

# Environmental, Social and Governance

## REPORT 2021

For complete reporting, visit  
[nabors.com/sustainability](https://nabors.com/sustainability)



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# Letter from CEO

We are beyond grateful for the grit and perseverance exemplified by our people in 2021 as we focused our efforts on rebuilding and reimagining how we do business. For decades, we have leveraged our innovation to revolutionize the oil and gas industry, and in 2021, we expanded those efforts in significant ways across safety, environmental stewardship and our human capital strategy.

Our commitment to sustainability and responsible leadership has been at the core of our operations this year as we matched our words with our actions to transform the future of energy. Now, more than ever, Nabors is committed to our ESG journey, building on the important investments and initiatives we have made in the past, and leaning into critical new areas of development to solidify our position as a leader in the industry.

Our people and technologies have enabled Nabors to achieve ambitious goals and deliver substantial operational efficiency gains.

Through our Journey to Excellence, we are improving our safety culture and performance at every level of the organization. Our Journey to Excellence begins with Mission Zero - our commitment to the safety of our employees worldwide. Thanks to the dedication of our people to safety, using the tools and resources provided in our Journey to Excellence Roadmap, we saw our Total Recordable Incident Rate (TRIR) improve significantly in 2021.

Further, we have done so amid a global pandemic that disrupted not just the global markets but all our lives. These past few years have been difficult, but the resilience of our people has inspired us all.



We are also proud to share that in 2021, Nabors Drilling USA exceeded its reduction target for Scope 1 greenhouse gas (GHG) emissions intensity. Our commitment to innovation and technological advancement will help us continue this progress.

As we continue to adapt, we are no stranger to new and exciting frontiers – they are what inspire all of us to work harder. Our people are the core of Nabors, which is why we are building a culture that is conducive to safety, teamwork, excellence, accountability and innovation, which are the values we strive for each and every day. We are also more committed than ever to bringing diverse perspectives into the fold through our diversity, equity and inclusion (DEI) council and our three newly formed employee resource groups (ERGs). These initiatives ensure we provide our employees with the resources they need for success.

We are proud to report we kept our pledge this year to outperform our previous milestones. As you read this year's report, you will see our commitment to our sustainability efforts. For 2022 and beyond, we remain committed to redouble our dedication. At Nabors, we are not just innovating for the oil and gas industry, we are innovating for the future.



**ANTHONY G. PETRELLO**

Chairperson, President and Chief Executive Officer



# Who We **Are**

## About Us

Nabors has a long history of innovation and a commitment to the technologies of tomorrow. We provide innovative and responsible drilling solutions that help our customers meet the world's demand for energy. Today, we employ more than 10,000 individuals across over 15 countries. We have established a global network of people, technology and equipment to deploy solutions that deliver safe, efficient and sustainable energy production. By focusing on our areas of expertise, including drilling, engineering,

automation, data science and manufacturing, we aim to shape the future of energy and enable the transition to a lower carbon world.

As we emerge from a global pandemic and the energy transition expands, we are laying the foundation to thrive in a very different world - a world that will reveal new challenges, present new and compelling growth opportunities and emphasize the importance of building a sustainable business.

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**Purpose** To help our customers responsibly meet the world's demand for oil and gas

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**Mission** We deliver best-in-class drilling performance through our exceptional people, execution, teamwork and technology

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**Vision** To be the driller of choice for employees, customers and investors

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## Values



**Safety**  
We care



**Teamwork**  
We win together



**Excellence**  
We outperform



**Accountability**  
We keep our promises



**Innovation**  
We explore new territory

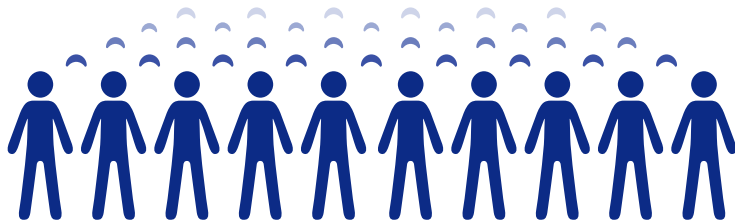
15+

Countries Where We Operate



330

Marketable Rigs



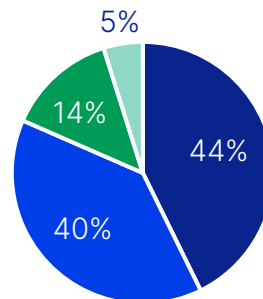
10,000+  
Employees



496

Worldwide Patents

Geographic Revenue Contribution Mix:



- North America
- Middle East and Asia
- Latin America
- Europe, Commonwealth of Independent States (CIS) and Africa
- Elims (-3%)

Figures reflect end-of-year 2021

## Sustainable Value Creation

Nabors is committed to playing a key role in the energy transition. Our ESG program underlines this commitment and our comprehensive approach to sustainability is intrinsically tied to our business strategy. Our efforts to capitalize on our existing resources and develop new opportunities for our company's future differentiates us from competitors and allows us to explore new value creation opportunities to positively impact our stakeholders.

“With the rapidly changing environment and focus on sustainable and responsible stewardship for producing energy, our talent and technology are becoming major contributors to the energy transition. I'm convinced we must devote the necessary effort to establish ourselves as leaders in this new frontier, while at the same time, building upon and expanding our leadership position in the drilling business.”

**Anthony G. Petrello, Chairperson, President and Chief Executive Officer**

Our vision for the next five years places sustainability and innovating the future of energy at the core. As we look ahead, we will work across three key areas to extend our leading position in the energy services industry. These also represent our formula to drive sustainable outperformance and enduring value for stakeholders.



### Talent

We will continue to reskill our workforce and enhance the perception of our industry. This will enable us to attract even more of the best talent available.



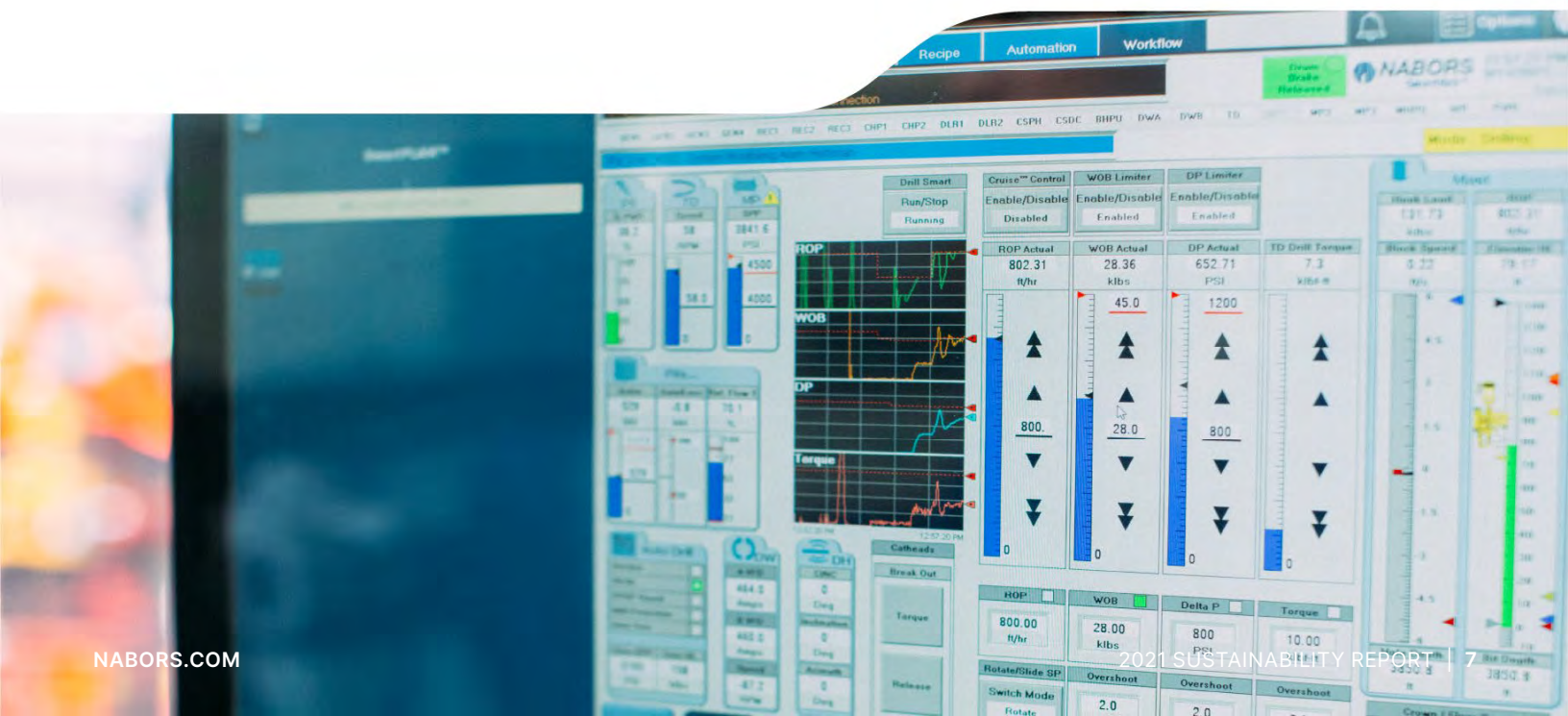
### Technology

Our focus areas include process automation, robotization and digitalization. The advances we make in these key fields will drive value creation across our stakeholder base.



### Transition

Our innovations supporting the energy transition will improve sustainable energy production, and importantly, are applicable across the oilfield and in a range of industries.



Good stewardship requires that we adapt our existing business to meet or exceed the highest industry standards. Nabors and companies across the oil and gas value chain have set aggressive decarbonization goals; now the industry needs the tools to achieve them. Accordingly, we introduced Nabors Energy Transition Solutions (NETS), a fast-growing portfolio of technologies designed to drive energy efficiency and emissions reduction for the company and third party customers.

As we diversify our portfolio, we remain committed to growth and innovation. Our goals of automation and digitalization are fully aligned with the objectives of improving today's energy landscape. As we further develop the NETS line, our rigs and services widen their competitive advantage while increasing their energy efficiency, increasing demand for them.

We recognize that developing clean, new energy sources at scale is a worldwide priority and will require trillions of dollars in investment. We intend to remain a key player in this new energy space. Our competencies in technology and engineering, as well as our global footprint and our highly capable workforce, are the ideal platform to expand into these new areas.

Therefore, we also established Nabors Energy Transition Ventures (NETV) to invest in high potential, disruptive companies and technologies, which are strategically aligned with us. This approach offers a synergistic upside to our current business. Examples include recent investments in several geothermal energy companies. We are actively seeking additional investment opportunities which meet these objectives to add to our growing portfolio.



“Powering operations with alternative fuels has a big impact. Combining fuel enhancers or natural gas into the fuel mix can reduce engine emissions as much as 40% and with options to utilize compressed natural gas or in-field gas for generating power for the rig, Nabors is simplifying sustainability for operators. Where highline power is available, we can power rigs straight from the grid, reducing carbon emissions by as much as 50%. We provide the equipment, engineering and installation services required to make this a reality.”

**Luke Trueheart,**  
ESG Product Line Manager



# Our Approach to Sustainability

## About this Report

Recognizing the increasing importance of robust disclosure on climate risk management, we have leveraged the Reporting Framework by the Task Force on Climate-Related Financial Disclosures (TCFD) starting in 2021. In addition, we continue to support and organize the content and data following the recommendations of the Sustainability Accounting Standards Board (SASB). The interpretation of the SASB indicators is based on our judgment. Furthermore, we continue to disclose information on additional topics beyond the SASB framework and leverage the recommendations of the Global Reporting Initiative (GRI) and the International Petroleum Industry Environmental Conservation Association (IPIECA).

Keeping pace with the everchanging ESG landscape, we are committed to continually evaluating our ESG reporting and programming to meet stakeholder expectations and remain ahead of market trends.

In [Appendix A](#), we have included indices that map our content and data with the SASB, GRI and TCFD.

We believe that clear communication on both the progress we make, as well as the steps we take to get there, is an essential component of an effective ESG program. Based on an ongoing dialogue with our top investors and other key stakeholders, we developed an ESG approach that is flexible, yet grounded in a robust ESG program. This open communication with our stakeholders is a crucial part of our strategy. By continuously assessing concerns we can adjust our approach, as needed.

## Governance of Sustainability

Nabors is proud to have a well-developed governance structure to ensure ESG and sustainability commitments are meaningfully developed and integrated into the culture, strategy and operational priorities of the business.

At Nabors, oversight of ESG initiatives starts with the board of directors (board). The board's ESG committee is responsible for shaping the company's ESG strategy, policies and initiatives and reviewing and evaluating ESG-related risks from strategic, regulatory and financial perspectives. The committee also oversees the publication of Nabors' sustainability report and sets targets to reduce GHG emissions and other environmental goals. The ESG committee meets at least four times a year to discuss ESG updates and regularly reports to the board with respect to ESG policy initiatives. Additionally, members of the board conducted 14 ESG-focused meetings with investors during 2021.

## ESG at Nabors



**Strategy and Oversight** of ESG issues at Nabors is overseen by the Senior Vice President, Chief Administrative Officer (SVP, CAO), who reports directly to our CEO and has a direct line of communication to the board and ESG committee of the board. Senior management employees manage the implementation of ESG initiatives in their respective areas. They report either directly to the CEO or indirectly through the SVP, CAO and oversee the Subject Matter Experts and Owners.



**Subject Matter Experts and Owners** are specialists in their respective areas and oversee the execution through their Execution Teams. Categories include Carbon and Climate, Risks and Opportunities and Water and Waste, Health and Safety, Human Rights, Labor and Stakeholder/Society, DEI, Product, Safety, Quality and Brand and Governance.

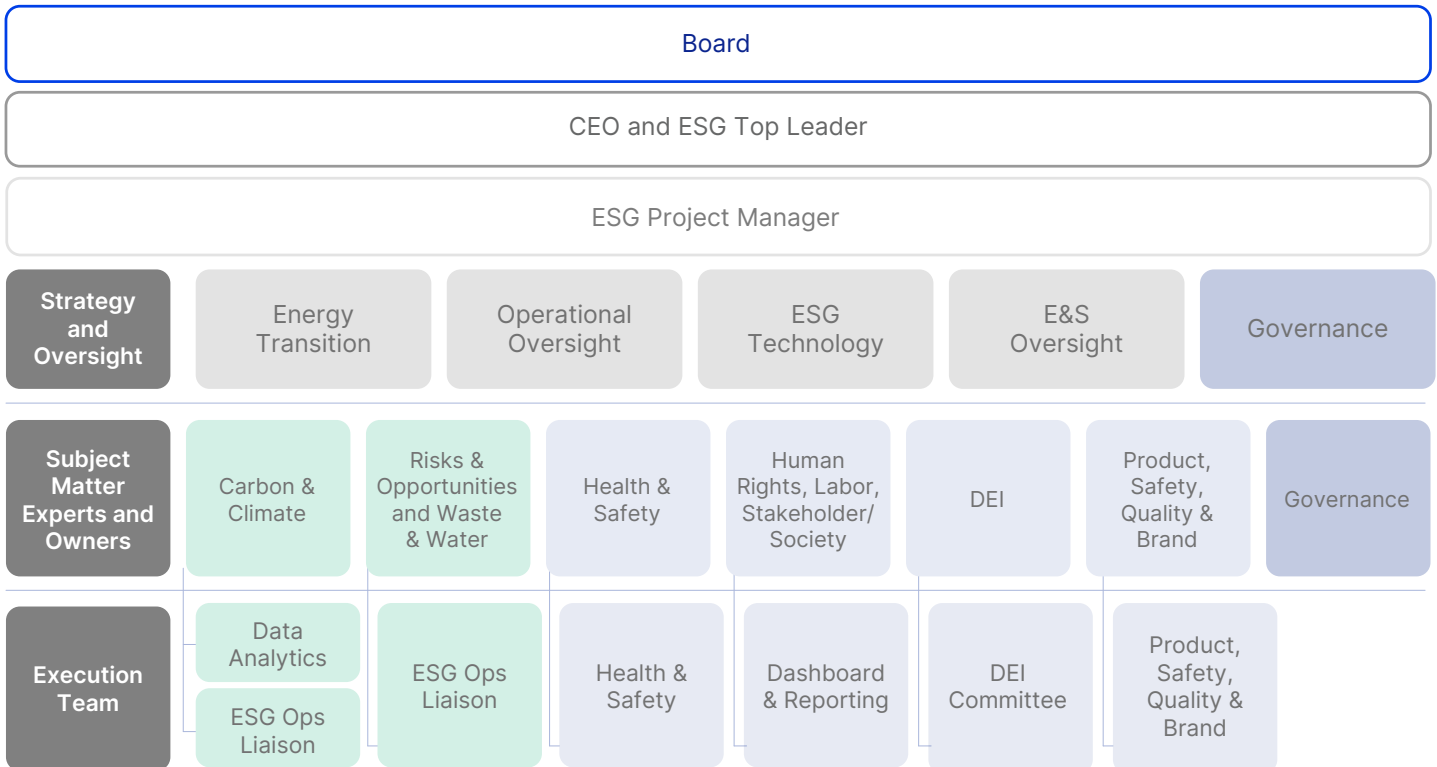


The **Execution Team** is responsible for supporting the Subject Matter Experts and Owners in achieving high quality and data-driven ESG insights. The Execution Team is also responsible for coordinating and executing on climate strategy, targets and performance.



