



# 2022

# Sustainability Report



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# Letter from CEO

I am indescribably proud of the smart and hardworking people who power Nabors. Despite the ongoing economic and geopolitical uncertainties that have wrought inflation, supply chain challenges and much more upon our industry, our business came out the other side of 2022, as resilient as ever.

Our success this past year can be attributed to two key factors: our people, and our unwavering commitment to furthering our sustainability priorities and goals. In 2022, we made significant progress in reducing our carbon footprint, improving the wellbeing of our employees and fostering strong relationships with our communities.

Our people are the backbone of our business, and our most important investment. We recognize that in order to replicate success, we need to celebrate and support our employees, and encourage them to bring a broad spectrum of personalities, backgrounds, viewpoints and experiences to work each day. As such, we have made the conscious choice to further invest in our diversity, equity and inclusion through ongoing awareness, focused recruiting efforts and recruitment, and to expand our employee benefits.

The innovation our employees, contractors and vendors bring to Nabors will also enable us to meet the needs of the energy transition. As we look to the years ahead, we strongly believe that the oil and gas industry has a crucial role to play in the transition to a lower carbon future and at Nabors, we are committed to playing a significant role in this transition, while maintaining a safe and reliable energy supply for society.

Just over a year ago, we announced our new energy transition initiatives, which focused on incorporating energy efficiency and emissions reductions technologies across our operations, identifying new low carbon opportunities and diversifying our own investment portfolio.

We have continued to expand these initiatives over the past year. To date, Nabors Energy Transition Ventures has partnered with four leading-edge geothermal companies, GeoX Energy, Sage Geosystems, Quaise Energy, and most recently, GA Drilling. We've also made new investments, including \$7 million in Natron Energy, a leading manufacturer of sodium-ion batteries. Sodium-ion batteries could be a critical solution for energy storage in the future.

Our dedication is increasingly recognized by the broader industry. In December of 2022, our tireless work towards supporting the energy transition was formally recognized at the Annual Platts Global Energy Awards gala. Nabors was awarded the Energy Transition – Upstream award, beating out six other finalists.

We have held ourselves to the highest standard in our pursuits, and we constantly seek to define ourselves, not only as innovators within the energy transition, but as a “best-in-class” industry leader when it comes to our traditional operations. We pushed our technological boundaries this year by fully automating one of our existing land rigs with the first-of-its-kind robotics module. The launch of this module – the Canrig Red Zone Robotics (RZR) Rig Floor Module – is a rig upgrade that automates routine drilling activities, which will ultimately make drilling safer and more efficient.

We are proud of the progress we have made, but we also acknowledge that there is still much work to be done. Our progress so far, and as we move forward, is contingent on accountability. We believe that in order to make the most material and meaningful impact with our business, we must remain accountable to all our stakeholders, both internal and external. Our aim with this report is to provide all our critical stakeholders with detailed and relevant information on our achievements, challenges and future plans in the areas of environmental sustainability, social responsibility and governance. Grounded in innovation, operational excellence and engineering expertise, I'm pleased to share the milestones we've reached, and our plans to craft the sustainable energy future of tomorrow.



**ANTHONY G. PETRELLO**

Chairman, President and Chief Executive Officer

# Who We Are

## About Us

Founded in 1952, Nabors has a long history of innovation and a commitment to the technologies of tomorrow. Today, we are a leading provider of advanced technology for the energy industry.

With operations in more than 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 leveraging our core competencies – particularly in drilling, engineering,

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

With a clear vision of tomorrow's energy landscape and the infrastructure to match, we are confident our efforts to support the energy transition through Nabors Energy Transition Solutions and Nabors Energy Transition Ventures will be successful.



