



## CLIMATE

In this section of the report, we disclose our governance, strategy, risk identification, and management and measurement of climate risks and opportunities in alignment with the Task Force for Climate-Related Financial Disclosures (TCFD) core elements.

### Governance

#### Board and Management Oversight of Climate Change

The [Board of Directors](#) (Board) of Schlumberger Limited oversees the long-term health and viability of our business, including the company’s strategy, vision, and risk profile.

The [Nominating and Governance Committee](#) of the Board (N&G Committee) oversees Schlumberger’s sustainability programs and activities, including oversight of climate-related risks and opportunities. The N&G Committee receives quarterly updates on the progress Schlumberger is making toward a low-carbon future, including our progress toward achieving our carbon emission reduction and net-zero emissions goals.

In 2020, the N&G Committee received an update on the findings of our global sea-level rise assessment—which we completed working with a leading sustainability consultancy—to review all facilities potentially at risk of coastal flooding. The N&G Committee approved the expansion of our climate assessments to additional countries, and our operations representing more than 50% of 2019 revenue either have completed such assessments or are scheduled to complete them by the end of 2021.

The [New Energy and Innovation Committee](#) of the Board (NE&I Committee) reviews our Schlumberger New Energy and Transition Technology investments, and also our mid- to long-term climate strategy as it relates to our overall corporate strategy.



The Board also manages risk in part through its oversight of the Company's Executive Risk Committee (ERC). The ERC comprises top company executives from various functions, including the Vice President of Sustainability, 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. The ERC reports directly to our Chief Executive Officer (CEO) and to the Board, and annually presents to the Board a comprehensive report of its risk mapping efforts for that year. Additional information regarding the Board's role in risk oversight including climate-related risk is included in our [2021 Proxy Statement](#) (p. 14).

The CEO and Chief Financial Officer (CFO) annually approve the capital investment budget, including investments in technology to reduce emissions in oil and gas, and low-carbon businesses in the Schlumberger New Energy portfolio. The aggregate planned investment budget is approved by the Board. Reporting to the CEO, the Chief Strategy & Sustainability Officer (CSSO) oversees our corporate strategy, sustainability, marketing, and investment activities. This position demonstrates how sustainability is at the core of our corporate strategy. The CSSO was involved in the launch of Schlumberger's net-zero commitment and short-term, mid-term, and long-term targets spanning Scope 1, 2, and 3 emissions. Scenario analyses, including scenarios associated with climate change and the energy transition, are the responsibility of the CSSO.

The VP of Sustainability, who reports to the CSSO, is directly responsible for social and environmental sustainability in the company and engages with Schlumberger leadership, employees, investors, and customers on sustainability, including climate-related issues. The VP of Sustainability leads the ERC.

### Strategy

Our corporate strategy around climate is described in the "Taking Climate Action" section of this report (p. 5–11). Our focus includes [Getting to Net Zero](#), investing in the energy transition, and managing climate and transition risk.

We will achieve our net-zero ambition through three key components: reducing operational emissions, reducing customer emissions that occur while using our technology, and taking carbon-negative actions of sufficient scale to offset any residual operational and technology emissions we may have in 2050. We will reduce emissions from our operations through utility efficiency and use of renewable energy and hybrid vehicles. We will reduce customer emissions with our Transition Technologies portfolio. For emissions that cannot be reduced, rather than relying on traditional offsets, we will rely on our carbon-negative actions that are technology-centric, where we can play a role, such as carbon capture and sequestration (CCS).

The second aspect of Taking Climate Action—investing in the energy transition—involves our [Schlumberger New Energy](#) portfolio, which explores new businesses in low-carbon energy and storage, or carbon-neutral energy technologies such as CCS, geothermal power, geoenery for heating and cooling, sustainable battery-grade lithium, and hydrogen as an energy carrier. Our main goal is to introduce breakthrough technologies in energy verticals beyond oil and gas, using our domain expertise in areas adjacent to our existing activities where we can deliver at scale through our global footprint and execution platform.

The third and last aspect of our Taking Climate Action strategy is managing climate and transition risk. We take a data-centric, scenario-based approach and use both TCFD and SASB as disclosure frameworks and methodology guides. Because we realize that climate change and the energy transition will impact our business, understanding and managing those risks and opportunities provides a competitive advantage that will help us be more resilient to potential risks and stay ahead of the competition.