The **Enterprise Risk Management Committee** (ERMC) conducts an annual risk assessment and reports to the board quarterly on any changes in ESG risk, including climate risk.

This robust structure ensures that ESG considerations are integrated into discussions on risk throughout the company and are part of our decision-making process.



# 2021 Report Highlights

**Key elements** of Nabors' ESG program and metrics that demonstrate our progress:

In 2021, Nabors Drilling USA **surpassed its target of 5%** and **achieved a 9.9% reduction in Scope 1 GHG emissions intensity**

2022 GOAL

7.5%

Reduction in Scope 1 GHG emissions per foot drilled for Nabors Drilling USA using a 2020 baseline

2022 GOAL

5%

Reduction in Scope 1 GHG emissions per foot drilled for Nabors international rigs using a 2020 baseline

TRIR IMPROVED IN 2021

16%

Our commitment to Mission Zero, which includes safety protocols, trainings and technologies, helped improve our TRIR

We made significant improvements in our **DEI efforts**:



Significantly improved the **representation of the overall diversity population of high potential performers** through focused recruiting and internal development in the director, manager and supervisor job bands

34%\* 

**Women represented 34% of our new hires** in 2021 and now comprise 20% of our Selling, General and Administrative (SGA) and Field Support (FS) workforce

\*Global, SGA and FS; excludes SANAD, Contractors and Contingent Workers

+3 

Launched **three new ERGs**: Parents and caregivers, united Nabors (multicultural inclusion) and millennials



In 2022, our goal is to increase waste diversion from landfill by 5% for nonhazardous waste generated at our headquarters in Houston, Texas.



In 2021, water use for the company was 74.83 ML. In 2022, **we plan to achieve a 5% reduction in water use intensity at our headquarters in Houston, Texas.**



# Environment

## Overall Approach to Managing Environmental Risks and Opportunities

Nabors is committed to responsibly helping our customers meet the world's demand for energy through innovative technologies that prioritize sustainability. Our leadership promotes a culture that reinforces environmental achievement and world-class performance and it is through our people and culture that we exemplify our values of safety, teamwork, excellence, accountability and innovation.

Our [Environmental Management System \(EMS\)](#) provides a framework to ensure structured and responsible environmental performance is a driving force behind our business decisions and activities. Nabors executive management team is actively involved in setting environmental performance expectations and initiatives that drive our Journey to Excellence and continuous improvement process with the support of our Quality, Health, Safety and Environmental (QHSE) team.

# Environmental Principles

Work aggressively to **mitigate significant environmental aspects** that may hinder sustainable business growth

Improve continually by **monitoring and measuring our environmental performance** and setting relevant goals



Our environmental principles provide a framework to ensure structured and responsible environmental performance is at the forefront of our business decisions and activities. Monthly progress updates are provided to our executive team. Our SVP, CAO oversees the company's environmental program progress and provides quarterly updates to the CEO, the board, and other stakeholders.

Examples of our environmentally driven energy transition initiatives include:

- ▶ Deploying energy efficiency and emissions reduction technologies to deliver responsible hydrocarbon production
- ▶ Exploring opportunities to make new decarbonization offerings available to the broader upstream segment and beyond the oil and gas industry
- ▶ Diversifying our portfolio through investments in advanced geothermal ventures and lower carbon energy transition businesses

To ensure the most effective [EMS](#), we have committed to align with the International Organization for Standardization (ISO). We have obtained ISO 14001 EMS certification in Colombia, Mexico and Oman and are actively working to meet or exceed ISO standards across our global operations.

As part of our environmental stewardship efforts, we are continuously looking for ways to augment employee competencies and compliance through training and other initiatives.

Our climate change approach is guided by the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Our immediate approach to addressing climate risk is by taking concrete steps to reduce our GHG emissions.

### Climate-Related Risks and Opportunities

At Nabors, we understand that we are stewards of the environment and that understanding is integrated into our broader business strategy. We have technology and processes in place to monitor data related to climate change. Our assets and major projects are routinely assessed for actual and potential environmental improvement opportunities. This assessment is conducted both at the corporate and business unit (BU) levels. It is important to us that our climate-risk management process is integrated into our multi-disciplinary company-wide risk management process, with annual assessments covering the short-term time horizon. Although the nature of climate-related risks and opportunities is complex, we generally categorize short-, medium- and long-term risks by one-, three- and five-year horizons.



# Climate Risk Management

## Governance

### Board Oversight of Climate Risks

Nabors has established board level oversight of climate-related issues in recognition of the growing importance of climate risk management. The ESG committee is committed to a rigorous assessment of the potential risks that climate change poses to the company, as well as the risks posed by the company to climate change and to ensuring that the management team is fully aligned to mitigate those risks. The ESG committee has primary responsibility to oversee Nabors climate strategy and related risks, advise the board on ESG policy initiatives and oversee the implementation of Nabors climate change strategy.

Climate-related issues are a scheduled agenda item at all board meetings and are integrated into:

- ▶ Strategy review and guidance
- ▶ Plans of action
- ▶ Risk management policies and guidelines
- ▶ Annual budgets
- ▶ Business plans
- ▶ Performance objectives and executive compensation
- ▶ Major capital expenditures and divestitures

In addition, progress against goals and targets for addressing climate-related issues is regularly monitored by the board.

### Management's Role in Assessing and Managing Climate Risks

At the direction of the board and the ESG committee, our SVP, CAO has responsibility for assessing and managing climate-related issues, which are reported to the board quarterly. Our SVP, CAO reports directly to our CEO and has a direct line to the board and ESG committee.

The ERMC conducts an annual risk assessment and reports to the board quarterly. For more details, see the [Climate Risk Assessment](#) section below.

## Strategy

### Our GHG Reduction Strategies

Nabors' integrated approach to climate change balances energy demands and environmental stewardship considerations. Our strategy to reduce GHG emissions in our operations is multi-prong. Along with facilitating operational efficiencies and capabilities, we target innovative technologies in support of lower carbon intensity and integrate environmental impact improvement into employee performance and compensation. We translate this focus into specific actions:

- ▶ Reducing Emissions
- ▶ Conserving Energy
- ▶ Guiding our Third Parties and Suppliers
- ▶ Enhancing Operational Efficiencies through Innovation and Technology

We have successfully implemented last year's initiatives, which include working with strategic partners to deploy multiple battery systems to optimize engine loads and executing operations with the optimal number of engines online, installing natural gas engines and continuing to operate rigs through highline power and dual-fuel.

This year, we are furthering our emission reduction initiatives by adding Nabors' proprietary solutions to our portfolio of commercial technologies with a reduced environmental impact aimed to assist our customers and peers' direct emissions. These include PowerTAP™ substation transformer to connect the rig to highline power with features compatible with U.S. and international grids, nanO2® fuel enhancer, PowerFLOW™ supercapacitor energy storage solution, SmartPOWER™ automated power and engine management system and our hydrogen injection catalyst system.

Nabors is deeply committed to a world with reliable energy and cleaner air. In order to lower GHG emissions, we closely monitor and measure our operations carbon footprint. We demonstrate our commitment to environmental excellence through our investment in, and deployment of, cutting-edge, highly efficient technologies and innovative processes that not only bring down GHG

emissions but also establish competitive advantages for Nabors and our customers. By providing our customers with equipment and services that reduce fuel consumption for their operations, we are ultimately contributing to the reduction of GHG emissions and increased sustainability across the industry.



“Most recently, we are deploying an engine management system that applies artificial intelligence (AI)-based algorithms using real-time drilling data to optimize the number of engines running per task and automate the start and stop of engines. Like many of the modern cars that have an auto-stop feature, cycling rig engines on and off during all drilling activities has proven to minimize emissions, while maximizing performance. In combination with SmartPOWER™, through our RigCLOUD® platform, we are providing first of its kind drilling emissions reporting and analytics to drillers and operators to help manage and reduce emissions.”

**Pradeep Annaiyappa, Senior Director, ESG Technology**



## Reducing Emissions through Training

In August, we began requiring our Engine Environmental Impact & Maintenance course for all motorhands, mechanics, assistant drillers, drillers, toolpushers and rig managers. The course covers practices to reduce atmospheric pollutants, techniques to improve engine efficiency, the importance of proper engine maintenance, as well as common engine maintenance items and their locations. We have trained 96% of our targeted workforce participants.



“Our customers are as deeply committed to reducing emissions and increasing efficiency as we are. Their desire to constantly improve and invest in technologies that advance the industry make my job that much easier.”

**Adam Nissen, Area Manager**

### Case Study: Reducing Fuel Consumption and Decreasing Carbon Dioxide (CO<sub>2</sub>) Emissions with Natural Gas Engines

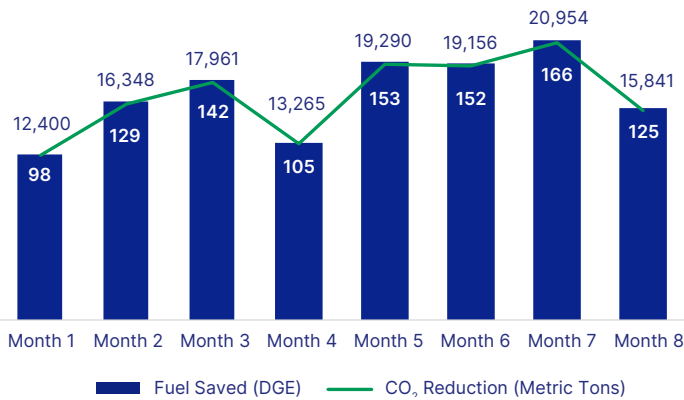
Drilling rigs in the Permian Basin are running multiple engines on low engine loads, in anticipation of short peak energy demands (especially while tripping), often leaving engines running unnecessarily. Low engine loads translate to poor fuel efficiency and high emissions.

To solve this, we deployed our strategic partner CleanDesign's Hybrid Energy Management System (hEMS) with advanced engine management to cycle gensets on and off, maximizing engine efficiency. By doing so, we can run fewer engines on a higher load, resulting in less fuel consumption and lower emissions. The batteries allow tripping on one engine, shaving the power demand peaks and bridges the warm-up period to start another genset, when needed.

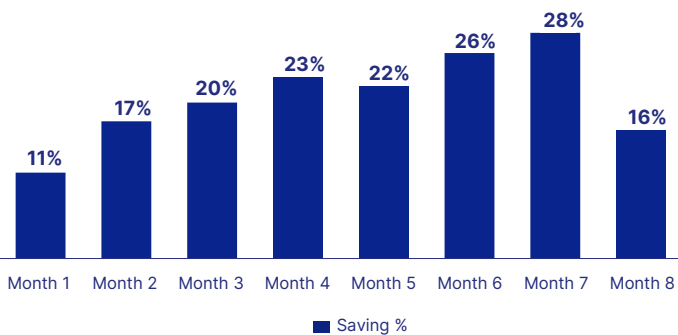
- Diesel Gallon Equivalent (DGE) Saved: Average ~ 16K DGE/month/rig
- CO<sub>2</sub> Metric Tons (MT) Reduced: Average ~ 125 MT/month/rig

Nabors is packaging battery-based energy storage systems with natural gas fueled gensets in order to accommodate step loads on drilling rigs. Interest in such projects for 2022 is high, even for the latest types of natural gas gensets that were designed to better handle step loads. While the battery energy storage solution offers fuel savings by running fewer gensets, handling step loads to increase the reliability of gas genset performance is a major benefit when combined with an energy management system.

### Fuel and CO<sub>2</sub> Savings



### Savings Trend



### Climate Impacts on Business Strategy and Financial Planning

At Nabors, we believe hydrocarbons will play a critical role in the global energy mix for decades to come. We also believe there is opportunity to add additional energies to diversify the energy mix. Therefore, as we focus on reducing the carbon intensity of our drilling operations, we recognize the need for a broader energy mix to fulfill society’s growing need for energy. Additional opportunities, such as geothermal energy, are being explored. Given our competencies in drilling, engineering and our global footprint, we believe we are well-positioned to lead in this clean energy space.

Climate-related risks and opportunities influence Nabors strategic and financial planning process. We are continuously enhancing our emissions accounting methodology to inform our emissions reduction efforts in a science-based way. Our calculations are normalized by the amount of footage drilled in a year, in order to accurately measure progress. We are working on other initiatives, including rig upgrades and additional Smart Suite drilling automation products, which are designed to further improve our environmental profile.

We periodically audit our operations to confirm our ability to accurately measure GHG emissions. In addition, we are working to continuously expand our reduction goals with a 2022 goal of 7.5% reduction in Scope 1 GHG emissions per foot drilled for Nabors Drilling USA and a 5% reduction for Nabors international rigs, in both cases using a 2020 baseline. A particular focus of our carbon and climate strategy is the improvement of our fleet fuel economy and the reduction of significant air emissions by establishing relative targets.

### Climate Risk Assessment

Nabors recognizes the need to preserve the environment in all the locations in which we operate. Nabors has developed a risk-based process designed to minimize or eliminate the impact of our business activities on the environment. The process includes assessing natural resource use and our business activities’ potential to generate waste and emissions, and our legal and/or compliance obligations, among other things. These climate-related risk assessments always consider technology, as well as market and reputation risk, and we implement their findings through policies, procedures, training and dedicated resources.

We surveyed our most senior employees, including executives, directors and area managers to measure their perception of the top enterprise risks facing the company. Based on the results of the 2021 survey, we divided the most noteworthy risks into categories, which were then reviewed by the ERM and reported to the board. These findings, together with important feedback from our investors and other key stakeholders, laid the foundation for our ESG focus areas this year. These are examples of climate risks that could potentially impact our business:

- ▶ **Legal and Regulatory Risks:** There has been an increasing focus by international, national, state, regional and local regulatory bodies on GHG emissions, including carbon dioxide and methane, emissions and climate change issues. Future regulation could require industries to meet stringent standards to substantially reduce GHG emissions.

Legislation to regulate GHG emissions has periodically been introduced in the U.S. Congress. In addition, the current administration has taken steps to further regulate GHG emissions. Any GHG reductions resulting from new laws or regulations could be costly and difficult to implement.

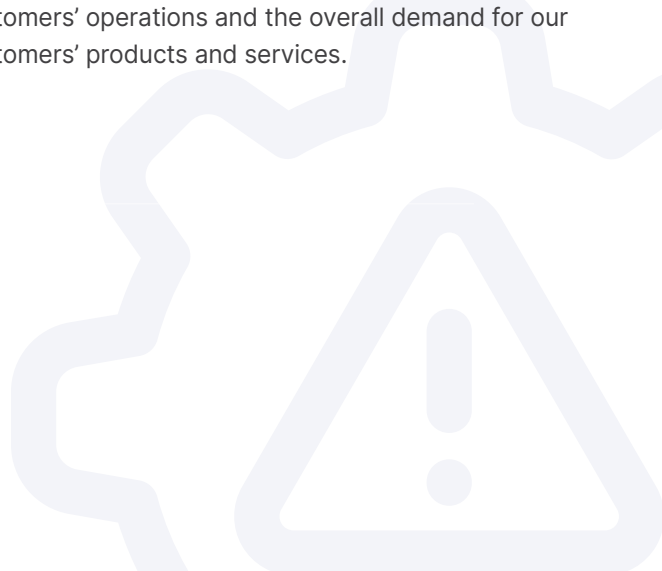
- The U.S. Environmental Protection Agency (EPA) has also issued rules requiring the monitoring and reporting of GHG emissions by the oil and natural gas sector, including onshore and offshore production activities. In November 2021, the EPA proposed new rules aimed at sharply reducing methane and other emissions from new and existing sources in the oil and gas industry.
- The Bureau of Land Management also issued a rule in November 2016 requiring reductions in methane emissions due to venting, flaring and leaking activities on public lands.

The United States is a member of the Paris Agreement, a climate accord reached at the Conference of the Parties (“COP 21”) in Paris, that set many new goals, and many related policies are still emerging. The Paris Agreement requires set GHG emission reduction goals

every five years beginning in 2020. Stronger GHG emission targets were set at the Conference of Parties in Glasgow (“COP 26”) in November 2021.

More aggressive efforts by governments and non-governmental organizations to reduce GHG emissions appear likely and any such future regulations could result in increased compliance costs, additional operating restrictions or affect the demand for our customers’ products and, accordingly, our services.

- ▶ **Financial Risks:** There have been efforts in recent years within and directed at the investment community, promoting the divestment of companies in the fossil fuel industry. These efforts include pressuring lenders and other financial services companies to limit or curtail activities with companies engaged in the extraction of fossil fuel reserves. Further, members of the investment community have increased their focus on sustainability practices with regard to the oil and gas industry, including practices related to GHGs and climate change, and an increasing number of our customers consider sustainability factors in awarding work. These developments and public perceptions relating to climate change may curtail production and demand for oil and natural gas by shifting demand toward lower carbon energy sources such as wind, solar and other renewables.
- ▶ **Physical Risks:** The physical effects of climate change could require us to change our methods of operating or otherwise have a negative impact on our operations, our customers’ operations and the overall demand for our customers’ products and services.



Once significant climate risks have been identified, we establish and implement operational controls such as process, procedures and management plans into our EMS. Our risk-based process allows for identification of improvement opportunities including the rehabilitation or restoration of land areas impacted by our operations and supporting activities, pollution prevention opportunities, energy-use reductions and transition to renewable sources, and water consumption reductions and recycling opportunities. We continually evaluate viable methods to have a positive impact on the environment.