\$2.7B

Total Operating Revenue



12K+

Employees



329

Marketable Rigs



523

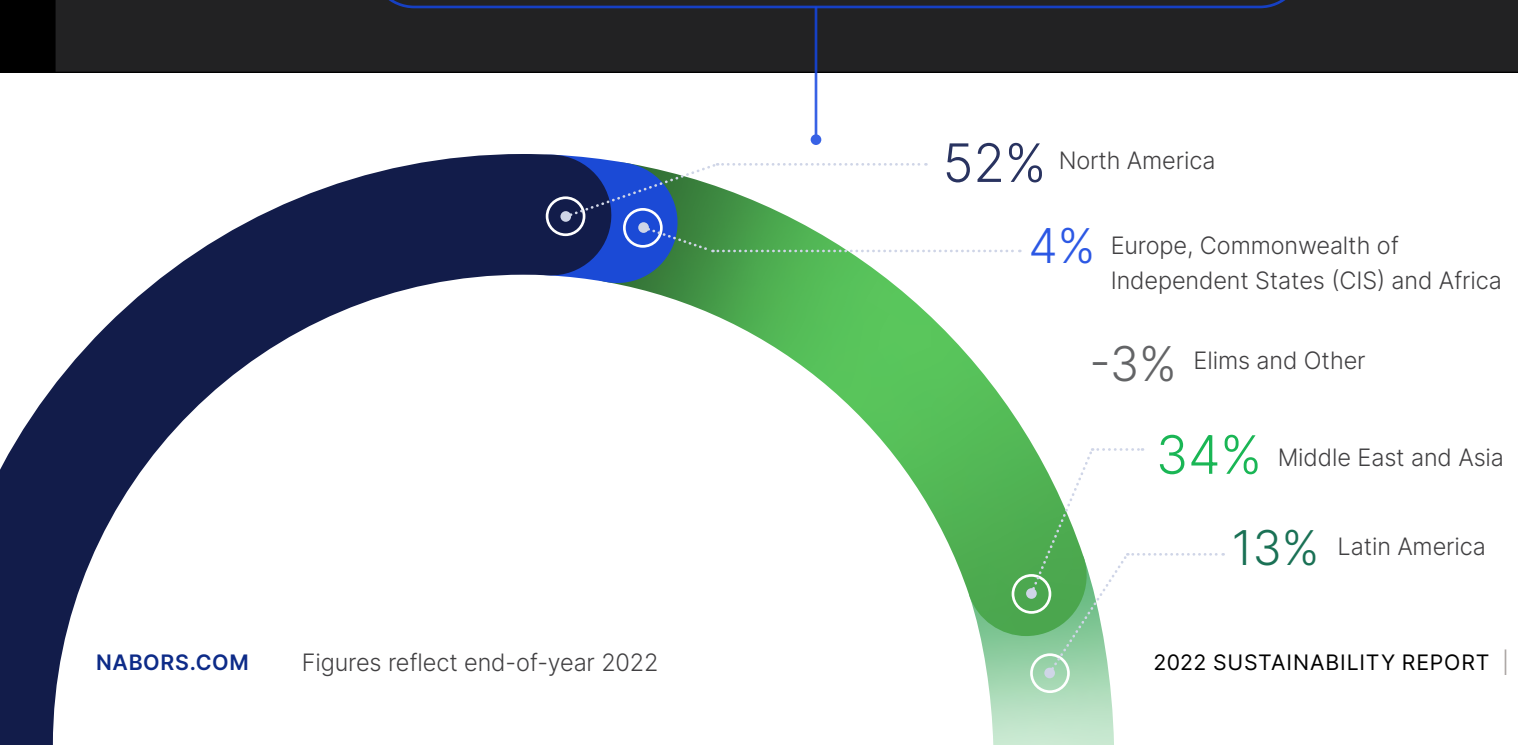
Worldwide Patents



15+

Countries Where We Operate

### Geographic Revenue Contribution Mix







## Purpose

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



## Mission

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



## Vision

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



## Values

**We value safety.** We care.

**We value excellence.** We outperform.

**We value teamwork.** We win together.

**We value innovation.** We explore new territory.

**We value accountability.** We keep our promises.

## Sustainable Value Creation

Nabors is dedicated to being a leader in the energy transition. Our comprehensive approach to sustainability is integral to our business strategy, and ultimately helps us to both create value for shareholders and generate wins for our broader stakeholders.