### Climate-Related Risks and Opportunities

To deliver our strategy, we consider short-, medium-, and long-term risks and opportunities per the following horizons:

- Short term: With respect to unpredictable weather patterns including cyclones, hurricanes, and tropical storms that have the potential to affect our bases in coastal areas, we assess these risks on a 1- to 3-year timeframe.
- Medium term: Schlumberger considers capital expenditures and operational planning, including development of new technologies that have the potential to reduce our customers' greenhouse gas (GHG) emissions, over a 3- to 10-year timeframe.
- Long term: The Board and senior management take a longer view in considering strategic planning, including climate-related risks and opportunities that have the potential to negatively or positively affect our business over the medium term (3 to 10 years) and long term (10 to 20 years). Included in long-term risks are energy transition and climate change.

### Climate-Related Scenario Analysis

Climate-related scenarios are an integral part of our scenarios-based portfolio strategy. We review different scenarios to evaluate our business resilience and confirm our portfolio's alignment with our energy transition ambitions related to those scenarios. For example, both 2DS and IEA NZE were useful in understanding the role that CCS will play in the path to net zero. Although we have been in the carbon capture business for more than 15 years, the scenarios gave us confidence that the potential addressable market in carbon capture warranted continued investment and integrating that business into our Schlumberger New Energy portfolio.

IHS and Rystad both had scenarios that informed our view of regional and local distribution of the energy mix and therefore influenced our specific regional technology strategies. Lastly, reviewing scenarios with a 2040-time horizon against those with a 2050-time horizon helped inform certain of our long-term portfolio mix decisions.



## CLIMATE *continued*

We will continue to use scenarios to inform strategy and financial planning, using those that offer a range of time horizons, ambition with respect to transition, and varied perspectives to help us better understand the risks and opportunities that climate change and the energy transition present. We also will continue to review the accuracy of our scenario predictions in the aim of working from best available predictive information regarding the coming decades.

### Climate-Related Scenario Analysis Case Study

In 2018, Schlumberger began working with a climate consulting firm to facilitate a climate assessment pilot program. We selected Norway, a region that is representative of our global operations and features a dynamic political and social landscape regarding climate issues. After a detailed evaluation of our operations in the region, our top climate-related risks and opportunities were identified, and scenario-based analyses were conducted to evaluate potential outcomes. This included both acute and chronic physical climate risks as well as potential risks and opportunities associated with the energy transition.

In alignment with the TCFD recommendations, we used different forward-looking scenarios, including at least a two-degree scenario, for the assessment of Schlumberger's climate-related risks and opportunities. The climate scenarios used for analysis include IEA B2DS, RCP 2.6, and RCP 8.5. B2DS was chosen to represent the more ambitious transition scenario, whereas RCP 8.5 was chosen to represent the physical scenario with the worst potential impacts on our activity. In particular, for the physical risk assessment, a regional climate model with a 12-km resolution was used. Time horizons considered were 2030 for transition risks, which is consistent with our investment timeline, and 2050 for physical risks, which takes into account the trends in chronic risks (e.g., sea-level rise).

This pilot program found that some of our sites are at risk of coastal flooding over a long-term time horizon. Findings from this project were communicated to Schlumberger management and our Board and are further shaping our

internal climate strategy. Following these findings, a decision was made to review flood insurance and lease agreements for our Norway locations, as well as perform a sea-level rise assessment across the entirety of the company for all locations potentially at risk of coastal flooding. More information is available under "Climate Risk Assessments" in the "Risk Management" section in this report.

To reduce likelihood of further exposure, the following procedural improvements were implemented:

- All new facilities above a certain value are checked by an external insurance partner for flood exposure.
- Exposure to flood risk has been added to the checklist for purchasing or leasing new facilities where flood risk is being assessed.
- Facility construction guidelines and standard language have been updated to emphasize the importance of evaluating risk associated with climate change as part of the assessment. The assessment was completed in 2020.