**Integration into Overall Risk Management**

The ESG committee of our board works closely with the board’s risk oversight committee to integrate climate risks into the overall risk oversight and management responsibilities of the board. In particular, the risk oversight committee is responsible for our processes and policies regarding risk assessment and risk management, including our enterprise risk management, compliance and operational control activities. The risk oversight committee meets on a quarterly basis to evaluate the company’s risk exposure and tolerance.

In addition, Nabors recognizes the importance of external assurance that its efforts are industry-leading. As such, we are currently working to obtain [limited assurance\\*](#) for our 2021 Scope 1 and Scope 2 GHG emissions.

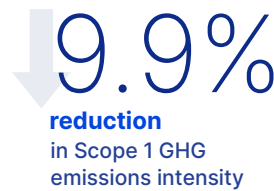
**Metrics and Targets**

We believe that reducing GHG emissions is our best opportunity to be a positive influence in the battle against climate change. To that end, we established benchmarks against which we measure our progress.

Through our emissions reduction and energy conservation initiatives, since 2016 we have reduced the carbon intensity of our drilling operations by 30%. We set a target in 2021 to reduce our Nabors Drilling USA Scope 1 GHG emissions intensity by 5% over 2020 levels and we nearly

doubled that goal, by reducing our Scope 1 GHG emissions intensity by 9.9% through a combination of improved engine management and use of highline power from the grid. In 2021, we also reduced our Scope 2 GHG emissions by 5% in the U.S. compared to the previous year.

In 2021, Nabors Drilling USA surpassed its target of 5% and achieved a



In 2021, our Scope 2 GHG emissions achieved a



Our goals for 2022 include further reductions in Scope 1 GHG emissions per foot drilled of 7.5% for Nabors Drilling USA and 5% for Nabors international rigs and an additional 5% reduction in Scope 2 GHG emissions intensity in the U.S. (in all cases using 2020 as a baseline).

\*Revised July 21, 2022



<b>TOTAL SCOPE 3 EMISSIONS</b>	<b>13,161.09 Metric Tons CO<sub>2</sub>e</b>
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Note: The Scope 3 GHG emissions were calculated according to the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and the Technical Guidance for Calculating Scope 3 Emissions, version 1.0.v

Region	GHG Emissions Scope 1 and 2* (MT CO <sub>2</sub> e)	Emissions Renewable (MT CO <sub>2</sub> e)	Emissions Non-Renewable (MT CO <sub>2</sub> e)	Energy Renewable (Gigajoules)	Energy Non-Renewable (Gigajoules)	Electrical Power Renewable (MWh)	Electrical Power Non-Renewable (MWh)
Eastern Hemisphere	410,299.57	614.45	407,304.97	—	5,836,312.12	—	468,809.68
Western Hemisphere (excluding U.S.)	96,719.03	145.40	96,224.54	—	1,381,685.05	—	116,686.00
U.S.	515,902.18	1,442.89	514,921.98	19,801.38	7,429,359.92	1,433.66	514,472.29

**Crown Light Energy Savings:**

We began installing central lighting on our rigs in 2021, replacing portable light towers and the generators that power each of them. Every set of LED lights is installed in the top part of the drilling rig, roughly 180 ft in the air. We aim to have 63 sets of crown lights installed globally

by the end of 2022, equating to a total savings of roughly 4,900-megawatt-hours of energy, 650,000 gallons of diesel, and 6,500 MT CO<sub>2</sub> per year. The crown lights also increase safety by illuminating the entire rigsite at once.

\*Revised July 21, 2022



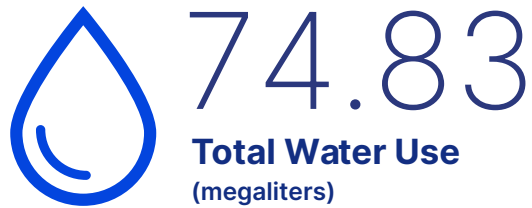
# Environmental Stewardship

## Water Management

Nabors is committed to taking action to combat overuse of water resources globally.

Our water data was tracked throughout our global operations (excluding SANAD) and applies to business operations at our drilling support facilities and offices. This includes water data for domestic purposes, as well as manufacturing and maintenance business activities. Water use at the wellsite, for all drilling purposes, is under the control of our customers. In 2021, we decreased our total water use to 74.83 ML from 102.54 ML in 2020. The decrease is primarily due to staffing and operational changes associated with the COVID-19 pandemic. In 2022, we have set a target to reduce our water use intensity (WUI) by 5% of 2021's baseline at our headquarters in Houston, Texas.

In operating areas with known water stress, as defined by the World Resources Institute (WRI), we are continuously evaluating methods to use less water resources, including wastewater recycling at certain facilities where parts washing and other maintenance operations require the use of wash bays, as well as implementing other water-related projects.



Country	Freshwater Withdrawn (ML)	Groundwater Withdrawn (ML)	Surface Water Withdrawn (ML)	Other (ML)	Total (ML)
United States	19.64	4.79	14.86	0.14	39.43
Canada	0.05	0.00	0.05	0.00	0.11
Colombia	0.00	0.00	0.00	0.00	0.00
India	0.02	0.01	0.01	0.00	0.04
<b>Areas with extremely high or high baseline water stress</b>					
Oman	0.00	0.00	0.00	0.00	0.01
United Arab Emirates	9.91	7.74	0.00	7.26	24.91
Mexico	5.15	1.93	3.22	0.04	10.34
<b>Grand Total</b>	<b>34.78</b>	<b>14.47</b>	<b>18.13</b>	<b>7.45</b>	<b>74.83</b>

## Waste Management

Our environmental program offers a waste management system that enables Nabors to optimize efficiencies and minimize waste to reduce our impact on the environment. Our waste management system applies a waste hierarchy that sets forth our waste reduction objectives and expected operating practices and requirements necessary to reach these objectives. The hierarchy focuses on preventative measures promoting source reduction, reuse and recycling over disposal.

Nabors manages waste from our global operations through prescriptive measures, including placing waste in designated, labeled containers, maintaining waste storage areas, conducting inspections and disposing of waste in accordance to all applicable regulations. Our QHSE specialists assist operations with waste classification, disposal and reporting.

Our waste management standards prioritize source reduction, recycling and reuse and conservation of natural resources, as well as provide guidelines for safe storage and disposal of waste. Waste requiring disposal must be handled within applicable legal guidelines. We additionally request assurance from our customers that waste generated at worksites is managed in accordance with legal guidelines and regulations. Nabors standards on specific waste management requirements are defined, available to all employees and reinforced through annual training.

Properly managing nonhazardous and hazardous waste (industrial or business waste) from Nabors operations

mitigates environmental impacts, promotes safe operation and protects human health. We focus on proactively reducing waste from our operations, recycling eligible materials and effectively managing residual wastes. Paper and packaging waste, used oil and scrap metal are a few of our industrial waste streams that are recyclable or reusable materials and are included within our recycling program.

Our waste data in 2021 was tracked at our headquarters in Houston, Texas and included nonhazardous business waste generated, which includes general office trash (i.e., paper, packaging, food waste, etc.). Nabors remains committed to protecting the environment both through reducing waste generated and by reducing the number of natural resources we consume. In 2021, the amount of nonhazardous business waste generated at our headquarters in Houston, Texas was 74 metric tons. We are continuously evaluating our environmental performance to pinpoint any areas where improvements can be made and waste reduction targets can be set.

In 2022, our goal is to increase waste diversion from landfill by 5% for nonhazardous waste generated at our headquarters in Houston, Texas. Our 2021 baseline is 0.



# 74 METRIC TONS

**Total Nonhazardous Business Waste Generated**

(Houston, Texas Headquarters Office)

## Asset Management

At Nabors, we place the highest priority on ensuring our equipment, and the operation of it, meets or exceeds all standards and regulations. Nabors prioritizes the prevention of accidental releases and implements the following at all of our onshore and offshore working drilling rigs:

- ▶ Emergency spill drills
- ▶ Spill prevention plans
- ▶ Emergency response plans
- ▶ Systematic preventive maintenance on all our equipment to prevent unintentional leaks
- ▶ Non-destructive Test (NDT) inspections to detect failures in hydraulic systems and high-pressure (HP) equipment
- ▶ Walk the Line process safety practice (HP valve alignment) for verification and validation purposes to avoid an unintentional release
- ▶ Secondary containment for diesel tanks
- ▶ Well control assessments (VERIFYit application for well control drills), well control equipment certifications per American Petroleum Institute (API) standards and frequent HP testing on all well control equipment to guarantee the integrity of the well control equipment
- ▶ Environmental section incorporated in the Crown of Excellence (COE) audits
- ▶ Environmental standards in our Equipment Standards manual

We are committed to ongoing training of our entire workforce to **maximize spill prevention efforts.**



Increase in employees who completed our Spill Prevention, Controls and Countermeasure (SPCC) training in 2021 (4,827 employees) vs. 2020 (1,200 employees)



Completed SPCC training in 2021





## Biodiversity

Nabors is committed to the protection and preservation of biodiversity, ecosystems and habitats. In an effort to understand the impact on biodiversity through natural resource use, pollution, climate change and land and habitat disturbances, we apply a risk-based process to measure both actual and potential impacts on biodiversity resulting from our business operations through an impact assessment. Business areas with potential to affect biodiversity include drilling operations and drilling support operations (i.e., manufacturing, maintenance and production) facilities.

### Environmental Management Program

In line with our commitment to perform at the highest level of operational integrity, [Nabors Global Health, Safety and Environmental Management System](#) (HSE MS) is a key component of our strategy in reducing or eliminating possible adverse environmental impacts of our business activities. Our [HSE MS](#) provides a comprehensive look at the disciplined framework to achieve our goals.

To ensure the most effective [EMS](#) with regards to biodiversity impacts, Nabors leverages ISO 14001 EMS certification in Colombia, Mexico and Oman. In addition, Nabors is actively working to improve our current [EMS](#) to meet or exceed ISO standards across global operations.

### Drilling Operations

Accidental releases to the environment are a significant risk to biodiversity from drilling operations. Wellsite location and construction requirements are determined by our customers. As part of our best-in-class services, we strictly adhere to their biodiversity management plans and continually assess environmental issues that are material to our business to support their operations.

## Case Study: PACE®-X Rigs

With innovation as one of our values, Nabors has re-thought our drilling rig designs in order to reduce drilling operations' ecological footprint by lessening the amount of land required to complete drilling activities. Compared to older legacy rig designs, Nabors designed its PACE®-X rigs with several rig components incorporated into the substructure and rig floor, with proper safeguards per API regulation, instead of as separate units at ground level. The result is a rig footprint that requires 15% less ground surface area than the traditional rig to operate and our Smart stack-out process uses 60% less ground surface than the traditional process, which helps Nabors minimize the impact on flora and fauna in the area.

**Facilities**

Where possible, Nabors strives to operate within established facilities, removing the need for additional land disturbances. Prior to any significant operational changes, biodiversity is included as an environmental risk criterion to be assessed at each facility leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas. To mitigate significant impacts, Nabors implements operational controls to minimize the risk our business activities may negatively impact biodiversity, ecosystems or habitats.

Operational controls are designed to protect sensitive wildlife areas, flora and fauna, air, soil, water, ecosystems and conservation areas. The controls comply with applicable national and regional regulations and external standards [U.S. EPA, Bureau of Safety and Environmental Enforcement (BSEE), U.S. Fish and Wildlife national endangered and threatened species list, International Union for Conservation of Nature’s (IUCNs) protected areas and Red List species and IPIECA] and detail any reporting requirements on ecosystem and biodiversity management activities, which are periodically reviewed to ensure applicability.

Similarly, accidental releases at certain established facilities may pose a risk to biodiversity and ecosystems. In addition to spill prevention and stormwater pollution prevention plans at all locations where these plans are required, we implement these plans where the potential for significant spills exist in critical habitats or areas with biodiversity value.



“The protection of biodiversity is core to Nabors purpose. We recognize the importance of preserving ecosystems, which is why we have the most effective spill prevention and stormwater pollution prevention plans if an incident occurs. We are hyper-focused on ensuring a very small footprint where we operate and it makes me proud to work with a company that shares those values.”

**Brandon Herda, QHSE Director**

**Case Study: Kazakhstan Team Recognized for Improving Efficiency**

Nabors Kazakhstan Team has been recognized for their significant contributions in supporting the TengizChevrOil LLP Competitive Performance Process. The team brought forward an initiative to “Improve Rig Engine Efficiency by Optimizing Average Load Percentage” that improved efficiency and safety performance. As a result, the initiative increased engine efficiency, reduced the amount of GHG emissions, and reduce fuel consumption at well sites.



# Social

## Overall Approach to Managing Social Risks and Opportunities

Nabors is committed to a health- and safety-centric culture, which promotes the health and safety of our employees and suppliers alike. As detailed in our [Governance of Sustainability section](#), ESG issues are managed at a board level, with additional management level committees. This arrangement supports the strategic development and management of social risks and opportunities. Our people drive our company's success and we are deeply committed to ensuring our people's

success through HSE programs and training, prioritizing DEI and employee engagement, talent management and community engagement and investment.

In our response to COVID-19 we looked for new ways to protect our people and their families. Now, we want those new best practices to inform our approach to health and safety going forward.

## Human Rights

Our [Corporate Guidelines on Human Rights](#) stipulate our commitment to respect the basic rights of our colleagues and to avoid any activity that encourages or solicits the abuse of another's human rights. This means not only adhering to local laws and regulations but also working to exceed them, wherever possible. We implement this by regular training and by periodically evaluating our policies and procedures. These expectations also extend to our vendors and suppliers within their operations.

We are committed to transparency through anonymous reporting mechanisms and non-retaliation for incident reporting.

### Human Rights Training and Engagement

98%

Complete in 2021



### In our Guidelines, we commit to:



Diversity and Inclusion



Safe and Healthy Workplace



Workplace Security



Preventing Child Labor



Community Engagement  
(i.e., water and health access)



Preventing Forced Labor  
and Human Trafficking



Appropriate Work Hours,  
Wages and Benefits

# Health and Safety Programs and Training

## Journey to Excellence

Nabors Mission is to deliver best-in-class drilling performance through our exceptional people, execution, teamwork and technology.

This mission inspired our Journey to Excellence, where we are committed to the development of an improved safety culture at each level of the organization from the field to the leadership team, to advance safety culture, rig performance and organizational systems and processes.

Our Journey to Excellence begins with **Mission Zero**—the goal of zero recordable incidents, worldwide. Mission Zero demonstrates our commitment to the safety of our employees worldwide. We strongly believe that all our global operations can achieve our goal of zero incidents and we expect every Nabors employee to share this commitment as a condition of employment. This is grounded in our belief that Nabors excels best when a culture of safety is at its center.

For additional details regarding our Journey to Excellence, see [page 39](#) of this report.

## Health and Safety

We believe in being safer, smarter and incident-free.

The health and safety of our global employees is of the utmost importance to us. Our [HSE MS](#) and [Occupational Health and Safety \(OH&S\) Statement](#) guide our approach.

### Safety Training Program Management

Developing a culture of safety at Nabors is a top priority and we have outlined eight rules that serve as our guideposts on our path to achieving Mission Zero.

# Rules to Live By: Building Safety Culture



Manage Third Party Workers and Equipment



Follow Safe Driving Rules



Ensure Walking and Working Surfaces are Safe and Secure



Obtain Authorization Before Entering a Confined Space



Keep Yourself and Others Out of the Line of Fire



Verify Energy Isolation Before Work Begins



Plan Lifting Operations and Control the Area to Ensure Safe Mechanical Lifting



Protect Yourself Against Falls When Working at Height

As the preferred drilling contractor and services provider of choice, Nabors manages OH&S activities to ensure our internal, contractual and regulatory requirements are met. With safety as a core value, Nabors is committed to:

- ▶ Develop and maintain an OH&S culture based on our Mission Zero principles
- ▶ Build a proactive working environment where employees feel empowered and obligated to stop any job where unsafe work behaviors or unsafe conditions are observed
- ▶ Identify and assess to control, eliminate or mitigate OH&S risks at our worksites
- ▶ Practice honesty, integrity, transparency and openness as the cornerstones for continual improvement

- ▶ Comply with all regulatory, contractual, local and legal requirements related to OH&S issues
- ▶ Seek employee input, engagement and full participation to encourage and foster an open, safe and supportive work environment

We have invested in several training programs to equip our employees with the competencies necessary to perform their duties efficiently and safely. Our annual occupational health and safety trainings, listed in the table below, are required for all U.S. field employees and are also available to all other employees.

By implementing internal training programs and a culture that emphasizes safety, we are making significant progress toward our safety goals in 2021 and furthering our journey toward achieving Mission Zero. Our robust program is reflected in our strong performance data—from lower incident rates and beyond.

### Annual Safety Awareness Online Courses

Access to Medical and Exposure Records	Hearing Conservation Program
Bloodborne Pathogens	Manual Handling
Driver Safety	Permit to Work
Drug, Alcohol and Contraband	Personal Protective Equipment
Emergency Response	Powered Industrial Vehicle
Energy Isolation and Electrical Safety	Respiratory Protection
Fall Protection	Spill Prevention, Control and Countermeasures (SPCC)
Fire Safety and Prevention	Walking Working Surfaces
Hand Safety	Working in Extreme Temperatures
Hazard Communication and GHS	Workplace Violence
Hazard Identification and Risk Assessment	

## Employee Spotlight



“If you’re taking a road trip, there are going to be many stops along the way. You may check your oil, get gas, pull over at a rest stop to measure your tire pressure or get food to ensure you have enough energy. If you miss any of these stops, what’s going to happen? This is how we approach every task. The Journey to Excellence Roadmap builds a structure to find solutions and trigger conversations. I’m seeing the crews talk a lot more these days.”

