial Officer. The committee meets at least four times per year to give advice and make recommendations on Equinor's enterprise risk management and risk reporting to the Corporate Executive Committee and the BoD, including on sustainability and climate-related risks.

Group level functions relevant for sustainability include safety and security, sustainability, finance and control, people and leadership and legal. These functions are responsible for setting strategic direction, give advice and report on risk and performance within these topics to the Corporate Executive Committee and the BoD, including relevant committees. The corporate sustainability function is responsible for overseeing climate change (including climate-related risk), environment, social performance and human rights. The corporate safety and security function is responsible for safety, health, work environment and security. The Chief Ethics and Compliance Officer is responsible for business ethics and compliance. The people and leadership function is responsible for our efforts to promote diversity and inclusion.

The business line is accountable for executing the company's sustainability ambitions and for managing relevant risks and performance. Dedicated safety, security and sustainability staff in the business line is part of company-wide functional networks and provide advice and support to the business line.

## Performance and reward framework

Management of sustainability performance is integrated in strategy, business planning, risk management, decision-making and management follow-up processes.

Safety, security and sustainability management is an integrated part of our management system, which includes our policies, requirements and guidelines for all material topics. Together with our corporate governance principles and performance framework, this forms the basis for how we are embedding these topics in our business activities. The principles and framework are described in the publicly available Equinor book, which is approved by the CEO.

Safety, security and sustainability are embedded into our performance and reward framework. Our performance framework translates our vision, values and strategy into actions and results. We measure progress and results in a holistic way, using key performance indicators when relevant. Performance is evaluated in two dimensions, both by "what" we deliver and "how" we deliver. Business delivery ("what") and behavior ("how") are equally weighted when recognising and rewarding individual performance.

For the business delivery dimension, the CEO, his direct reports and Equinor's broader leadership are assessed based on results within a broad range of topics, including safety, security and sustainability with main focus on our operated portfolio. Climate-related performance is part of the sustainability dimension. In addition, the leaders' ability to be role models for sustainable development and the energy transition forms part of the holistic evaluation. Within safety, serious incident frequency (SIF), total recordable injury frequency and oil/gas leakages are companywide KPIs. Within sustainability, CO<sub>2</sub> intensity (upstream) is used as the KPI to measure performance related to climate change. The annual bonus for employees is based on

the same holistic assessment of company performance which includes the results within safety, security and sustainability, among other areas. The performance framework is under development to reflect our transition to a broad energy company. A comprehensive set of performance indicators and monitoring reports are made available to all employees in Equinor's Management Information System.

The effectiveness of our management approach within sustainability is regularly evaluated through performance reviews at several management levels, including the Corporate Executive Committee, the BoD and the BoD's safety, sustainability and ethics committee, and by corporate and business area staff. The frequency and granularity of the performance reviews varies with materiality, frequency of reporting and management level. Internal and external audits, verifications and self-assessments constitute key assurance elements of our management approach. We conduct internal and external benchmarking and participate in external performance ratings for the same purpose. Concerns related to misconduct can be reported to relevant internal entities or to Equinor's Ethics Helpline which is available to any individual. Equinor has developed internal requirements for establishing and running effective operational-level community grievance mechanisms. More information is available on Equinor.com.

## Risk and impact management

Management of sustainability-related risks, including climate-related risks, is embedded in our enterprise risk management process. Risk management in Equinor follows a common, company-wide process based on ISO31000 "Risk management". This includes requirements, a specific work process and a common reporting tool. We regularly identify, evaluate and manage risks according to this process to create sustainable value and avoid incidents. Our enterprise risk assessment and related actions are reviewed biannually by the Corporate Executive Committee and the BoD.

The impact assessment process informs the overall risk management process in projects and is based on national requirements in the countries we operate, and guidance as set out in international standards such as the International Finance Corporation (IFC) Standards. Disclosure of information and an open dialogue with relevant authorities, potentially affected communities and other stakeholders are key elements in the impact assessment process.

Impact assessment documents and more information about corporate governance are available on our website.

## Working with partners and suppliers

Equinor has ownership shares in many assets operated by other companies, in the same way as other companies have ownerships in assets we are operating. In our work with and follow up of partner-operated assets we aim to ensure that governance and risk and performance management is compatible with our own requirements and practices. Through the applicable committee structures in the partnerships, we follow up and support the management of risks and performance related to safety, security, ethics, integrity and sustainability including climate- and human rights-related issues.

A significant part of our value chain consists of activities carried out by suppliers working under contracts awarded by Equinor. We require our suppliers to maintain high standards for health, safety, security, anti-corruption and environmental performance, and to have an approach to human rights consistent with the goals of the United Nations Guiding Principles on Business and Human Rights.



For more information see the compensation section in our Annual Report available in the [ESG Reporting centre](#) on [equinor.com](#).



# Climate & the energy transition

## Material topics | Impact

- Climate risk and resilience
- GHG emissions scope 1 & 2
- GHG emissions scope 3
- Supply chain emissions
- Renewable energy
- Low carbon technologies and nature-based solutions
- Climate policy engagement

## The climate challenge

### Urgent need for action

Climate change is one of the main challenges of our time and a clear call for action. To avoid an irreversible climate crisis, urgent actions are needed to reduce greenhouse gas emissions from all sectors to help society move towards net zero.

Equinor acknowledges scientific consensus on climate change and supports the goals of the Paris Agreement. We recognise that the world's energy systems must be transformed in a profound way to drive decarbonisation. At the same time universal access to affordable and clean energy must be ensured, while supporting the United Nations Sustainable Development Goals.

In 2020, Equinor launched a set of new climate ambitions to address the material topics most relevant for us as a broad energy company. Our climate roadmap summarises our ambitions and action plan. It also sets a clear strategic direction and demonstrates Equinor's commitment to long-term value creation in support of the Paris Agreement.



## Energy Perspectives

Equinor's Energy Perspectives publication celebrated its 10th anniversary in 2020 and contains three distinct scenarios for future energy markets, called Rivalry, Rebalance and Reform. The events experienced during the Covid-19 pandemic made scenario planning more relevant than ever. Our three scenarios look towards 2050 and examine the consequences of a slow energy transition, what happens when society prioritise economic growth over the environment, and what it would take to achieve the well below 2°C Paris Agreement target. Our scenarios are not predictions, but they are outlooks that show where society's collective decisions may lead.

In the Rivalry scenario, the energy transition is slowed down by geopolitical uncertainty and volatility, leading to climate policies receiving less priority. Economic growth is slowest out of the three scenarios due to a lack of international cooperation and trade, while fossil fuels still dominate the energy mix.

The Reform scenario describes a world in which market and technology forces drive the energy transition, while current policy momentum continues. Economic growth is prioritised over the environment, and though new technology drives an energy transition, it is not nearly fast enough to keep global temperature increases well below 2oC. Electrification of road transport continues at a fast pace, leading to a peak in oil demand around 2030, slowly declining to 84 million barrels of oil equivalent per day in 2050.

In Energy Perspectives 2020 we introduced a new scenario, Rebalance, in which the world achieves the goals of the Paris Agreement, as well as the UN Sustainable Development Goals. In this scenario the unbalanced world we know today shifts from prioritising GDP growth to focusing on human wellbeing and the environment. In addition, the industrialised nations pay the full price for their consumption, including the environmental

and social costs and other negative externalities. Because of this, the emerging economies receive a significant economic boost due to the higher prices paid, as well as the redirection of investments, allowing them to achieve a sustainable development path. Even in such a scenario there will be a need to invest in new oil and gas over the outlook period due to a natural decline of existing production. The investments needed are however significantly lower in Rebalance than in the other scenarios, and oil and gas resources with low costs and low emissions intensity will have an advantage.

In the Rebalance scenario, peak oil demand must have already occurred in 2019 to achieve the goals of the Paris Agreement. In Reform, demand recovers from the 2020 Covid-19 pandemic, eventually peaking in the late 2020s and declines slowly thereafter. In Rivalry, demand continues to grow to reach plateau in the 2040s.

# Climate risk and resilience

Our business needs to be resilient to multiple risks including those posed by climate change. These risks are related to both the energy transition and the physical effects of changes in climate. Equinor assesses both the upside and downside risks and determine how these can influence the company.

The direct effects of climate-related risks are primarily through changes in the demand for our oil, natural gas and electricity production. The impact could be on both volume and price. Another potential effect is increased costs related to mitigating physical changes of climate change. Other elements influencing costs could for example be changes in carbon prices or new specific taxes & fees. More indirect effects are for example, new technologies that could disrupt energy markets over time, or lost business opportunities due to political decisions.

As shown in the International Energy Agency's (IEA) World Energy Outlook 2020, the range of possible outcomes for future demand of oil, natural gas and electricity is large. In IEA's Stated Policies scenario, the oil and natural gas demand in 2040 is approximately at the current level while in the Sustainable Development scenario, which is in line with the goals of the Paris Agreement, demand could be reduced by 30% in 2040. The latter scenario and a corresponding price path are main elements when assessing economic impacts of climate-related risks.

Prudent risk management is about being prepared for the future. To do so, a range of possible outcomes including a series of corresponding likelihood must be considered. To assess and manage climate-related risks we use internal carbon pricing, scenario analysis, and sensitivity analysis. These risks are embedded into Equinor's enterprise risk management process. We monitor technology developments and changes in policies and regulations, and we assess how these might impact the demand for oil, gas and renewable energy, as well as the cost of developing new assets and opportunities for low carbon technologies.

Climate risk adjusting actions are evaluated, decided on, and implemented where relevant. Some of the actions, such as break-even requirements, will be important if a Sustainable Development scenario materialises. Diversifying our portfolio so that we see an increased share in electricity production through wind and solar investments, and further development of opportunities in hydrogen and CCS are examples of relevant actions we are taking. An overview of relevant risk factors and how we manage these, is provided below.

Sources of change	Climate related risks and risk factors (upside and downside potential)	Management actions
Market	<ul style="list-style-type: none"> <li>▪ Oil and gas demand</li> <li>▪ Renewable energy demand</li> </ul>	<ul style="list-style-type: none"> <li>▪ Scenario analysis and sensitivity testing</li> <li>▪ Climate-related principles in investment decisions and break-even hurdle rates</li> <li>▪ Scaling up investments in profitable renewables and low carbon solutions</li> <li>▪ Cost reduction initiatives</li> </ul>
Policy and regulatory	<ul style="list-style-type: none"> <li>▪ Carbon costs and taxes</li> <li>▪ Specific regulations (e.g. air quality, emission standards and fuel directives)</li> <li>▪ The EU Taxonomy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Monitor policy and regulatory development</li> <li>▪ Internal carbon price applied</li> <li>▪ Portfolio sensitivity test</li> <li>▪ Emission reduction measures</li> </ul>
Technology	<ul style="list-style-type: none"> <li>▪ Electrification of transport and heating/cooking</li> <li>▪ Decarbonisation of industries</li> <li>▪ Renewable energy and battery technology</li> <li>▪ CCS, hydrogen and other low carbon technologies</li> <li>▪ Digitalisation</li> <li>▪ Energy efficiency</li> </ul>	<ul style="list-style-type: none"> <li>▪ Scaling up investments in profitable renewables and low carbon solutions</li> <li>▪ Strengthening low carbon R&amp;D</li> <li>▪ Venture funds</li> <li>▪ Digitalisation roadmap</li> <li>▪ Emission reduction measures</li> </ul>
Physical	<ul style="list-style-type: none"> <li>▪ Chronical effects (e.g. sea water rise, increased scarcity of water)</li> <li>▪ Acute effects (e.g. more frequent extreme weather events)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Regular updates of meteorology and oceanography data used in project and operational planning</li> </ul>
Reputational	<ul style="list-style-type: none"> <li>▪ Talent attraction and retention</li> <li>▪ Investors' perception of oil, gas and renewables investments</li> <li>▪ Climate-related litigations</li> <li>▪ License to operate</li> </ul>	<ul style="list-style-type: none"> <li>▪ Transparency and disclosures of performance, governance and ambitions</li> <li>▪ External engagement and communication</li> </ul>

## Investment criteria and capital allocation

To ensure that we have a robust portfolio, we address climate-related risk in our decision making. Scenario analysis informs our economic planning assumptions and break-even targets, and an internal CO<sub>2</sub> price helps us assess the robustness of investment proposals.

## Evaluation process

Despite the significant uncertainty of future oil and gas demand, supply and prices, our financial framework aims to ensure that projects and assets continue to generate cash flow in low-price scenarios.

When a project is sanctioned, it is assessed on multiple criteria:

- **Net present value:** We assess value creation for the company and our shareholders.
- **Break-even price:** We use a break-even target at the time of investment decision for all oil and gas projects. If the project has a break-even higher than the target, it will normally not be sanctioned. In fact, we have several examples of not sanctioning projects with a break-even price higher than the target. In 2020, this break-even target was even lower for projects with a shorter time horizon, as a response to lower short-term future price expectations.
- **CO<sub>2</sub> intensity:** All oil and gas projects are measured on scope 1 CO<sub>2</sub> intensity (upstream). Our focus on CO<sub>2</sub> intensity means that we are one of the companies with the lowest CO<sub>2</sub> intensities on scope 1 emissions in the industry.
- **Carbon pricing:** In areas with no or low carbon price, we apply an internal carbon price of at least USD 56 per tonne CO<sub>2</sub> to provide an additional layer of robustness.

The break-even price and the CO<sub>2</sub> intensity metrics are only applicable for upstream oil and gas projects. The carbon pricing metric is applicable for both upstream and downstream oil and gas projects as well as electrification projects.

Additional criteria evaluated in an investment decision include safety, security and sustainability, optionality, strategic value, country risk, operational capacity and capability.

## Testing price sensitivities

When sanctioned, all projects are tested with different price sensitivities to ensure that the project remains profitable in a low-price world, but also to illustrate a possible upside depending on how energy prices develop.

We changed our internal planning assumptions in 2020, taking down the long-term oil and gas prices. Current price range expectations for North Sea oil, UK natural gas and US natural gas in 2040:

Sensitivities	-40%	Base case	+40%
Brent Blend (USD/bbl)	38	64	90
NBP (USD/mmbtu)	4.7	7.8	10.9
Henry Hub (USD/mmbtu)	2.2	3.7	5.2

*We test market prices simultaneously. The prices above represent prices in 2040, which are close to the average price of our economic planning assumptions in a 30-year perspective (in real terms). The price sensitivities are represented by a base price path and a high and low case of +/- 40%.*

## Capex flexibility

Capex flexibility is a financial principle that enables financial resilience over time. It allows us to prioritise our spending if new information becomes available, and therefore offers the company a high degree of flexibility at all times. In the longer run, capex flexibility is important, allowing us to redirect investments from one category to another if strategies, markets and priorities should change.

Flexibility was valuable in 2020 because both the pandemic and the drop in energy prices forced us to prioritise our spending to protect the balance sheet. Without this flexibility, our debt ratio would have been higher than it is today.

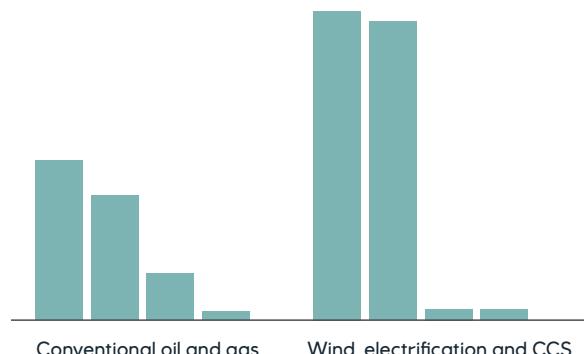
In general, we have only committed to make financial investments in projects that are sanctioned. These are non-flexible. All other projects are flexible. The share of capex flexibility is high even in the short term, with approximately 40-50% flexibility in 2021 and 80% in 2023.

### Projects sanctioned in 2020

In 2020, Equinor sanctioned two organic oil and gas projects, two oil and gas acquisitions, two phases of an offshore wind project, two electrification projects and one CCS project. The relatively low number of projects sanctioned compared to previous years was due to capital discipline and prioritisation of financial flexibility during market uncertainty.

Capex-weighted break-even for the two organic oil and gas projects sanctioned was 21 USD/bbl, well below our break-even target. The production-weighted average CO<sub>2</sub> intensity of these two projects in 2020 was 5.3 kg CO<sub>2</sub>/boe, which is well below our 2025 ambition of 8 kg CO<sub>2</sub>/boe for the operated upstream portfolio. In addition, we had two acquisitions including exploration acreage, representing capex not yet committed. This will be further matured, and an investment decision will be taken in the future.

### Project decisions and acquisitions in 2020



*This graph illustrates the investments committed in 2020. This represents the total capex for the projects. The renewable share of the projects sanctioned, and capex committed (including project finance) in 2020, was 60% of the total.*

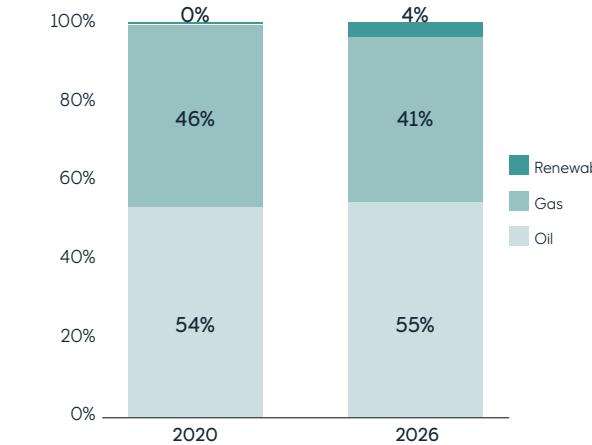
### A more diverse portfolio

At the Capital Markets Update in 2020, we announced the ambition to grow in renewables from 0.5 GW in equity capacity in 2019 to 4-6 GW in 2026.

The increase to 4% of renewable energy share in 2026 is on top of an increase in the oil and gas portfolio of 3% compound annual growth rate (CAGR) in the period 2020-2026, which illustrates the relative importance of the future renewable share of production.

Our renewable production is converted from GW to barrels of oil equivalents and combined with oil and gas production. Since there are challenges of comparing energy from renewables directly with energy from oil and gas, we show the share of energy production (equity) from renewables based on the partial substitution method. This method implies applying a factor to the energy from renewable electricity production to address the conversion losses associated with producing the same amount of electricity in a fossil power plant. This method is also used in our net carbon intensity calculations. Using the alternative "primary energy method" would result in a share of renewable energy production of 1% in 2026. For more information, see the net zero and net carbon methodology note on our web page.

Share of energy production from oil, gas and renewables (%)  
Partial substitution method



## Testing resilience

Since 2016 we have been testing the resilience of our portfolio against the scenarios from the IEA's World Energy Outlook (WEO) report. Resilience in this context is defined as financial robustness and the ability to generate positive cash flow in a low-price environment. Other definitions of resilience are not considered here.

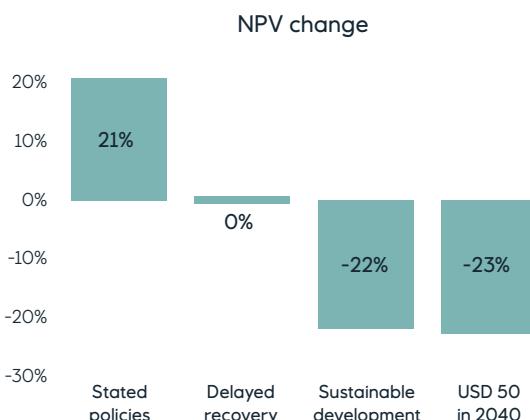
The use of the IEA scenarios enables standardisation of the stress testing and allows for comparison between companies. The IEA scenarios change slightly from year to year, and in the 2020 WEO report these are: Stated Policies Scenario (STEPS), Delayed Recovery Scenario (DRS), and the Sustainable Development Scenario (SDS). The SDS has moved from being consistent with a 1.7-1.8°C to 1.65°C, represented by lower energy prices compared to 2019. Our own economic planning prices for oil and gas were also lowered in 2020, thereby reducing our overall portfolio value compared to last year.

We apply the IEA price scenarios to our portfolio, in addition to our own planning assumptions, and compare the results in terms of impact on net present value (NPV). Our portfolio consists of producing assets and sanctioned and non-sanctioned projects. Exploration activities are not included due to the uncertainties related to potential discoveries and development solutions.

In the analysis, we assume a gradual increase between the price points given by the IEA and that the price in 2040 is kept unchanged for the rest of the century in real terms. To allow for comparison with Brent Blend, we add a USD 2 per boe transportation cost for oil production. We use our internal carbon price assumptions for Norway, as these prices are higher than the carbon prices in the SDS.