### Impact of Climate-Related Risks and Opportunities on our Strategy

All of the scenarios we used in building our strategy allocate some share of the energy mix to oil and gas in the coming decades. Our strategy considers that there is a wide range of energy mix and pace of transition and as such, addresses opportunity across multiple time horizons. Regardless of the contribution of oil and gas to the energy mix, the industry needs to reduce the carbon footprint of operations in oil and gas, and therefore our strategy considers that as well. We recently launched our Transition Technologies, a portfolio of products and services focused on supporting customer climate action through emissions reduction and energy consumption reduction: <https://www.slb.com/transition-technologies>. Additionally, we see opportunity in expanding beyond oil and gas, and in 2020 we introduced our [Schlumberger New Energy](#) portfolio of solutions including hydrogen, lithium, energy storage, CCS, geothermal power, and geoenery for heating and cooling buildings.

### Facilities Management

To reduce GHG emissions at our facilities, we are focused on reducing 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 optimizing facility heating and cooling cycles, and strengthening our renewables strategy, targeting our facilities located on independent power grids.

### Transition Technologies

Schlumberger is committed to developing innovative technologies aimed at enhancing oilfield efficiency, reducing exploration and production (E&P) costs, improving productivity, maximizing reserve recovery, and increasing asset value—while simultaneously driving sustainability and reducing impact. Our global network of Technology Centers positions Schlumberger to accelerate a diverse range of innovative technological approaches to support the energy transition. Our broad Transition Technologies portfolio includes a range of impact-reducing options to help our customers decrease their emissions, reduce energy consumption, access low-carbon energy sources, and minimize overall footprint across the E&P value chain.

In 2020, we invested USD 580 million in research and development across our entire technology portfolio, and we continued to embed sustainability in our product and service development process. In 2021, Schlumberger increased transparency around the methodology used to both qualify and quantify our portfolio of sustainable technologies, specifically including our Transition Technologies portfolio focused on reducing emissions, as outlined at <https://www.slb.com/transition-technologies>. Additionally, the percentage of revenue derived from our low-carbon products and services was closely reviewed and an internal target was put in place to double the percentage of revenue from Transition Technologies by 2025 relative to 2020.

More information about the solutions we provide and the impact they deliver is in the "Technology Use Emissions" section of "Taking Climate Action" in this report on p. 6.



### 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 have contributed expertise to this program by assessing submissions from other companies. To date, two Schlumberger innovations have been labeled as Efficient Solutions:

- Celsius Energy is a heating and cooling solution based on renewable underground geenergy.
- The THIOPAQ\* biodesulfurization system uses a natural biologic system to convert sulfur from oil and gas into usable products, including agricultural fertilizer.

### Schlumberger New Energy

We recognize that our future will expand beyond oil and gas with the energy transition and are positioning ourselves for significant long-term growth opportunities. We launched Schlumberger New Energy in 2020 to explore new businesses in low-carbon or carbon-neutral energy technologies. Our approach is to apply our domain expertise in areas adjacent to our existing activities and use our global footprint and execution platform to deliver at scale. We are using partnership models and our experience in technology industrialization to expand into energy verticals beyond oil and gas. As previously covered in this report, our diverse New Energy portfolio includes ventures in CCS, geothermal power, geenergy for heating and cooling, sustainable battery-grade lithium, and hydrogen as an energy carrier.

### Carbon Capture and Sequestration

Schlumberger has been helping customers reduce emissions by providing services and technologies for permanent underground sequestration of CO<sub>2</sub> for more than 15 years. We have been involved in more than 80 carbon capture, utilization, and storage (CCUS) projects around the world since 2005. In 2020, Schlumberger participated in 15 new CCUS projects. Schlumberger focuses on the challenges of storing underground the CO<sub>2</sub> captured from power and industrial sources to help mitigate climate change and protect the environment.

Recently, Schlumberger New Energy began exploring ways to expand beyond our traditional offering and directly partner with emitters to assess, develop, and operate entire CCS value chains. The scope of collaboration goes beyond subsurface requirements and includes project economics, technology selection, business models, and permitting. We are designing new partnerships and business models with a focus on exploring and enabling low-cost projects in strategic locations and creating partnerships with industry leaders seeking scale and efficiency by enabling CCS hubs.

Schlumberger New Energy is partnering with leaders in a range of strategic sectors to demonstrate carbon solutions across a wide range of projects. Through our portfolio of CCS initiatives, we support businesses and governments in facing today's challenges of minimizing environmental impact while undertaking the transformations necessary to provide the global energy, materials, and infrastructure needed to sustain the growing societal demands of the future.