**Argelio Garza, Operations Manager, Rig Operations**

Back in 2010, Argelio Garza was commuting from Texas to a rig in Colorado for work but after recognizing a dangerous commute wasn’t worth his life, he made a change. Argelio, now an operations manager for South and East Texas, credits our Journey to Excellence Roadmap as a valuable resource that’s helped standardize safety for Nabors employees.

The results in South and East Texas have been impressive. The region recently marked a full year with no incidents or injuries. Given the recent challenge of stacking and then restarting rigs, crewing up and transferring people, we have realized the benefits of this rigorous structure.

### Rigline 24/7™ Training Services

A well-developed, competent rig crew is the key to safe and efficient operations. Nabors Rigline 24/7™ Training Services provides global training competency for Nabors and non-Nabors oil and gas professionals. As such, we have invested heavily in developing industry-leading training programs that provide participants with a unique combination of classroom instruction, hands-on exercises and use of the latest in simulator technology located at our global training facilities strategically located in some of the world’s key oil and gas regions.

With over 10 accredited training centers, Rigline 24/7™ Training Services is an industry leader in providing high-quality, consistent and sustainable training to meet the needs of oil and gas professionals. In addition to general knowledge and leadership training we offer the following options:



**Well Control:** International Well Control Forum (IWCF) and International Association of Drilling Contractors (IADC) accredited courses for all levels of well control



**Equipment:** Operations and maintenance courses for rig equipment



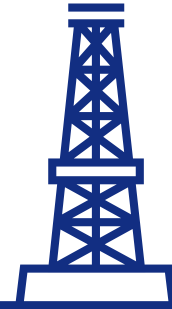
**HSE and Operations:** Accredited job-specific trainings



**Advanced Driller:** Performance-focused courses providing best practices to create “super drillers”



Listed below are the IADC Well Control (WC) analytics for Rigline 24/7™ Training Services compared to the rest of the industry. Our passing rate and average scores are beating the industry averages for both virtual and in-person WC training.



**Rigline 24/7™ Training Services Performance Within Industry**  
Virtual Level 4 WC

	AVERAGE SCORE	PASSING RATE
Rigline 24/7™ Training Services	88%	96%
Industry Average	85%	86%

**Rigline 24/7™ Training Services Performance Within Industry**  
In-Person Level 4 WC

	AVERAGE SCORE	PASSING RATE
Rigline 24/7™ Training Services	85%	92%
Industry Average	84%	88%

\*Data is for IADC Supervisor Well Control from 2021 and is not inclusive of IADC Driller Level Well Control or IWCF Levels of Well Control



# RIGLINE 24/7™ 2021 Highlights

## Equipment Troubleshooting Cases

15,929

equipment troubleshooting cases were created in 2021, with **10,453 resolved remotely** by the Rigline 24/7™ equipment team without requiring a technician dispatch.

66%

remote resolution rate for equipment team in 2021.

## Technician Dispatch Reduction and Emissions Saving

12,250

issues resolved remotely in 2021 by Rigline 24/7™ without the need for a technician dispatch.

4,825

**MT CO<sub>2</sub>e emissions and 549,583 gallons of fuel saved**, when calculated using the average service call distance of 232 miles round trip.

## Product Rollout/Code Upgrades

397

remote code upgrades or new software upgrades **completed remotely** in 2021 by Rigline 24/7™

## Proactive Alarm Monitoring

Event response cases include select alarms that are monitored daily, proactively troubleshot with rig crew and Rigline 24/7™ equipment team to resolve before downtime or critical equipment failure can occur.

2,932

cases actively troubleshot by Rigline 24/7™ team; **less than 3%—75 cases—required a dispatch.**

## Remote Equipment Commissioning

30

remote commissionings of rig equipment completed by Rigline 24/7™ globally in 2021.

Set-up, configuration and commissioning of newly installed rig equipment have been completed **without a field service technician on location.**

### Occupational Health and Safety

Nabors is committed to provide safe and healthy working conditions for the prevention of work-related injury in our worldwide operations.

Our [OH&S Management System](#) provides a framework for setting the OH&S objectives, sets expectations for top management to fulfill legal and industry requirements, and establishes the methods to eliminate hazards and reduce OH&S risks. Nabors is committed to the continuous improvement of the OH&S Management

System and is committed to include consultation and participation of our employees to improve the workplace. Our OH&S Statement extends to Nabors suppliers and subcontractors.

As evidenced in our abundance of trainings, it's important we increase awareness of the areas of operation that have the highest potential to impact the lives of employees and the measures that can be taken to mitigate those risks.

**Total Number of Hours**  
Worked by All Full-Time Employees



23,323,502



169  
Rigs LTI\* Free

\*LTI = Lost Time Incident

**Total Vehicle Incident Rate (TVIR\*)**

0.27

\*TVIR = Total Motor Vehicle Incidents / (Total Man Hours / 200,000)

**Rigs\* LTI Free**  
for the Last 3 Years



\*Only rigs that operated 75% of each year

### Physical Wellbeing and Mental Health

Our health and safety culture is embedded throughout Nabors and that includes the physical and mental wellbeing of our employees. We want our employees to feel their best, so we provide resources and initiatives that support key pillars in their lives.

At our headquarters in Houston, Texas we have a Wellness Center to provide on-site medical care and personal health assessments (PHAs), which are biometric screenings that give employees a better understanding of their health status related to diabetes, heart disease and stroke risks. We provide an on-site fitness facility and healthy food options in our bistro.



Every year, Nabors colleagues around the world have participated in "Movember," a global charity committed to generating conversation about men's health. The nonprofit focuses on mental health and suicide prevention, prostate cancer, and testicular cancer. For the entire month of November, diligent efforts were made to raise money and awareness around these issues. One popular, and very visible way was by growing facial hair, dubbed, "No-shave November."



In 2021, we were empowered to put the "H" in HSE with some fun health initiatives:

- ▶ Dance cardio fitness event in Indonesia
- ▶ Indoor cycling event in Malaysia
- ▶ Indoor cycling and boxing event in Dubai
- ▶ Soccer tournament in Saudi Arabia

At Nabors, we believe mental health is just as important as physical health. That is why we pledge to cultivate an environment contributing towards the wellbeing of all our employees.

We provide employees with access to support, resources and information to get through life's challenges, including depression, anxiety and stress. CompPsych GuidanceResources is a company-sponsored service that is available to Nabors U.S. employees and dependents – at no cost – to provide confidential mental health resources.

We also recognize that financial wellness is a critical factor that makes up employee wellbeing, which is why we launched a financial wellness program in 2021. The program includes the facilitation of a personalized journey for employees to help navigate their path to financial security. It helps employees reach important life goals such as buying a home, getting out of debt and sending kids to college. We had over 200 Nabors employees attend the four workshops offered in the Fall.

### Combating Burnout

In our 2021 Nabors DEI survey we found that many of our employees felt run down and drained of physical and emotional energy due to their work schedule or demands. We recognize that burnout is more than simply an issue of overwork; it is complex and requires a multifaceted, integrative and personalized solution.

To combat burnout, we rolled out a learning and development initiative, where we provided employees with “The Burnout Fix,” a book that offers science-backed strategies to protect against burnout and thrive in today's workforce. The author, Dr. Jacinta M. Jiménez – a Stanford trained psychologist – joined our team for a guest speaker event, where she discussed the important lessons contained in her book.

Additionally, we conducted workshops centered on what burnout is, why it's important to recognize it and ways to provide or seek help.



## Incident Management and Emergency Training and Preparedness

We value incident preparedness and ensuring our employees are adequately equipped to not only proactively prevent health incidents, but to deal with them if they arise.

To prevent incidents, we have implemented a number of processes and technologies to ensure effective preparedness for both our field and corporate employees. This is because the safety of our people is our top priority and we want everyone to return home safely. We saw our TRIR improve from 0.49 in 2020 to 0.41 in 2021, as a result of our safety protocols, trainings and technologies.

### Technology

While our technologies have predominately been viewed to serve one purpose – to drive operational efficiencies – we believe deeply in utilizing them to protect our people too.

When our people wield better safety tools, they are able to produce better safety outcomes.

Automation isn't about eliminating jobs. It's about protecting our people by getting them out of hazardous areas.



## Case Study: Collaboration Drives Powerful Innovation

In 2021, Nabors PACE®-R801, the industry's first fully automated land rig, successfully drilled its first well. Combining our Smart Suite of automated drilling software with Canrig robotics we created an unmanned rig floor that removes crews from red zone areas and delivers a consistent and predictable drilling performance. Insights gained from PACE®-R801 have been and will continue to be used to innovate and advance the next generation of Nabors technologies, which focus on safety, efficiency and the environment.

*"There's nothing else in the world like the PACE®-R801 rig. Its combination of advanced automation, digitalization and robotics represents a trifecta solution for an industry pursuing the highest levels of safety, efficiency and environmental performance in order to attain ESG goals. The experience and insights gained from this rig will be used to forge the next generation of Nabors technology and to continuously improve the digital, automation and robotics solutions we already have in the field."*

**Anthony G. Petrello,**  
Chairperson, President and Chief Executive Officer



# Journey to Excellence

## Building Safety Culture

Our Journey to Excellence Roadmap provides us with the direction of where we must go and defines and provides the tools we must use to help us get there.

## Safe, Smart Solutions

To deliver best-in-class drilling performance through our **exceptional people, execution, teamwork and technology**

### 1 VALUES

#### Personal Commitment

Mission Zero: Safer, Smarter, Incident-free

#### Nabors Values

- Safety
- Teamwork
- Excellence
- Accountability
- Innovation

#### Guiding Principles

Behaviors of Operational Excellence

### 2 STANDARDS

#### Policies and Procedures

Enterprise Quality Document (EQD)

#### Competency

- Emotional Intelligence
- Situational Leadership
- CAMS

#### Continuous Improvement

Continuous Improvement Cycle

### 3 TOOLS


#### Technology and Innovation


- Automation Digital Processes
- VERIFYit
- myDRILLS


#### Performance Management


- myBIT
- myMaintenance

In addition to Mission Zero, the other **key elements of our Journey to Excellence Roadmap** are:


 **Values:** Safety, Teamwork, Excellence, Accountability and Innovation: These five values outline Nabors commitment to its employees.


 **Guiding Principles and Behaviors of Operational Excellence:** Our principles and behaviors create a framework to help us make the right decisions in any situation we face. Our decisions should never contradict any of our guiding principles or behaviors of operational excellence.

 **Enterprise Quality Documents (EQDs):** These are the rules, regulations, policies and work instructions within Nabors EQD. They are the standards that govern the way we are to execute our work and by following these specific standards we can expect a predictable outcome, one of Mission Zero and best-in-class operational performance.

 **Continuous Improvement:** We must maintain an ongoing cycle of defined, step-by-step processes to ensure our incremental improvement. As an example, we are making excellent use of agreed upon KPIs to track best-in-class performance and to identify underperforming operations with the objective of supporting that operation to reach best-in-class.

 **Performance Management:** We must evaluate and measure our effectiveness in executing Nabors standards. We do this by determining if each standard is correctly written, properly trained and well-led. Determining deficiencies helps us understand where to apply our continuous improvement efforts.

 **Competency:** Situational leadership provides managers with the skills required to access and lead their people to execute their work in accordance with Nabors standards. Our Competency Assurance Management Systems (CAMS) provide us with a means to confirm individual strengths in specific areas and identify areas where improvements are needed.

 **Technology and Innovation:** This element allows us to take advantage of our tremendous engineering and manufacturing capabilities. It also means we will use our expertise to deliver valuable drilling services such as SmartDRILL™, SmartNAV™, SmartSLIDE™ and a host of other technologies.

# Human Capital Management

## Diversity, Equity and Inclusion

At Nabors, we recognize that our people are the beating heart of our company. Our people drive the innovations that lead our industry and they set us apart from the competition. It is for those reasons that we are deeply dedicated to a robust DEI program that ensures every person has a voice and that those voices are heard. In 2021, we set the foundation to put our CEO's pledge in those three areas into action:

-  **1** Creating **Collaborative Committees** to Drive Inclusiveness
-  **2** **Understanding** Our Blind Spots Through Discussion Across Differences
-  **3** Developing **Diverse Talent**

We celebrate our workforce's diversity, develop programs to ensure all groups are represented and are actively working to develop additional measures to ensure that our DEI journey is only beginning.

By celebrating and supporting our wide spectrum of personalities, backgrounds, viewpoints and experiences, we create an environment where everyone's best work emerges and their authentic selves shine. We achieve this by collectively knocking down barriers and empowering our employees, customers, suppliers and shareholders.

From diverse voices come unique and creative solutions that feed the innovative spirit Nabors is known for. This is how we effect change.





## Defining DEI

For Nabors, DEI is about creating a space where people can be their true selves and come to work every day ready to perform at their best. DEI is not a once-a-year program. It is woven into every part of our business.



### Diversity

is about valuing our differences



### Equity

is giving people access and opportunities to achieve



### Inclusion

is allowing people to feel valued, heard and appreciated



## Employee Spotlight

"I needed to reshape my thought process and enhance my interpersonal skills, so I could influence, build trust, leverage support and get people on board."

**Lolo Ali, Supervisor, Field Service**



Lolo Ali didn't intend to break with family tradition, sometimes it just happens. For generations, Lolo's family built careers in the automotive industry. After graduating from Brunel University in London, she intended to do the same. But an internship would alter the course of her budding career. "At Canrig, I was introduced to project management and I really loved all the moving pieces," Lolo said.

"This is how my mind works. It's like a chess board and I've got everything staged but the game changes often and you have to adapt. You can't just focus on one task; you've got to think several moves ahead and anticipate." After starting as a quality assurance coordinator, Lolo earned her way to becoming the first female supervisor in Saudi Arabia. It took a little bit of adjustment for the civil engineer to move into a leadership position.

"This also involves a diverse set of stakeholders. One way I did this was by putting myself in the shoes of a customer, manager, employee or technician to understand their needs." Behind the scenes, she can be found working with the global sales and operations planning teams to track shop and field repairs. By bringing a global, pragmatic perspective to strategy, marketing and operations, Lolo continues to broaden her skillset. Working alongside numerous Canrig BUs globally, she is elevating her project and business analysis role. "Keeping an open dialogue has been critically important. If we can appreciate different views then we can have productive conversations," Lolo said. "This keeps us aligned with all our stakeholders and serves as a catalyst for growth in leadership."

Keeping her gaze firmly fixed on the future, Lolo reflects on all that she's achieved. "I'm certainly proud of helping to break the stigma of women in leadership positions," she said. "I do still face challenges but I have the entire Kingdom of Saudi Arabia (KSA) team supporting me and motivating me every day. I am so proud of how our team works as one."

### Forming a DEI Council

In June, Nabors launched its DEI council with the goal of transforming our culture within an industry that often lacks diversity. The development of the DEI council is an expansion upon the work Nabors had previously completed in this space. We use a multi-disciplinary approach to broaden knowledge, highlight challenges and offer an avenue to engage. We also are leveraging inclusive recruiting practices, development plans and focusing on retention strategies to achieve effective results.



### 2021 DEI Council Achievements



Influencing **Company Culture**

- DEI established as a key initiative at our headquarters in Houston, Texas
- Built awareness through a formal launch event, followed by several communication campaigns and events
- Cross-functional teaming and collaboration demonstrated



Company and Community **Impact**

- Industry participation
- Donations and volunteering for specific causes



Talent **Growth**

- Opportunities provided to employees to engage in a different type of role and grow professionally
- Built relationships and obtained cross-department exposure



DEI as a **Function**

- Organization and structure established for DEI meetings and initiatives
- Established marketing and branding for DEI

### Highlighted Diversity Efforts

- ▶ We are proud to champion the careers of our women employees. In March, we celebrated International Women’s Day to recognize the incredible work of women in our workforce. The theme for the year was #ChooseToChallenge, which encouraged all individuals to choose to call out gender bias and inequality. This is how we recognize and amplify women’s achievements, like Sara Castro, senior manager, maintenance and reliability.
- ▶ At Nabors, we value inclusive language that reflects a broad range of identities and perspectives and does not stereotype or demean people based on implicit bias and perceptions of personal characteristics or cultural background. That’s why we reviewed and edited existing department policies with the intent of eliminating bias and improving inclusivity through neutral language.
- ▶ In 2021, Nabors established a partnership with Catalyst, a global nonprofit organization advancing inclusion in the workplace. Our partnership gives our employees access to a wealth of free resources including virtual events, workshops, courses, advisory services and webinars—all aimed at furthering workplace inclusion.
- ▶ We were proud to sponsor the Independent Petroleum Association of America (IPAA) Energy Workforce Education Center in 2021. The center’s goal is to support energy education outreach by partnering with school districts to provide energy education at the high school and middle school levels and to positively impact student achievement, particularly for underserved students. We were also the only energy company to provide educational content in another language.
- ▶ Nabors formed Lio’s Lending Library, featuring books with subjects that fall under the DEI umbrella. The library is located at our headquarters in Houston, Texas.
- ▶ As an industry leader, Nabors has a global footprint that crosses borders and spans geographies. That worldwide reach allows us to be one of the most diverse companies in the world, with employees representing 75 different nationalities.