Fundamentally, we believe our intense focus on ESG delivers financial, operational and strategic benefits to our business.

ESG integration makes us more competitive and resilient. Our embrace of the energy transition has opened an entire new field of opportunities for our company. We have been investing strategically in leading-edge companies with clear adjacencies, embracing energy efficiency and emission reduction technologies and expanding beyond oil and gas into new fields, including geothermal development. Concurrently, by accounting for climate in our risk management analysis and providing detailed annual reports on operational metrics far beyond our usual financial reporting, we are minimizing potential risks for our business.

By viewing the environment as a stakeholder, we are better able to drive savings for ourselves and our customers. Finding efficiencies in our drilling operations has enabled us to not only reduce emissions while we improve safety, but to also drive revenue, as we have achieved superior drilling performance. Further, developing and deploying energy efficiency and emissions reduction technologies that have applications within and outside our industry will only reap further benefits for our bottom line.

Reducing costs and embracing new revenue streams means a more secure financial foundation for us. As our ESG program has matured, we have significantly reduced our debt from a previous high in 2018, witnessed a gradual increase in revenues and viewed our company through a new lens: not only as a drilling company, but as an energy innovator.

# Our Approach to Sustainability



## About this Report

Last year, we recognized the increasing importance of robust disclosure on climate risk management, both for our key stakeholders and in the light of anticipated regulatory changes. As a result, our company committed to aligning with the Reporting Framework by the Task Force on Climate-Related Financial Disclosures (TCFD). In 2022, we continue to leverage and follow updates on the TCFD framework.

We also continue to organize the content and data of this report 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 leveraged the recommendations of the Global Reporting Initiative (GRI) and the International Petroleum Industry Environmental Conservation Association (IPIECA).

As our financial stakeholders may know, traditional financial analysis is now regularly supplemented by ESG analysis to better understand a company's long-term performance and risk profile. This has led to a proliferation of ESG frameworks, methodologies and rating providers, each with its own approach and coverage. This has resulted in a fragmented, frequently shifting landscape. To keep pace with the everchanging ESG landscape, we are committed to evaluate our ESG reporting and programming annually to meet stakeholder expectations and be ahead of market trends.

In **Performance Data section and Appendix**, we have included indices that map our content and data with the appropriate TCFD, SASB, GRI and IPIECA disclosures.

## Governance of Sustainability

Though we believe each employee, manager and leader at Nabors has a duty towards our ESG initiatives, oversight of our ESG program starts at the highest level, with the board of directors (board).

Nabors has established the ESG committee of the board, which is responsible for reviewing and advising the board with respect to ESG policy matters, and shaping the company's ESG strategy, policies and initiatives, in addition

to reviewing and evaluating ESG-related risks from strategic, regulatory and financial perspectives. This committee must be comprised of at least three members of the board, and meets, at minimum, four times a year to discuss ESG updates and regularly reports to the board, with respect to ESG policy initiatives. The committee also oversees the publication of Nabors sustainability report and sets targets to reduce greenhouse gas (GHG) emissions and other environmental goals.



**Strategy and Oversight** of ESG issues at Nabors is overseen by our 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, regularly providing updates on our progress on these efforts. Senior leaders manage the implementation of ESG initiatives in their respective areas and represent Energy Transition, Operations, Technologies, Environmental, Social and Governance. They report either directly to the CEO or indirectly through the SVP, CAO and oversee the Subject Matter Experts and Owners.