Early this year Schlumberger New Energy announced two of these innovative partnership models: our [collaboration in a feasibility study](#) of capturing carbon from two cement plants, based in Europe and North America; and the [development of a first-of-a-kind bioenergy with carbon capture and sequestration \(BECCS\)](#) project designed to produce carbon-negative power while reducing emissions from the combustion of agricultural waste in Mendota, California.

Schlumberger also offers 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 has been permanently stored underground through ongoing enhanced oil recovery operations.

### Geothermal Power

Geothermal power is a sustainable and renewable energy source with unique advantages in the energy transition and for meeting the electricity demands of the future. Geothermal power uses the heat of the Earth to generate electricity by tapping hot water and steam zones that are continuously recharged naturally and by reinjection after heat extraction in the power plant. Success in any geothermal project requires an informed, interdisciplinary approach that combines innovative science and engineering with significant experience and hands-on project management. Leveraging our leading capabilities for subsurface data analysis, our ability to develop optimized drilling plans, and integrated management and execution, the Schlumberger New Energy geothermal power ventures enable cost-effective geothermal development and improved success rates through technical consulting and innovative business models that maximize the value of geothermal resources and the power they produce.

With decades of expertise in the geothermal sector, GeothermEx, a Schlumberger company, provides the full spectrum of geothermal resource development services—from exploration and drilling through analysis, resource modeling and management, financial modeling, and operational support. GeothermEx's multidisciplinary approach has continuously served the geothermal industry since 1973.



### Geoenergy for Heating and Cooling

The Schlumberger New Energy venture [Celsius Energy](#) uses geoenergy to provide heating and cooling solutions for new or existing construction, powered by the Earth. Leveraging Schlumberger's extensive knowledge of subsurface behavior, operational automation technology, and deep science expertise, the Celsius Energy solution helps meet global goals for reduced emissions.

The [first installation of the Celsius Energy](#) demonstrator was completed in December 2020 at a Schlumberger manufacturing facility in France. This installation replaced the 60-year-old building's heating and cooling setup with a renewable geoenergy source. The new Celsius Energy system has already delivered a 60% reduction in energy consumption and 90% reduction in CO<sub>2</sub> emissions related to the heating and cooling of the building, which hosts 200 employees working in technology development activities.

### Sustainable Battery-Grade Lithium

Demand for battery-grade lithium is projected to grow exponentially over the next decade. Because electric vehicles (EVs) greatly depend on lithium-ion rechargeable batteries, sustainable and efficient lithium production has become an important topic not only for regions, industries and technology companies, but also for battery and large automotive manufacturers. While the lithium industry is expected to attract large investments, the time to first lithium production for new development projects and regions will be critical for the industry to meet the surge in demand. Focusing on the market's growth potential, Schlumberger New Energy is taking a technology-driven approach that lets us explore new ways to produce and process high-purity lithium with the entire production ecosystem in mind. This approach enables a cost-effective, sustainable, on-demand response to the growing high-grade battery-lithium market. As lithium supports the transition to a low-carbon economy, consumers are demanding the highest environmental standards and compliance—so sustainability in the supply chain is crucial.

[NeoLith Energy](#)'s sustainable approach uses a differentiated direct lithium extraction (DLE) process to produce high-purity, battery-grade lithium material while reducing the production time from over a year to weeks. The unique process is in sharp contrast to conventional evaporative methods of extracting lithium, with a significantly reduced groundwater and physical footprint.

### Hydrogen as an Energy Carrier

Schlumberger New Energy is collaborating with strategic partners to foster the new ecosystem needed to accelerate the development and industrialization of affordable, clean hydrogen production. In a unique private-public partnership model, [Genvia](#) combines Schlumberger's expertise and experience with that of the French Alternative Energies and Atomic Energy Commission (CEA) and partners. The new venture will accelerate the development and the first industrial deployment of the CEA's high-temperature reversible solid-oxide electrolyzer technology. The aim of the venture is to deliver the most efficient and cost-effective technology for producing clean hydrogen, a versatile energy carrier and key component of the energy transition.