## Employee Spotlight

“Throughout my career, I was used to being one of the few women working on a rig. I want to be a role model to encourage more women to study Science, Technology, Engineering and Mathematics (STEM) subjects and apply for jobs in STEM fields.”

**Sara Castro, Senior Manager,  
Maintenance and Reliability**

Sara has worked in the drilling industry for the past 20 years. She has a background as an industrial engineer and her experience spans operations and maintenance projects around the world, working on rigs both onshore and offshore. Currently, Sara’s role is the senior manager, maintenance and reliability for the technical support group. In 2021, she also joined the emissions team driving efforts to calculate Nabors GHG emissions for Scopes 1, 2 and 3. Sara passionately advocates for and supports the careers of women working in the drilling field.

### Employees by Gender

	All Nabors	SGA & FS
Female	5%	20%
Male	95%	80%

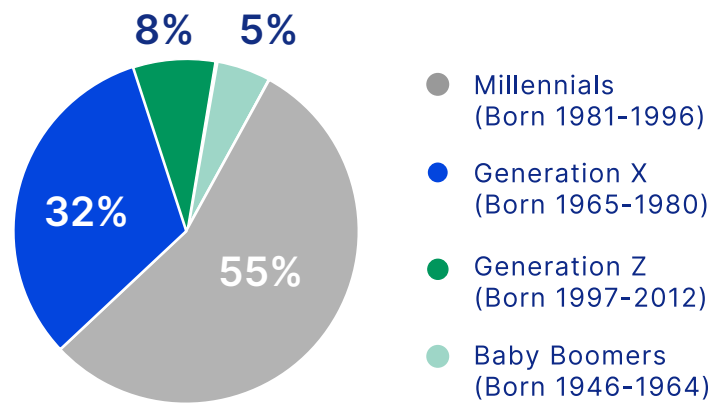
### Employees by Age

Under 30 years old	22%
30-50 years old	63%
Over 50 years old	15%

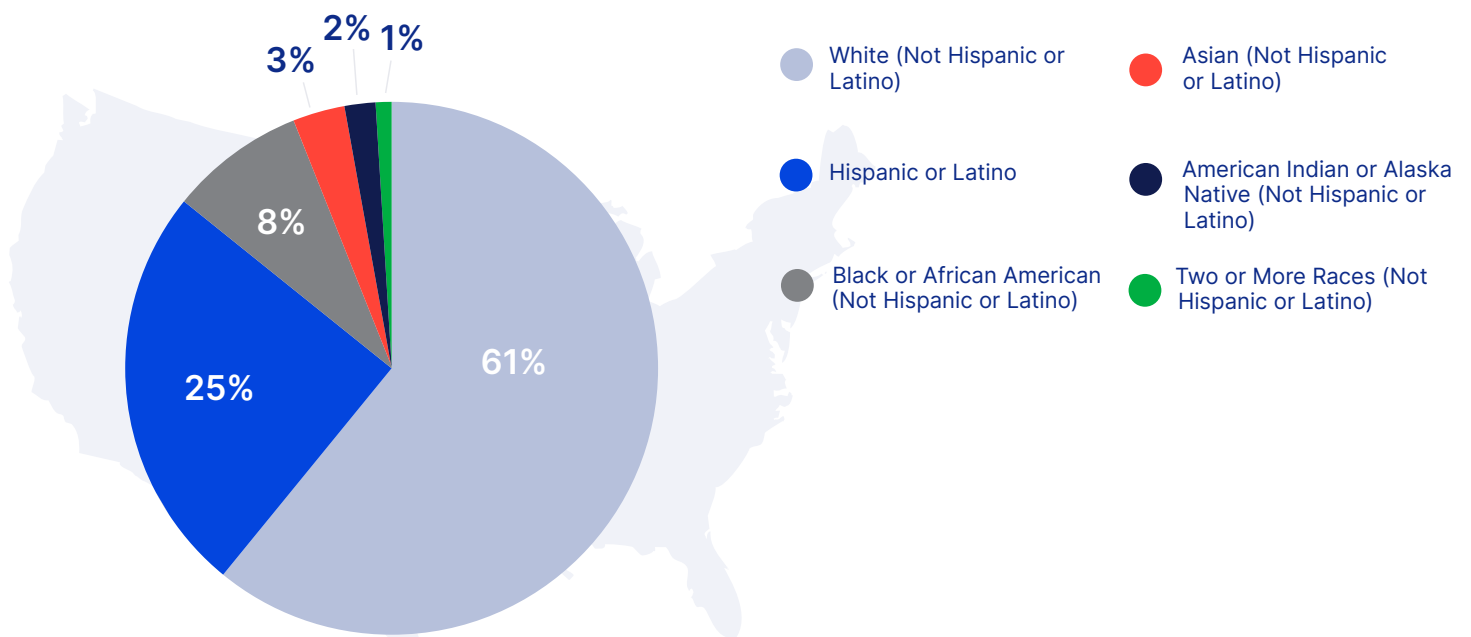
### Employees by Job Band and Gender

	Female	Male
Executive	11%	89%
Director	19%	81%
Manager	17%	83%
Supervisor	10%	90%
Individual Contributor	9%	91%
Administrative Support	51%	49%
Field Operations	1%	99%

### Employees by Generation



### U.S. Employees by Ethnicity



## U.S. Employees by Job Band and Ethnicity

	American Indian or Alaska Native (Not Hispanic or Latino)	Asian (Not Hispanic or Latino)	Black or African American (Not Hispanic or Latino)	Hispanic or Latino	Native Hawaiian/ Other Pacific Islander (Not Hispanic or Latino)	Two or More Races (Not Hispanic or Latino)	White (Not Hispanic or Latino)	No Response
Executive	—	20%	—	13%	—	—	63%	3%
Director	—	16%	4%	11%	—	2%	68%	—
Manager	0%	12%	3%	13%	0%	1%	70%	—
Supervisor	1%	4%	5%	14%	0%	0%	75%	0%
Individual Contributor	0%	9%	7%	24%	0%	1%	57%	1%
Administrative Support	—	2%	12%	34%	1%	—	51%	1%
Field Operations	2%	0%	9%	28%	0%	1%	58%	1%

## Employees by Job Band and Generation

	Generation Z (Born 1997-2012)	Millennials (Born 1981-1996)	Generation X (Born 1965-1980)	Baby Boomers (Born 1946-1964)
Executive	0%	0%	1%	2%
Director	0%	0%	1%	3%
Manager	0%	2%	5%	8%
Supervisor	0%	5%	8%	13%
Individual Contributor	5%	12%	13%	17%
Administrative Support	1%	3%	3%	6%
Field Operations	95%	77%	68%	51%

## Senior Management (Director and Above) at Significant Locations of Operation Hired from Local Community

Significant Locations	Director and Above	Hired from Country	% Hired from Country
U.S.	85	72	85%
Saudi	10	3	30%
Argentina	1	1	100%
Colombia	1	1	100%
Mexico	1	0	0%
Kuwait	1	0	0%
Oman	1	0	0%
Kazakhstan	1	0	0%
Other	16	4	25%
Total	117	81	69%

## Talent Management and Employee Engagement

We believe people and culture are an important competitive advantage, just as technology and a solid balance sheet are. People are what drive successful outcomes of companies.

There is no better time to put people at the core and build a workforce of the future that's diverse, equitable and inclusive. Doing so allows us to differentiate ourselves from our competitors for talent, especially as we enter what we believe to be an emerging "talent race."

### Talent Management

Nabors talent management programs aim to reduce turnover and improve our bench strength. A thoughtful structure provides the framework for development through succession planning, career path, high potential identification and performance appraisals. In 2021, we expanded our talent management system to improve hiring and onboarding, employee engagement, performance enhancement and career progression and we implemented a series of initiatives including:

- ▶ Creating development plans for high potential employees and technical/functional experts
- ▶ Identifying high priority gaps in the organization, when viewed against the business plan, particularly Nabors Drilling Solutions (NDS), data science and Canrig rig products and robotics
- ▶ Filling the gaps identified above with a combination of internal candidates and external hires
- ▶ Determining the effectiveness of our career path pilot program from employee engagement metrics and feedback from seven pilot groups
- ▶ Using an app to develop and pilot an innovative performance appraisal process to launch in 2022
- ▶ Maintaining and sustaining our current succession plan and implementing and tracking successor development plans

### Recruiting and Onboarding Talent

We are seeing a dramatic shift in the labor market with the "great resignation" coupled with the "great crew change" in our own industry. The next generation of managers and leaders seek purposeful careers that place sustainability in the forefront.

Anticipating this shift, we are leveraging the same skills that have transformed how we operate to acquire, train and retain a diverse talent pool and win this new "talent race." We are exploring and recruiting underutilized potential within the organization by helping our existing employees identify untapped skillsets and then training these employees to utilize these skills in new and exciting ways.

As our industry evolves, so are the job descriptions at Nabors. Nabors recognizes industry trends are creating opportunities for non-traditional talent, and is leaning in, emphasizing the importance of automation and robotics to reskill and retain the current workforce and attract new talent with new skills.



## Employee Spotlight



“What I appreciate most about Nabors are the opportunities and support,” said the San Diego, California native. “I had people like Nelson Jones who believed in me. He promoted me from asset administrator to yard manager. I always felt I had someone in my corner and now I’m trying to fill that role for others. I’ve learned so much along the way, made great friends and there is still much more to come.”

**Rudy Luera, Yard Manager**

Maybe it was no surprise that Rudy Luera would end up in the oil field. His father worked on rigs and he has several cousins who work in hydraulic fracturing. Family is important to Rudy, who misses the brotherhood often found at the rigs. He got his start as a floor hand then rode out the 2013 downturn when the rig was stacked. Because he was local, he would often help in the yard. Then, he made the move permanent, so he could learn about a different part of the business. The tradeoff has been worth it. “I’ve learned so much here about maintenance and repair, inventory, managing costs and anticipating what the rigs need,” Rudy said. “There are a lot of moving parts and it’s something different every day. We have a strong staff with a lot of experience and we are all about teamwork.” Two yearly audits and regular inventory checks means the team must know where every part is located at all times. In the warehouse that means tracking thousands of pieces and if the staff isn’t aligned and communicating, the job becomes that much more difficult.

The town of Alice has been dubbed the hub city of South Texas. Everything in the area revolves around the oil field. In its heyday, there were traffic jams and waiting lines at restaurants. These days it’s quiet, as the industry works to recover. For the man whose life centers around family, fishing and football, Rudy continues to find ways to grow his career. Maybe he changes locations or moves into supply chain. Perhaps it’s a position with the corporate asset team. Wherever his next move takes him, Rudy is looking forward to fresh challenges and new adventures with Nabors.



## Our 2021 recruitment initiatives included:



Partnering with the University of St. Thomas in Houston, Texas for **part-time and entry-level jobs**.

The University's Rising Stars program pairs students with corporate sponsors in order to earn funds toward tuition.



Piloting **blind hiring** for our 2021 summer internship program.

Recruiting managers removed candidates' names from resumes before sending them to hiring managers. As a result, in 2021, 66% of our summer interns were female or otherwise diverse.



Using **automation** to help us improve our job descriptions to eliminate bias and enhance readability.



Creating a **structured interview process** for all candidates and providing an overview of the process to hiring managers.

As a result, Nabors Corporate Services adjusted onboarding processes to increase consistency by providing managers with questions and evaluation forms for interviewing each employee. For each job posting, each candidate was interviewed by multiple Nabors employees.



Posting open positions on **eQuest's diversity network**, allowing us to better reach underserved populations, including veterans and people of color.

## Internship Program

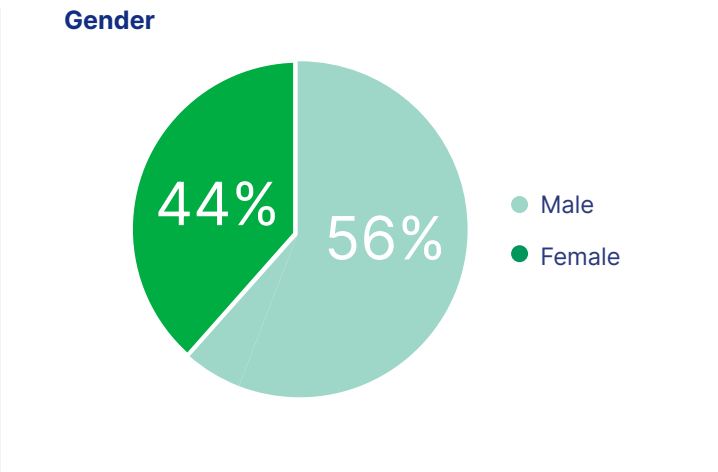
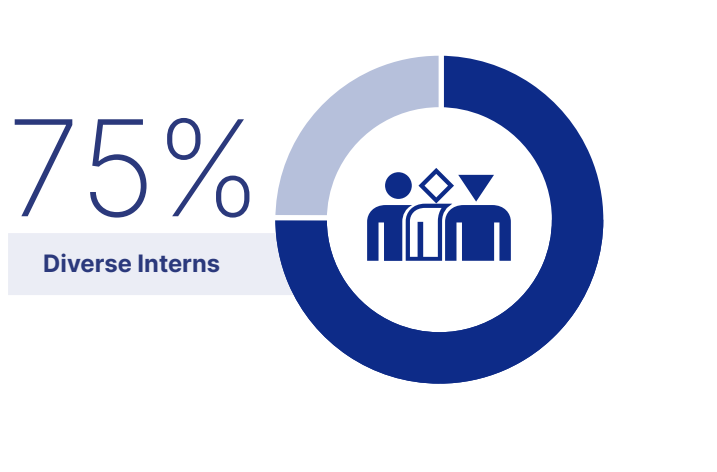


“Over the summer, I was a chemical engineering intern at Nabors, where I worked on a green fuels analysis project for CAT 3512 engines. I conducted research on several fuel additives and compared their fuel savings and emission reductions to one another on Nabors' engines. I then performed a market analysis on all Nabors customers to determine which would likely be most interested in the fuel additives based on their ESG goals. Finally, I designed a market strategy that was personalized for each company.

Overall, I really enjoyed my internship at Nabors. Everyone I got a chance to meet and work with was very friendly and always willing to help. I really enjoyed my project as well, as I found it very fulfilling. I am so happy that I am now continuing my professional career working at Nabors, as an engineer in their energy transition solutions department!”

**Shane Erwin, Engineer, Energy Transition Solutions**

## Internship Program Highlights



## New Hires in 2021

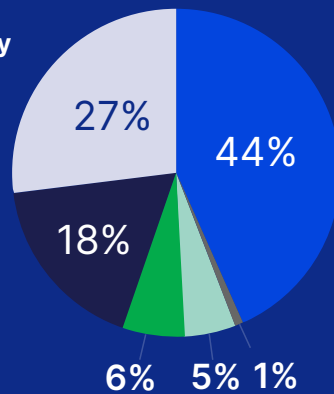


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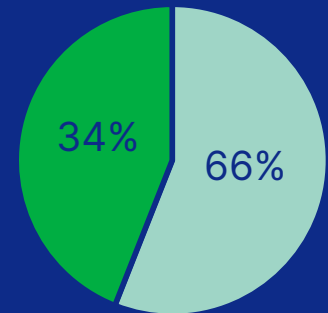
New Hires in 2021

\*Global, SGA and FS; excludes SANAD, Contractors and Contingent Workers

Ethnicity



Gender



- White (Not Hispanic or Latino)
- No Response
- Hispanic or Latino
- Asian (Not Hispanic or Latino)
- Black or African American (Not Hispanic or Latino)
- Two or More Races (Not Hispanic or Latino)

- Male
- Female

### Succession Planning for Critical Roles

Succession planning is the process of identifying and developing new leaders who can replace the incumbent employee for a specific role or position. It is key to executing the smooth transition of leadership positions and is a critical part of Nabors' strategy.

In 2021, we developed, maintained and executed succession planning strategies for over 200 of our top critical roles. We plan to continue building a sustainable succession planning program, including assessing how to fill positions with no current internal successors. In 2022, we plan to:

- 1 Review all previous succession plans and make any necessary changes
- 2 Complete succession and development plans for 100% of executives and directors, and 80% of managers



### Employee Resource Groups

In 2021, Nabors launched three ERGs, including parents and caregivers, united Nabors (multicultural inclusion) and millennials. ERGs are employee-led networks that act as a resource for both members and the broader organization.

Designed to foster a diverse and inclusive workplace, ERGs typically align with a demographic, life stage or function but they are open to all.



"Returning to work after having my first child was a major adjustment, filled with challenges I wasn't prepared for. I wanted to become involved in the parents and caregivers ERG to provide an outlet and resources to others in a similar season of life. We are working to create an environment that provides opportunities so Nabors employees can achieve success while juggling caregiving and career."

**Chelsea Broussard, IT Product Manager & Parents and Caregivers ERG President**



"In 2021, united Nabors, our multicultural ERG was launched. Its goal was to establish a learning culture and programs that will engage and support employees of all backgrounds. I am fortunate to be leading this initiative and am thrilled to see how well it has been welcomed by everyone at Nabors. Through teamwork and creative brainstorming, we conducted several ERG events with amazing participation by employees."