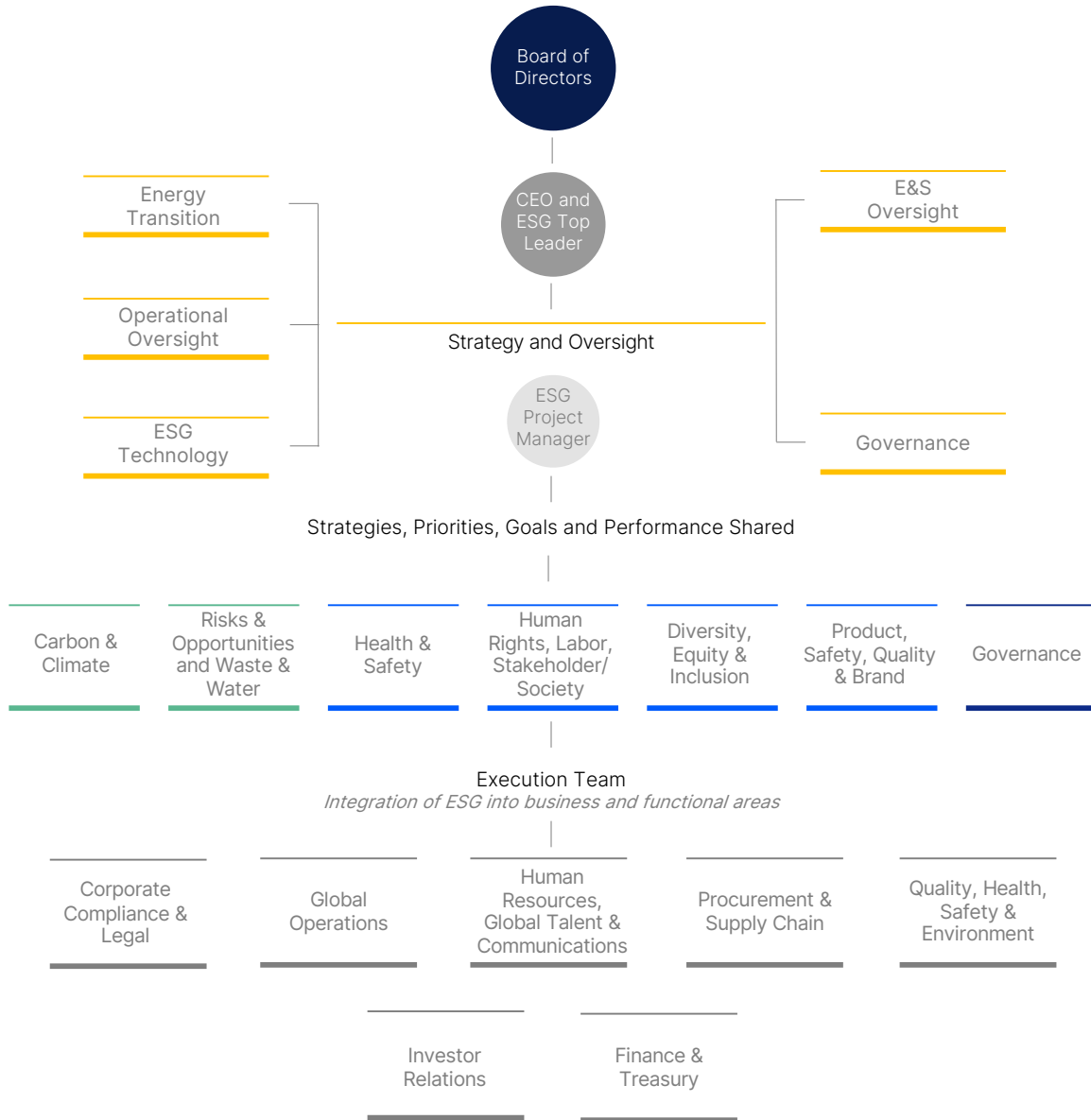
To ensure that the policies and goals of the ESG committee, and from strategy and oversight, are being implemented effectively and thoroughly, we have designated **Subject Matter Experts (SMEs) and Owners**. These individuals are specialists in their respective areas and oversee the execution through their Execution Teams. Categories of ESG priorities where they focus 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.