Genvia will orchestrate a series of demonstration projects with partners in different use cases for the industrial, energy, and mobility sectors. These demonstration projects will set the stage for the development of the entire value chain to use hydrogen as the preferred clean energy carrier.

### Risk Management

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.

We believe that our comprehensive risk assessment program is reasonably designed to identify and manage climate change-related enterprise-wide risks that have the potential to significantly affect our businesses over the short, medium, and longer terms. Our risk assessments cover exposures to both physical and transition climate-related risks and their respective financial impact.

The climate-related risks we routinely monitor as part of this process include loss of containment and well control, country-specific legislation and regulations, environmental compliance, financial risk associated with climate change, perception of industry due to climate change dialogue, and extreme weather. At a corporate level, business risks related to climate change are identified based on input from a variety of internal and external sources (e.g., local risk assessment, country-specific climate assessments in line with TCFD, customers, the Board, investors, and other stakeholder feedback). A corporate risk map is developed and reviewed with the CEO and his leadership team. Climate change and energy transition are two enterprise-level risks. Enterprise-level risks are developed into various scenarios, guided by subject matter experts, and these scenarios are modeled to assess potential financial impacts. Results of any financial stress tests are discussed with our banks to assess liquidity needs over a three-year time span, along with probable effects on credit ratings and options to deal with each scenario. In the case of acute physical risk, crisis management scenarios are created and tested in desktop exercises at the local and corporate level by the respective management. At the asset level, risks are included in the operational risk maps, which help to identify and assess potential threats to the mid- to long-term strategic objectives of the various business units. These risks are monitored and embedded into the business planning cycle. Risks are scored on likelihood, severity, time horizon, and financial impact. Where applicable, management objectives are set to reflect completion of mitigation plans.



### Climate Risk Assessments

Country-level climate risk assessments provide a practical way to understand climate-related risks and common issues across the organization. For these, we work with a leading sustainability consultant to review the impact of climate issues on our direct operations. Climate-related risks (physical and financial, including transition risks) are assessed using scenario-based analysis. While there are country-specific concerns, some commonalities across geographies are acute physical risks associated with extreme weather (e.g., storm surges, droughts, heat waves, flooding, rain, snow); chronic physical risks such as the potential impact of sea-level rise on our global footprint, water availability, and protected marine life; and transition risks such as policy and legal risks, the impact of a carbon tax on Schlumberger and our customers, the cost of electrifying our operations, and adapting our technology portfolio to changing customer preference. We have completed 75% of the work on our planned country-level climate risk assessments.

The following case studies are examples of how we apply the learnings from these assessments:

- **Chronic Physical Risk Case Study:** One country assessment indicated that 62% of our locations in that country could be exposed to coastal flooding due to sea-level rise by 2050. To address this risk, a decision was made—supported by the Board and Schlumberger leadership—to perform a scenario-based assessment across the entirety of the company for all locations potentially at risk of coastal flooding. This was completed in 2020 and mitigation plans were developed for all locations identified as having a potential future risk of coastal flooding (e.g., reviewing flood insurance and lease agreements), which constituted less than 1% of our global facility footprint.

- **Acute Physical Risk Case Study:** Exposure to acute physical risk to personnel, facilities, and assets is an existing risk in the Texas-Louisiana Gulf Coast region related to hurricanes and tropical storms. Approximately 5% of our facilities are located along the Texas-Louisiana Gulf Coast. Mitigation actions related to this risk include annual reviews of crisis management plans by the relevant management team; required virtual hurricane awareness training for personnel, with an 87% current certification level as of August 5, 2021; and performance of tabletop drill exercises.
- **Transition Risk Case Study:** Carbon tax represents a potential future liability in 2030 in one of the countries assessed of USD 1.7 million to Schlumberger and more than 10 times that for our customers operating in that country. Given the potential global impact of a carbon tax, in particular the impact to our customers, we formalized regular carbon regulation tracking with review by our Chief Legal Officer.

### Transition Risk Management

Climate-related transition risks, such as policy and legal risks, include 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.

Our Transition Technologies portfolio and Schlumberger New Energy business offer a strategic response to the management of energy transition risks, as discussed in the "Strategy" section of this report.

To manage the relevant risks in our own operations, we continue to drive efforts to reduce our GHG emissions globally.