**Somesh Soni, Supervisor, Controls and Automation & United Nabors ERG President**



"Under the insightful direction of our global payroll director, Tanya Phillips, the millennials ERG thoughtfully structured a foundation based on engagement, enablement and empowerment. These pillars ensure that all efforts are geared toward career development and employee retention. Every step of the way, the leadership team challenges itself to provide opportunities for networking, soft skills trainings, cross-functional projects and more. I am constantly inspired and amazed at the evolution of this ERG and am truly honored to lead an initiative that brings people together from around the organization. There are no limits on the impact we can have."

**Ahmed Elgohary, Senior Product Specialist & Millennials ERG President**

### Isenberg Scholarship Program

In 2009, our former Chairperson and CEO Eugene M. Isenberg established the Isenberg Education Fund Scholarship Program to provide educational assistance to talented, high-achieving individuals who demonstrate strong academic performance, and dedicated community service who need financial aid. Aid is available to Nabors employees and their family members, including spouses, children and grandchildren. To date, the program has provided over \$4 million in education assistance to employees and their families.

37 Scholarships awarded in 2021



“Through the Isenberg Scholarship, I am one step closer to achieving my goal of becoming an entrepreneur. From starting an entrepreneurship club at my high school, to creating a women empowerment podcast, I have aimed to spread my love for tackling diverse issues with my peers. In my post-secondary education at Duke University, which the Isenberg Scholarship has helped me fund, I plan to continue to pursue my passion for social impact within innovation, and hope to progress education and sanitation for students in developing regions.”

**Tanya Manocha, Isenberg Scholarship Recipient**

Totalling the amount of

\$275,500



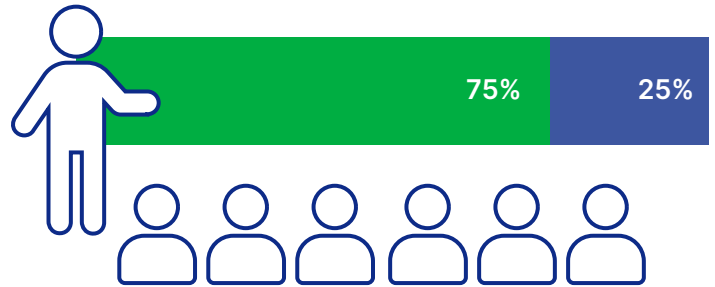
## Training and Professional Development

At Nabors, we invest in our people. Nowhere is that investment more apparent than our robust training and professional development programs.

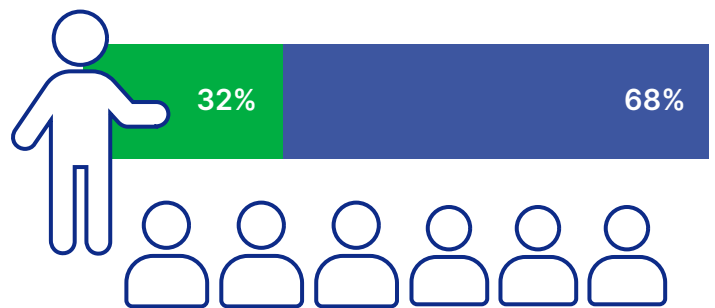
We recognize that our people are capable of contributing at the highest level when they have the tools they need to succeed. Further, training is a vital part of every employee’s career growth and development. The impact of our increased efforts is evidenced by the uptick in certifications and 50% increase in training hours per employee.

	2020	2021
Certifications Provided	131,750	190,252
Computer Based Training	97,625	160,572
Instructor Led Training	34,125	29,680
People Trained	13,126	9,826
Training Hours Per Employee	24	36

2020



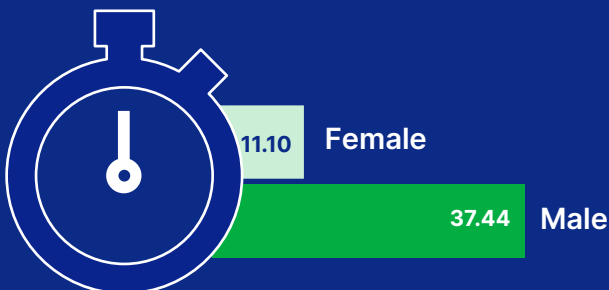
2021



- Product and Occupational Safety
- Data Security, Environmental and Labor Practice

### Average hours of training per year per employee:

#### By Gender



#### By Job Band





### Mentorship Pilot Program

In 2021, Nabors rolled out a mentorship pilot program for high potential performers in Argentina, Colombia, Saudi Arabia, Mexico and Houston, Texas. As part of the rollout, we created a handbook, “Understanding the Value of a Mentoring Program,” as a guide for the mentee and mentor to develop the mentoring sessions. At the heart of this effort was upward mobility for minority groups and women. At the conclusion of the program, 33% of mentees were promoted and 67% of mentor and mentee pairings are continuing in the program.

**Nabors looks to expand this successful program in 2022.**

“The mentoring program enabled me and my mentor to learn more about each other and what our exact roles and responsibilities entailed between Nabors, Canrig and NDS. We also had some interesting discussions related to the new automated rig that’s working in West Texas, which has given me confidence when discussing key features and components of this new industry-changing rig design with potential clients across the globe.”

**Brandon Rosler, Senior Training Manager**

### Career Pathing

At Nabors, we are not just another place to work but a place where people come together to develop their skills. We want to equip those individuals with the skills to hone their career journey at Nabors and beyond. We champion a system described as career pathing, which empowers our people to directly tackle their own career development. We have learned that when you put the reins of people’s career trajectories in their own hands, they take initiative to map their careers by reviewing job competencies more intentionally, identifying skills gaps and utilizing the tools Nabors provides to plan for a successful future.

After a successful completion of the pilot and a review of lessons learned, we are expanding career pathing across the remaining company departments, so that all eligible Nabors employees are engaged in the program. In 2022, we plan to complete career pathing in 80% of departments.

# Community Engagement

Nabors deep commitment to our people extends to the communities in which we live and work. Throughout the years, we have demonstrated that commitment by engaging and supporting those communities across the globe through various investments, programs and activities.

In addition to ensuring the safety and well-being of the communities in which we operate, it's important to Nabors and our employees that we also foster meaningful relationships with community members and leaders to fully understand their needs and priorities. Through this engagement, we can best serve the communities we call home.

## Social Investment

At Nabors, we embrace opportunities to give back.

### Food Drive

When people in the greater Magnolia, Texas area need a helping hand, they know where they can turn. For more than 30 years, the Society of Samaritans has supported thousands of residents with everything from food, job training, medication and clothing vouchers.

As with many nonprofits, this community group depends on the generosity of large corporations to fund its mission. This is always a challenge but as the shadow of the pandemic loomed large, the number of clients tripled, taxing resources and straining their operating funds.

During summer break, many children would have to go without the two meals usually provided on school campuses. This is why more than 100 Canrig volunteers helped fill the gap.

"We set a goal to gather 1,000 cans of food but of course, Canrig really stands for Can-do," Emilio Carillo, director of product delivery said. "The donations were coming in so fast that we almost couldn't keep up and, in the end, we gathered nearly 5,000 cans!"

There were smiles all around when the organization's community relations director visited our Magnolia facility to receive the numerous pallets laden with all the contributions.

"You could literally see the difference in the Canrig team. They had pep in their step and a light in their eyes. They were proud to be able to change a child's life. That feeling is precious. It motivates you to do more and I can't wait to see what else they have planned."

**Jami Roper, Senior Human Resources Manager**







### Breast Cancer Awareness

Beyond community engagement, Nabors engages and invests in the larger societal goals of eradicating breast cancer and supporting the individuals and families who are faced with its challenges.

In October, employees joined Team Nabors for the 2021 Susan G. Komen Race for the Cure in Houston, Texas. Nabors donated over \$15,000 to the cause and served as the bib sponsor.

Around the world, we encouraged our employees to wear pink in solidarity with the millions of women who battle breast cancer. We don't just invest money into these causes, we invest our time to ensure awareness is being raised. We know that real change can arise from our efforts. We are proud of our colleagues who were able to take part in spreading awareness and organizing their own events, like bake sales and other community engagement efforts.



### Back to School Supplies Drive

In July, Nabors hosted a Back to School Supplies Drive for Aldine Independent School District (ISD) children in Harris County, Texas. Nabors volunteers were on the ground and distributed backpacks and other items to children in need. With our donations, Aldine ISD was able to provide school supplies to 5,500 children.



## Children's Book Charity

A school is more than a building. It's a place where friendships are formed, interests are shared and students can venture into unknown worlds through the pages of a book. Children in the town of South Tangerang, Indonesia had not been physically in class for more than 18 months. Despite the modern development and growth of business that turned this city outside of Jakarta into a booming metropolis, many local families do not have the technology, resources or money for online classes.

Identifying this education gap, our employees in Indonesia sprang into action. They decided to help children maintain their reading skills with donated books. Over the course of four months, Nabors employees collected more than 3,000 books for local children.

"Our team of 56 was committed to helping the children," said Kevin Almeida, senior director, NDS operational management. "The group organized everything from the donations to an outstanding event, where we invited the

students, their families and local leaders. We handed out books and food for 200 children."

As books were eagerly tucked away, smiles lit up the faces of those in attendance. For Nabors, projects like these are about more than books. They are about fanning the flames of curiosity, inspiring students to explore new worlds and develop a love of learning.

"A mother came up to me at the donation event to thank me," said Nick Nesterenko, area manager, NDS operational management. "She said she is forced to choose between food or books and since food is necessary for survival, her children go without books... until today."

As an exciting follow up, the city's public library system, the recipient of part of the donation, will dedicate a section to a new Nabors Drilling World Education Center.

### Sowing Life

Nabors has always recognized the critical role our employees and their families play in the ongoing success of our operations. We understand the tremendous complexities of the work we do in these regions and we desire to create a community within our company that supports other communities. Over the past few years, we have continuously leaned into our purpose, mission, vision and values and created tangible impacts that have brought Nabors employees together for a distinct purpose.

One of our employee-centered engagements is the Sowing Life—or Sembrando Vida—initiative.

For five months in 2021, Nabors employees and their families planted trees in Ciudad del Carmen, Mexico. This initiative contributed to family unity and created awareness of the importance of caring for the environment. Through the hard work of employees and their families, we planted 200 trees.



“This initiative is about the participation of Nabors employees, creating awareness, living together in union, promoting values for the care of the environment and contributing to the sustainable development of our region.”

**Diana Nieto, QHSE Environmental Planner**





# Governance

# Corporate Governance

## Board Oversight

Good governance is a key indicator of a company's integrity. Governance transparency gives investors the confidence of knowing a company is closely adhering to best practices related to policies, standards, disclosure, auditing and compliance.

Nabors operates a governance structure that is comprised of a board of directors with five standing committees. Our board of directors reviews all aspects of our governance policies and practices at least annually, including our [Board Guidelines on Significant Corporate Governance Issues](#) and our [Code of Business Conduct](#) making revisions as appropriate. Similarly, each committee reviews its respective charter annually and revises, as needed.

Providing oversight and guidance to our business, our board possesses a diverse set of skills and qualifications, with years of experience in different fields, that enables them to manage the many opportunities, challenges and risks faced by the company. For more details about our board's qualifications, please review our 2021 Proxy Statement.

The five standing committees of the board of directors are the audit committee, compensation committee, ESG committee, risk oversight committee and technology and safety committee. The ESG committee is responsible for shaping the company's ESG initiatives.

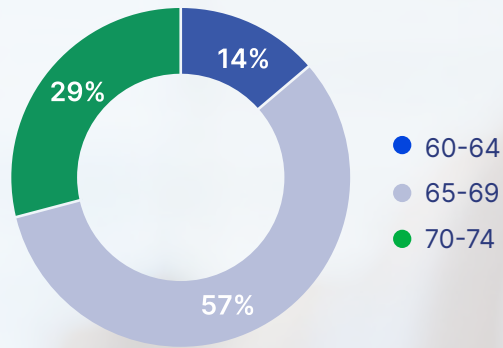
	Board Committees				
	<u>Audit</u>	<u>Compensation</u>	<u>Technology and Safety</u>	<u>ESG</u>	<u>Risk Oversight</u>
Tanya S. Beder	✓	✓*	✓		
Anthony R. Chase		✓		✓	✓*
James R. Crane			✓*		
John P. Kotts	✓*	✓			
Michael C. Linn				✓*	✓
John Yearwood**	✓		✓	✓	✓

\* Committee Chair

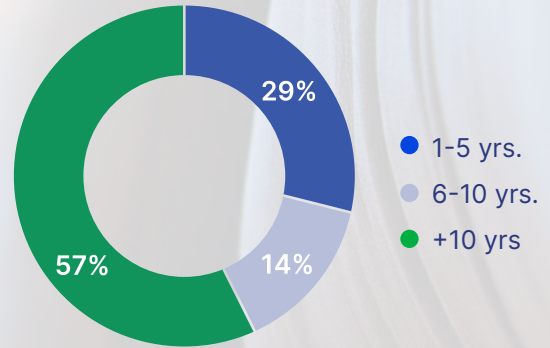
\*\* Lead Director

# Corporate Governance

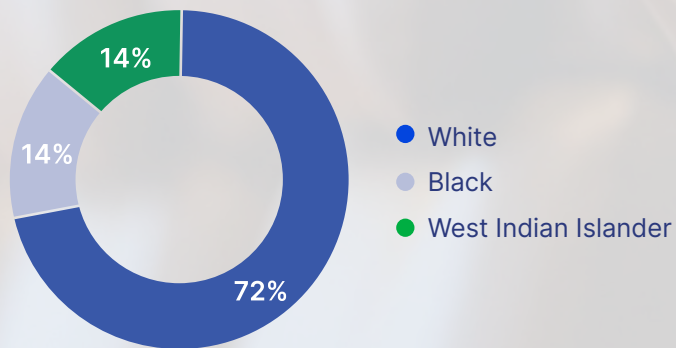
### Age



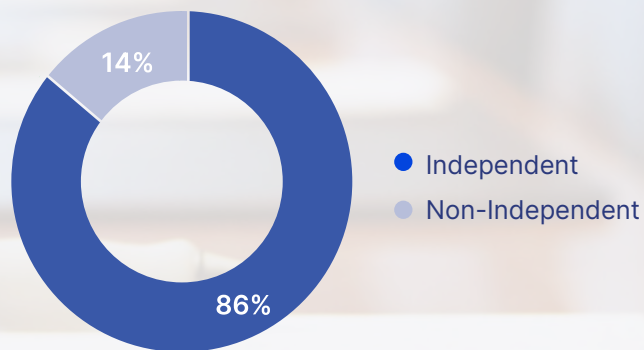
### Tenure



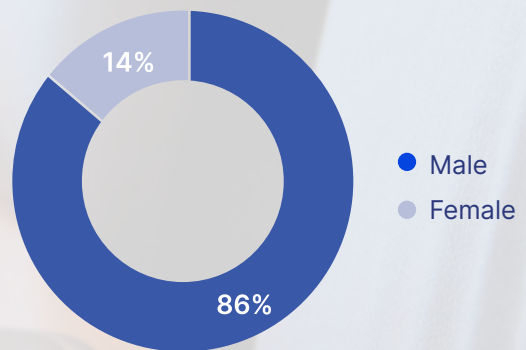
### Race or Ethnic Diversity



### Independence

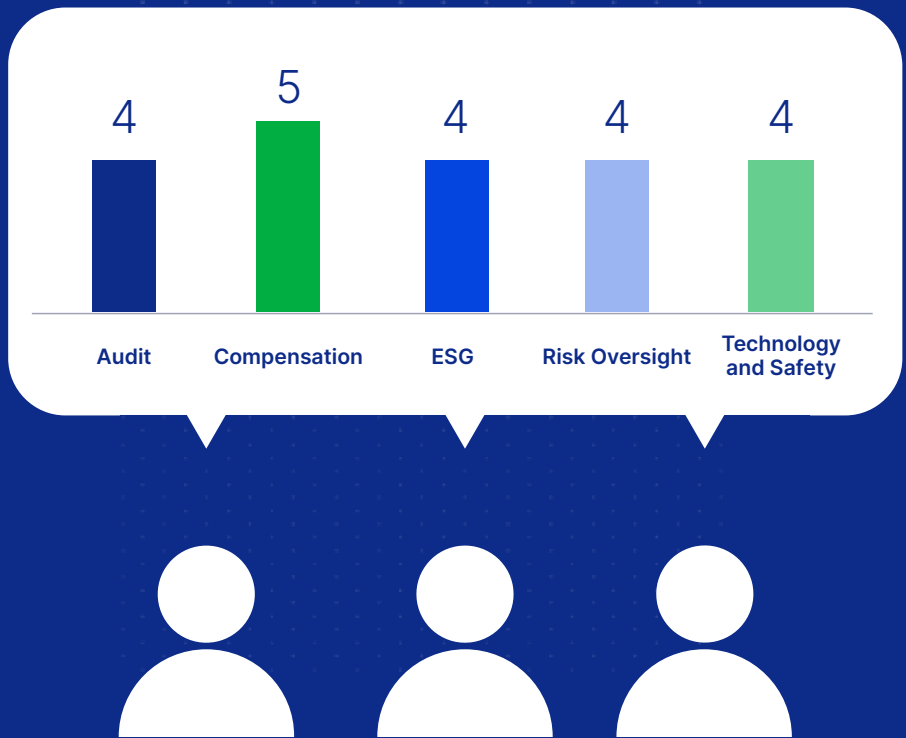


### Gender



In 2021, the board held **4** meetings and **21** committee meetings for a total of **25** meetings in the calendar year

In addition, our board members met with investors on 14 occasions specifically to address ESG, including eight outreach calls and six contacts prior to our annual shareholder meeting. All of these discussions included conversation around ESG issues.