Our **Execution Team** supports our SMEs and Owners by ensuring they receive data-driven insights on relevant ESG matters. Our Execution Team also leads the implementation of our ESG targets – they are responsible for coordinating and executing the ESG policies outlined by our leadership.



Finally, our **Enterprise Risk Management Committee (ERMC)** conducts an annual risk assessment and reports to the board quarterly on any changes in enterprise risks, including environmental related risks.



This system provides a wholistic, bottom-up and top-down approach to the implementation of our ESG program. It was created to ensure that ownership of our ESG Key Performance Indicators (KPIs) and goals are well distributed at every level of our organization.

We deeply value the input of our stakeholders, and they have played an essential role in setting our ESG targets. To set our KPIs, we regularly engage our investors, vendors, employees and communities. Our aim is to choose measurable, meaningful and material metrics.

We leverage these metrics to monitor and inform our ESG's program evaluation and evolution. Our KPIs provide a window into not only our progress, but the effectiveness of the measures we have taken to meet our goals. We routinely and periodically evaluate our metrics so we can shift and change course as needed.



# 2022 Progress Highlights

From reducing carbon emissions to improving our workforce, we wanted to call out some of our key wins and highlights achieved in 2022.

## Achieved and surpassed our 2022 emissions reductions goal.

Last year, we set out to 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. We are proud to report we reduced our Scope 1 GHG emissions per foot drilled for

Nabors Drilling USA by 8.8% from our baseline year of 2020 and we reduced our Scope 1 GHG emissions per foot drilled for Nabors international rigs by over 30% from our baseline year of 2020.

## Made significant improvements in our DEI efforts.

- U.S. SGA (Selling, General and Administrative) and FS (Field Support)<sup>1</sup> women made up 19% of leadership roles (manager and above job band) and 30% of entry-level positions (individual contributor and below job band).
- Over the last three years, we have continued to maintain our gender diversity despite the cyclical nature of our industry; women represented 5% of our global workforce and 20% of our SGA and FS workforce.
- We are proud to have reduced female attrition among our SGA and FS workforce by more than 20% from last year.
- Minority groups represented 41% of our U.S. workforce, increasing by 5.1% compared to last year
- Improved diverse representation in our U.S. SGA and FS talent pool by 10%, furthering our efforts to expand opportunities for all populations.
- Partnered with our customers Hess Corporation and Halliburton, and committed \$1 million to a newly established four-year, \$14 million apprenticeship program for the five North Dakota Tribal Colleges.
- Launched four DEI training modules.
- Implemented our ACE (Actively Changing Energy) early career development program that identifies newly degreed STEM (Science, Technology, Engineering and Mathematics) graduates and selected employees of which 80% represent minority groups.

## Focused on providing further resources and support for our people.

We see our employees for who they are and know that to truly support them we need to provide them with the infrastructure to focus on their families and communities. As such, we proudly rolled out two new benefits for our

people: enhanced paid maternity and parental leave, and the introduction of our Corporate Volunteering Program, with employees able to take two full days off to volunteer with an organization of their choice.

U.S. SGA and FS women made up

**19%** Leadership Roles

**30%** Entry-Level Positions

Minority Groups Represented

**41%**

IN US WORKFORCE



5.1% INCREASE FROM 2021

**30%**

MANAGEMENT

Improved diverse representation in U.S. SGA and FS pool by

**10%**

**↓ 20%**

female attrition among SGA and FS workforce compared to 2021

Launched

**DEI Training Modules**

<sup>1</sup> SGA and FS are employees in administrative job codes or field support job codes, i.e., all non-Field employees. Field employees are assigned to a specific rig, whereas FS employees are assigned to a yard/warehouse. SGA employees are not assigned to any rig.