### 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, Schlumberger recently launched a new Emissions Management business, which is focused on helping our customers measure methane emissions, reduce vented and fugitive methane emissions, and replace gas flares with gas-to-X technologies. Schlumberger offers an end-to-end service that includes advising operators on how to set material emissions reduction goals, measuring baseline emissions, recommending the most cost-effective blend of technologies to achieve those goals, performing the field work to implement their emissions reduction plans, measuring the emissions reductions achieved, managing the resulting data, and finally updating the plan to achieve additional reductions in the future.

Additional details about our methane reduction initiatives are in the "Technology Use Emissions" section of "Taking Climate Action" in this report on p. 7.

### Physical Risk Management

We review acute physical risks associated with extreme weather in areas susceptible to increased severity and frequency of extreme weather related to water (e.g., hurricane, excessive rain or flooding) or increased severity and frequency of extreme heat. Those variances may impact our business by causing extreme changes in precipitation patterns that may result in flooding, changes in road or wellsite 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 wellsites; equipment damage and repair requirements; and increased insurance premiums.



To manage 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. We also consider the potential impact of sea-level rise on our global footprint. Additionally, Schlumberger has business continuity and crisis management processes in place to mitigate potential disruptions caused by extreme weather events. Additionally, our insurance policies help mitigate the risk of loss of assets at our facilities.

### Metrics and Targets

#### Targets

In June 2021, we announced our commitment to reach net-zero emissions by 2050. This 2050 target is inclusive of all three scopes of emissions, and is supported by a comprehensive near-term road map with the following interim milestones:

- By 2025, a 30% carbon emissions reduction in Scopes 1 and 2. A portion of the 2020 short-term cash incentive compensation opportunity for our CEO and other members of our senior management was based on achieving an annual internal emissions reduction objective as part of this 2025 goal.
- By 2030, a 50% reduction in Scopes 1 and 2.
- By 2030, a 30% reduction in Scope 3.

We aim to net the balance of emissions we produce in 2050 with carbon-negative actions.

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 World Wide Fund for Nature, and is one of the We Mean Business Coalition commitments. Our near- and long-term ambitions are grounded in climate science, and we have submitted our 2030 targets to SBTi and are working with them towards validation.

### 2020 Performance Data

In preparation for the next phase of our decarbonization program, and in collaboration with a third-party climate change expert, we performed a comprehensive review of Scope 1 and 2 emissions data and expanded our Scope 3 inventory to include Schlumberger emissions in all 15 categories defined by GHG Protocol's Corporate Standard. Direct and indirect emissions presented in this report include restated figures from 2019, aligned with SBTi criteria, which is the baseline year for our medium- and long-term decarbonization goals. Restated 2019 figures exclude emissions related to our North American fracturing business, which was sold at the end of 2020.

We have also updated our Scope 1 liquid fuel conversion factor to a more comprehensive figure that includes all relevant GHG emissions, and we now include fuel and electricity supplied by customers at work sites in addition to quantities purchased directly by Schlumberger. This method is consistent for 2019 and 2020 GHG emissions in this report. Year-to-year comparisons are based on restated 2019 figures.

Schlumberger business activity fell in 2020 in response to reduced demand for oilfield services and equipment as a result of the COVID-19 pandemic. Scope 1 emissions in 2020 were 1.13 million tonnes of CO<sub>2</sub>e, which is a decrease of 19% compared with 2019. Lower demand for field services and closure of some facilities reduced our consumption of liquid hydrocarbon fuels and natural gas. Vehicle and facility efficiency measures further reduced fuel demand. Scope 2 emissions in 2020 also decreased by 19%, to 0.51 million tonnes of CO<sub>2</sub>e.

Scope 3 emissions fell by 27% in 2020, to 38.13 million tonnes of CO<sub>2</sub>e. Technology use-phase emissions associated with products sold and leased by Schlumberger, GHG Protocol scope 3 category 11 and 8 respectively, were the largest contributor to our GHG inventory. Product sales decreased in 2020 based on reduced demand from our customers. Indirect emissions from Purchased Goods and Services and Logistics (GHG Protocol scope 3 category

1 and 4) also fell as a result of efforts to manage cost, inventory, and emissions within the 2020 business disruption. In 2020, we launched an initiative to better understand supplier emissions, with a goal of identifying practical ways to reduce our GHG inventory.