The sensitivity test described in this report uses a higher discount rate than an SDS sensitivity test on impairment in the Annual report and Form 20-F. This is because resources which are expected, but are less certain, together with real options, are included in the analysis.

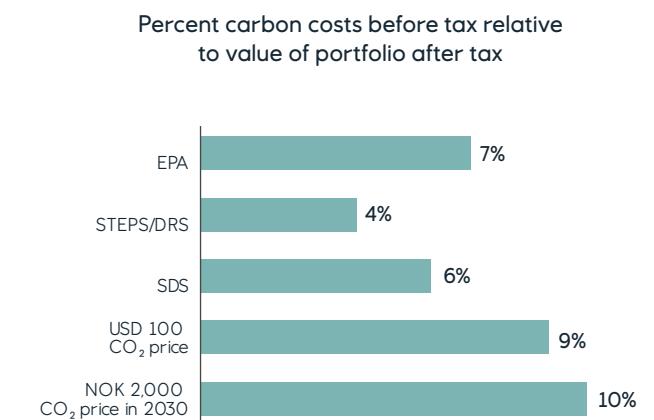
The WEO report does not include a 1.5°C price set. To cater for this uncertainty, we test our portfolio with SDS as a basis and an oil price which gradually decreases to USD 50 in 2040 (compared to USD 53 in SDS). When applying these lower prices, the net present value of the portfolio is reduced but remains positive. A few assets might have an earlier economic cut-off in the low-price scenarios, but the total cash flow remains positive. The sensitivities are illustrated in the chart below.



WEO Sustainable Development Scenario vs. Equinor's Economic Planning Assumptions (EPA) 3Q20 gives portfolio NPV effect of -22%. Main difference vs. 2019 is that the SDS represents a more conservative climate scenario with lower prices.

## Carbon pricing

We apply a USD 56 per tonne CO<sub>2</sub> price to all assets and projects, except for projects in countries where the actual cost of carbon is higher, such as in Norway. This carbon price is included in all investment decisions and is part of our break-even calculations. Sensitivities against other potential levels of carbon costs, including a hypothetical global USD 100 per tonne CO<sub>2</sub> price, and the newly proposed CO<sub>2</sub> tax in Norway of NOK 2000 in 2030 (including EU ETS quotas), are illustrated in the chart below.



The net present values of the carbon costs are divided by the total net present value of the portfolio to illustrate magnitude across scenarios and enable comparison. Exploration activities are excluded from the sensitivity analysis due to high uncertainty. Furthermore, electrification projects and CCS will reduce CO<sub>2</sub> emissions and carbon costs and are also excluded from this sensitivity.

## Our climate roadmap

### Industry leading in carbon efficiency

Carbon neutral global operations by 2030

Upstream CO<sub>2</sub> intensity below 8 kg CO<sub>2</sub>/boe by 2025

Absolute GHG reductions in Norway

- 40% by 2030
- 70% by 2040
- Near zero by 2050

No routine flaring by 2030 and  
near zero methane emissions intensity



A detailed overview of ambitions, including scopes and boundaries, is provided on the next page.

In early 2020, Equinor announced its plans to achieve carbon neutral global operations by 2030 and to reduce absolute greenhouse gas (GHG) emissions in Norway to near zero by 2050. At the same time, we outlined a value-driven strategy for significant growth within renewables, as well as a new net carbon intensity ambition.

In November 2020, we further strengthened our climate roadmap with the ambition of becoming a net-zero energy company by 2050. The ambition includes emissions from production and final use of energy.

In June 2020, Equinor announced its maritime ambitions illustrating how it plans to reduce own emissions from ships and how the company will contribute to decarbonising shipping. Our ambitions for maritime activity are in line with both the goals of the International Maritime Organisation (IMO) for global shipping and the goals set by Norwegian authorities.

### Profitable growth in renewables

Develop a high value renewable business

- 4-6 GW installed capacity 2026
- 12-16 GW installed capacity 2035

### Accelerate decarbonisation

Net-zero emissions for scope 1, 2 and 3 by 2050

100% net carbon intensity reduction by 2050

Reduce maritime emissions by 50% in Norway by 2030 and globally by 2050

Equinor's climate ambitions aim to ensure a competitive and resilient business model during the energy transition and contribute to the dual societal challenge of providing energy and reducing emissions. Continuing to deliver on the short and mid-term ambitions will be key to achieving net-zero emissions. To achieve this, we need to strengthen our collaboration with governments, customers, and industry sectors to speed up the pace of the transition and deliver solutions at scale.

Ambitions	Boundary	Scope	Reference year	Ambition year
Reduce absolute emissions in Norway <ul style="list-style-type: none"> <li>▪ 40% reduction by 2030;</li> <li>▪ 70% reduction by 2040;</li> <li>▪ Near zero by 2050</li> </ul>	Operational control 100% (including TSP role), Norway	Scope 1 and 2 CO <sub>2</sub> & CH <sub>4</sub>	2005	2030 2040 2050
Upstream CO <sub>2</sub> intensity <8kg CO <sub>2</sub> / boe by 2025	Operational control 100%, upstream	Scope 1 CO <sub>2</sub>	NA	2025
Carbon neutral global operations by 2030	Operational control 100%	Scope 1 and 2 CO <sub>2</sub> & CH <sub>4</sub>	NA	2030
Net-zero emissions by 2050*  100% net carbon intensity reduction by 2050*	<ul style="list-style-type: none"> <li>▪ Scope 1 and 2 GHG emissions (100% operator basis)</li> <li>▪ Scope 3 GHG emissions from use of sold products (equity production)</li> <li>▪ Energy production (equity)</li> </ul>	Scope 1, 2 and 3 CO <sub>2</sub> & CH <sub>4</sub>	NA	2050
Eliminate routine flaring by 2030	Operational control 100%	Flared hydrocarbons	NA	2030
Keep methane intensity near zero by 2030	Operational control 100%	CH <sub>4</sub>	2016	2030
Increase renewable energy capacity to 4-6GW by 2026 and 12-16GW by 2035**	Equity basis	Installed capacity (GW)	2019	2026/2035
Reduce maritime emissions <ul style="list-style-type: none"> <li>▪ 50% reduction in Norway by 2030</li> <li>▪ 50% reduction globally by 2050</li> </ul>	All vessels contracted by Equinor	Scope 1 and 3	2005 2008	2030 2050
Develop low-carbon fuels for shipping <ul style="list-style-type: none"> <li>▪ Towards 2030: escalate production and use of lower carbon fuels</li> <li>▪ Towards 2050: strongly increase production and use of zero carbon fuels</li> </ul>	Operational control	Scope 3	NA	2030 2050

\* For more details, please see the Net-GHG emissions and net carbon intensity methodology note on equinor.com

\*\* Including Equinor's equity share of Scatec ASA.

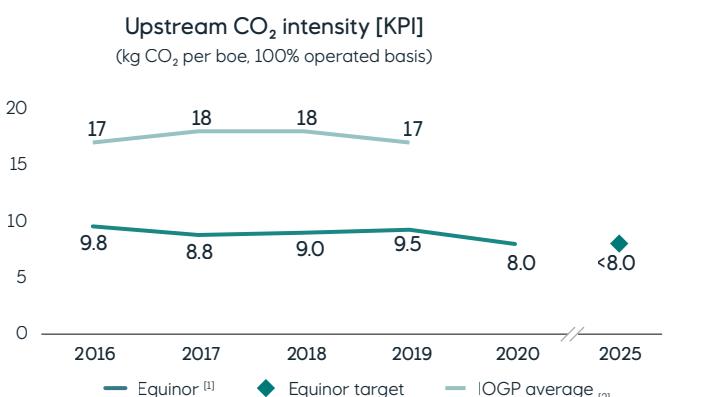
# GHG emissions towards carbon neutral operations

## Industry leading carbon efficiency

We aim to remain an industry leader in carbon efficiency by emitting as little CO<sub>2</sub> as possible, from each barrel of oil equivalent produced. To achieve this, we assess carbon intensity when we shape our portfolio and implement emission reduction measures in our operations.

Equinor aims to reduce the upstream CO<sub>2</sub> intensity of our globally operated oil and gas production to below 8 kg CO<sub>2</sub>/barrel of oil equivalent (boe) by 2025. The current global industry average is 17 kg CO<sub>2</sub>/boe.

In 2020, our upstream operated CO<sub>2</sub> intensity improved from 9.5 to 8.0 kg CO<sub>2</sub>/boe. This positive development in our carbon intensity is largely a result of increased production levels from Johan Sverdrup, which is electrified and therefore has minimal emissions, and also increased gas export from the Troll field. In addition, Peregrino, our heavy oil field in Brazil, was shut down for most of the year, resulting in a further reduction in our overall upstream carbon intensity. We expect Peregrino to start production again in 2021. The equity-based intensity improved from 11 to 9.2 kg CO<sub>2</sub>/boe.



<sup>[1]</sup> Upstream: All operations from exploration to production, excluding onshore gas processing and LNG facilities. Midstream: Onshore gas processing and LNG facilities, chemical plants, refineries and oil terminals. Other: Offices and renewables operations.

<sup>[2]</sup> IOGP Annual Environmental Performance Indicators report; IOGP members' annual survey of upstream oil and gas activities. The results are lagging by one year.

## Climate Initiative Norway

Equinor aims to reduce the absolute greenhouse gas emissions from its operated offshore fields and onshore plants in Norway by 40% by 2030, 70% by 2040 and to near zero by 2050. By 2030 this implies annual cuts of more than 5 million tonnes, corresponding to around 10% of Norway's total CO<sub>2</sub> emissions. The Norwegian Government has requested Equinor and the industry to further strengthen the ambition level for 2030 from 40% to 50%, which is currently being assessed.

The 2030 ambition is planned to be realised through large scale industrial measures, including electrification, energy efficiency and digitalisation. This is expected to require USD 5-6 billion (NOK 50 billion) of investment from Equinor and its partners. Further reduction towards 70% in 2040 and near zero in 2050 will entail additional measures, further electrification projects, consolidation of infrastructure as well as opportunities to develop new technologies and value chains.

## Electrification of offshore assets

Electrification is a key component in reducing emissions from our operations. It involves replacing a fossil fuel-based power supply with Norwegian grid mix, or power from floating wind turbines.

In 2020, we advanced several electrification initiatives:

- Awarded a front-end engineering and design contract to accommodate power from shore at Troll B and C as part of the plan to fully electrify Troll C and partly electrify Troll B, with a possibility for later full electrification of Troll B.
- Equinor and partners made an investment decision to partly electrify the Sleipner field.

The plan for development and operation for the Sleipner field centre will entail laying a new power cable from Sleipner to the Gina Krog platform, which will be tied into the area solution for power from shore on the Utsira High. During periods when the power need is greater than the capacity in the area solution, Sleipner will use gas turbines, like they do today, to cover the power need.

Emissions savings from all the fields connected to the area solution on the Utsira High are estimated at around 1.15 million tonnes of CO<sub>2</sub> on average per year, equal to around 8% of all of Equinor's scope 1 CO<sub>2</sub> emissions. Sleipner's share of this reduction is expected to be more than 150,000 tonnes of CO<sub>2</sub> annually. The Business Sector's NOx Fund will contribute up to NOK 430 million to achieve partial electrification of the Sleipner field center and the associated fields.

## Energy efficiency

Targeted energy efficiency measures and management have reduced Equinor's scope 1 emissions by almost 0.3 million tons in 2020. A wide range of measures, large and small, have been implemented both onshore and offshore, and within logistics. The largest contributors to emission reduction are modification measures at several mobile drilling rigs, new inlet filters on turbines, revamping of compressor trains and other compressor modifications at offshore platforms, efforts to minimize flaring, new monitoring software and improved operational routines.

## GHG emissions towards carbon neutral operations

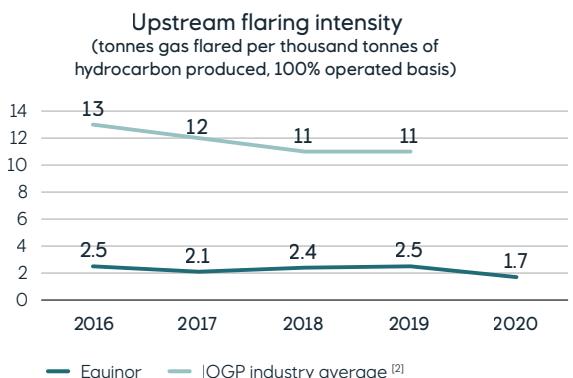
### Flaring

Equinor continues to focus on eliminating routine flaring in all our operations by 2030 at the latest, in line with the World Bank's Zero Routine Flaring by 2030 Initiative.

We do not have routine flaring in our operations in Norway, Brazil or offshore in the US. For the Mariner field, gas produced from the reservoir is used for power generation and any excess gas is currently flared. It is anticipated that the produced gas volumes will drop over the next few years and flaring of excess gas will no longer be required.

In 2020, we had routine flaring in the Bakken shale asset in the US due to challenges related to gas infrastructure. Production in this area exceeded the midstream pipeline capacity, resulting in excess gas being sent to flare rather than to sales. Measures to reduce flaring, resulted in a reduction of total flaring from 15% in 2019 to 9% in 2020.

Our 2020 flaring intensity (upstream, operated) was 1.7 tonnes/1000 tonnes of hydrocarbon produced, or 0.17%. This is significantly lower than the industry average of 1.1%, and in line with expectations. We achieved the target of limiting upstream



<sup>[2]</sup> IOGP Annual Environmental Performance Indicators report; IOGP members' annual survey of upstream oil and gas activities. The results are lagging by one year.

flaring intensity to 0.2% by 2020 for our operated assets. This target was set in 2012 as part of our commitment to the Sustainable Energy for All Initiative.

### Methane

Methane is the second most significant greenhouse gas contributing to climate change following carbon dioxide. Because methane emissions from oil and gas production can come from a variety of operational activities, it can be challenging to accurately quantify. In collaboration with peers, governments and technology providers, we are working to improve the way methane emissions are identified, quantified and reported, both for our own operations and for the industry more generally. We are part of the Methane Guiding Principles partnership and engage in their work to systematically monitor and reduce methane emissions.

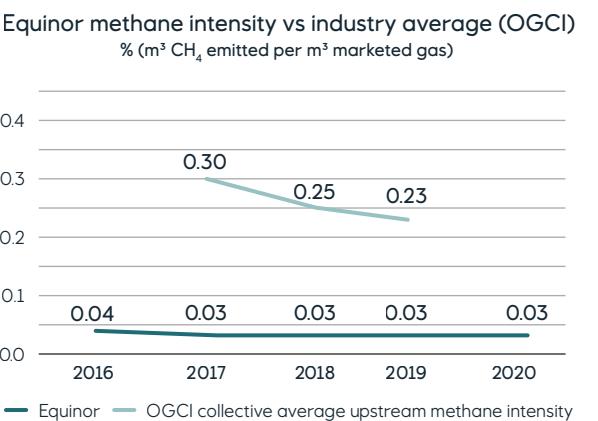
We have significantly improved how methane emissions in our own operations are quantified and reported. We will continue to develop and implement technologies and procedures to detect and reduce methane emissions, support industry efforts to reduce methane emissions across the oil and gas value chain, increase the quality and transparency of reported data, and support the development of sound methane policies and regulations.

Recent external studies have revealed potential leaks of methane gas from wells that are plugged and abandoned by the oil and gas industry. Equinor, in collaboration with Norwegian Oil and Gas Association (NOROG) and other operators on the Norwegian continental shelf, has initiated a project to look into potential methane leaks from abandoned wells to assess the scale and potential impact.

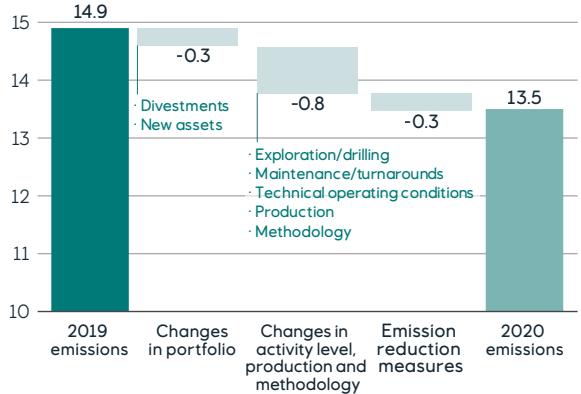
Equinor's 2020 methane intensity for our upstream and midstream business remained low at approximately 0.03%, which is around 1/10 of the industry average. Equinor continues to pursue a methane intensity target of near zero.

### Scope 1 and 2 GHG emissions

During 2020, the business areas implemented several emission reductions measures, including better energy management, improved technical design, electrification and efforts to minimise methane emissions and flaring. Equinor's total GHG scope 1 and scope 2 emissions decreased with 1.4 million tonnes, aligned with our ambitions.



Scope 1 and 2 GHG emissions  
(million tonnes CO<sub>2</sub>e)



## GHG emissions towards carbon neutral operations



### External voice

“As the intensity of climate change increases and the consequences of a warming world become more and more evident, public scrutiny of oil and gas companies and their climate impacts will only grow, and laggards will find that their “license to operate” is increasingly compromised. Reducing emissions of the potent greenhouse gas methane from oil and gas operations is one of the fastest and most cost-effective ways for the industry to help realize the goals of the Paris Agreement while it undertakes a complicated but necessary transition to a zero carbon future. Equinor is an industry leader in this regard, both in taking action on methane and in reporting what it is doing to an ever widening group of stakeholders. Next steps toward even greater transparency could be a commitment by Equinor to report on methane emissions in non-operated joint ventures and to use third party verification of the reported data.”

Mark Radka

Chief Energy and Climate Branch Economy Division  
United Nations Environment Programme

### Scope 3 GHG emissions

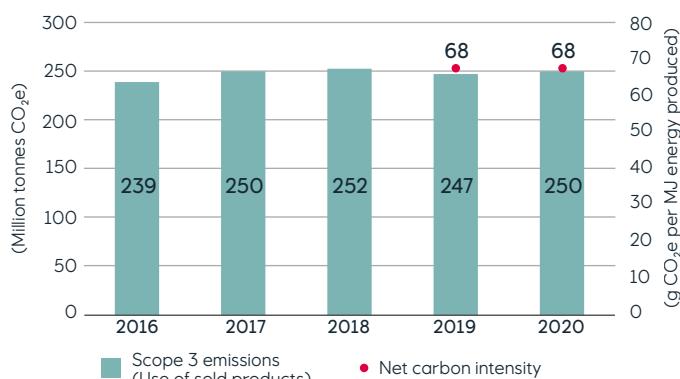
On average around 85% of emissions from fossil fuel products come from their consumption, such as in combustion engines. To achieve the goals of the Paris Agreement, society must address emissions across the value chain, from initial production to final consumption. We believe we have a role to play in engaging with other sectors to accelerate decarbonisation.

Scope 3 GHG emissions from the use of products sold (category 11, equity basis), is by far the most material scope 3 category for Equinor. We have set net-zero and net carbon intensity ambitions by 2050, including emissions from production and use of products. We aim to achieve this through:

- Optimising our oil and gas portfolio,
- accelerating growth in renewable energy,
- developing low carbon technologies such as hydrogen and CCS and investing in nature-based solutions.

In 2020, the scope 3 GHG emissions from use of products increased from 247 to 250 million tonnes. The net carbon intensity remained stable at 68g CO<sub>2</sub>e/MJ. This is aligned with expectations, as the majority of our current energy production comes from oil and gas.

### Scope 3 emissions\* and net carbon intensity



\* Changes in scope 3 emissions (use of sold products) are mainly caused by changes in production volumes, portfolio and IEA energy statistics.

### Business travel GHG emissions

20 thousands  
tonnes CO<sub>2</sub>e

### Supply chain emissions

Supply chain emissions represent another source of scope 3 emissions for Equinor. While these are significantly less material than the emissions from the use of sold products, the indirect emissions from our supply chain are still important to reduce.

Our suppliers play a key role in reducing the scope 1 emissions from our operations, through the provision of carbon efficient services and equipment. However, procurement of products and services also represent a source of indirect scope 3 emissions.

Through 2020, we created a tool and established a procedure to screen our procurement categories and map the key sources of CO<sub>2</sub> emissions (scope 1, 2 and 3) and have started a process to establish concrete actions to drive targeted reductions. One such example is to estimate the potential CO<sub>2</sub> emissions footprint for heavy duty transport, steel and cement, which are considered the most material sources of scope 3 emissions in our supply chain. The initial estimates from this work indicate that maritime transport represents a key source of emissions.