# Environment

**Overall Approach to Managing  
Environmental Risks and Opportunities**

Climate Risk Management

Environmental Stewardship

**PAC**



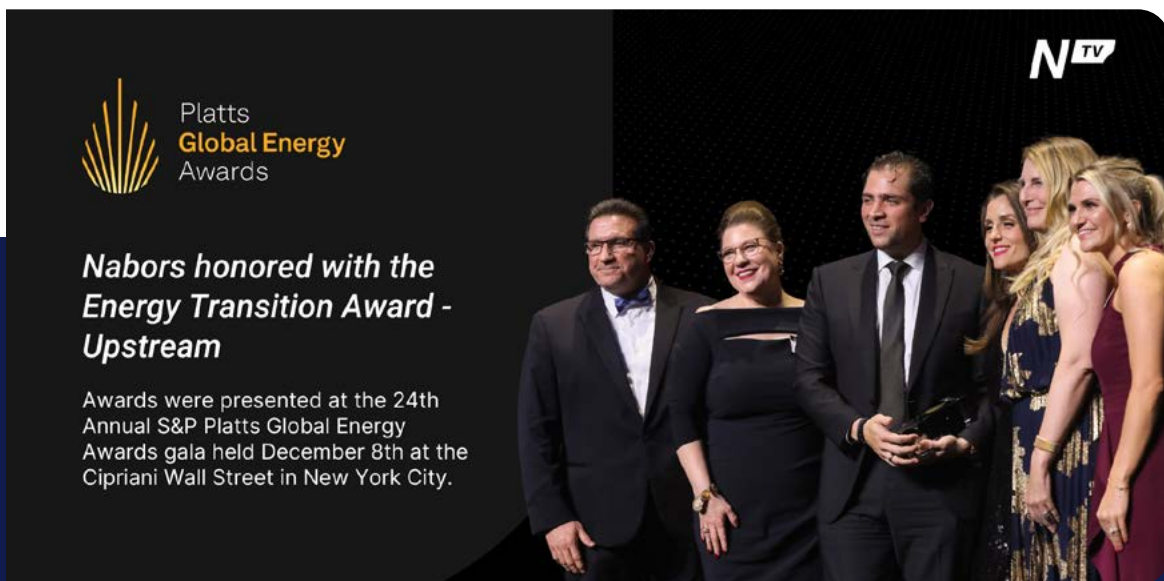
**NABORS**  
Rig X29

**CANRIG**

## Overall Approach to Managing Environmental Risks and Opportunities

Nabors believes that oil and gas are a reliable source of energy and their responsible production can sustain the energy transition in the coming years and reduce emissions. Recognizing that a lower carbon future with an increasing energy demand will require a broadening of the global energy mix, we continue improving and expanding our services and technological solutions to provide our customers with the best-in-class tools for their decarbonization journey and to drive energy efficiency across our operations.

Reflecting on Nabors commitment to maintain a leadership status in the global energy industry, during 2022 we acted and drove efforts in the lower carbon market, exploring opportunities with alternative energy sources, energy storage and carbon capture. Through a multi-pronged approach to business line development, Nabors is strategically contributing to the energy transition through technological innovations and scalable solutions that aim to increase the representation of green power in the energy mix.



In recognition of our efforts to lower the carbon intensity of drilling and of our investments in alternative energy sources and innovative technologies, Nabors received the [Energy Transition – Upstream award at the 2022 Platts Global Energy Awards](#).