We continuously monitor our GHG emissions data externally, and PricewaterhouseCoopers provides a GHG emissions data audit biannually.

***“Schlumberger has taken a comprehensive assessment of emissions across all 3 Scopes, from their operations all the way through the value chain, to set science-aligned, absolute emission reduction targets based on the most robust available methodologies. These targets will drive strategy, demonstrating how Schlumberger takes responsibility for their own emissions while also influencing partners and enabling customers to decrease their own environmental impacts. This sector in particular needs more influential companies like Schlumberger to continue to raise the bar in terms of bold ambition that will drive technological innovation on a wider scale; we are excited to collaborate with Schlumberger to take their decarbonization strategy to the next level.”***

**William Theisen**  
Head of Net Zero – Decarbonization  
Atos North America



## CLIMATE *continued*

### Facilities-Led Initiatives

Our global Lean and Green environmental program has been in place since 2010 and focusses on facilities-driven environmental efficiency projects. In 2020, as a result of these efforts, electricity use decreased by 19% to 1,008,000 MWh from 1,248,000 MWh in 2019. Our electricity use data covers 100% of our business operations, including electricity supplied by our customers at remote work sites.

The following are examples of our recent emissions-reduction facilities initiatives:

- We continued a program in North America for managing our utility consumption and spend. Through this program, which currently covers 48% 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.
- In 2019, we installed solar panels on the roofs of three 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. In 2020, these facilities continued to produce more than 1.4 GWh of solar power, resulting in significant CO<sub>2</sub> emissions reductions of more than 900 metric tonnes of CO<sub>2</sub>e and approximately USD 200,000 in aggregate annual savings.
- In 2020, we voluntarily purchased 100% Renewable Energy Certificate (REC)-backed power for all Schlumberger facilities in the Electric Reliability Council of Texas (ERCOT) power market from new renewable electricity generation facilities.
- In 2020, we finished upgrading our Sugar Land, Texas, campus to use LED lights. The entire campus of 16 buildings and surrounding exterior lighting now uses LED. The project is estimated to reduce nearly 900 tonnes of CO<sub>2</sub>e and save approximately USD 100,000 per year.
- In 2020, we began retrofitting our facilities in Europe sites for LED upgrades. Out of 13 workshop facilities, 6 have been 100% LED retrofitted. Our European locations have a clear energy management strategy to reduce consumption by 20% and focus on efficiency opportunities.
- In 2020, our Iraq Sustainable Facilities Plan included reducing AC sizes from 2 ton to 1 ton, replacing all florescent lights with LED lights in our accommodations and office spaces, engaging workforce behavior to “switch off” when away from office, implementing a water treatment unit for camp water and sewage, and improving waste management practices by using water dispensers and reuse of personal water bottles. These initiatives collectively helped reduce diesel consumption by nearly 50,000 gallons and therefore approximately 475 tonnes CO<sub>2</sub>e.
- In 2020, our Mexico and Central America team initiated a sustainability roadmap focused on facilities rationalization and energy optimization. In 2020, their initiatives led to more than 500 tonnes of emissions reduction. The energy optimization effort has since expanded to include plans to improve fuel efficiency, install onsite solar, and improve building energy efficiency.
- In 2020, our global teams initiated a facility rationalization plan to optimize our global facilities footprint by consolidating several locations and disposing facilities with minimum activity, which resulted in a reduction of 22,480 tonnes of CO<sub>2</sub>e in our global facilities’ GHG Scope 2 emissions. This reduction represents almost 4% of our global facilities’ CO<sub>2</sub> Scope 2 emissions baseline in 2019.

Additional examples of facilities-driven initiatives, including water and waste reductions, are included in ESG Disclosures and Performance Data: Nature on p. 24.

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

	Disclosures	Information Location <sup>1</sup>
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	16–17
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	16–17
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	17–20
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	17–20
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	17–20
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	20
	b) Describe the organization's processes for managing climate-related risks.	20
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	20
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.	22–23
	b) Disclose Scope 1, 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	22–23
	c) Describe targets used by the organization to manage climate-related risks and opportunities and performance against targets.	22–23

<sup>1</sup> All page numbers refer to the 2020 Sustainability Report unless otherwise noted.