We are proud to be recognised by CDP for our engagement with suppliers to take actions on climate change.

## Reducing maritime emissions

Equinor is a buyer, producer and seller of marine fuels, and is committed to utilising its unique position to contribute to the decarbonisation of the maritime sector.

In 2020, Equinor reached the following milestones:

- Announced a reduction ambition for the maritime services we purchase, aligned with the ambitions set out by the Norwegian government and the International Maritime Organisation (IMO):
  - By 2030: 50% reduction of Equinor's maritime emissions in Norway compared to 2005
  - By 2050: 50% reduction of Equinor's maritime emissions globally compared to 2008 (IMO baseline)
- Announced ambitions to support the development of lower and zero carbon fuels for shipping:
  - Towards 2030: Escalate production and use of lower carbon fuels
  - Towards 2050: Strongly increase production and use of zero carbon fuels

In the maritime sector, we work with suppliers to find operational, logistic and fuel-related measures to achieve emission reductions. We focus on fuel efficiency when entering new vessel contracts; incentive schemes further encourage suppliers to ensure fuel-efficient operations. For the tanker fleet, Equinor has long term contracts with 30 state-of-the-art energy-efficient ships and has entered into agreements for long-term use of an additional ten ships coming into operation between 2020 and 2022. Several shuttle tankers are operated on LNG in combination with volatile organic compound (VOC) captured from cargo loading and using LPG as fuel for LPG carriers. Since 2019, nearly all platform supply

vessels (PSV) on long term contracts have been required to use onshore power supply and installation of batteries for hybrid operation, to reduce the fuel consumptions and emissions (CO<sub>2</sub>, NOx, etc.). Other general examples include optimising sailing routes and planning for green speed.

Equinor is also working with suppliers and partners in several other projects. The ShipFC project aims to install the world's first ammonia-powered fuel cell on a vessel, namely Viking Energy by 2024. The flexible Solid Oxide fuel cell will be run on green ammonia (produced from renewable energy sources). This project could be a game-changer in zero-emission vessels. The LH2 for maritime/Topeka is an initiative under development aiming to demonstrate the full value chain of Liquid H<sub>2</sub> as a maritime fuel in addition to moving Equinor container logistics from trucks to zero emission seaborne transport.



Maritime GHG emissions

4.8 million tonnes CO<sub>2</sub>e





## Renewable energy

### Profitable growth in renewable energy

Driven by the energy transition and an increasing demand for electricity from renewable energy sources, Equinor continues to build its renewable business.

We primarily focus on offshore wind, both bottom-fixed and floating, but we also explore opportunities within onshore renewables.

We are on track to deliver profitable growth in renewable energy. Renewables and low carbon solutions projects accounted for 4% of our gross capex in 2020. However, the renewable share of all projects sanctioned and investments committed in 2020 was 60%. Throughout 2020, Equinor's offshore wind portfolio has been strengthened through the following milestones, demonstrating a successful management approach.

#### Bottom-fixed offshore wind

Leveraging our strengths and experience offshore, we are developing as a global offshore wind major. We are building material clusters in the North Sea, the US East coast and in the Baltic Sea. In parallel, we are accessing new markets.

Creating value from scale within established clusters and developing growth options in selected markets constitute the core of Equinor's renewable strategy. Throughout 2020, Equinor's offshore wind portfolio has been strengthened through the following milestones:

- **US:** strategic partnership with BP for joint pursuit of future opportunities in the US for bottom-fixed and floating offshore wind, leveraging relevant expertise to jointly grow scale.
  - Capturing significant value from divesting half of our share of offshore wind projects Empire Wind and Beacon Wind
- **UK:** Investment decision and financial close on Dogger Bank A and B – the world's largest offshore wind project, leading the way in terms of technology and scale.
  - Announcing O&M base and contractual awards
  - Financial close announced and farm down of a 10 percent equity share to ENI
  - Signed agreement for lease with the Crown Estate for two existing offshore wind farm extensions to the existing offshore wind farms Sheringham Shoal and Dudgeon
- **Poland:** Equinor signed Letter of Intent with Polish government regarding cooperation to develop offshore wind energy in Poland.
  - Maturing three offshore wind projects, Bałtyk I, II and III.
- **Japan:** Partnered with Jera and J-Power and entered a joint bid agreement prior to Japan's upcoming Round 1 offshore wind auction.

## Floating offshore wind

Equinor sees a potential for floating offshore wind projects in Norway, Europe, the US and Asia and is accelerating the development of this technology to uphold our leading position. Floating wind is still at an early development phase compared to other renewable energy sources. However, through technology improvements, increased scale and industrialisation, it represents the next wave of scalable renewables. Floating wind farms can capture higher winds therefore are more flexible than bottom-fixed wind farms with regards to location. They can be built in areas where there are few alternatives due to limited onshore or nearshore acreage, such as outside large coastal cities. Our ambition is to bring floating wind towards commerciality by 2030.

Equinor operates the world's first floating wind farm with five turbines outside Scotland.

In 2020, Equinor reached the following milestones:

- Started development of the Hywind Tampen project in Norway. The project was approved by Norwegian government in April and has been supported by Enova with around half of the capital expenditure for the project. It will have a total capacity of 88 MW and is expected to cover about 35% of the annual power needs of the Snorre Gullfaks fields. This will result in a reduction of total CO<sub>2</sub> emissions from the Gullfaks and Snorre fields by more than 200,000 tonnes per year.
- Entered South Korea with the ambition to further expand within floating offshore wind. We are currently conducting wind measurements for a potential 800 MW project off the coast of Ulsan. In addition, we continue our collaboration with Korean National Oil Company (KNOC) and Eastern West Power (EWP) with the aim to develop a 200 MW offshore wind farm in the same area.

## Equinor's offshore wind portfolio

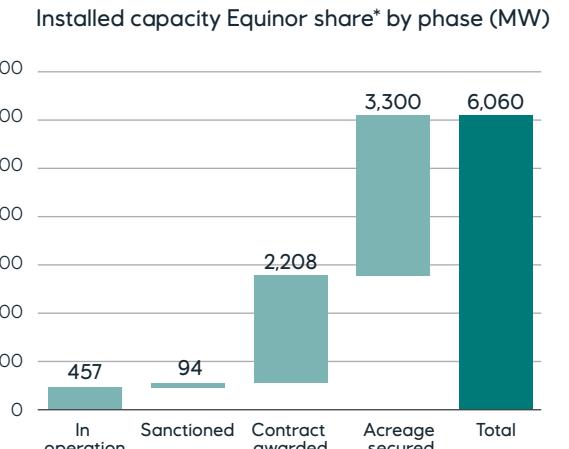
In production or under construction					
Bottom fixed				Floating	
Sheringham Shoal, UK <b>317 MW</b>	Dudgeon, UK <b>402 MW</b>	Arkona, Germany <b>385 MW</b>	Dogger Bank A&B, UK <b>2,400 MW</b>	Hywind Scotland, UK <b>30 MW</b>	Hywind Tampen, Norway <b>88 MW</b>
Equinor (40%)	Equinor (35%)	RWE operator Equinor (25%)	SSE operator Equinor (40%)	Equinor (75%)	Equinor (41%)
Project pipeline					
Bottom fixed					
Dogger Bank C, UK <b>1,200 MW</b>	Empire Wind 1&2, US <b>~2,000 MW</b>	Bałtyk I, II, & III, Poland <b>~3,000 MW</b>	Beacon Wind 1&2, US <b>~2,400 MW</b>	Sheringham Shoal and Dudgeon Extension, UK <b>719 MW</b>	
Equinor (50%)	Equinor (50%)	Equinor (50%)	Equinor (50%)	Equinor <sup>[1]</sup>	

[1] Ownership structure to be concluded.

## Onshore renewables

Equinor is gradually growing our presence onshore in selected power markets with increasing demand for solar, wind energy and energy storage solutions as integrated parts of the energy system. We believe in diversifying our renewables business and pursuing additional growth options. Having a flexible portfolio gives us the ability to provide power from numerous renewable energy sources.

- In December 2020, Equinor signed a Memorandum of Understanding (MoU) with Scatec and Hydro to jointly develop a 480 MW solar power plant in Brazil.
- Equinor currently holds a minority equity share (13%) of Scatec ASA.



\* Including Equinor's equity share in Scatec ASA.

# Low carbon technologies and nature-based solutions

## Low carbon solutions

Carbon Capture and Storage (CCS) and hydrogen are seen by many governments and organisations as necessary to deliver on the goals of the Paris Agreement. Equinor is developing such solutions to help accelerate decarbonisation for society. We promote CCS and hydrogen solutions as these technologies can remove CO<sub>2</sub> from sectors that cannot be easily decarbonised, such as industry, maritime transport, heating and flexible power generation. Based on experience from oil and gas value chains, we believe we are well positioned to provide low carbon solutions and establish zero-emission value chains.

However, maturing and expanding CCS and hydrogen can only be achieved through close collaboration with governments and customers in order to establish a commercial framework and to build new markets. We also need strategic partnerships with industrial players to ensure safe, reliable and cost-effective implementation. There are technological and commercial challenges, but Equinor believes there will be well-functioning markets for CCS as well as the development of competitive technologies for hydrogen.

In 2020, Equinor made significant progress on industrial CCS and blue and green hydrogen projects, which are result of combined efforts of governments, industries, investors and customers working together to reach net-zero emissions. We consider our management approach on low carbon solutions to be satisfactory.

## Progressing low carbon solutions projects

Carbon Capture & Storage			Hydrogen				
Transport & Storage			Post Combustion	Blue and Green			
Norway 2024	UK 2026	Equinor 2026 >	UK 2026	Norway 2024 >	UK 2026	EU 2027/2028	The Netherlands 2027
Northern Lights	Northern Endurance Partnership (NEP)	North Sea Basin	Net Zero Teesside	Hydrogen Norway	Zero Carbon Humber	NW Europe	NortH2
CCS for industry Transport of CO <sub>2</sub> by ship Open/flexible Phase 1 approved (1.5 Mt/y) Phase 2 (5 Mt/y) progressing	Pipeline transport Storage for Humber and Teesside	General screening Future scale-up Saline formations and depleted reservoirs	Post-combustion CCS power generation CCS for industry	Liquid hydrogen for maritime Distribution of H <sub>2</sub> Later integration with onshore plants	Hydrogen for industry Chemicals Synthetic fuels BECCS Hydrogen to power Blue Ammonia	Hydrogen for industry (H <sub>2</sub> morrow steel) Hydrogen to power/industry (Magnum) Flexible back-up for intermittent renewables Market based H <sub>2</sub> approach	Hydrogen production from offshore wind H <sub>2</sub> for industry Back-up renewable intermittence

## Carbon capture and storage

### Northern Lights

The Northern Lights projects, representing the start of commercial CCS in Europe, is on track to demonstrate that CCS is a valid decarbonisation solution for important industry sectors. The project reached several milestones in 2020. An exploration well was drilled and tested, confirming that the reservoir formation is suitable for CO<sub>2</sub> storage, and Equinor and partners, Shell and Total subsequently made a financial investment decision. The Norwegian government launched the "Longship" project (which includes the Northern Lights CO<sub>2</sub> transport and storage) in September 2020, and funding was confirmed through the national budget in December. Equinor and partners started contract awarding and site preparation for construction. Several Memorandum of Understanding (MoU) have been signed with customers interested in CO<sub>2</sub> storage. In 2020 the project signed an MoU with Microsoft to develop digital technologies for Northern Lights and to explore opportunities to remove CO<sub>2</sub> from Microsoft's operations.

### Northern Endurance Partnership

Equinor is looking into CCS opportunities in the UK together with five other energy companies through the Northern Endurance Partnership (NEP). The partnership is developing a CO<sub>2</sub> offshore transport and storage infrastructure in the UK, which will serve the proposed Net Zero Teesside project (led by BP with Equinor as a partner) and Zero Carbon Humber project (led by Equinor) with the aim of decarbonising these industrial clusters. In 2020 Equinor became a CO<sub>2</sub> storage license holder for NEP together with BP and National Grid Ventures (NGV), and the partnership submitted a bid for funding of further project developments from the UK Government through its industrial decarbonisation challenge.

The first projects will develop and test the commercial and regulatory framework, aiming to pave the way for future CCS projects through cost reductions, learnings and economies of scale.

**External voice**

"To achieve net-zero emissions while creating a sustainable economy for all, we need all the tools at hand, including CCS. Equinor has 25 years of experience with CO<sub>2</sub> storage and CO<sub>2</sub> capture technology development. With Norway's decision to finance the first full scale CCS infrastructure, Equinor is well positioned to assume European leadership in this market. To convert its competences into green economy currency, Equinor should divest from the riskiest oil reserves, and take a larger risk in developing blue hydrogen and CCS."

Marius Holm  
General Manager  
Zero Emissions Resource Organisation  
(ZERO)

## Hydrogen

**Zero Carbon Humber**

The Zero Carbon Humber project aims to kick-start the decarbonisation of industry and power sectors in the UK's largest and most carbon intensive industrial cluster. Equinor is a partner in this project, which reached important milestones in 2020:

- Equinor launched the Hydrogen to Humber Saltend project (part of Zero Carbon Humber) which aims to establish hydrogen production infrastructure and enable a fuel switch in the Saltend chemical park.
- Together with 11 partners, Equinor submitted a joint project proposal to the UK government to secure funding for pre-FEED and FEED cost (Industrial Strategy Challenge Fund).

**Liquid hydrogen to maritime (LH2 Maritime)**

Together with partners Air Liquide and BKK, we are developing a liquid hydrogen project in south-western Norway with the aim of establishing a full value chain for decarbonising parts of the maritime sector.

In May 2020 the consortium with representatives from the whole value chain was established. Mongstad Industripark was chosen as the location for liquid hydrogen production due to infrastructure synergies between existing and future plants in the area. The project is part of Equinor's maritime strategic climate ambition and aligned with the strategy set out by the Norwegian government for maritime sector decarbonisation.

**NortH2**

The NortH2 is Europe's largest green hydrogen project and aims to kick start a green hydrogen value chain in North West Europe by taking a full value chain approach from offshore wind to hydrogen production utilising electrolyzers and securing agreements with off takers. The project aims to produce green hydrogen from dedicated offshore wind farms off the coast of the Netherlands with a stated ambition to reach about 4 GW by 2030 and 10+ GW by 2040.

In 2020, Equinor joined the NortH2 consortium alongside RWE expanding the existing consortium with investment partners Shell and Gasunie, and supporting partners Groningen Seaports and the province of Groningen. The partners are working on a feasibility phase planned by Q3 2021 to demonstrate the technical and commercial case and what this will require including regulatory frameworks and public-private partnerships.

## Low carbon technologies and nature-based solutions

### Low carbon research and development

Equinor has significantly stepped up low carbon research and development in 2020. Key activities included:

- Continued assessment of a potential medium-scale hydrogen plant, HyDEMO, which could produce low carbon hydrogen from natural gas with at least 95% of the CO<sub>2</sub> captured and stored in the Norwegian West Coast. HyDEMO would demonstrate the full value chain and could further stimulate the hydrogen market.
- Development of ammonia as a fuel for maritime vessels, with first use planned for Equinor in 2024 in the ShipFC project. Equinor continued its strong focus on hydrogen and ammonia safety.
- Exploring sourcing and co-processing of advanced, sustainable biofuels and bio-oils in our refineries and exploring new feedstocks in the circular economy, like municipal and plastic waste, to reduce CO<sub>2</sub> emissions of our liquid fuels.
- To help reduce operational GHG emissions, we continued to promote new compact CO<sub>2</sub> capture technology development, including for remote oil and gas installations, and to support companies like Compact Carbon Capture with test facilities and expertise, to help reduce operational GHG emissions.

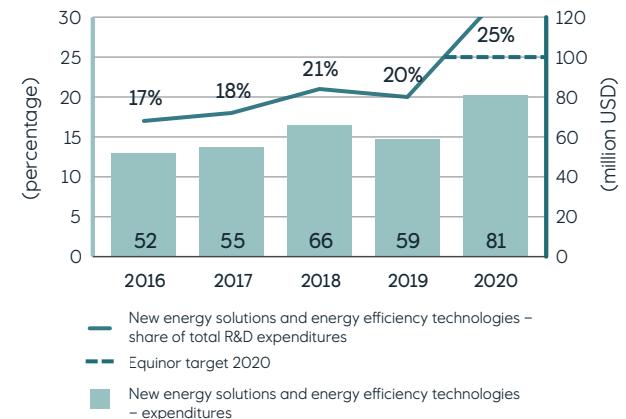
CO<sub>2</sub> transport is an important research frontier, and in 2020 we worked on CO<sub>2</sub> flow assurance with partners in industry and R&D institutes. Large-scale validation of these flow assurance models is being done at Equinor laboratories. We are working to qualify the next generation of CO<sub>2</sub> transport ships of larger sizes which would operate at lower pressures and temperatures. We have also done the following in 2020:

- Initiated a new strategic project focusing on large scale CO<sub>2</sub> storage and reservoir understanding to ensure future storage capacity.
- Evaluated alternative power generation technologies to increase energy efficiency at offshore installations, such as waste heat-to-power which has the potential to reduce CO<sub>2</sub> emissions from power generation with up to 25%. The technology uses the exhaust heat from gas turbines to generate additional electric power and heat for process plants through steam turbines.

### Equinor Ventures

The Equinor Ventures was reshaped and strengthened in 2020. We aim to step up investments in growth companies in low carbon and new energy solutions while we continue to invest in oil and gas related technology start-ups. The portfolio currently holds 40 direct investments, 15 of these are within renewable and low carbon technologies. The fund is also a limited partner to three financial venture capital funds.

Low carbon R&D  
(100% operated basis)



1.1 million  
tonnes of CO<sub>2</sub>  
captured and stored in 2020

26.2 million  
tonnes of CO<sub>2</sub>  
captured and stored since 1996

## Low carbon technologies and nature-based solutions



### Nature-based solutions

Nature-based solutions, particularly the protection of tropical forests and other land-based solutions, can contribute up to one-third of the climate efforts the world needs over the next few decades. As a supplement to our other climate actions, we will invest in natural climate solutions, like the protection of tropical forests, to reach our climate ambitions.

In November 2018, Equinor presented plans to invest in the protection of tropical forests as soon as a well-functioning market is in place for the private sector. Since then we have been following the development of the Emergent Forest Finance Accelerator and ART TREES standards closely. Both ART TREES and Emergent are now set up to provide access to large scale, high quality REDD+ forest carbon credits for the private sector in the near future.

## Climate policy engagement

### Collaboration

We collaborate with peers and business partners to find innovative and commercially viable ways to reduce emissions across the oil and gas value chain. We have teamed up with peer companies in the Oil and Gas Climate Initiative (OGCI) to deliver on a low carbon future. OGCI's US \$1 billion investment fund has remained active in 2020, growing its portfolio to 19 investments and accelerating technology development.

In 2020, together with seven peer companies, we developed and announced Transition Principles as a collaborative platform for energy transition.

We also welcome the constructive engagement with investors participating in Climate Action 100+.

### Assessment of associations and initiatives

Equinor is a member of and engaged in numerous associations across the world. We are more active in some than in others but recognise that our membership in associations provide us with important forums in which we can help influence policy development and recommendations, which include climate regulations. We believe that aligning our contribution and positions as an industry, across companies and associations, will be key to supporting the energy transition. In line with this belief, we signed a joint statement with the investor group Climate Action 100+ in April 2019, announcing our commitment to strengthen our climate leadership. As part of this commitment, Equinor will ensure that all memberships in relevant industry associations are in line with the company's support for the goals of the Paris Agreement.

During the second half of 2019 and the beginning of 2020 we approached all associations and informed them about our

climate position and our expectations towards their advocacy consistent with the goals of the Paris Agreement. We conducted a review of the associations and initiatives we are engaged in to determine whether their respective stand on climate is aligned with Equinor's.

The inquiry was conducted utilising analysis of publicly available documents, news, publications and observations about the associations. The measurements applied in the review were aimed at determining whether the associations were actively contradicting Equinor's climate agenda or otherwise opposing the Paris Agreement and acknowledgment of the urgency of climate policy reforms. The findings from the review were analysed to determine associations in need of further investigations. For the associations selected for further analysis we followed up with dialogue and questions. Some associations were selected for more thorough assessment by providing written feedback. Meetings were also held with selected associations for quality assurance of conclusions.