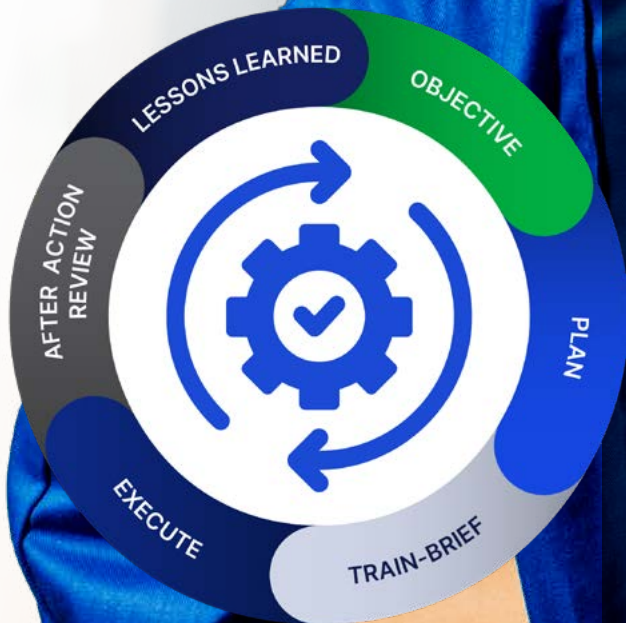
To achieve our sustainability goals, while maintaining world-class performance, Nabors relies on our people and our culture, as they drive every effort, every day. The foundation of the company culture at Nabors is safety centric – promoting the health and well-being of our people first – while reinforcing environmental stewardship and achievement. Together, through our culture and people, we exemplify our values of accountability, teamwork, innovation, excellence and safety.



## Health, Safety and Environmental Management System (HSE MS)

At Nabors, environmental management is part of an integrated management system and sits within our [Health, Safety and Environmental Management System](#) (HSE MS). We consider the different elements of our system to be interrelated such that identifying and mitigating health, safety and environmental risks, and protecting our employees, the environment and the communities surrounding our operations, occur concurrently.

More specifically, the environmental management extension of our HSE MS ensures that we follow applicable environmental laws and regulations and exceed industry standards, even where no laws are in place, as a way of managing risks and opportunities. Under the oversight of executive management, which sets performance expectations, our Environmental Management System (EMS) drives continuous improvement and ensures strategic goals are achieved. Nabors strives for excellence and sustainability across all of our operations, including our supply chain and contractors, therefore the HSE MS applies to all third-party vendors that work within any capacity for Nabors.



In 2022, we updated our EMS to include a foundation of sustainability that is steered by our Journey to Excellence Continuous Improvement Process. This strategy not only ensures environmental compliance obligations are met but additionally helps drive a more holistic approach to the management of environmental risks throughout our operations.

To ensure our EMS is effective and on-par with the highest standards, Nabors is working to align it with the International Standards Organizations (ISO). Currently, we have obtained ISO 14001:2015 Environmental Management System certification for operations in Colombia, Mexico, Oman and Russia, and we continue to actively target improvements to meet or exceed ISO standards across our operations globally.



To guide our commitment to environmental stewardship, Nabors follows an internal framework based on the environmental principles presented below. These principles are closely taken into consideration when making important business decisions, helping to ensure a structured and responsible environmental performance across all of our activities.





## Nabors Energy Transition Technological Advances in 2022



Deployed capital into the energy storage space with a \$7 million investment in Natron Energy for the manufacturing of sodium-ion batteries.

Diversified our geothermal ecosystem by inviting a fourth company to partner with us in lowering economic barriers to ultra-deep drilling projects and in expanding the global access to geothermal energy.



Deployed energy efficiency initiatives such as nanO<sub>2</sub>® to reduce diesel emissions and deliver responsible hydrocarbon production.