### Spotlight: ESG Committee

The ESG committee, which includes board members Michael C. Linn as Chair, John Yearwood and Anthony R. Chase, oversees ESG strategy and related risks, monitors and advises the board on ESG policy initiatives and oversees the publication of the company's sustainability report. The ESG committee also sets targets to reduce GHG emissions.

### Spotlight: Compensation Committee

Our compensation committee is highly focused on bringing fresh, diverse perspectives to the discussion and is engaging directly with shareholders.

Since our 2021 annual meeting, the compensation committee has taken the following actions:

- ▶ Retained a new compensation consultant focused on improvements to our compensation structure, including more focused alignment of pay and performance and updating our peer group
- ▶ Actively engaged with a significant portion of our shareholder base
- ▶ Aligned performance goals with our ESG targets, as well as with financial performance goals

This committee exemplifies our transparent and strong corporate governance and our responsiveness to shareholder concerns.

## Risk Management

Our risk oversight committee of the board plays an important role with respect to the company's risk management. It ensures board oversight of the ERM. Nabors ERM is tasked with evaluating the risks specific to Nabors, as well as those that are commonly associated with the industry. In 2021, we surveyed our most senior employees, including executives, directors and area managers to measure their perception of the top enterprise risks facing the company.

Based on the results of the 2021 survey, we identified the following ESG risks:



**Environmental Risk:** Climate



**Social Risks:** Diversity, equity, inclusion and safety

The ESG committee receives formal dashboards with updates on a quarterly basis. In addition, monthly meetings take place. In these more frequent meetings, the committee is informed of potential challenges that may exist and offers suggestions and solutions, as needed. Additional detail is contained in our 2021 Proxy Statement.



# Compliance, Business Ethics and Professional Conduct

As our [Code of Business Conduct](#) stipulates, Nabors is committed to conducting business in a responsible, honest and ethical manner, thereby fostering a safe and productive work environment.

We uphold this commitment to our shareholders, employees, customers, suppliers and the communities in which we operate. In addition, confidentiality and intellectual property (IP) protection are core to our commitment to safeguard valuable assets.

Our policy is not only to comply with all applicable laws, rules and regulations, but to act consistently with integrity in all our dealings with everyone with whom we conduct business: customers, suppliers, communities, governments, employees and other stakeholders. We believe each and every employee at all levels has a personal responsibility to adhere to the standards imposed by those laws, rules and regulations and our [Code of Business Conduct](#), in particular those regarding:

- ▶ Fair Competition
- ▶ Insider Trading
- ▶ QHSE
- ▶ Fair Employment Practices
- ▶ Political and Civic Activities
- ▶ Corporate Integrity

While we recognize and respect that employees may take part in legitimate financial, business and other activities outside their jobs, those activities must be lawful and free of conflicts with their responsibilities as Nabors employees (see our [Code of Business Conduct](#) and Board Guidelines on [Significant Corporate Governance Issues](#)). To avoid any actual or perceived conflict of interest, our employees are required to inform their supervisors of any outside employment, directorship or business involvement that might reasonably be perceived as creating a conflict, now or in the future.

At Nabors, we conduct international business with many national governments, including government-owned enterprises. We also interact with many government agencies, ministries, officials and public international agencies. We are committed to conducting business with all governmental representatives in compliance with the highest ethical standards and legal requirements. We continually train our people, including members of our board, on their legal and ethical responsibilities when conducting business on behalf of Nabors.

To ensure we maintain our high-level reputation for transparency and ethics for which we are known:

- ▶ Employees can raise concerns with a Nabors manager, human resources, the legal department, or an internal or independent auditor.
- ▶ Alternatively, we have a toll-free, 24-hour-monitored Nabors reporting hotline that is operated by an independent organization to ensure employees wishing to raise ethical concerns feel comfortable to do so.
- ▶ Information may be provided written or orally and either option allows for anonymity.

Importantly, we strictly prohibit any employee from retaliating or taking adverse action against anyone for raising or helping to resolve a policy concern.

For more information on how Nabors is committed to conducting business in a responsible, honest and ethical manner that aligns with our mission to foster a safe and productive workplace, please read our [Code of Business Conduct](#).

# Management of Third Parties and Suppliers

Our suppliers and vendors are critical to our success and play a significant role in our day-to-day business operations.

Through our policies and programs, we ensure that all vendors, regardless of their size, geography or workplace nationalities, have the same opportunities to compete. Accordingly, all purchases and sales must be predicated strictly on considerations of efficiency, price, quality, service and suitability. Additional information regarding our Supplier Assessment Process can be found [here](#).

To foster compliance, we work collaboratively with our suppliers to review processes, procedures and data in accordance with our guidelines. As part of our 2021 goals, our supply chain and vendor management teams collaborated with Information Technology (IT) to enhance the Vendor Master, enabling an option for our vendors to add a business classification(s) to their vendor profile, while affording our vendor management team the ability to track and report on existing and future vendor business classifications (i.e. minority and women-owned).

Our practices may differ in certain instances, if necessary, to comply with applicable local laws and requirements or if otherwise appropriate. In addition, this section complements the respective sections under Environment and Social.

## Supply Chain Transparency and Compliance

Nabors reserves the right to carry out regular audits with suppliers, evaluating their performance in the areas of human rights, environmental management, business ethics, quality, compliance and social responsibility, as outlined in our [Vendor Guidelines](#) and aligned with our [HSE MS](#) and [OH&S Statement](#). Our [Corporate Guidelines on Human Rights](#) stipulate our commitment to protect basic rights and fundamental freedoms across our operations.

This is a key selection criterion when partnering with suppliers. At the core of this approach is our Supplier Reevaluation procedure, which is applicable to all Nabors BUs or local operations that are directly responsible for the purchase of products, service-related products and/or services.

As part of our reevaluation procedures, the suppliers are determined based on annual, quarterly or monthly reports focusing on supplier's performance that includes, at a minimum, the KPI for total spend, on-time-delivery (OTD) and/or quality. Actions taken during reevaluations include:

- ▶ **Supplier Survey and On-Site Assessment:** Tools used to confirm our current suppliers' processes and performance regarding compliance, safety, quality, diversity, inclusion, labor, human trafficking and slavery, environment and human rights
- ▶ **Supplier Report Card:** Completed by the supply chain quality manager or supply chain manager, based on the result of the objective analysis of supplier-specific KPIs, at minimum, as follows:
  - Total spend
  - OTD rate
  - Order fulfillment rate
  - Number of aged overdue open purchase order lines
  - Number of non-conformances
  - Types and quantity of quality, safety or environmental issues/defects
- ▶ **Formal Business Review:** Documented meeting conducted between client and supplier that reviews all relevant elements of both the supplier relationship and their performance. The meeting reviews past, current and future business. Primary topics include review of performance metrics, non-conformances and associated corrective action rate for their compliance with, at minimum, labor rights, human rights, environmental, health and safety policies, strategic goals, challenges and future actions.

- ▶ **Other:** Depending on the determination of the review team there are other actions that can be taken. These actions will be specifically determined during the Reevaluation meeting.

Examples of other actions include:

- Department of Transportation (DOT) screening
- Verification of valid employee qualifications and/or training
- Verification of current certifications

Nabors vendors are expected to implement due diligence procedures for their own suppliers, subcontractors and other participants in their supply chains, to ensure that there are no human rights violations, including but not limited to slavery, child labor or human trafficking in their supply chain. You can read more about our vendor expectations within our [Vendor Guidelines](#).



### Nabors Supplier Evaluation and Reevaluation

Nabors has established a process to periodically re-evaluate our suppliers. In 2021, Nabors Supplier Evaluation for newly added suppliers yielded a total of 310 global additions. One hundred percent of the aforementioned suppliers were screened using social and environmental criteria. On new suppliers added, it is important to note that Nabors does not add a potential supplier if they are identified as having significant actual and potential negative social impacts. Any new supplier must be compliant.

In conducting routine audits of our suppliers, Nabors supplier reevaluation for the U.S. encompassed over 700

suppliers. The results of the supplier reevaluations verified our suppliers were free of any non-conformance and associated corrective action for their compliance with, at a minimum, labor rights, human rights and environmental, health and safety practices. Our supplier reevaluation is based on a supplier survey for new suppliers and a Quarterly Business Review (QBR) for existing suppliers.

In 2022, Nabors plans to enhance our vendor management and tracking by utilizing existing fields within our Vendor Master to identify and track minority and women-owned businesses, as well as reporting on tracked data, including minority owned/vendor type.

Suppliers assessed for social and environmental impacts	310 (newly added suppliers) 739 (USA suppliers) 709 (Latin America suppliers)
Suppliers identified as having significant actual and potential negative social and environmental impacts	Void of any non-conformance
Significant actual and potential negative social and environmental impacts identified in the supply chain	Void of any non-conformance
Percentage of suppliers identified as having significant actual and potential negative social and environmental impacts with which improvements were agreed upon as a result of assessment	Void of any non-conformance
Percentage of suppliers identified as having significant actual and potential negative social and environmental impacts with which relationships were terminated as a result of assessment, and why	Void of any non-conformance



# Cybersecurity

Nabors maintains cybersecurity strategies to mitigate risk to everyday operations and protect our environment, employees, and stakeholders. Standing on the front line of cybersecurity is our IT team.

## Cybersecurity Incident Scenario

Our cybersecurity footprint is growing as our systems and people become more connected in this world. At Nabors, we will continue to focus on making sure our people are well-trained with the cybersecurity tools and skillsets they need to be prepared to respond to incidents before they happen.

In 2021, we conducted a security incident preparedness activity, in which we simulated a realistic cybersecurity breach scenario. These exercises are a practical way for companies to test their incident response plans and educate their teams on the importance of cybersecurity and what to do in the event of a data breach.

As part of our continuous evolution and monitoring, we continue to improve training opportunities and update our procedures and information accessibility on an annual basis to help identify any gaps in our procedures moving forward.



## Political Activities

As our [Code of Business Conduct](#) stipulates, Nabors does not make contributions to political candidates or political parties.

We encourage the lawful personal and financial participation of our directors, officers and employees in the elective, civic, welfare, political, educational and similar activities that serve the public interest. Directors, officers and employees engaging in political and civic activities (other than Nabors-sponsored civic activities) do so strictly as private citizens and not on behalf of the company. Additionally, directors, officers and employees are not

permitted to engage in political or civic activities (other than Nabors-sponsored civic activities) while on work time and shall not use company resources (including telephones, computers or supplies) for any such political or civic activities (other than Nabors-sponsored civic activities) or discussions.

An employee's personal lawful political contribution or decision not to make contributions, will not influence the employee's compensation, job security or opportunities for advancement. Directors, officers and employees will not be reimbursed by the company for any political contributions.

## Memberships and Associations

Nabors supports trade groups and other organizations that represent a spectrum of views on industry and policy issues. We regularly take account of our trade association memberships and assess the overall value and benefits of the respective groups, positions taken publicly, alignment of priorities and the resources necessary to create beneficial partnerships.

Trade associations Nabors is an active member of include:

- ▶ **American Association of Drilling Engineers**
- ▶ **American Petroleum Institute**
- ▶ **Independent Petroleum Association of America**
- ▶ **International Association of Drilling Contractors**
- ▶ **Society of Petroleum Engineers**

For more details about our memberships and associations, please review our [Political Advocacy](#) policy.

# Performance Data

## Emissions

Emissions <sup>1*</sup>	2020	2021
Total Global Direct (Scope 1) GHG Emissions (CO <sub>2</sub> e) (metric tons)	1,085,215	1,011,505
Other Air Emissions (metric tons) <sup>2</sup>	–	–
NOx	8,498	8,074
CO	2,543	2,468
PM	255	224
NMHC/VOC	566	509
Total Fuel Consumed (Scope 1) (gigajoules) <sup>3</sup>	–	14,540,812
Diesel	–	14,313,508
Gasoline	–	64,526
Natural Gas	–	128,250
Biodiesel	–	13,171
Jetfuel	–	21,358
Renewable (Scope 1) <sup>4</sup>	0%	0.15%
Fuel Used in On-Road Equipment and Vehicles	1%	1%
Fuel Used in Off-Road Equipment	99%	99%
Engines in Service that Meet Tier 4 Compliance for Non-Road Diesel Engine Emissions	0.04%	0%
Total Fuel Consumption Within the Organization from Renewable Sources	0%	0.15%
Total U.S. Scope 2 (Location and Market-based) GHG Emissions (CO <sub>2</sub> e) (metric tons)	7,732	7,394
Total International Scope 2 (Location and Market-based) GHG Emissions (CO <sub>2</sub> e) (metric tons)	–	4,022
Renewable (Scope 2)	–	0.5%
Carbon Intensity (MT CO <sub>2</sub> e per MWh)	–	0.93
Carbon Intensity (MT CO <sub>2</sub> e per \$1000 revenue)	–	0.51
Carbon Intensity (MT CO <sub>2</sub> e per workhour)	–	0.04
Biogenic CO <sub>2</sub> Emissions (metric tons)	–	942
Significant Emissions of Ozone-Depleting Substances (ODSs)	–	0
Significant Air Emissions from Hazardous Air Pollutants (HAPs)	–	0
Significant Air Emissions In or Near Areas of Dense Population	–	0
Sulphur Oxides (SOx)	–	0

\*Revised July 21, 2022

### Reporting Framework and Principles Applied:

Our performance data covers the period from 1 January to 31 December 2021. The Company's boundaries for the report is operational control.

We follow the procedures established in the Greenhouse Gas Protocol Standards (Revised Edition) to calculate our annual GHG emissions. As part of the process, we apply conversion factors to determine GHG emissions values. Those conversion factors are taken from emissions tables provided by the Original Equipment Manufacturer for our rig main engines (Caterpillar 3512C), the United States Environmental Protection Agency's (EPA) Emissions Factors for GHG inventories published in April 2021 for fuel consumption and the International Energy Agency's (IEA) Emissions Factors published in September 2020 for purchased electricity. For the rig engines, emissions are validated and adjusted through installation and monitoring of fuel sensors.

Scope 1 includes all rigs and yards main engines, auxiliary equipment (other rig and yard equipment that are CO<sub>2</sub> sources), company owned vehicles, boats and planes. The Greenhouse gases included are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O).

Scope 2 in 2021 includes purchased electricity for all Nabors facilities globally. Scope 2 in 2020 included USA facilities only.

GHG emissions were calculated using the Global Warming Potentials (GWP) from the 2007 IPCC Fourth Assessment Report.

Nabors has established 2020 as the base year and it applies to Scope 1 (Global) and Scope 2 (U.S.). The base year for Scope 2 for Nabors International is 2021.

### Notes:

1. Other Air Emissions decreased, due to fewer engine hours due to better engine management and an increased highline power rig count in the U.S. resulting in zero emissions for those rigs.

Notes (cont.):

2. Nabors is continuously reviewing the emissions data with the aim of identifying any gaps and increasing transparency in our current reports. Through this review process, we have identified some gaps with other emissions data that required us to reinstate the 2020 data for NOx, CO, PM and NMHC. We may continue to identify certain gaps that may result in the reinstatement of emissions data in the future.

3. Total Fuel Consumed (Scope 1) increased, due to increased rigs in operation.

4. The percentage of renewable fuel used includes biodiesel used on drilling rigs and ethanol content of gasoline used on U.S.-based vehicles.

### Scope 3 Emissions (Metric Tons CO<sub>2</sub>e)

Category	#	Category Type	2021	Notes
Upstream Emissions	1	Purchased goods and services	Category excluded	Data is not yet available for this category. In 2021, a survey was conducted with Nabors top tier vendors and over 80% do not disclose their total GHG emissions for Scope 1 and 2.
	2	Capital goods	Category excluded	Data is not yet available for this category. In 2021, a survey was conducted with Nabors top tier vendors and over 80% do not disclose their total GHG emissions for Scope 1 and 2.
	3	Fuel-and energy-related activities (not included in Scope 1 or Scope 2)	Not applicable	All fuel-and energy-related emissions are reported as part of Scope 1 and 2.
	4	Upstream transportation and distribution	Category excluded	Data is not yet available for this category. In 2021, a survey was conducted with Nabors top tier vendors and over 80% do not disclose their total GHG emissions for Scope 1 and 2.
	5	Waste generated in operations	674.64	Includes Scope 1 and 2 emissions from waste management vendors for waste generated in our Houston, Texas area facilities, which are Nabors largest. Data is not available for waste generated in other U.S. and international facilities.
	6	Business travel	9172.13	Includes air, rental cars and employees using personal cars for business travel globally. Taxis and ride share services data are not available at this time.
	7	Employee commuting	288.06	Includes total miles for all latitudes/longitudes based on zip codes for employees commuting in the U.S. operations. Data is not available for international operations.
Downstream Emissions	8	Upstream leased assets	3026.26	Includes total miles for leased trucks used for rig moves in the U.S. Data is not available for international operations.
	9	Downstream transportation and distribution	Category excluded	Due to our lack of control and visibility with transportation or distribution, we have no means of capturing this data for Canrig sold products.
	10	Processing of sold products	Not applicable	This category is not applicable to our business.
	11	Use of sold products	Category excluded	We have no means of capturing this data for Canrig products sold to third parties. For products sold to Nabors, emissions are captured under Scope 1 and 2.
	12	End-of-life treatment of sold products	Category excluded	We have no means of capturing this data for Canrig products sold to third parties. For products sold to Nabors, emissions are captured under Scope 1 and 2.
	13	Downstream leased assets	Not applicable	This category is not applicable to our business.
	14	Franchises	Not applicable	This category is not applicable to our business.
	15	Investments	Category excluded	Nabors has no significant investments to report at this time.