Our review concluded with material misalignments for the Independent Petroleum Association of America (IPAA), and some misalignments for the American Petroleum Institute (API) and the Australian Petroleum Production & Exploration Association (APPEA). We decided to terminate our membership of IPAA from 2020. For API and APPEA we took the decision to retain membership and engage further in developing their climate positions. In 2020 we joined the new API Climate Committee and related sub-committees. The full assessment report can be found on our website, including the evaluation and conclusions for IPAA, API and APPEA. A review report on how we have worked to influence, what we have achieved, misalignments and actions we will take, will be published early in 2021.

## Climate performance data

Indicators	Boundary	Units	2020	2019	2018	2017	2016
Oil and gas production	Operational control	mmboe	1,106	1,055	1,077	1,099	1,030
Oil and gas production	Equity basis	mmboe	758	757	770	759	723
Renewable energy production	Equity basis	GWh	1,662	1,754	1,251	830	423
Energy consumption	Operational control	TWh	65	70	71	70	73
Scope 1 GHG emissions	Operational control	million tonnes CO <sub>2</sub> e	13.3	14.7	14.9	15	15
CO <sub>2</sub> emissions (Scope 1)	Operational control	million tonnes	12.9	14.2	14.4	14.9	14.8
CO <sub>2</sub> emissions	Equity basis	million tonnes	10.1	11.5	11.6	12.0	12.7
Scope 2 GHG emissions (location based)	Operational control	million tonnes CO <sub>2</sub> e	0.2	0.2	0.2	0.2	0.3
Scope 2 GHG emissions (market based)	Operational control	million tonnes CO <sub>2</sub> e	2.5	2.9	3.0	2.8	2.6
Scope 3 GHG emissions (use of sold products)	Equity basis	million tonnes CO <sub>2</sub> e	250	247	252 <sup>(a)</sup>	250 <sup>(a)</sup>	239 <sup>(a)</sup>
Upstream CO <sub>2</sub> emissions intensity [1]	Operational control	kg CO <sub>2</sub> /boe	8.0	9.5	9.0	8.8	9.8
Upstream CO <sub>2</sub> emissions intensity [1]	Equity basis	kg CO <sub>2</sub> /boe	9.2	11	10	10	13
Net carbon intensity	Operational control/ Equity basis	g CO <sub>2</sub> e per MJ energy produced	68	68	NR	NR	NR
CH <sub>4</sub> emissions	Operational control	thousand tonnes	17.7	19.0	20.0	19.3	24.2
Methane intensity	Operational control	%	0.03	0.03	0.03	0.03	0.04
Hydrocarbons flared	Operational control	thousand tonnes	339	414	396	406	443
Upstream flaring intensity	Operational control	tonnes of gas flared per 1,000 tonnes of hydrocarbon produced	1.7	2.5	2.4	2.1	2.5

[1] Upstream: All operations from exploration to production, excluding onshore gas processing and LNG facilities.

(a) Scope 3 figures have been updated to reflect a change in methodology. The change has resulted in a decrease in emissions levels, mainly due to the introduction of a non-energy fraction of sold products.

# Safety & security

## Material topics | Impact

Health and safety, incl.  
emergency response

Security



## Business context and our approach

2020 was an extraordinary year for us as a company, for our employees and for our contractors. The Covid-19 pandemic affected our business activities and operations, making it more difficult to conduct our business in accordance with our plans. From the outset, we formed a task force of medical professionals which focused on minimizing the risk of transmission to people in our offices and our offshore and onshore operations. The task force worked closely with business leaders to ensure business continuity while avoiding transmission of the virus by proactively identifying and mitigating risk at a strategic, tactical and operational level. We adjusted manning based on location-specific risk exposure, and for some periods, a significant part of the workforce worked from home.

One of our strategic pillars, "Always safe" is guided by our commitment to prevent harm to people's health, safety and security, and to the environment. We are an international operator of exploration activities, oil and gas installations, refineries, gas plants and wind farms, and therefore face a range of potential risks. These include well blowouts, ignited hydrocarbon leaks, structural collapses, oil spills, crime, terror attacks, cyber-attacks, occupational incidents and work-related illness. In Equinor, we aim to continuously develop a proactive safety culture where safe and secure operations are incorporated into everything we do. A key component to this work is having a long-term commitment to some key priorities which include safety visibility, leadership and behavior, learning and follow up and safety indicators. We have defined these priorities across the whole company to ensure an aligned approach. In 2019 we started implementing improvements within these four areas and in 2020 we developed an "I am safety" roadmap to ensure the continuation of this work and to set a clear direction towards 2025.

We achieved a reduction in the number of serious incidents in 2020 compared to 2019, but regrettably we experienced fires at two of our onshore plants in Norway. We consider our management framework as suitable to guide our ambition to achieve zero harm to people and the environment, but we remain dissatisfied with our overall safety performance. This remains a key focus area for management and lessons learned from the ongoing investigations of the fires may affect where we step up our efforts.



#### External voice

“Equinor and Aibel’s relationship dates back decades and in 2020, Equinor’s projects onshore, offshore and in our yards created over 9,000 work-years for Aibel. We fully share the “Always safe” strategy and the vision of zero harm to people and the environment. I am impressed to see how Equinor drive their ambitious improvement agenda in close collaboration with the Norwegian supplier industry. However, we need to continue to drive our joint efforts, so our performance mirrors our ambition: Always home safely!”

Mads Andersen  
CEO  
Aibel

<sup>1</sup> Injuries that occur when the path of a moving object or the release of energy crosses an individuals’ body.

## Actions to improve health, safety and security

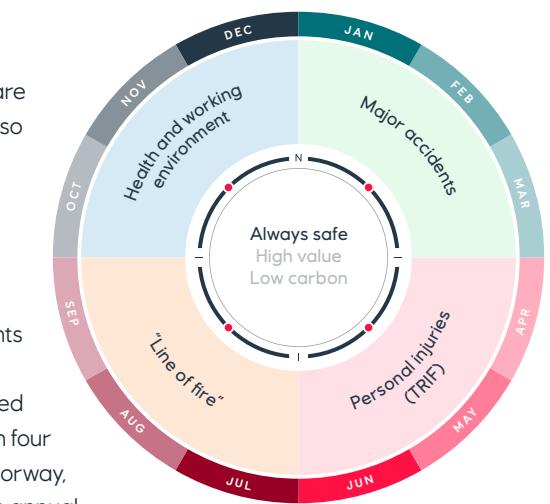
Our I am safety roadmap specifies key measures which are designed to support forceful and continuous improvement of priority areas throughout the company. In 2020, we implemented four of these key measures. They included a companywide annual wheel, strengthened implementation of our “Lifesaving rules”, enhanced learning and follow up, and collaboration with key contractors.

The annual wheel has a defined focus area for each quarter based on priority topics and accompanied actions, which are assessed by the entire company, thus ensuring a stronger common focus. In 2020, we prioritized the prevention of major accidents, personnel injuries, “line-of-fire” events, and negative health effects.

Implementation of the “Life Saving rules” defined by the Association of International Oil and Gas Producers (IOGP) started in 2019. In 2020, we focused on operationalizing these rules by integrating them in daily risk assessments. In addition, the corporate requirements for road safety were updated and aligned with the industry best practice to reflect the fact that driving-related accidents are historically the single largest cause of fatalities in our industry.

Learning and follow up after incidents is key to improving safety culture. To facilitate the institutionalisation of closed loop learning across the company, a learning panel was established in 2019. In 2020, one of the most important learning packages issued by the panel was related to a serious injury caused by a bottle that exploded during pressurisation at the Heimdal platform in Norway. This provides solutions for how similar incidents can be avoided and is available at [alwaysafe.no](http://alwaysafe.no), a web platform open for all operators and suppliers on the Norwegian continental shelf.

Two thirds of our activities are carried out by contractors, so working closely with them is crucial to our overall performance. An arena was established in 2020 to enable sharing and learning from safety incidents and to facilitate stronger collaboration. We also signed a collaboration charter with four of our largest suppliers in Norway, agreeing to follow the same annual wheel, to implement the “Lifesaving rules”, and to prioritize the same measures to avoid “line-of-fire” events and other frequent incidents such as arm, hand and finger injuries. The charter includes common Key Performance Indicators and targets.



#### Health and working environment

We systematically monitor work-related illness caused by psychosocial aspects, chemicals, noise, and ergonomics at the workplace. In addition to monthly reviews of registered cases, we capture information from employees through our annual people survey, which includes questions related to psychosocial and mental health risk factors.

In the Covid-19 situation in 2020, it was particularly important to monitor risks related to working from home, especially ergonomic and psychosocial risk. Several measures were implemented such as the training of leaders in how to manage such risks including follow-up of employees when working from home over a longer period. More than 1600 leaders attended webinars or leadership-team trainings in this respect. This was further strengthened by learning packages, videos and toolboxes that were launched through our annual wheel. In addition, personnel with specific requirements were given access to the offices or special equipment to facilitate a healthy and efficient working day. Help and support services were also made available to give employees and leaders access to health professionals when needed.

## Emergency response

Adequate preparation and appropriate response measures are prerequisites for being able to limit the consequences of an incident. Equinor is working closely with peers, suppliers and stakeholders to ensure we are robust at all levels across the company. Training is a key enabler and our people who are assigned tasks, including the CEO, routinely train and exercise on their roles and responsibilities in emergency response situations, to be sufficiently prepared if, and when, incidents occur.

In 2020, we activated our corporate emergency response protocols in relation to the Covid-19 pandemic and global operations and special business continuity protocols helped enable the management and navigation of our response locally. Although we did not experience any major interruptions, the business continuity planning process strengthened the company by preparing for major business disruptions and by equipping employees with skills and knowledge needed to protect our people, our operations and our assets in a more efficient way. The pandemic also increased our knowledge and skills in the use of digital collaboration tools. We gained experience in virtual response training and handling of incidents and our response plans were updated to enable mustering of teams virtually.

In 2020, Equinor experienced fires both at the Melkøya LNG plant in Hammerfest, and at our methanol plant at Tjeldbergodden. Both incidents led to mobilisation of our emergency response organisation and the local emergency services. A full evacuation of the plants was accomplished, and the plants were shut down in accordance with emergency routines. No one was injured during the incidents.

## Security

Equinor continues to face a range of security threats which are continuously monitored, assessed and communicated across the company. 2020 was challenging with uncertainty caused by the pandemic which in some cases exacerbated existing threats and in others temporarily reduced them. In some countries certain threats were reduced due to a combination of lockdowns and almost complete halt in international business travel.

The inability to travel required rapid and agile methods to deliver security including new remote processes aimed at gauging the impact of the pandemic on security risk management at site level. Competence development for all staff has mostly been done virtually through e-learning courses and video conferences.

The pandemic has accelerated change to our ways of working, with an increased use of remote IT solutions while working from home. This increased information security risk as private devices were used to a larger degree. Because of this, our security month campaign had a special focus on employee IT security awareness and private cyber resilience and a series of cyber-security awareness courses were made available. As part of the awareness training the company tested user's ability to identify phishing e-mails, distributing around 900,000 tests last year.

### Security and human rights

Despite the challenges caused by the pandemic, we continued to deliver on our commitment towards human rights by conducting our activities in line with the Voluntary Principles on Security and Human Rights. Although it was not possible to train all security staff due to lockdowns and restrictions, we provided human rights and security training to 85% of guard forces in relevant locations<sup>1</sup>.

The restrictions on international travel meant that training was provided through local resources with guidance from subject matter experts. We also shared experience with our peers from the extractive industry and focused on promoting human rights and security in a non-operated context.

<sup>1</sup> Locations where we employ security personnel, where we contract services in countries without strong regulatory control of the industry and where third-party suppliers are required or given a mandate to carry weapons by the authorities.

## Our actions and performance

Equinor's top priority is zero harm to people and the environment and our ambition for 2020 was to perform even better than in previous years. In 2020, some of our key performance indicators developed positively, but regrettably, we also experienced fires at two of our plants towards the end of the year.

In September we experienced a fire in a turbine at the Hammerfest LNG plant at Melkøya, Norway. No one was injured which is of upmost importance to us. However, this was a dramatic incident for the local society in Hammerfest and we had meetings with local politicians and the community to keep them informed and answer questions. We had to close the plant for extensive repair following the incident.

In December a fire occurred in the oil system related to a steam driven turbine-generator system in the methanol plant at Tjeldbergodden, Norway. No one was injured in the fire.

Investigation of both incidents is ongoing to clarify the course of events, identify root causes, determine actual and potential consequences and recommend future actions, as a result of lessons learned from the incidents.

### Serious incident frequency

Our total serious incident frequency (SIF), which include near misses, ended at 0.5 incidents per million work hours in 2020. Although somewhat higher than the target, it improved from 0.6 in 2019. The number of counting incidents decreased from 87 in 2019 to 67 in 2020. We are working hard to reduce it further and our "I am Safety roadmap 2025" will be the main initiative for improvement. Line-of-fire incidents caused too many of the near misses and will be a continued prioritised improvement area.

### Personnel health and safety

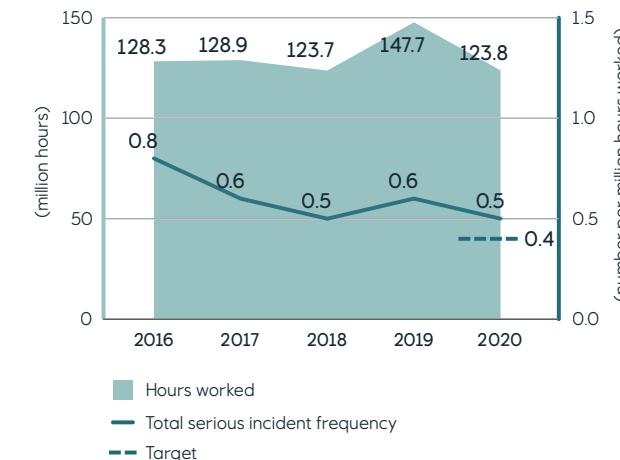
Personnel injuries measured by total recordable injury frequency per million hours worked (TRIF) has steadily been reduced from 2.8 in 2018 to 2.5 in 2019 and 2.3 in 2020. This is the lowest frequency we have achieved, but we still observe that it is higher than some of our peers. We saw a decrease in the number of injuries from 365 in 2019 to 279 in 2020. Although we are moving in the right direction, we need to improve. We must continue to demonstrate our commitment by strengthening our safety culture, improving our learning from incidents and collaborating with key contractors.

The number of work-related illness cases (WRI) increased from 2019 to 2020 due to the working from home situation caused by the Covid-19 pandemic. Ergonomic and psychosocial aspects are the key contributors to this development. The average score of our global annual survey relating to issues of psychosocial aspects ended as green, indicating that the psychosocial working environment is generally adequate. Given these results we regard our continuous and systematic efforts to improve the working environment as suitable.

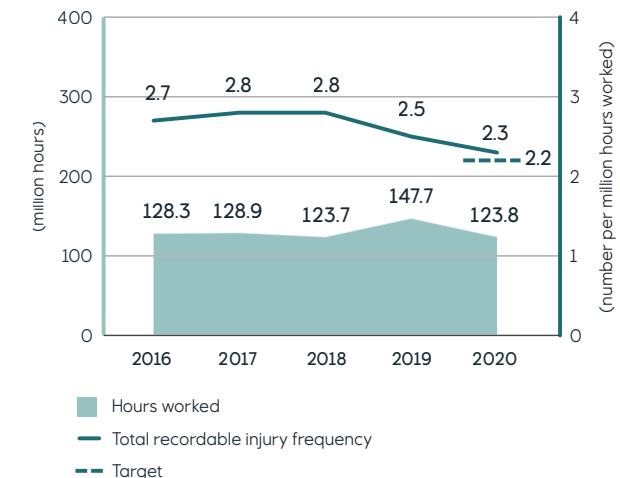
The sickness absence rate for our Equinor ASA employees was 4.2% in 2020, down from 4.4% in 2019.

Health and working environment							
Indicators	Boundary	Units	2020	2019	2018	2017	2016
Work related illness frequency (WRI)	Equinor group	number per million hours worked	1.3	0.9	0.7	1.2	1.5
Sickness absence	Equinor ASA employees	percentage of planned work hours	4.2	4.4	4.6	4.6	4.3

Total serious incident frequency (SIF) [KPI]



Total recordable injury frequency (TRIF) [KPI]



## Process safety

In 2020, there were 11 serious oil and gas leaks (with a leakage rate  $\geq 0.1$  kg per second). Hence, our target of maximum nine leaks was not reached. None of the leaks caused harm to people or assets.

We had fewer oil spills than last year, but regrettably we had a significant seepage of oily water to ground at the Mongstad refinery in Norway. An investigation carried out by Corporate audit concluded that the spill could not be tied to a particular incident but was rather due to leakage from the drainage system for oily water and seepage from several minor spills over a longer period. As soon as we became aware of the situation, we implemented measures to limit the consequences, including collection and removal of 108 m<sup>3</sup> of oil. A comprehensive study of soil and groundwater pollution will be carried out and form the basis for assessing the severity of the environmental impact and the need for further measures. The conditions we uncovered at Mongstad are unacceptable and work to improve practices has been initiated. Please reference page 47 for further details.

In 2020, six of the process safety events with loss of primary containment were classified as Tier<sup>1</sup>.

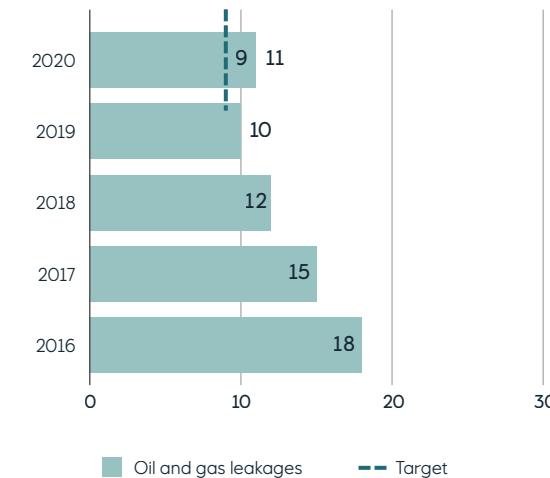
One serious well control incident was recorded in 2020 during the drilling of the Monument exploration well in the Gulf of Mexico. This incident was managed successfully in accordance with the extensive training that had been carried out to prepare for such an eventuality.

## Security

85% of security personnel within the Equinor group received formal training in the organisation's human rights policies. Due to Covid-19 restrictions training was not possible in two locations where security staff do not have access to online training capabilities.

<sup>1</sup> A tier 1 process safety event is defined as an unplanned or uncontrolled release of any material/substance from a primary containment, exceeding thresholds or consequences as defined by IOPG Report 456 and API RP 754.

**Serious oil and gas leakages [KPI]**  
(number per year)



**Oil spills**



\*The oil spill caused by Hurricane Dorian that hit our South Riding Point terminal in the Bahamas makes up 97% of the total volume. The oil spill has been classified as a major accident.

# Integrity & anti-corruption

Material topic | Impact

Integrity and anti-corruption



## Business context and our approach

Equinor is a global company and we are present in parts of the world where corruption is a high risk. Our strategy is to increase investments in new energy markets, so we have continued our work on ethics and compliance throughout 2020. We experienced renewed focus on certain aspects of our activities in Angola, in particular in relation to Equinor's past contributions towards the establishment of an Angolan Research and Technology Centre (RTC) as part of the 2011 Kwanza license obligations. Equinor continues to follow-up the payments made towards the centre, which has not yet been built. Our commitment to conduct business in an ethical, socially responsible and transparent manner has during the Covid-19 pandemic remained the same. We have maintained an open dialogue on ethical issues, both internally and externally.

### Code of Conduct

The Code of Conduct sets out our commitment and requirements for how we do business at Equinor. It applies to our employees, board members and hired contractors. We train our employees on how to apply the Code of Conduct in their daily work and require all employees to confirm annually that they understand and will comply with the Code of Conduct. We expect our suppliers to act in a way that is consistent with our Code of Conduct and engage with them to help them understand our ethical requirements and how we do business. If the expectations are not met, we take appropriate actions.

### **Anti-corruption**

Our Code of Conduct explicitly prohibits engaging in bribery and corruption in any form. Equinor's Anti-Corruption Compliance Program summarises the standards, requirements and procedures implemented to comply with applicable laws and regulations and maintaining our high ethical standards. The Program lays down the foundation for ensuring that anti-bribery and corruption risks are identified, concerns are reported, and measures are taken to mitigate risk in all parts of the organisation. We have a global network of compliance officers who support the business in identifying and handling business integrity risks, and ensure that ethical and anti-corruption considerations are integrated into our activities no matter where they take place. Equinor provides regular training across the organisation to build awareness and understanding of the Anti-Corruption Compliance Program. Our workshops are designed to facilitate meaningful in-depth discussions on specific issues tailored to the nature or location of their work.

### **Competition and antitrust compliance**

Equinor's Code of Conduct also addresses the requirement to comply with applicable competition and antitrust laws. Our Competition and Antitrust Program consists of governing documents and manuals, training of employees in high-risk positions as well as risk assessments and assurance activities.

### **Reporting and handling of concerns**

The Code of Conduct imposes a duty to report possible violations of the Code or other unethical conduct. We require leaders to take their control responsibilities seriously to prevent, detect and respond to ethical issues. Employees are encouraged to discuss concerns with their leader or the leader's superior or use available internal channels to provide support. Concerns may also be reported through our Ethics Helpline which allows for anonymous reporting and is open to employees, business partners and the general public. Equinor has a strict non-retaliation policy.



### **Tax transparency and payments to governments reporting**

We believe that through disclosure of payments to governments we promote accountability and build trust in the societies where we operate. We have reported our payments to governments on a country-by-country basis for more than a decade. Since 2014, we have reported such payments on a project-by-project and legal entities basis, in our Annual Report and Form 20F. This reporting represents a core element of transparent corporate tax disclosure. Since 2018, we have published our global tax strategy, available online. In 2021 we will for the first time publish our "Tax Contribution Report". This will provide further insight into our approach to tax, including use of low-tax jurisdictions, incentives and transfer pricing, and explaining why and where we pay the taxes we pay. These disclosures and explanations are in line with our commitment to conduct our business activities in a transparent way.

## Our actions and performance

### Code of Conduct

An updated version of the Code of Conduct was released in 2020, ensuring that the Code incorporates the latest legal developments, internal requirements and that our expectations are made clear. An important change was to underscore the importance of our human rights commitment throughout our activities. To enhance accessibility, the Code was translated into more languages, and a Code of Conduct app was developed.

87%  
of employees has completed  
the Code of Conduct course

### Anti-corruption, Competition and antitrust compliance

Covid-19 represented a global crisis that affected Equinor, our suppliers, partners, governments and society in 2020. During the crisis we focused on upholding our standards and the effectiveness of our programmes. Several measures have been taken to adapt to the situation, such as developing and conducting trainings digitally. We also held internal awareness sessions and contacted suppliers to emphasise our commitment to ethical business practice and zero tolerance for corruption, fraud or breaches of law, during the crisis.

Our training efforts included general and targeted training and awareness sessions both in relation to new risks arising as a result of the Covid-19 pandemic and more generally. New e-learning programmes on Competition and anti-trust compliance and Trade controls were made available to all employees. Due to an increase in requests for donations following Covid-19, we also improved the process for handling donations.

Equinor marked the UN Anti-corruption day focusing on human costs of corruption.

### Working with suppliers and partners

During 2020 we continued our interaction with suppliers and partners on ethics and anti-corruption regarding the risks we jointly face and actions that can be taken to address them. In order to address and mitigate corruption and fraud risk within the supply chain, new awareness and control activities were established during 2020. In Brazil, we provided comprehensive anti-corruption training for 322 people, representing more than 90 suppliers and service providers.

### Collaboration and stakeholder engagement

Equinor believes in the value of collective action to actively promote anti-corruption and revenue transparency. We have long standing relationships with the UN Global Compact, the World Economic Forum's Partnering Against Corruption Initiative (PACI) and Transparency International (TI).

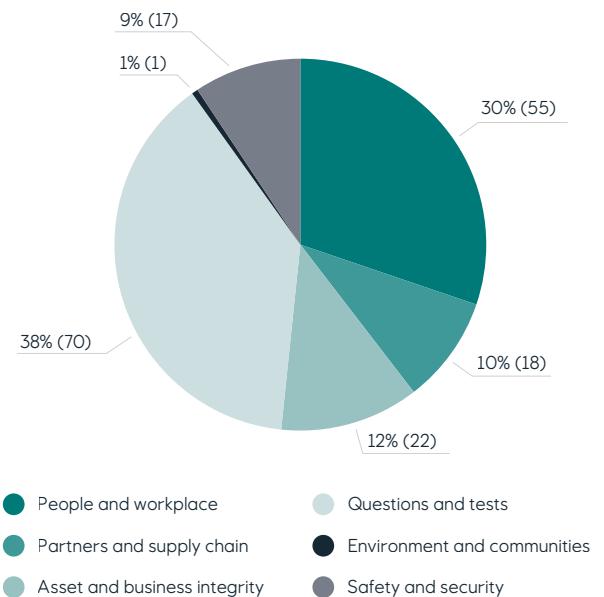
As a long-standing supporting company of the Extractive Industries Transparency Initiative (EITI), Equinor continued to participate in EITI multi-stakeholder groups at national level and held an EITI board position throughout 2020. Through this involvement we exchange knowledge and demonstrate continued commitment to good governance and increased transparency in the extractive sector.

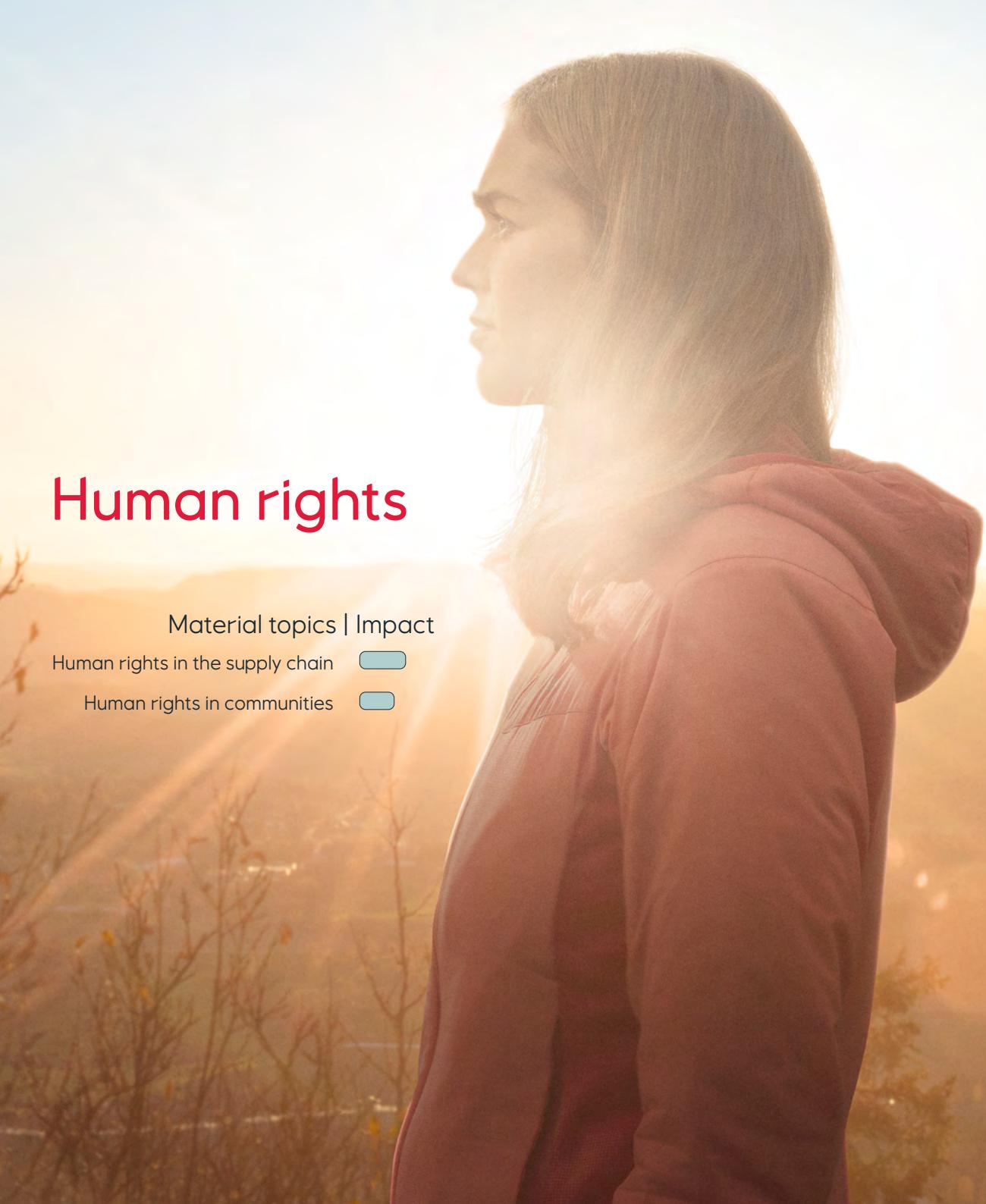
### Our performance

The number of cases received through the Ethics Helpline was 183 in 2020, of which 113 were actual cases reported. This was a decrease from 2019. The cases included 55 reported concerns relating to harassment, discrimination and other conduct affecting the working environment. We experienced a decrease in the number of cases related to our suppliers.

The actions taken in order to mitigate the risks that arise from Covid-19 were in our opinion tailored and efficient. We recognise the importance of learning from previous experiences, *inter alia* as outlined in the review of Equinor's US business. Looking ahead, and at a time when Equinor has an ambition to be a leader in the energy transition, we maintain our commitment to ethical, socially responsible and transparent business conduct.

Ethics helpline cases





## Human rights

### Material topics | Impact

Human rights in the supply chain 

Human rights in communities 

### Business context and our approach

Our responsibility and commitment to ensuring the safety of our employees and those affected by our business, remain core to our strategic commitment "always safe". Understanding and managing our risks to avoid harm to people, related to all our activities, stand firm and are consistent with the United Nations Guiding Principles (UNGPs) on Business and Human Rights, the ten principles of the Global Compact and the Voluntary Principles on Security and Human Rights.

In 2020, we worked to further integrate human rights into our management system, build capacity to address and manage risks, and continued to embed human rights due diligence into our processes. The Covid-19 pandemic introduced a need for new ways of engaging with potentially affected stakeholders in a time where risks of human rights impacts were exacerbated.

## Policy and positions

Since the adoption of our first Human rights policy in 2015, we have significantly improved our capabilities and integration of necessary processes and tools. In 2020, the Board of Directors approved an updated version of the policy. It addresses the most relevant human rights issues to Equinor, strengthens our expectations towards business partners and suppliers, and sets out clearer commitments regarding rights at particular risk, workers' rights as well as access to remedy. The policy is available in 11 languages on our website. An internal information campaign which promoted the renewed policy achieved almost 11.000 views, and a webinar and updated material were made available as part of this effort.

In 2020, our CEO joined the World Business Council for Sustainable Development (WBCSD) Call to Action for Business Leadership on Human Rights. We also joined the Coalition for Responsible Business in Norway, a multi-stakeholder group requesting legislation on business and human rights. Additionally, we submitted a response to the formal hearing process concerning a potential new Norwegian law on human rights and supply chain transparency, including a general statement of support for legislation on human rights in alignment with the UNGPs.

## Capability building

Throughout 2020, we continued to build awareness of Equinor's responsibility to respect human rights and invested in more specific training for prioritised teams and individuals. We have seen an increase in requests from the business areas for training and support to manage challenges. Stronger actions are being implemented as a result of better understanding.

Two new learning programs were offered as on-demand courses:

- Human Rights in Practice: five modules of virtual training targeting operational level personnel working with suppliers.
- Introduction to Human Rights: a three-hour course targeting all employees with a role where management of human rights risks is relevant.

Relevant management teams received targeted awareness sessions throughout 2020, and business development leaders and professionals were trained in a new framework for human rights due diligence in business development projects. Onboarding programmes for existing and new human rights practitioners were provided, and safety and sustainability leaders received training on how human rights due diligence requirements are embedded in the enterprise risk management system. In addition, we added a community liaison officer to our South Korean team to ensure effective and sustained dialogue with local communities.

## External voice

"The UN Guiding Principles on Business and Human Rights(UNGPs) make clear that doing business with respect for human rights is a societal expectation of all companies everywhere. It is also critical for any business that wants to get ahead of risks to its own reputation, operations and sustainability, which is why we see ever more investors scrutinizing this area of companies' performance as well. Equinor's leadership has embraced this reality. Further success will require top-level acceptance that not everything is a comfortable 'win-win' scenario: when respect for human rights is really part of corporate culture, it shows up in the tough situations where dilemmas arise and short-term financial interests may need to come second to larger and longer-term objectives. It takes time to build a strong culture of respect for people in any company, and it takes effort and commitment to maintain it. Equinor is well-placed to model how this can be done, recognizing the value of this investment in the company's future."

Caroline Rees  
President  
Shift



# Our actions and performance

## Human rights risk assessments

The requirement for performing human rights risk assessments is an integrated part of the corporate risk management system and framework.

During 2020, risk assessments that include human rights risks have been conducted for 32 projects and assets (including operated and non-operated) in 24 countries.

Equinor and partners, through a third-party expert, are closely monitoring the government-led compensation and resettlement process (to release an area for a possible future LNG plant) in Tanzania that took place during 2020. Actions to address the impact to affected households are in process.

Third-party experts were engaged to perform human rights impact assessments and to develop action plans related to our offshore wind projects in South Korea.

Forced and compulsory labour is defined as one of our salient issues and identified as a risk at construction sites in countries where use of migrant labour is common. Through 2020, Equinor used external experts to identify gaps through focused worker dialogues, and to support suppliers in defining and following through improvement measures. Targeted training has been provided to resources managing activities where those risks are prevalent.

Through Equinor's human rights assessments of suppliers and sub-suppliers in 2020, a total of 27

significant findings were found across nine companies. These findings are seen as possible markers of forced labour. In addition, suppliers have performed their own verifications. In 2020, based on our follow-up work, two assets have registered forced labour risks of significance, requiring mitigating actions or further investigation (one risk of significance was registered before 2020). Actions implemented related to forced labour risks have included the implementation of the employer pays principle and the reimbursement of recruitment fees, both for direct suppliers and sub-suppliers. In addition, further verifications to assess risks and verify implemented actions are planned for 2021.

## Human rights during Covid-19

During the pandemic, there was an increased risk of impacts on vulnerable workers, employees and business partners, particularly in high risk contexts. We continued to track and adapt to the situation as it developed throughout the year.

We developed specific guidelines on the implications of the Covid-19 pandemic for supply chain workers to aid conversations with suppliers and to help inform risk assessments throughout the business. A letter to Equinor's suppliers was issued in May, addressing the increased risk of compromising the human rights of workers due to Covid-19, reiterating our human rights commitment and supplier expectations and encouraging an open dialogue on dilemmas. Discussions of the implications of the pandemic on vulnerable supply chain workers took place with the

Corporate Executive Committee and a human rights risk report related to Covid-19 was presented to the CEO and to the BoD.

The pandemic limited the access to construction sites and triggered the need for new ways of conducting onsite assessments and engaging with supply chain workers. A new protocol was developed to this end. Further examples of how we dealt with this challenge is available on our website.

## Embedding human rights due diligence in how we work

We continued to embed human rights due diligence in the internal supply chain management process, to enable more effective risk management in new procurements. Our requirements seek to focus our efforts on the most severe risks, including making sure our commercial requirements do not drive salaries below living wage. We also established a practical guide to support an effective dialogue with suppliers on how to meet the expectations.

A new framework for human rights due diligence in Business Development projects was developed and implemented through targeted training sessions and communication.

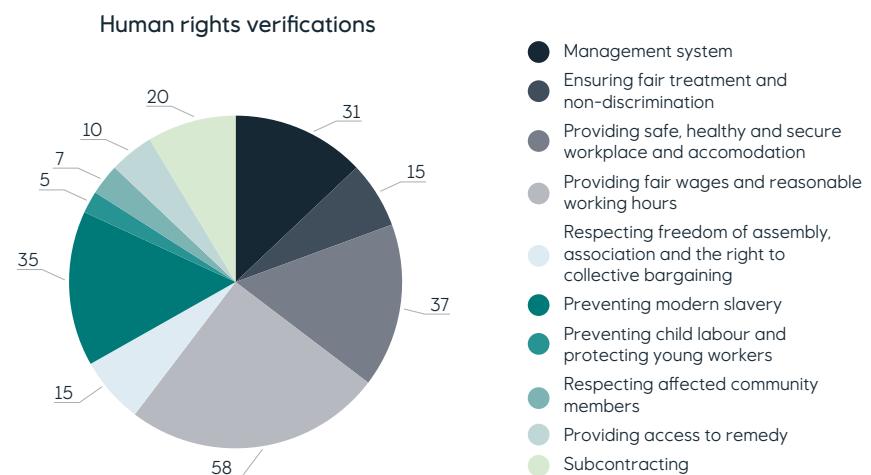
The Human Rights Steering Committee met on five occasions during 2020 and reported our efforts to the BoD SSEC twice. Equinor's main human rights risks, discussions on specific dilemmas, as well as training on human rights risk assessments, policy, ambitions and human rights in light of Covid-19, were addressed.

In 2020 we established an internal human rights network, aiming to ensure consistent internal information, share good practices and discuss dilemmas. The network met five times.

## Collaborating to have greater impact

In 2020, we continued engagement with Norwegian industrial companies to discuss expectations towards business and common challenges in implementing the UNGPs. We also continued supporting the Joint Industry initiative on human rights in the supply chain, where Norwegian Oil and Gas facilitates the sharing of human rights assessments performed by third parties. We shared and promoted the use of our Human Rights Expectations of Suppliers and supporting Guidance and contributed towards embedding the UNGPs in a common "supply chain qualification standard" for the Norwegian oil and gas industry.

We collaborated with peers and partners in specific projects to jointly address human rights risks and continued our membership and active participation in the Shift Business Learning Program and IPECA. We interacted with FOKUS addressing women's rights and promoted the SheDil tool to aid human rights due diligence related to women. We presented our approach to human rights and the conduct of security providers to the Voluntary Principles on Security and Human Rights members.



## Evaluating our own performance and looking ahead

Through 2020, we saw more active and specific engagement on human rights internally, exemplified by broader and earlier involvement of corporate human rights experts by project teams and business lines. We evolved our internal leadership dialogue from policy and expectations towards issues and issue management, and increased our engagement with suppliers, peers and associations, offering insights and experiences to enable a more open discussion on challenges and how to manage them. Through our investments in utilising the enterprise risk management system to assess and address risks, discussion about actual risks and their mitigations was brought to executive management and board level. This, in turn, strengthens accountability and urgency in taking action to minimise, mitigate or remedy.

The 2020 performance numbers for human rights verifications, show a lower total number of findings compared to 2019 and 2018. The Covid-19 pandemic led to a lower number of Human Rights assessments in 2020. The identified number of findings in the various categories show that working hours and wages, as well as preventing modern slavery are still issues that need particular focus.

Our journey continues in 2021, focusing on more consistently performing human rights assessments in existing high-risk assets and new projects. We will also initiate an assessment of our policy by engaging external and internal stakeholders and experts. We aim to further focus and deepen our supply chain work around prioritised areas, including more targeted efforts to build capabilities with key suppliers and finding effective ways to address risks in lower tier suppliers.

Labour rights and working conditions in the supply chain							
Indicators	Boundary	Units	2020	2019	2018	2017	2016
Supplier human rights (HR) verifications conducted	Equinor group	number	37	50	75	41	65
Workers interviewed	Equinor group	number	343	650	1,000	n/r	n/r
Countries in which supplier HR verifications undertaken	Equinor group	number	9	16	20	16	21
Employees working with our suppliers trained (class room course)	Equinor group, operational control	number per year	190	409	514	260	800

In 2020, we engaged Shift to assist in developing leading indicators to assess our human rights performance in terms of leadership. We have defined six monitoring indicators in support of the improvement agenda for 2021. The longer-term goal is to develop a balanced scorecard of leading and lagging indicators to measure both investments in and outcomes of our human rights efforts.

# Environment

## Material topics | Impact

Biodiversity, oceans & sensitive areas 

Air emissions, water and waste 



## Biodiversity, oceans and sensitive areas

### Business context and our approach

We value the importance of our planet's natural environment and strive to adhere to high standards to responsibly manage our environmental impact. Being a large offshore oil and gas operator and a growing offshore wind power provider, biodiversity and sensitive areas in the marine environment are of particular importance. In this respect, significant environmental aspects to manage include discharges of produced and processed water to sea, spills, drilling waste, use of areas and emissions of sound from our operations.