### TOTAL SCOPE 3 EMISSIONS: 13,161.09 Metric Tons CO<sub>2</sub>e

Note: The Scope 3 GHG emissions were calculated according to the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and the Technical Guidance for Calculating Scope 3 Emissions, version 1.0.



## PERFORMANCE DATA

Electrical Power	2020	2021
Total Electrical Power Use (Scope 1 and Scope 2) (megawatt-hour)	887,034	1,101,402
Electricity from Non-Renewable Source (megawatt-hour)	886,996	1,099,968
Electricity from Renewable Source (megawatt-hour)	38	1,434
Energy Consumed from the Grid	2%	2%
Power Consumption Normalized by Revenue (MWH per 1\$ revenue)	—	1
Power Consumption Normalized by Workhours (MWH per workhour)	—	0.05

Note: This includes electrical power use from rigs main engines and offices/yards/staff houses purchased electricity

Water	2020	2021
Total Water Withdrawn (megaliters)	102.54	74.83
Total Water Use (megaliters)	102.54	74.83
Freshwater Withdrawn (megaliters)	—	34.78
Groundwater Withdrawn (megaliters)	—	14.47
Surface Water Withdrawn (megaliters)	—	18.13
Other* Water (megaliters) <i>*Includes desalination, treated municipal wastewater, agricultural drainage water</i>	—	7.45

Spills	2020	2021
Total Number of Significant Spills	0	0

Workforce Health and Safety	2020	2021
Total Recordable Incident Rate (TRIR)	0.49	0.41
Fatality Rate* <i>*Fatality Rate = Fatalities / (Total Man Hours / 200,000)</i>	0.008	0.000
Near Miss Frequency Rate (NMFR*) <i>*NMFR = Near Misses / (Total Man Hours / 200,000)</i>	168.90	88.78
Lost Time Incident (LTI)	10	4
Lost Time Incident Rate (LTIR*) <i>*LTIR = Lost Time Incidents / (Total Man Hours / 200,000)</i>	0.08	0.03
Total Vehicle Incident Rate (TVIR*) <i>*TVIR = Total Motor Vehicle Incidents / (Total Man Hours / 200,000)</i>	0.61	0.27
Average Hours of Health, Safety and Emergency Response Training		
(a) full-time employees	19.03	36.08
(b) contract employees	1.33	5.17
(c) short-service employees	23.91	41.23

Economic	2020	2021
Total Amount of Drilling Performed (feet)	27.7 million	28.9 million
Number of Active Rig Sites* <i>*Based on operating hours from RigCLOUD®. It excludes rig moves and stacked-on-rate rigs.</i>	110.2	122.5

## Appendix A

### Acronym List and Glossary

Term	Definition
AI	Artificial Intelligence
API	American Petroleum Institute
BSEE	Bureau of Safety and Environmental Enforcement
BU	Business Unit
CAMS	Competency Assurance Management Systems
CH <sub>4</sub>	Methane
CIS	Commonwealth of Independent States
CO <sub>2</sub>	Carbon Dioxide
CO <sub>2</sub> e	Carbon Dioxide Equivalent (includes all greenhouse gases listed calculated by utilizing equivalency factors as defined by the EPA)
COE	Crown of Excellence
COP	Conference of the Parties
DEI	Diversity, Equity and Inclusion
DGE	Diesel Gallon Equivalent
DOT	Department of Transportation
EH	Eastern Hemisphere
EMS	Environmental Management System
EPA	U.S. Environmental Protection Agency
EQDs	Enterprise Quality Documents
ERG	Employee Resource Group
ERM	Enterprise Risk Management
ERMC	Enterprise Risk Management Committee
ESG	Environmental, Social, and Governance
FS	Field Support
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
GWP	Global Warming Potentials
HAPs	Hazardous Air Pollutants
hEMS	Hybrid Energy Management System
HIC	Hydrogen Injection Catalyst
HP	High Pressure
HSE	Health, Safety, and Environmental
HSE MS	Health, Safety and Environmental Management System
IADC	International Association of Drilling Contractors
IEA	International Energy Agency'
IP	Intellectual Property
IPAA	Independent Petroleum Association of America
IPCC	Intergovernmental Panel on Climate Change
IPIECA	International Petroleum Industry Environmental Conservation Association
ISD	Independent School District

## Appendix A

### Acronym List and Glossary (cont.)

Term	Definition
ISO	International Organization for Standardization
IUCN	International Union for Conservation of Nature
IWCF	International Well Control Forum
KSA	Kingdom of Saudi Arabia
LTI	Lost Time Incident
LTIR	Lost Time Incident Rate
MT	Metric Ton
MWH	Megawatt Hour
N <sub>2</sub> O	Nitrous Oxide
NDS	Nabors Drilling Solutions
NDT	Non-destructive Test
NETS	Nabors Energy Transition Solutions
NETV	Nabors Energy Transition Ventures
NMFR	Near Miss Frequency Rate
NYSE	New York Stock Exchange
ODSs	Ozone-Depleting Substances
OH&S	Occupational Health and Safety
Oil and Gas	Refers to crude oil and natural gas, collectively called hydrocarbons
OLC	Online Learning Consortium
OSHA	Occupational Safety and Health Administration
OTD	On-time-delivery
PHA	personal health assessments
QBR	Quarterly Business Review
QHSE	Quality, Health, Safety and Environmental
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets initiative
SGA	Selling, General and Administrative
SME	Subject Matter Expert
SO <sub>x</sub>	Sulphur Oxides
SPCC	Spill Prevention, Controls and Countermeasure
STEM	Science, Technology, Engineering and Mathematics
TCFD	Taskforce on Climate-Related Financial Disclosures
TRIR	Total Recordable Incident Rate
TVIR	Total Vehicle Incident Rate
WC	Well Control
WRI	World Resources Institute
WUI	Water Use Intensity

Nabors Goals and Year-Over-Year Progress

	2021 Goals	2021 Results	2022 Goals
Environmental	Achieve a <b>5% reduction</b> in Scope 1 GHG emissions intensity in 2021 for Nabors Drilling USA	Achieved a <b>9.9% reduction</b> in Scope 1 GHG emissions intensity in 2021 for Nabors Drilling USA	Achieve a 7.5% reduction in Scope 1 GHG emissions per foot drilled for Nabors Drilling USA and a 5% reduction for Nabors international rigs using a 2020 baseline
Social	Set targets to improve representation of the overall diversity population of high potential performers through focused recruiting and internal development in the director, manager and supervisor job bands in 2021	Significantly improved the representation of the overall diversity population of high potential performers through focused recruiting and internal development in the director, manager and supervisor job bands in 2021	Set targets to improve U.S. employee SGA and FS diverse representation at the leadership level (director and above; Houston, Texas only) in 2022
	Achieve a TRIR of 0.48 in 2021	Achieved a TRIR of 0.41 in 2021	

SASB

Category	Metric	Indicator	Relevant Nabors Disclosures(s)
Emissions Reduction Services and Fuels Management	Total fuel consumed, percentage renewable, percentage used in: (1) on-road equipment and vehicles and (2) off-road equipment	EM-SV-110a.1	Performance Data, p. 71
	Discussion of strategy or plans to address air emissions-related risks, opportunities, and impacts	EM-SV-110a.2	Climate Risk Management, Strategy, p. 16
	Percentage of engines in service that meet Tier 4 compliance for non-road diesel engine emissions	EM-SV-110a.3	Performance Data, p. 71
Ecological Impact Management	Discussion of strategy or plan to address risks and opportunities related to ecological impacts from core activities	EM-SV-160a.2	Environmental Stewardship, p. 71
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	Health and Safety Programs and Training, p. 35
Management of the Legal and 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	Memberships and Associations, p. 70

Activity Metric	Indicator	Relevant Nabors Disclosures(s)
Number of Active Rig Sites	EM-SV-000.A	Performance Data, p. 73
Total Amount of Drilling Performed	EM-SV-000.B	Performance Data, p. 73
Total Number of Hours Worked by All Employees	EM-SV-000.D	Health and Safety Programs and Training, p. 35

APPENDIX A

GRI\*

Category	Metric	Indicator	Relevant Nabors Disclosures(s)
General Disclosures	Name of the organization	GRI 102-1	Nabors Industries, Ltd.
	Activities, brands, products and services	GRI 102-2	Oil and Gas Drilling Contractor
	Location of headquarters	GRI 102-3	Hamilton, Bermuda
	Location of operations	GRI 102-4	2021 Annual Report
	Ownership and legal form	GRI 102-5	Publicly Traded Company Under the New York Stock Exchange (NYSE): NBR
	Markets served	GRI 102-6	2021 Annual Report
	Membership of associations	GRI 102-13	Memberships and Associations, p. 70
	Statement from senior decision-maker	GRI 102-14	Letter from CEO, p. 3
	Values, principles, standards and norms of behavior	GRI 102-16	Code of Business Conduct p.65
	Mechanisms for advice and concerns about ethics	GRI 102-17	Code of Business Conduct, p. 65
	Governance structure	GRI 102-18	Corporate Governance, p. 61
	Delegating authority	GRI 102-19	Governance of Sustainability, p. 61
	Executive-level responsibility for economic, environmental and social topics	GRI 102-20	Corporate Governance, p. 64
	Consulting stakeholders on economic, environmental and social topics	GRI 102-21	Our Approach to Sustainability, p. 9
	Composition of the highest governance body and its committees	GRI 102-22	2021 Proxy Statement
	Chair of the highest governance body	GRI 102-23	2021 Proxy Statement
	Nominating and selecting the highest governance body	GRI 102-24	2021 Proxy Statement
	Conflicts of interest	GRI 102-25	Compliance, Business Ethics and Professional Conduct, p. 65
	Role of highest governance body in setting purpose, values and strategy	GRI 102-26	Corporate Governance, p. 61
	Collective knowledge of highest governance body	GRI 102-27	Governance of Sustainability, p. 61
	Evaluating the highest governance body's performance	GRI 102-28	Corporate Governance, p. 61
	Identifying and managing economic, environmental and social impacts	GRI 102-29	Climate Risk Management, Risk Assessment p. 15, 64
	Effectiveness of risk management process	GRI 102-30	Corporate Governance, p. 64
	Review of economic, environmental and social topics	GRI 102-31	Corporate Governance, p. 64
	Highest governance body's role in sustainability reporting	GRI 102-32	Our Approach to Sustainability, p. 9
	Communicating critical concerns	GRI 102-33	Compliance, Business Ethics and Professional Conduct, p. 65
	Reporting period	GRI 102-50	Calendar Year 2021
	Date of most recent report	GRI 102-51	2020 ESG Report published in 2021
	Reporting cycle	GRI 102-52	Annual
	GRI content index	GRI 102-55	Appendix A
External assurance	GRI 102-56	Appendix A	

\*Revised July 21, 2022

GRI (Cont.)

Category	Metric	Indicator	Relevant Nabors Disclosures(s)
Market Presence	Proportion of senior management hired from the local community	GRI 202-2	Diversity, Equity and Inclusion p. 46
Training	Worker training on occupational health and safety	GRI 403-5	Health and Safety Programs and Training, p. 29,35
	Average hours of training per year per employee (by gender and employee category)	GRI 404-1	Training and Professional Development, p. 54
Diversity and Equal Opportunity	Diversity of governance bodies and employees	GRI 405-1	Corporate Governance, p. 66 AND Human Capital Management, p. 45
Emissions	Direct (Scope 1) GHG emissions	GRI 305-1	Performance Data, p. 71
	Energy indirect (Scope 2) GHG emissions	GRI 305-2	Performance Data, p. 71
	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	GRI 305-7	Performance Data, p. 71
Scope 3 Emissions	Other indirect (Scope 3) GHG emissions	GRI 305-3	Climate Risk Management, Metrics and Targets, p. 21
	GHG emissions intensity	GRI 305-4	Climate Risk Management, Metrics and Targets, p. 71
	Reduction of GHG emissions	GRI 305-5	Climate Risk Management, Metrics and Targets, p. 20
	Emissions of ozone-depleting substances (ODS)	GRI 305-6	Performance Data, p. 71
Energy	Energy consumption within the organization	GRI 302-1	Climate Risk Management, Metrics and Targets p. 72
	Energy intensity	GRI 302-3	Performance Data, p. 71
Supply Chain	New suppliers that were screened using environmental criteria	GRI 308-1	Management of Third Parties and Suppliers, p. 64
	Negative environmental impacts in the supply chain and actions taken	GRI 308-2	Management of Third Parties and Suppliers, p. 64
	New suppliers that were screened using social criteria	GRI 414-1	Management of Third Parties and Suppliers, p. 64
	Negative social impacts in the supply chain and actions taken	GRI 414-2	Management of Third Parties and Suppliers, p. 64
Water	Water withdrawal	GRI 303-3	Water Management, p. 22
Waste	Waste generated	GRI 306-3	Waste Management, p. 23

TCFD

Category	Metric	Relevant Nabors Disclosures(s)
Governance	Disclose the organization’s governance around climate-related risks and opportunities	Climate Risk Management, Governance, p. 64
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning, where such information is material	Climate Risk Management, Strategy, p. 15
Risk Management	Disclose how the organization identifies, assesses and manages climate-related risks	Climate Risk Management, Risk Management, p. 64
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material	Climate Risk Management, Metrics and Targets, p. 20-21



# LRQA Independent Assurance Statement

## Relating to Nabors' Greenhouse Gas Inventory for the 2021 calendar year

This Assurance Statement has been prepared for Nabors in accordance with our contract but is intended for the readers of this Report.

### Terms of engagement

LRQA was commissioned by Nabors Corporate Services, Inc. (Nabors) to provide independent assurance of its greenhouse gas (GHG) emissions inventory (the Report) for the 2021 calendar year against the assurance criteria below to a limited level of assurance and materiality of the professional judgement of the verifier using LRQA's verification procedure and ISO 14064 - Part 3 for greenhouse gas emissions. LRQA's verification procedure is based on current best practise and is in accordance with ISAE 3000 and ISAE 3410.

Our assurance engagement covered Nabors' global operation and specifically the following requirements:

- Verifying conformance with:
  - Nabors' emission calculation and reporting methodologies; and
  - World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A corporate accounting and reporting standard, revised edition (otherwise referred to as the WRI/WBCSD Protocol) for the GHG data<sup>1</sup>.
- Evaluating the accuracy and reliability of data and information for only the selected indicators listed below:
  - Direct (Scope 1) and Energy Indirect (Scope 2) GHG emissions.

Our assurance engagement excluded the data and information of Nabors' suppliers, contractors and any third-parties mentioned in the report.

The Report excluded GHG emissions from small cold start engines during rig start-up and shutdown and emergency generators for Nabors offices and facilities, on the basis of their de minimis contribution to the Report.

LRQA's responsibility is only to Nabors. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Nabors' responsibility is for collecting, aggregating, analysing and presenting all the data and information within the Report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the Report has been approved by, and remains the responsibility of Nabors.

### LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that *Nabors* has not, in all material respects:

- Met the requirements the criteria listed above; and
- Disclosed accurate and reliable performance data and information as summarized in Table 1 below.

The opinion expressed is formed on the basis of a limited level<sup>2</sup> of assurance and at the materiality of the professional judgement of the verifier.

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<sup>1</sup> <http://www.ghgprotocol.org/>

<sup>2</sup> *The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.*



**Table 1. Summary of Nabors' Key Data for Calendar Year 2021:**

Scope	Value	Units
Scope 1 GHG emissions <sup>1</sup>	1,011,505	Metric Ton CO <sub>2</sub> e
Scope 2 GHG emissions (Location-based) <sup>1,2</sup>	11,416	Metric Ton CO <sub>2</sub> e
Scope 2 GHG emissions (Market-based) <sup>1,2</sup>	11,416	Metric Ton CO <sub>2</sub> e
Biogenic CO <sub>2</sub> emissions	942	Metric Ton CO <sub>2</sub> e
Total emissions (Location-based)	1,022,921	Metric Ton CO <sub>2</sub> e
Total emissions (Market-based)	1,022,921	Metric Ton CO <sub>2</sub> e

1. This data does not include GHG emissions from small cold start engines during rig start-up and shutdown and emergency generators for Nabors offices and facilities.  
 2. Scope 2, Location-based and Scope 2, Market-based are defined in the GHG Protocol Scope 2 Guidance, 2015.

**LRQA's approach**

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- interviewing relevant staff of the organization responsible for managing GHG data and records,
- assessing Nabors' data management systems to confirm they are designed to prevent significant errors, omissions or mis-statements in the Report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal quality control; and
- verifying historical GHG emissions data and records at an aggregated level for the calendar 2021.

**LRQA's standards and competence**

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* and ISO/IEC 17021 *Conformity assessment – Requirements for bodies providing audit and certification of management systems* that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

Marisol Bacong  
 LRQA Lead Verifier  
 On behalf of LRQA, Inc. 1330 Enclave Pkwy #200, Houston, TX 77077

Dated: 15 July 2022

LRQA reference: UQA00002105/5227352

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