Additional important environmental aspects include NOx emissions from power and heat generation at many installations, plants and drilling rigs, and SOx emissions from our refineries, drilling rigs and some of our offshore installations. In our onshore US operations, water sourcing and usage for the hydraulic fracturing process and waste management of produced and flowback water are additional important aspects.

Our environmental management approach entails environmental risk and impact assessments in planning phases before operations or development activities. It also includes environmental baseline studies, surveys, monitoring programmes and collaborative research projects to build knowledge. Our approach includes establishing measures tailored to local conditions aiming at avoiding, minimising, mitigating or offsetting negative effects. We regularly assess our performance through reviews and assurance activities and set actions to improve when needed. Our environmental work is guided by our commitments to prevent harm to the environment, to apply the precautionary principle and to comply with all applicable environmental laws and regulations.

Our environmental performance varies over time in line with variations in the operational activity level and type. Turnarounds, start-ups, the number of drilling and well operations, temporary operational irregularities and production curtailments imposed by the authorities are main factors influencing positive and negative changes in performance data. In light of these variations, our environmental performance is considered to be in line with our aim to prevent harm to the environment.

### Our actions and performance

In response to the growing concerns related to loss of biodiversity, we have in 2020 started to further develop our management approach to biodiversity. A corporate project has been established to better understand our most material impacts and to develop a new corporate position and an improvement plan for how biodiversity aspects can be better managed in our projects and operations. Equinor is supporting a strong post-2020 global biodiversity framework and in September 2020, signed the Business for Nature coalition's Call to Action "Nature is everyone's business" launched during the United Nations General Assembly. In parallel with the above improvement project, many biodiversity-related activities have continued or were started in 2020. Some highlights are given below.

The UN Environment Programme World Conservation Monitoring Centre has, together with industry and conservation partners, developed a methodology for biodiversity indicators for site-based impacts. Equinor has successfully piloted this methodology on Sheringham Shoal Offshore Wind Farm. To better understand how relevant and applicable the methodology is to document biodiversity performance of assets across the portfolio, Equinor is currently undertaking a more

comprehensive test of the methodology including assets of different types, activities and geographic locations, including the onshore Bakken asset in the USA.

Equinor together with the Institute of Marine Research, took the initiative to install the first measurement instrument on the seabed off Vesterålen, northern Norway, seven years ago. An expanded ocean observatory was opened in 2020. There are seven instrument platforms that extend from shore and out to a depth of 2,500 meters. Real-time data from the ocean environment provides important knowledge and contributes toward better insights into marine processes and the understanding of marine ecosystems. As an example, there has been research activity on analysing images of cold-water corals to better understand natural variations and behaviour as a result of changes in physical and chemical parameters. Results from such projects provide important input for the authorities' work on the management plans for the northernmost ocean areas.

The invasive sun coral continues to be a challenge offshore Brazil. To control the presence of this invasive species in the Peregrino field, the risk tool developed to assess the potential of spreading from vessels operating in the field, has been applied to vessels deployed in the installation of the wellhead platform C. This has enabled good risk management towards this invasive species.

Floating wind installations are in greater water depths and in many cases further away from shore than conventional bottom-fixed turbines. Through field studies in our Hywind Scotland floating wind park, valuable knowledge on the potential influence of floating wind installations on biodiversity has been gained. In 2020, a study on marine growth on the substructures was

performed showing depth-dependent colonisation on the hard substrates.

In 2020, we have continued to develop methodologies and improve our understanding of potential impacts from our operations on marine mammals. We have monitored the presence, abundance, diversity and migration of marine mammals in the south western area of the Barents Sea, through deployment of passive acoustic monitoring stations over the Johan Castberg field development area. Because of the limited anthropogenic activity recorded in the study area, the results provided a good baseline against which to assess the occurrence of marine mammals in the study area in the future. Species diversity and call activity was found to be low, but marine mammals were present throughout the 9 months monitoring period.

As part of our continued effort to protect the critically endangered North Atlantic right whale, we have continued our collaboration with Wildlife Conservation Society and Woods Hole Oceanographic Institute to monitor, in real-time, the presence of whales in the Empire Wind lease area in the US by use of two real-time passive acoustic buoys. Our Beacon Wind project is collaborating with Woods Hole Oceanographic Institute on a study to evaluate the effectiveness of thermal imaging technology for monitoring the presence of large whales and sea turtles in periods of poor visibility. This technology has the potential to digitalize marine mammal monitoring and reduce the number of people needed offshore compared to traditional human observations.

Sound measurement equipment has been deployed in the Hywind Scotland floating wind park to measure sound from the wind park operations and to achieve input to modelling of possible implications of underwater sound on marine mammals and fish, using scientifically acknowledged thresholds for impacts.

In 2020, Equinor launched geophysical surveys for its Beacon Wind lease area offshore US east coast using a survey remotely operated vehicle (SROV). This is the first time this technology has been applied in the US offshore wind industry. MMT (a marine survey company) and Reach Subsea, under contract with Equinor, have implemented this innovative technology that will help mitigate potential impacts to protected species like marine mammals and sea turtles. Using the SROV, MMT is able to substantially reduce the potential effect zone by moving the sound sources close to the seabed and improve operational efficiency and data quality. With the growth in the offshore wind industry and the resulting increasing drive to map the seafloor, innovations like this contribute to our efforts towards responsible offshore wind development and operations.

The Spissa exploration well was drilled in 2020 in the production licence 960 in the Norwegian Barents Sea. The well was located 53km from the coastline, within the particularly valuable and sensitive area called Tromsøflaket and close to the Sotbakken coral area. A very strong focus was placed on understanding and mitigating the environmental risks associated with drilling in this environment, and on setting in place a robust emergency response plan and organisation that could act rapidly in the unlikely event that an incident

occurred. Preparations included the drilling of a 'pilot hole' a short distance away from the expected oil and gas accumulation, to collect detailed information on the drilling conditions that would be encountered in the well. Before drilling the well, meetings with local municipalities and fishermen were important to inform about the activity and receive feedback from other users of the area. The drilling operation, which did not discover hydrocarbons of commercial interest, was carried out successfully with no environmental incidents.

In line with our collaborative core value, we want to leverage our effort related to biodiversity through collaboration and partnerships with others. Examples where we already do this include the joint industry working group on biodiversity and ecosystem services in IPIECA and IOGP, the Proteus partnership with the UNEP World Conservation Monitoring Centre, MARAMBS (Marine Animal Ranging Assessment Model Barents Sea) and SEATRACK, a seabird tracking programme covering the North-East Atlantic.

Collaboration with others is also needed to take full advantage of the global offshore wind potential. Together with Ørsted, Equinor has spearheaded a global energy initiative to help governments around the world increase their offshore wind capacity. The Ocean Renewable Energy Action Coalition (OREAC) was formed in support of the High Level Panel for a Sustainable Ocean Economy. Working together with industry partners and NGOs OREAC has produced a vision and roadmap to support the sustainable scale-up of ocean-based renewable energy and to achieve 1,400 GW of offshore wind by 2030.





### External voice

"We must work together to take real action while raising the ambition to create a sustainable ocean economy. We know that offshore wind energy has the potential to make real steps towards climate change mitigation. Equinor's efforts to transition to a net-zero company and to develop their climate roadmap as well as their support of the Ocean Renewable Energy Action Coalition (OREAC) are important steps for fully realizing a sustainable ocean economy."

Kristian Teleki  
Director of Sustainable Ocean Initiative  
World Resources Institute

The record inside an area of high biodiversity value was the Spissa exploration well as mentioned earlier in this section. All assets adjacent to protected areas, except one, are subsea linear infrastructure. The adjacent protected areas are typically nature reserves protected for seabirds. The last asset, the Kalundborg refinery,

An overview of the number of assets and licences with operational activities in 2020 located inside or near protected areas or areas of high biodiversity value is shown below.

	Assets <sup>1</sup>	Licenses <sup>2</sup>
In the vicinity (5 – 20 km) <sup>3</sup> - of protected areas - of areas high biodiversity value	13 10	2 2
Close (1 – 5 km) <sup>3</sup> - to protected areas - to areas of high biodiversity value	6 1	0 0
Adjacent (< 1 km) <sup>3</sup> - to protected areas - to areas of high biodiversity value	12 3	0 0
Inside <sup>3</sup> - protected areas - areas of high biodiversity value	0 13	0 1

<sup>1</sup> "Assets" means offshore platforms including subsea tie-ins, onshore plants, pipelines and other linear infrastructure in operation or under construction.

<sup>2</sup> "Licences" includes only those licences where there have been operational activities other than 1) above, e.g. seismic acquisition, exploration drilling, site surveys.

<sup>3</sup> If several protected areas (PA) or areas of high biodiversity value (AHBV) are present within a proximity category around a given asset or operation, they are counted as one. If a given PA or AHBV are within proximity categories for several assets or operations, it is counted in for each of these assets or operations. Subsea installations within a field are included in the counting of the platform it is tied in to. For existing linear infrastructure like pipelines, service lines and cables, only the 'Inside' and 'Adjacent' categories are applied. In cases where linear infrastructure is installed during a given reporting year, all proximity categories are applied. (These counting rules have been changed since the 2019 Sustainability Report to improve how PAs and AHBVs are represented in the various proximity categories.) Information on geographic location of cases represented in the table above can be found in the "Sustainability performance data hub" on Equinor.com.

is located next to an IUCN category IV protected area. Under normal operations there is no interaction between the protected areas and these assets.

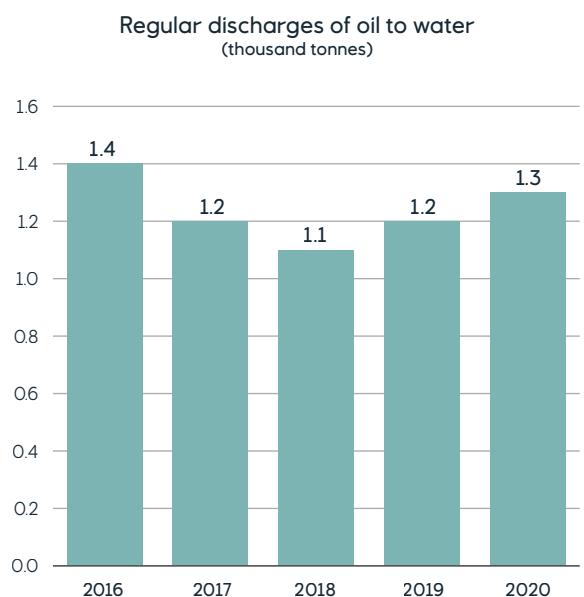
13 of the 14 cases within areas of high biodiversity value are either subsea well templates or linear infrastructure which in normal operations would have very limited impact on the biodiversity value of the area. The Kristin platform is the only installation above the sea level adjacent to an area of high biodiversity value. More information is available on [www.equinor.com](http://www.equinor.com).

In 2020, following a review of our exploration portfolio, we decided to discontinue the Stromlo-1 exploration drilling program in the Great Australian Bight. This decision was taken despite receiving acceptance from national regulator NOPSEMA for the comprehensive Environmental Plan (EP) that was submitted, following several years of work that included co-funding of extensive baseline surveying of the deep-water environments and the met-ocean conditions within an IUCN category VI area (Protected area with sustainable use of natural resources) of the Great Australian Bight.

# Discharges, air emissions, waste and water

## Discharges

Our efforts to continuously improve our management of discharges of large volumes of produced and processed water to the sea continued in 2020. The main objective is to minimise the environmental impact from oil and chemicals contained in the discharged water. We continuously monitor discharges from each of our



offshore installations and onshore plants. For our operations on the Norwegian continental shelf we evaluate the environmental impact from produced water with use of the Environmental Impact Factor (EIF) tool to identify fields with the largest improvement opportunity. The EIF tool is also used for decision support in field developments. The total volume of oil discharged to sea increased to 1.3 thousand tonnes in 2020 compared to 1.2 thousand tonnes in 2019. The increase was related to increased volumes of produced water for some fields and to some cases where efforts to reduce use of harmful chemicals led to lower oil separation efficiency. For some other fields, the increased discharge of oil to sea was due to increased uptime in 2020 compared to 2019.

Equinor has contributed to the development of the IOGP Report 633 "Risk Based Assessment of Offshore Produced Water Discharges", launched in 2020. This is an industry good practice document applicable for oil and gas fields globally from the design stage through to the end of field life, to evaluate and mitigate risks and help understand the potential effects of produced water discharges.

## Spills

Despite our efforts to avoid oil spills, we need to be prepared for larger, acute oil spill incidents. Use of dispersants can be an effective oil spill response solution when used appropriately. However, there are trade-offs in relation to the overall environmental impact from dispersants compared to the impact of the oil spill itself. We have now implemented subsea dispersant injection (SSDI) as a new technology in the toolbox of oil spill response mitigating measures. It is a supplement to more traditional methods like mechanical recovery and surface dispersion. Subsea dispersion is effective as the fresh oil is treated prior to oil weathering

and spreading on the sea surface. Subsea dispersion of oil will reduce the amount of oil and gas reaching the surface and hence reduce safety risk to response personnel, environmental risk for sea surface wildlife and oil hitting sensitive shorelines.

We are also a partner along with several other operators with the Energy & Environmental Research Center in North Dakota in the Intelligent Pipeline Integrity Program (iPIPE). This is an industry-led consortium whose focus is to contribute to the advancement of near-commercial, emerging technologies to prevent and detect gathering pipeline leaks.

Early in 2020, Equinor became aware of seepage of oily water to the ground, as well as further seepage of oily water to the securing basin at the Mongstad refinery. An internal investigation revealed that the oil contamination was due to seepage from the drainage system for oily water, as well as several minor, past discharges from operations and maintenance routines and incidents during the refinery's 45 years history. The investigation pointed at inadequate understanding of requirements that apply for discharges to the ground. This has led to a practice that does not conform with relevant environmental requirements. With regards to discharges to water, the investigation confirms that we have adequate routines in place to monitor emissions to sea and mapping potential consequences to the local marine environment. The investigation report is published on Equinor.com. The Norwegian Environmental Agency has reported Equinor to the police for this case. Additionally, two other cases related to the Mongstad refinery have been reported to the police in 2020 or early 2021; one regarding an acute spill of 18m<sup>3</sup> of oil to the ground and another regarding emissions of fluorinated gases to the air.

## Emissions to air

Emissions of NOx are mainly related to combustion of hydrocarbon fuels for generation of electric power needed at our platforms and drilling rigs. Reductions of NOx emissions can be achieved through energy optimisation measures, fuel substitution or most significantly if hydrocarbon-fuelled power generation is replaced with renewable electric power. At the Mariner A platform, a new fuel gas system installed late 2019 has allowed power generation in 2020 to be based on produced gas instead of diesel. As a consequence, the diesel consumption and NOx emissions from Mariner were reduced by 90% and 73%, respectively, compared to 2019. Other causes to the 12% reduction in our total NOx emissions from 2019 to 2020 were the divestment of Eagle Ford, less power demand as a consequence of government-induced production cuts in Norway and less drilling activity. The sanctioned electrification projects for the Gullfaks and Snorre fields through the offshore wind farm Hywind Tampen and the electrification of the Sleipner field with power from shore are planned to reduce annual NOx emissions from these fields by around 1,600 tonnes.

Emissions of SOx were 40% lower in 2020 compared to last year, mainly because the sulphur treatment unit at the Mongstad refinery has been back in normal operations after the turnaround in 2019 and due to the shut-in of Peregrino for almost three quarters of 2020.

## Waste

Our activities involve handling large volumes of different types of waste, among which drill cuttings and contaminated water constitute the largest volumes. Our approach to waste management follows the mitigation hierarchy and waste handling systems are set up in close collaboration with waste contractors, which also handle the downstream part of our waste chain. Our reporting of waste quantities has from 2020 been adjusted to be in accordance with the new GRI reporting standard. This implies an increased granularity and that waste incinerated with energy recovery is no longer defined as a recovery method, but a

disposal method. Compared to the previous year there is a slight increase in hazardous waste volume to 318 thousand tonnes. The non-hazardous waste volume was reduced from 40 to 29 thousand tonnes mainly due to decrease in polluted soil and less tank washes at the Kalundborg refinery. Exempt waste volumes decreased significantly due to divestment from Eagle Ford and less drilling and well operations onshore US. Waste recovery rates were 70% and 49% for hazardous and non-hazardous waste, respectively.

In 2020, Equinor gathered valuable experiences from thermomechanical cuttings cleaning (TCC) for oiled drill cuttings on the Johan Sverdrup and Mariner fields. In the TCC process, oil is removed from the drill cuttings through mechanical friction and heating. The cleaning process reduces the oil content on the cuttings to meet offshore discharge regulations. The discharge option has lower safety risk and costs compared with the transport to shore option, due to reduced need for lift operations, transport of waste to shore and further handling of the waste to onshore storage.

We did not decommission any facilities in 2020. We are currently planning for decommissioning of the Heimdal and Veslefrikk fields and will strive for energy-efficient and sound environmental solutions when choosing removal methods for the installations that will be taken to shore for dismantling and disposal.

## Freshwater use

Given the abundant availability of freshwater for our Norwegian and Danish onshore plants, and the limited use of freshwater in our offshore operations, the use of freshwater in our US onshore shale operations is the most material freshwater issue to us. The dominant freshwater use in our US onshore operations is for hydraulic fracturing operations of production wells in the Bakken tight oil asset and Appalachian basin shale gas asset. The withdrawn volume of freshwater for these two assets decreased by 71% to 1.2 million cubic meters in 2020 compared to the previous year mainly caused by divestment of Eagle Ford and

less hydraulic fracturing operations. The water is mainly withdrawn from the Missouri and Ohio rivers which are considered robust water sources with throughputs several orders of magnitude larger than our withdrawal. The environmental impacts from our water withdrawals are therefore considered low. Flowback and produced water from our US onshore operations is disposed of by deep well injection in disposal facilities operated by Equinor or third-parties, both permitted and regulated by the applicable state.

In 2020 Equinor has not had production from or withdrawn water from areas of high or extremely high baseline water stress as described by the Aqueduct® tool (owned by World Resources Institute).

In our US onshore shale operations, we follow standards for the types and volumes of chemicals used in drilling and hydraulic fracturing fluids and disclose the chemicals used in hydraulic fracturing through FracFocus<sup>1</sup>.

## Performance evaluation

The results on discharges of oil to sea show that there is a need for continuing our efforts to minimise the environmental impact from produced water. Regarding the seepage of oil to the ground at the Mongstad refinery, we find the conditions unacceptable. In addition to operative measures on site, we have commenced work to improve knowledge and ensure compliance with all requirements for discharges to the ground. The reductions in generated waste, NOx and SOx emissions and our US onshore freshwater withdrawal are, as described above, mainly caused by changes in operational conditions, activity level and our asset portfolio. Although these changes have been unusually large for 2020 compared to earlier years, we consider our performance in these areas to be satisfactory.

<sup>1</sup> The US national hydraulic fracturing chemical registry

# Environmental performance data

Indicators	Boundary	Units	2020	2019	2018	2017	2016
<b>Acid gases and non-methane volatile organic compounds</b>							
Sulphur oxides (SO <sub>x</sub> )	Operational control	thousand tonnes	1.3	2.2	1.8	1.7	1.8
Nitrogen oxides (NO <sub>x</sub> )	Operational control	thousand tonnes	36	41	42	40	39
Non-methane volatile organic compounds (nmVOC)	Operational control	thousand tonnes	35	40	46	49	49
Regular discharges of oil to water	Operational control	thousand tonnes	1.3	1.2	1.1	1.2	1.4
<b>Waste and discharges to water</b>							
Hazardous waste generated [1]	Operational control	thousand tonnes	318	313	244	296	438
Hazardous waste recovery rate [2]	Operational control	%	70	n/r	n/r	n/r	n/r
Exempt waste generated: cuttings and solids [1]	Operational control	thousand tonnes	17	84	55	105	81
Exempt waste generated: produced water and flowback [1]	Operational control	million m <sup>3</sup>	5	7	6	5	4
Non-hazardous waste generated	Operational control	thousand tonnes	29	40	31	34	50
Non-hazardous waste recovery rate [2]	Operational control	%	49	n/r	n/r	n/r	n/r
<b>Chemicals use</b>							
Hydraulic fracking chemicals use [3]	Operational control	thousand tonnes	7	35	41	47	17
<b>Freshwater use</b>							
Total freshwater withdrawal [4]	Operational control	million m <sup>3</sup>	8	12	13	12	11
Share of production in areas of high water stress [5]	Operational control	%	0	0	2.1	1.6	NR

[1] Drill cuttings and produced and flow-back water from our US onshore operations are exempt from regulation as hazardous waste. These are therefore not included in the hazardous waste and waste recovery figures.

[2] Our reporting of waste quantities has from 2020 been adjusted to be in accordance with the new GRI reporting standard. This implies an increased granularity and that waste incinerated with energy recovery is no longer defined as a recovery method, but a disposal method.

[3] Related to our US Onshore operations.

[4] Total freshwater withdrawal is for Equinor activities equal to total freshwater consumption, since no water is returned to source. All our freshwater withdrawals are from sources not located in areas of high or extremely high baseline water stress (ref. Aqueduct ®)

[5] The hydrological model in the Aqueduct® tool was updated in 2019. This change had an impact that our US onshore assets were no longer within the categories high and extremely high baseline water stress.

# Shared value

## Material topics | Impact

Economic impact (direct and indirect)

Local community impact

Employment and skills development

Diversity and inclusion



## Economic and local community impact

### Business context and our approach

Creating shared value is one of the sustainability priorities that guide Equinor. Together with our stakeholders and partners we work to find mutual benefits and lasting solutions to common challenges. We will continue to invest in sustainable energy systems, critical infrastructure and the local, regional and national communities we are part of, for many years to come.

We create long-lasting shared value that contributes to sustainable development through:

- Providing access to affordable, reliable and sustainable energy.
- Providing significant revenues for countries through the taxes we pay.
- Creating value for shareholders.
- Driving innovation, research and development of new technologies to better society.
- Creating jobs, developing staff, and promoting diversity and inclusion in our workforce.
- Generating economic opportunities across our value chain through sourcing of goods and services.
- Ensuring robust management of social impacts and outcomes and contributing to economic ripple effects.
- Exploring new types of partnering, to enable us to leverage research and technology, digitalisation, innovation and businesses working towards solving challenges for society and nature.

## Economic value creation and distribution

Equinor operates primarily in OECD countries. Hence, our economic contributions to society are primarily in the form of taxes and other payments to governments, purchases of goods and services, wages and employee benefits and dividends to shareholders, rather than social investments.

Equinor is one of the ten largest contributors of taxes amongst the publicly listed companies in the world. We pay taxes according to our legal obligations, while also benefitting from available reliefs and incentives, such as those offered to us by the Norwegian temporary tax package.



## Promoting partnership to rebuild the economy

The devastating effects of the Covid 19-pandemic have been felt across the world in 2020. A just energy transition has been at the centre of many European government's economic recovery plans to 'build back better' and governments are increasingly looking for sustainable solutions to rebuild the economy.

We believe the transition to more sustainable energy systems will offer unprecedented opportunities to both address climate change and contribute to tackling global systemic economic and social challenges.

With Equinor's broad and international energy portfolio we can shape the energy transition to become an engine for growth and prosperity.

The challenge is too big to tackle on our own. Strong collaboration is required cross-sector, cross-industry and cross-country. We need to work with governments, suppliers, the research community and entrepreneurs, investors and consumers, to find common solutions along the whole value chain.

Governments play an important role as a catalyst for collaboration, as demonstrated through initiatives for which significant milestones were reached in 2020:

- "Longship" is the largest climate project ever in the Norwegian industry and will contribute substantially to the development of carbon capture and storage (CCS) as an efficient mitigation measure. Equinor's Northern Lights CO<sub>2</sub> transport and storage project, a partnership with Shell and Total, receives funding through this project.
- The UK's Industrial Strategy Challenge Fund (ISCF) combines public and private funding to invest in projects that tackle big societal and industrial challenges. The Zero Carbon Humber consortium, that Equinor is a leading partner in, won funding from ISCF to drive forward a vision of the UK's first net-zero carbon cluster.
- Equinor engaged in a range of activities to maintain project activity and support suppliers through the Covid 19-pandemic.

## Supporting our suppliers

Equinor worked closely with suppliers during the pandemic to reduce cost in a sustainable way, focusing on scope optimisation and efficiencies and sustainable operations for all parties.

## Engaging local supply chains and work force

Thriving local supply chains are important for regional economies, and for us as we invest in creating long-term infrastructure that will be operational for decades.

- In the US over 92% of contracts supporting operations have been awarded to US-based suppliers.
- To date over 80% of contracts supporting the Mariner operations have been awarded to UK-based suppliers. Continued support from the UK supply chain will be needed over the 30-year Mariner field-life.
- For Dogger Bank Wind Farm in the UK, we held nine online 'Meet the Buyer' supply chain webinars, enabling UK businesses across a wide range of disciplines to meet with the Dogger Bank project Team and Tier 1 contractors to understand how they could get involved.
- The Operations and Maintenance Base for the Dogger Bank Wind farm will be based in Port of Tyne. This is expected to generate over 200 operational jobs in the North East of England. The Port of Tyne's vision to become one of the most environmentally sustainable ports in the UK by 2030 is aligned with the Dogger Bank ambitions.
- Increased activity in the Northern Area led to additional jobs at the Polar base.

## Economic value created and distributed

Indicators	Boundary	Unit	2020	2019	2018	2017	2016
Tax contribution	Equinor group	billion USD	3.1	8.8	9.6	6.1	4.6
Total procurement spend	Equinor group	billion USD	16.1	18.4	17.4	17.5	18.0
Total share of spend locally	Equinor group	%	89	85	n/r	n/r	n/r

## Supporting supply chain innovation

We supported our suppliers in developing new technology that can be used not only by Equinor but across the industry.

- In collaboration with supply base services provider, Asco, we developed a new initiative, Track and Trace, that has improved visibility of the full life cycle warehouse management system for our Mariner operations.
- In the UK, we have now confirmed that Dogger Bank will be the first project in the world to demonstrate GE's 13 MW turbines, the largest and most powerful in operation.

## Supporting startups through Equinor Ventures

Through our corporate venture arm, Equinor Ventures, we invest in ambitious early phase and growth phase companies, providing venture capital, project-based funding of early phase ideas and an accelerator programme.

- Investments made in 2020 included companies pursuing energy from fusion, affordable carbon capture technology and underwater communication and positioning.

## Sharing data to support innovation

We believe our open source sharing of datasets could unlock value and innovation potential in the renewables and decarbonisation industry sectors which progressed during 2020.

- We continued to share data from Hywind Scotland, the world's first floating offshore wind farm to enable accelerated development of floating offshore wind.
- We have committed to sharing data from the Northern Lights project which will support progression of other CCS projects.

## Engaging with the community through the Covid-19 pandemic

Equinor is proposing to extend its two existing offshore wind farms off the UK Norfolk Coast, Dudgeon and Sheringham Shoal.

As part of the UK development process for new offshore wind farms, developers must consult with local communities and key stakeholders to seek feedback and gain local insight.

When Covid-19 stopped all public information events, Equinor set up the first ever online offshore wind consultation; a virtual exhibition space and online platform where members of the public could find out about the projects and leave feedback. During the consultation over 1,600 people visited the site, more than would have been expected at face-to-face events. The platform continues to be used as a live information hub.

Consultation information was also provided in hard copy to local libraries and sent via post to households, with paid return envelopes for providing feedback, so that those unable to use digital media still had the opportunity to have a say in the project.



## Donations in response to the Covid-19 pandemic

Further to our planned annual donations, Equinor made additional contributions to support the global response to the pandemic.

We donated USD 500,000 each to the Covid-19 Solidarity Response Fund for the WHO, hosted by the Swiss Philanthropy Foundation and the Norwegian Refugee Council for their Covid-19 related activities.

Local donations were made to support efforts in our international locations.

Further information on these donations can be found on our website.

## Employment and skills development

### Developing our people

Rapidly building new skills is important to deliver on our business strategy. Life-long learning is central to our people development, and Covid-19 has required us to adapt quickly to new ways of learning. Where possible, in-person courses were carried out as virtual classroom courses, and the uptake of online learning opportunities remained stable. The uptake of our specialized digital leadership courses increased with over 300 leaders completing digital leadership training in 2020. However, there was a significant dip in key learning activities requiring in-person attendance. As a result of this, the average training per employee in 2020 was 17.4 hours, which is lower compared to 2019.

We use a mix of formal learning and deployment to support the transfer of strong technical skills from oil and gas to our activities within low carbon and renewables, and in 2020 we further expanded our renewables learning portfolio. We remain dedicated to ensure that our employees are provided with the tools and opportunities to develop relevant skills. In 2021 our 'Reskill@Scale' programme kicks off, which offers targeted groups of employees an opportunity to reskill into new discipline areas with the support of a 6-month mentoring and training programme.

17.4 hours

average training per employee



### Early talents

We continue to invest in our early talents through our emerging talents programmes. In 2020 we welcomed 211 graduates, 167 apprentices and 275 summer interns. Through our recruitment and attraction activities we strive to increase the diversity of our early talent applicant base and hires. Our ambition for our graduate recruitment was to achieve a 50:50 balance on gender and non-Norwegian background. In 2020, we made strides towards achieving this goal with a 45:55 split between female and male graduates recruited, and a 47:53 split between graduates recruited with a non-Norwegian and Norwegian background. For our apprentices recruitment we have an ambition of 30:70 on gender and achieved a 29:71 split between female and male apprentices recruited. Despite the pandemic, we offered a seven-week virtual summer internship programme to 275 students. There was a 39:61 split between female and male interns recruited, and 24:76 split between interns recruited with a non-Norwegian and Norwegian background. In total 24 different nationalities were represented in the virtual summer internship programme.

### Employee relations

We believe in involving our people in the development of the company. In all countries where we are present, we involve our employees and/or their appropriate representatives according to local laws, regulations and practices. This varies from formal bodies with employee representatives to employee engagement and involvement through team or town hall meetings.

In 2020 we conducted almost all mandatory consultation meetings digitally, as well as formal and informal dialogues with our unions and employee representatives due to the Covid-19 pandemic. The collaboration arena, including the European works council had high focus on the situation caused by the pandemic, both in terms of avoiding contagion between our employees and the challenging market situation.

## Diversity and inclusion

Embracing diversity and driving inclusion is a fundamental part of our values - open, collaborative, courageous and caring - and an integral part of our leadership expectations.

We provide an environment recognised for its equality and diversity, and we treat everyone with fairness, respect and dignity. We do not tolerate any discrimination or harassment of colleagues or others affected by our operations, and this is stated in our code of conduct. Our commitments and requirements are in line with the Norwegian equality and anti-discrimination act. We follow its four-step model to examine the risk of discrimination and obstacles to equality, analyse causes, identify and implement measures and evaluate results, which are within the board of directors' responsibility to follow up.

Inclusion to us means that everyone in Equinor feels like that they are part of one team, are able to bring their whole self to work, and have their voices heard and respected. We believe we can only leverage the value of diversity if we have an inclusive culture where everyone feels safe to contribute.

We work systematically with diversity and inclusion (D&I) through our key human resources processes, such as recruitment, succession planning, performance management and leadership development. In 2019 we built a strong foundation to strengthen D&I by setting targets and capturing data to measure our progress. This included setting recruitment targets and the implementation of a corporate diversity and inclusion KPI. The KPI is based on a diversity index and an inclusion index, measured on team

level. Our diversity index is flexible and holistic, meaning teams may focus on different dimensions of diversity to achieve the balance that adds most value to them. The dimensions currently monitored are experience, gender, nationality and age. The diversity KPI monitors each business area's progression on team diversity. The Inclusion Index is measured in our Global People Survey, and measures employees' perception of inclusion in their teams. Our ambition is for all teams in Equinor to be diverse and inclusive by 2025. Diversity index target is set at 55 for 2025 (baseline 2018 is 33), while the inclusion index target is set at 80 for 2025 (baseline 2018 is 76). The trend of the KPI has been positive since the establishment, with 2020 figures of 37 and 78.

In 2020 we focused on building capability and understanding of the business value of D&I. We continued to deliver and embed mitigating unconscious bias training and support our employee resource groups, including Women in Equinor, Differently Abled and LGBTQ+ groups. Due to the Covid-19 pandemic, focus was placed on strengthening an open and inclusive culture. Efforts centred on employee engagement after the pandemic outbreak in March. In line with local Covid-19 restrictions and guidelines, we introduced flexible work as an opportunity to combine work from the office with work done outside the office in a virtual way. We also established corporate principles for flexible work agreements, which will guide our future efforts for teams that can safely and securely perform their tasks outside an Equinor office or asset. In the last quarter, particular focus was placed on mental health, with the aim to lower the threshold for talking about mental health, increase awareness and communicate support and benefits available.

To show our commitment to equal and inclusive workplaces, Equinor participated in several Gender Equality Indexes that aim to give more visibility into reporting e.g. in the Bloomberg Gender-Equality Index, and the Norwegian SHE Index where Equinor was ranked number 1 out of 92 participating companies in Norway. We received the SHE Index award for our progress towards gender equality.

In all our leadership activities, including talent and succession reviews, leadership assessments, leadership development courses and top-tier leadership deployment, we aim for gender balance and diversity. We pay close attention to positions and discipline areas dominated by employees of one gender. A new CEO was appointed in August 2020. Anders Opedal announced during December several changes to the Corporate Executive Committee. These changes will take effect from 1 June 2021, and the new Corporate Executive Committee will be 50% female. Also, since 2017, we have focused on improving gender balance on leaders reporting to the Corporate Executive Committee. This group has increased from 36% female in 2017 to 41% in 2019. In 2020, this group was 46% female.

Consistent with our values and to strengthen our brand and attractiveness as an employer, we continue to offer a global parental leave policy in all Equinor companies and health insurance in Equinor ASA. A minimum of 16 weeks paid leave is offered to all employees in the group becoming parents through birth or adoption. The health insurance scheme, supplementing public health services, offers access to private specialists, medical examinations and treatments, and is similar to local health insurance already provided in our subsidiaries. During the Covid-19 pandemic, we have highlighted access to online appointments, and mental health support.

We have evaluated our management approach within diversity and inclusion, employment and skills development. The company has had activity related workforce reductions globally and a challenging Covid-19 pandemic, which also negatively impacted our learning numbers, but our management approach related to diversity and inclusion, skills development and employment of our people continuous to remain firm.

Diversity and inclusion							
Indicator	Boundary	Unit	2020	2019	2018	2017	2016
Leadership positions (women share of total)	Equinor group	%	32	30	29	28	29
Earnings ratio (women:men)	Equinor ASA	%	98	98	97	98	98
Non-Norwegians in leadership positions	Equinor group	%	24	25	24	23	23

# Appendices



 Explore more

## Other reports

The following Equinor reports provide additional information about our business activities and impacts:

- [Annual report and Form 20-F, including Payments to governments report](#)
- [CDP 2019 response](#)
- [Global Reporting Initiative \(GRI\) index 2020](#)
- [Energy Perspectives 2020](#)

## ESG performance data

Performance data in this report and supplementary data can be found at our [ESG Reporting centre](#)

## Equinor.com

For further information about sustainability at Equinor, visit [our web pages](#) and follow us on social media.

## Feedback

We welcome your feedback. Please use the [e-mail](#) and social media channels linked below for comments and questions.



# About the report

## Report approval

This report has been approved by the CEO of Equinor.

## Reporting standards

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. A GRI Index is available at [equinor.com](http://equinor.com). The sustainability report should be read in conjunction with the GRI index, to get an overview of the full extent of the report. We view this report to be our Communication on Progress to the UN Global Compact (advanced reporting level).

We also use reporting guidance from IPIECA, the global oil and gas industry association for environmental and social issues, and recommendations from the Task Force on Climate-related Financial Disclosures.

## Assurance

This report has been externally assured by EY, with reasonable level of assurance for selected climate, environment and safety indicators, and a limited level of assurance for the rest of the report, excluding forward looking information. The independent assurance statement, as listed in appendix, concludes that the report is presented in all material respects, in accordance with the GRI Standards: Core option.

## Reporting boundaries

Defining consistent boundaries for sustainability reporting is challenging due to the complexity of ownership and operational arrangements, such as joint operating agreements. We strive to be consistent and transparent about variations in boundaries and provide a complete report in line with industry practice.

- Environmental data is, unless otherwise stated, reported on a 100% basis for our operated assets, facilities and vessels, including subsidiaries and operations where we are the technical service provider, and for contracted drilling rigs and floatels ("operational control basis").
- Scope 1 CO<sub>2</sub> emissions are reported both on an operational control basis and on equity basis (financial ownership interest).
- Scope 3 greenhouse gas emissions are reported on the basis of equity (products sold). Maritime emissions are reported from maritime vessels under Equinor contract, including project and supply vessels, drilling rigs, and tankers transporting both Equinor and third-party volumes.
- Scope 3 emissions related to business travel is for Equinor employees only.
- Health and safety incident data is reported for our operated assets, facilities and vessels, including subsidiaries and operations where we are the technical service provider. These include contracted drilling rigs, floatels, vessels, projects and modifications, and transportation of personnel and products, using a risk-based approach.
- Economic data is reported on an equity basis, unless otherwise stated.
- Workforce data covers employees in our direct employment. Temporary employees are not included.
- Human rights data is collected from operated and non-operated assets.

Operations acquired or disposed of during the year are included for the period in which we owned them, unless otherwise stated. Entities that we do not control, but have significant influence over, are included in the form of disclosures of management approach. The report does not include data from equity interest fields/projects, such as joint ventures, where we are not operator. Exceptions are for climate data or where specified.

## Restatements

Historic numbers are sometimes adjusted due to for example changes in reporting principles, changes of calculation factors used by authorities, or re-classification of incidents after investigations. We restate historic numbers and explain the changes if the adjustment represents a change of minimum 5% for indicators with reasonable level of assurance, and 10% for indicators with limited level of assurance.

## Definitions and abbreviations

<b>Area of high biodiversity value</b>	Comprises "Key biodiversity areas" included in the World Database on Key Biodiversity Areas managed by International Union for Conservation of Nature (IUCN) and Particularly Valuable and Sensitive Areas ("Særlig verdifulle og sårbare områder") on the Norwegian Continental Shelf.
<b>BoD</b>	Board of Directors.
<b>BoD SSEC</b>	Board of Directors' Safety, Sustainability and Ethics Committee.
<b>boe</b>	Barrel of oil equivalent.
<b>Capex</b>	Capital expenditure.
<b>CCS</b>	Carbon capture and storage.
<b>Carbon dioxide (CO<sub>2</sub>) emissions</b>	CO <sub>2</sub> released to the atmosphere as a result of our processes and activities, including CO <sub>2</sub> emissions from energy generation, heat production, flaring (including well testing/well work-over), and remaining emissions from carbon capture and treatment plants. Separate data compiled for Equinor operated activities and equity basis.
<b>Carbon dioxide (CO<sub>2</sub>) emission reductions</b>	The total estimated quantity of CO <sub>2</sub> emissions achieved by implementing a specific measure compared to the expected emissions at an installation without the measure (or best available technology for greenfield developments).
<b>Carbon dioxide (CO<sub>2</sub>) equivalents</b>	Carbon dioxide equivalent is a quantity that describes, for a given mixture and amount of greenhouse gas, the amount of CO <sub>2</sub> that would have the same global warming potential.
<b>CDP</b>	CDP is a not-for-profit charity that runs a global disclosure system for investors, companies, cities, states and regions to report and benchmark their environmental impacts.
<b>Dividends declared</b>	Includes cash dividend and scrip dividend.
<b>Economic value generated</b>	Total revenues including income from sales of liquids on behalf of the Norwegian state's direct financial interest
<b>EITI</b>	Extractives Industries Transparency Initiative.
<b>Employee wages and benefits</b>	Salaries, pensions, payroll tax and other compensations.
<b>Energy consumption</b>	Energy used for power generation and heat production in combustion processes, unused energy from flaring (including well testing/work-over and venting), energy sold/delivered to third parties and gross energy (heat and electricity) purchased.
<b>EU ETS</b>	European Union Emissions Trading System.
<b>Flared hydrocarbons</b>	Weight of hydrocarbons combusted in operational flare systems. Includes safety and production flaring. For Equinor operated activities.
<b>Flaring intensity</b>	Volume of flared hydrocarbons from upstream activities (including LNG) per thousand tonnes of hydrocarbons produced.
<b>FOKUS</b>	Forum for Women and Development - is a knowledge and resource centre on international gender issues. It is an umbrella organisation for about 50 organisations in Norway. The overall objective is to promote women's human rights and gender equality globally.
<b>Freshwater</b>	Naturally occurring water with a low concentration of salts, or generally accepted as suitable for abstraction and treatment to produce potable water. Includes water from public installations, wells (including groundwater reservoirs), lakes, streams, rivers and purchased freshwater. Freshwater produced from salt water on facilities/installations is not included.
<b>GDP Growth</b>	The gross domestic product (GDP) growth rate measures how fast the economy is growing.

<b>Greenhouse gases (GHG)</b>	For Equinor, the relevant GHGs are CO <sub>2</sub> and methane (CH <sub>4</sub> ). Other GHGs are not included as they are assessed to be non-material for Equinor. Equinor uses a global warming potential that is 25 times higher than CO <sub>2</sub> in a 100-year perspective for methane, aligned with industry reporting practice.
<b>GRI</b>	Global Reporting Initiative is an independent, international organisation that provide the world's most widely used standards for sustainability reporting – the GRI Standards.
<b>Hazardous waste</b>	Waste is considered to be hazardous waste according to the regulations under which the activity operates or where the waste can pose a substantial hazard to human health and/or the environment when improperly managed.
<b>IEA</b>	International Energy Agency.
<b>IOGP</b>	The International association of Oil & Gas Producers.
<b>IPIECA</b>	The global oil and gas industry association for environmental and social issues.
<b>IPCC</b>	Intergovernmental Panel on Climate Change.
<b>KPI</b>	Key Performance Indicator.
<b>LH2</b>	Liquid hydrogen (LH <sub>2</sub> or LH2) is the liquid state of the element hydrogen. Hydrogen is found naturally in the molecular H <sub>2</sub> form.
<b>LNG</b>	Liquefied natural gas.
<b>Longship project</b>	A governmental lead carbon capture and storage (CCS) project in Norway. Longship includes funding for the transport and storage project Northern Lights, a joint project between Equinor, Shell and Total.
<b>Low carbon and energy efficiency R&amp;D expenditure</b>	The share of annual research expenditures, in percentages of total R&D expenditures, used on new energy solutions and energy efficiency technologies, including energy efficiency as secondary effect.
<b>Methane (CH<sub>4</sub>) emissions</b>	CH <sub>4</sub> released to the atmosphere including emissions from energy generation and heat production at own plants, flaring (including well testing/well work-over), cold venting, diffuse emissions, and the storage and loading of crude oil.
<b>Methane intensity</b>	Total methane emissions from our up- and midstream oil and gas activities divided by the marketed gas, both on a 100 % operated basis.
<b>NCS</b>	The Norwegian Continental Shelf
<b>Net carbon intensity</b>	GHG emissions associated with the production and use of energy produced by Equinor, including negative emissions related to carbon services and offsets, divided by the amount of energy produced by the company (gCO <sub>2</sub> e/MJ). A detailed description of the net carbon intensity indicator is available at equinor.com.
<b>Net income</b>	Net profit after all revenues, income items and expenses have been accounted for.
<b>Net zero emissions ambition</b>	Covers scope 1 and 2 GHG emissions on an operational control basis (100%) and scope 3 GHG emissions (use of products, category 11, on an equity share basis).
<b>Nitrogen oxides (NOx) emissions</b>	NOx released from power generation and heat production, flaring (including well testing/well work-over) and process.
<b>Non-hazardous waste</b>	Waste that is not defined as hazardous waste. This excludes drill cuttings and produced and flow-back water from our USA onshore operations which are exempted from regulation and are registered separately as 'exempted waste'.
<b>Non-methane volatile organic compounds (nmVOC) emissions</b>	nmVOC released to the atmosphere from power generation and heat production, flaring (including well testing/well work-over), process, cold venting and fugitives.
<b>OGCI</b>	Oil and Gas Climate Initiative.
<b>Oil spill</b>	All unintentional oil spills to the natural environment.

<b>Operations</b>	Temporary or permanent sites, activities and assets used for exploration, extraction, refining, transporting, distributing, and marketing petroleum products.
<b>OREAC</b>	Ocean Renewable Energy Action Coalition
<b>Payments to governments</b>	Payments made directly by Equinor to governments, such as income tax, host government entitlements (value), bonuses, royalties and fees, related to exploration and production activities. Includes environmental fees and taxes. Payments made on behalf of other license partners, e.g. area fees, are included.
<b>Produced water</b>	Water that is brought to the surface during operations which extract hydrocarbons from oil and gas reservoirs.
<b>Protected area</b>	A protected area is a clearly defined geographical space, recognised, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values. (IUCN Definition 2008)
<b>Purchase of goods and services</b>	Part of the cost is charged to partners in activities we operate.
<b>Psychosocial work environment</b>	The psychosocial work environment concerns aspects of the design and management of work and its social and organisational context that could have an impact on the employee's health and well-being.
<b>REDD+</b>	Reducing emissions from deforestation and forest degradation (REDD+) is a mechanism developed by Parties to the United Nations Framework Convention on Climate Change (UNFCCC). It creates a financial value for the carbon stored in forests by offering incentives for developing countries to reduce emissions from forested lands.
<b>Recovered waste</b>	Waste from Equinor operated activities that has been delivered for reuse, recycling or incineration with energy recovery.
<b>Regular discharges of oil to water</b>	Oil in regulated or controlled discharges to the sea from Equinor operated activities. This includes produced water, process water, displacement water, ballast water, jetting water, drainage water and water discharged from treatment plants.
<b>Scope 1 GHG emissions</b>	Direct GHG emissions from operations that are owned and/or controlled by the organisation (Source: Greenhouse gas protocol). The global warming potential (GWP) of CH <sub>4</sub> is, in accordance with the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4) (2007), considered to be 25 times the GWP of CO <sub>2</sub> .
<b>Scope 2 GHG emissions</b>	Indirect GHG emissions from energy imported from third parties, heating, cooling, and steam consumed within the organisation. We use IEA (physical) and RE-DIIS (market-based) as sources of scope 2 emissions factor, expressed as kg CO <sub>2</sub> /kWh. A location-based calculation method reflects the average emissions intensity of grids (using mostly grid-average emission factor data). A market-based calculation method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice). It derives emission factors from contracts between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims. (Source: Greenhouse gas protocol).
<b>Scope 3 GHG emissions</b>	All GHG emissions that occur as a consequence of the operations of the organisation but are not directly controlled or owned by the company, such as use of sold products (equity basis). Emissions from use of sold products is calculated from IPCC emission factors, combined with IEA statistics on regional energy consumption.
<b>SDG</b>	The United Nations' Sustainable Development Goals.
<b>SDS</b>	The International Energy Agency's (IEA) Sustainable Development Scenario.
<b>Serious incident frequency (SIF)</b>	The number of serious incidents (including near misses) per million hours worked. An incident is an event or chain of events that has caused or could have caused injury, illness and/or damage to/loss of property, the environment or a third party. All undesirable incidents are categorised according to degree of seriousness, based on established categorisation matrices.
<b>SheDil tool</b>	SheDil is a practical tool helping business to safeguard women and girls' human rights in their operations, developed by FOKUS. The tool is based on the UN Guiding Principles on Business and Human Rights and OECDs guidance for human rights due diligence.

<b>SHE Index</b>	Index to reflect the status of diversity and inclusion in corporate life, created by EY.
<b>Shift</b>	Center of expertise on the UN Guiding Principles on Business and Human Rights
<b>Sickness absence</b>	The total number of sickness absence hours as a percentage of planned working hours (Equinor ASA employees).
<b>Social investments, sponsorships and donations</b>	Includes voluntary and contractual payments. Part of the cost is charged to partners in activities we operate.
<b>STEM</b>	Science, technology, engineering and mathematics.
<b>Sulphur oxides (SOx) emissions</b>	SOx released from power generation and heat production, flaring and process.
<b>TCC</b>	Thermomechanical cuttings cleaning for oiled drill cuttings.
<b>TCFD</b>	Task Force on Climate-related Financial Disclosures.
<b>Technical Service Provider (TSP)</b>	A company, which has signed a Technical Services Agreement (TSA) with the owner of a facility, for the operation of Pipelines, Terminals, Plants or other technical facilities.
<b>The Paris Agreement</b>	A legally binding international treaty on climate change. It was adopted by 196 Parties at COP 21 in Paris, on 12 December 2015 and entered into force on 4 November 2016. Its goal is to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels.
<b>Total recordable injury frequency (TRIF)</b>	Number of fatal accidents, lost-time injuries, injuries involving substitute work and medical treatment injuries at work, per million hours worked, amongst Equinor employees and contractors.
<b>Total Serious incident frequency (SIF)</b>	The number of actual and potential serious safety incidents categorised with a level 1 or 2 out of five degrees of seriousness per million hours worked.
<b>UNGP</b>	United Nations Guiding Principles on Business and Human Rights.
<b>Upstream carbon dioxide (CO<sub>2</sub>) emission intensity</b>	Total scope 1 emissions of CO <sub>2</sub> (kg CO <sub>2</sub> ) from exploration and production, divided by total production (boe).
<b>Water stress</b>	The World Resources Institute's Aqueduct® tool is used to determine baseline water stress, which is the ratio of total annual water withdrawal from a catchment to average annual available water to the same catchment. The Aqueduct® tool classifies stress into five levels, Low, Low-medium, Medium-high, High and Extremely high. (Aqueduct® indicator: Baseline Water Stress).
<b>Waste</b>	Materials are defined as waste when; they are classified as such according to the regulations under which the activity operates or where the material is contained and intended to be transported for further handling and/or re-use or disposal by a 3rd party. Residual materials from industrial activity, which are discharged, recycled, injected or reused at the place of generation as part of the consented operations, are not included.
<b>Work related illness (WRI) frequency</b>	Number of illnesses amongst Equinor employees and contractors arising due to work activities, per million of hours worked.
<b>WHO</b>	World Health Organization

# Task Force on Climate-related Financial Disclosures (TCFD) reference index

TCFD recommendation	Reference to Equinor disclosure
<b>Governance</b> – Disclose the organisation's governance around climate-related risks and opportunities	
a) Describe the board's oversight of climate-related risks and opportunities.	AR 3.9 – The work of the Board of Directors SR – Embedding sustainability in how we work
b) Describe management's role in assessing and managing climate-related risks and opportunities.	AR 3.10 – Risk management and internal control SR – Embedding sustainability in how we work SR – Climate-related risk and resilience
<b>Strategy</b> – Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	AR 2.12 – Risk review SR – Climate-related risk and resilience Equinor's CDP 2020 response
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	AR 2.13 – Safety, security and sustainability – Portfolio sensitivity test SR – Climate-related risk and resilience Equinor's 2020 CDP response
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	AR 2.13 – Safety, security and sustainability – Portfolio sensitivity test SR – Climate-related risk and resilience Equinor's Energy Perspectives 2020
<b>Risk management</b> – Disclose how the organisation identifies, assesses, and manages climate-related risks	
a) Describe the organisation's processes for identifying and assessing climate-related risks.	AR 2.12 – Risk review – Risk management SR – Embedding sustainability in how we work SR – Climate-related risk and resilience Equinor's 2020 CDP response
b) Describe the organisation's processes for managing climate-related risks	As above.
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	As above.
<b>Metrics and targets</b> – Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	AR 2.13 – Safety, security and sustainability SR – Climate-related risk and resilience SR – Our climate roadmap SR – GHG emissions towards carbon neutral operations SR – Renewable energy Sustainability performance datahub at equinor.com.
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	AR 2.13 – Safety, security and sustainability SR – Climate-related risk and resilience SR – GHG emissions towards carbon neutral operations Sustainability performance datahub at equinor.com.
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	AR 2.1 – Strategy and market review SR – Climate-related risk and resilience SR – Our climate roadmap SR – GHG emissions towards carbon neutral operations

To Equinor ASA

**Independent accountant's assurance report on Equinor ASA's 2020 Sustainability Reporting**

We have been engaged by Equinor ASA to perform a limited assurance engagement as defined by International Standards on Assurance Engagements, hereafter referred to as the engagement, to report on Equinor ASA's reporting on sustainability for 2020 as Equinor ASA have defined and referred to in the company's GRI index (see the document GRI Index 2020 on <https://www.equinor.com/en/sustainability/reporting.html>), and hereafter defined as "Equinor ASA 2020 Sustainability Reporting". Our engagement is performed with the purpose of expressing a limited level of assurance on the Equinor ASA 2020 Sustainability Reporting.

In addition, we have been engaged to express reasonable assurance on certain expressly defined disclosures:

**Table 1: Disclosure description and boundary as defined in the GRI-index**

<i>Disclosure description:</i>	<i>Boundary:</i>
Renewable energy production	Equity basis
Renewable installed capacity	Equity basis
Scope 1 GHG emissions	Operational control
CO2 emissions (Scope 1)	Operational control
CH4 emissions	Operational control
Scope 2 GHG emissions (location based)	Operational control
Scope 2 GHG emissions (market based)	Operational control
Number of oil spills	Operational control
Volume of oil spills	Operational control
Oil and gas leakages with a leakage rate of 0.1kg per second or more [KPI]	Operational control
Total serious incident frequency (SIF) [KPI]	Operational control
Actual SIF	Operational control
Total recordable injury frequency (TRIF) [KPI]	Operational control
Employee TRIF	Operational control
Contractor TRIF	Operational control
Total fatalities	Operational control
Employees fatalities	Operational control
Contractors fatalities	Operational control

Further, we provide no assurance over the sections Energy Perspectives (page 13) and Climate risk and resilience (page 14-17) in the Equinor ASA 2020 Sustainability Reporting as this is forward looking information which cannot be covered in an assurance engagement under ISAE 3000.

Historical data presented for 2016, 2017, 2018 and 2019 referred by Equinor ASA in the 2020 Sustainability Reporting is not covered by our report for 2020.

**Criteria applied by Equinor ASA**

In preparing the Equinor ASA 2020 Sustainability Reporting, Equinor ASA applied relevant criteria from the Global Reporting Initiative (GRI) sustainability reporting standards, "Core" option (the "Criteria"). The Criteria can be accessed at [globalreporting.org](http://globalreporting.org) and are available to the public. Such Criteria were specifically designed for companies and other organizations that want to report their sustainability impacts in a consistent and credible way. As a result, the subject matter information may not be suitable for another purpose.

**Equinor ASA's responsibility**

The Chief Executive Officer (CEO) and Executive Management are responsible for selecting the Criteria, and for presenting the Equinor ASA 2020 Sustainability Reporting in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Equinor ASA 2020 Sustainability Reporting, such that it is free from material misstatement, whether due to fraud or error.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements on Assurance Engagements Other than Audits or Reviews of Historical Financial Information ('ISAE 3000')*. This standard requires that we plan and perform our engagement to obtain assurance about whether, in all material respects, the Equinor ASA 2020 Sustainability Reporting is presented in accordance with the Criteria, and to issue a report that expresses limited assurance on the Equinor ASA 2020 Sustainability Reporting apart from certain expressly defined disclosures where reasonable assurance is expressed. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

**Our Independence and Quality Control**

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies *International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### Description of procedures performed

This engagement is designed to express limited assurance on the Equinor ASA 2020 Sustainability Reporting in general, but to express reasonable assurance on selected expressly defined disclosures.

#### *Limited assurance on the Equinor ASA 2020 Sustainability Reporting*

A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Equinor ASA 2020 Sustainability Reporting and applying analytical and other limited assurance procedures.

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

To obtain limited assurance our procedures included:

- Review of the company's process for the preparation and presentation of the 2020 Sustainability Reporting to provide us with an understanding of how sustainability is ensured in practice within the business
- Interviewing those in charge of 2020 Sustainability Reporting to develop an understanding of the process for the preparation of the 2020 Sustainability Reporting
- Confirming on a sample basis the information in the 2020 Sustainability Reporting against source data and other information prepared by Equinor ASA
- Assessed the overall presentation of 2020 Sustainability Reporting against the Criteria including a review of the consistency of information against the GRI index

#### *Reasonable assurance on selected expressly defined disclosures*

Procedures to obtain a reasonable assurance level includes examining, on a test basis, evidence supporting the quantitative and qualitative information in the relevant parts of the Equinor ASA 2020 Sustainability Reporting.

We have performed test of controls in order to establish a reasonable level of assurance for the selection of indicators in agreement with Equinor ASA, for own operated operations.

To obtain reasonable assurance our procedures included:

- Digital site visits and in-depth interviews with Equinor locations in order to gather and review underlying data and confirm the implementation of the processes and controls related to the preparation of the selected safety and environmental KPIs
- Recalculating the safety and climate KPIs and evaluating the reasonableness of estimates made by Equinor
- Confirming the CO2 reporting for Norway with the preliminary EU ETS reporting

The Green House Gas quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs, including CO2 and CH4. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge. Our verification of these disclosures relates to the criteria for estimation set by local authorities.

#### Conclusion

We are not aware of any material modifications that should be made to the Equinor ASA 2020 Sustainability Reporting, in order for the Equinor ASA 2020 Sustainability Reporting to be in accordance with the Criteria.

Furthermore it is our opinion that the disclosures in the Equinor ASA 2020 Sustainability Reporting: Renewable energy production, Renewables installed capacity, Scope 1 GHG emissions, CO2 emissions (Scope 1), CH4 emissions, Scope 2 GHG emissions (location based), Scope 2 GHG emissions (market based), Number of oil spills, Volume of oil spills, Oil and gas leakages with a leakage rate of 0.1kg per second or more [KPI], Total serious incident frequency (SIF) [KPI], Actual SIF, Total recordable injury frequency (TRIF) [KPI], Employee TRIF, Contractor TRIF, Total fatalities, Employee fatalities and Contractors fatalities are presented as at 31 December 2020, in all material respects, in accordance with the Criteria.

Stavanger, 14 March 2021

ERNST & YOUNG AS



Erik Mamelund  
State Authorised Public Accountant (Norway)

## Cautionary statement

This report contains certain forward-looking statements that involve risks and uncertainties. In some cases, we use words such as "aim", "ambition", "continue", "expect", "may", "strategy", "will", "in line with", and similar expressions to identify forward-looking statements. Forward-looking statements include all statements other than statements of historical fact, including, among others, statements regarding Equinor's ambitions, plans, intentions, aims and expectations with respect to Equinor's climate ambitions, including but not limited to: its net zero and net carbon intensity ambitions, carbon efficiency, methane emissions and flaring reductions, growth in renewable energy capacity, carbon-neutral global operations, internal carbon price on investment decisions, break-even considerations and targets, financial metrics for investment decisions, future competitiveness, future levels of, and expected value creation from, oil and gas production, scale and composition of the oil and gas portfolio, development of CCUS and hydrogen businesses, use of offset mechanisms and natural sinks and support of TCFD recommendations.

These forward-looking statements reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future and are beyond Equinor's control and are difficult to predict. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including societal shifts in consumer demand and technological advancements, levels

of industry product supply, demand and pricing in particular in light of recent significant oil price volatility triggered, among other things, by the changing dynamic among OPEC+ members and the uncertainty regarding demand created by the Covid-19 pandemic; the impact of Covid-19 or other pandemic outbreaks; health, safety and environmental risks; price and availability of alternative fuels; the political and economic policies of Norway and other jurisdictions where we have assets; general economic conditions; political and social stability and economic growth in relevant areas of the world; global political events and actions; changes in, or non-compliance with, laws and governmental regulations; the timing of bringing new projects on stream; an inability to meet strategic objectives or exploit growth or investment opportunities; adverse changes in tax regimes; the development and use of new technology; geological or technical difficulties; operational problems; the difficulties involving transportation infrastructure; the actions of competitors; the actions of counterparties and competitors; the actions of governments (including the Norwegian state as majority shareholder); natural disasters, adverse weather conditions; climate change and other changes to business conditions; the effects of climate change; an inability to attract and retain skilled personnel; relevant governmental approvals; labour relations and industrial actions by workers and other factors discussed elsewhere in Equinor's publications, any of which could impair Equinor's ability to meet its climate ambitions. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we cannot assure you that future results will meet these expectations. Additional information,

including information on factors that may affect Equinor's business, is contained in Equinor's latest Annual Report and Form 20-F, filed with the U.S. Securities and Exchange Commission (and section Risk review – Risk factors thereof), which is available at Equinor's website ([www.equinor.com](http://www.equinor.com)).

You should not place undue reliance on these forward-looking statements. Actual results could differ materially from those anticipated in these forward-looking statements for many reasons. Equinor does not assume any responsibility for the accuracy and completeness of any forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made. Unless required by law, we will not necessarily update any of these statements.

Equinor is including an estimate of emissions from the use of sold products (GHG protocol category 11) in the calculation of its net zero ambition and net carbon intensity ambition as a means to more accurately evaluate the emission lifecycle of what we produce to respond to the energy transition and potential business opportunities arising from shifting consumer demands. Including these emissions in the calculations should in no way be construed as an acceptance by Equinor of responsibility for the emissions caused by such use.

**Photography**

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