## Meeting Targets

### 2022 Targets

### 2022 Achievements

### 2023 Targets

Reduce Scope 1 GHG emissions per foot drilled for Nabors Drilling USA by 7.5% (vs 2020 baseline)

Achieved an 8.8% reduction

Achieve 41.7 lbs CO<sub>2</sub> per foot drilled or a 3% reduction in Scope 1 GHG emissions intensity for Nabors Drilling USA in 2023, using a 2022 baseline

Reduce Scope 1 GHG emissions per foot drilled for Nabors international rigs by 5% (vs 2020 baseline)

Achieved a 33% reduction

Achieve 89 lbs CO<sub>2</sub> per foot drilled or a 3.7% reduction in Scope 1 GHG emissions intensity for Nabors international rigs in 2023, using a 2022 baseline

# Climate Risk Management

## Reporting on Our Climate-Related Risks and Opportunities

We understand that good climate action is accompanied by transparent and standardized information disclosures, allowing our investors and other stakeholders to have insight into our strategy for mitigating climate risk. Therefore, our climate disclosures are guided by the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). We launched our inaugural TCFD report in 2021, in which we identified Nabors climate risks and opportunities. In 2022, we expanded our understanding of these risks and opportunities by conducting a quantitative scenario analysis on the potential impact climate change may have on our operations.

Furthermore, as we continue to work on strengthening our climate risk management and improving our ESG programming, we enhanced our disclosures as well. In 2022, we submitted a refined version of our CDP Climate Change disclosures. Our efforts and evolution were recognized by a notable improvement in our CDP score.

**We are proud to have increased our (CDP) score to a “B” in 2022.**





## Board and Management Oversight

We believe that assessing and integrating climate-related risk into our broader strategy is good for business and good for the planet. As stewards of the environment, we see climate risk management as a fundamental component of our strategic and financial planning and, thus, we assess climate risks and opportunities through an integrated approach.

As part of our multi-disciplinary company-wide risk management process, we assess actual or potential environmental risks or opportunities, which is backed by data monitoring. These assessments take place at the corporate and business unit level, covering short-, medium- and long-term risks in one-, three- and five-year horizons, respectively.

Additionally, Nabors has established board-level oversight on climate-related issues, reflecting on our efforts to fully integrate those risks in our enterprise risk management. The board's ESG committee is responsible for advising the board on ESG policies and related issues, shaping our ESG programs and initiatives and overseeing an overarching climate change strategy. The board also regularly monitors our progress against established goals and targets for addressing climate-related issues.

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

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

Under the board's supervision and guidance, executive management is accountable for executing board-level decisions regarding ESG risk. Our SVP, CAO is leading ESG efforts in the executive management team and is responsible for the assessment and management of climate-related issues. Our SVP, CAO reports directly to the CEO and has a direct line to the board and the ESG committee, reporting to both quarterly.



## Climate Risk Assessment

We have designed our risk assessment process to minimize or eliminate the impact of our business on the environment, and to reduce our exposure to climate-related risk, where feasible. In addition to assessing natural resource use and our business activities' potential to generate waste and emissions, we seek to understand our legal and/or compliance obligations in a dynamic regulatory environment. These climate-related risk assessments always consider technology, as well as market and reputation risk, and we implement the findings through policies, procedures, training and dedicated resources.

In 2022, we engaged a wide spectrum of our most senior employees (e.g., executives, directors and area managers) to understand their perception of the chief, on-going risks facing the company, including climate-related risks. These results were then reviewed by the ERM and reported to the board. This feedback, along with input from our investors and other key stakeholders, has helped us identify the following climate-related risks that could potentially impact Nabors in coming years.

### Legal and Regulatory Risks

Given an increasing focus by international, national, state, regional and local regulatory bodies on GHG, including carbon dioxide and methane, emissions and climate change issues, we recognize that future regulation could require industries to meet stringent standards to substantially reduce GHG emissions.

- To date, legislation to regulate GHG emissions has been introduced in the U.S. Congress, and the current administration has implemented actions to further regulate GHG emissions in the U.S. economy. Any GHG reductions resulting from regulatory changes such as these, or related to international climate accords (e.g., COP21), could be costly and difficult to implement in our industry and for our business, specifically.
- In the event that more aggressive efforts are introduced by governments and non-governmental organizations to reduce GHG emissions, any such future regulations could result in increased compliance costs or additional operating restrictions. Further, this could affect the demand for our customers' products and, accordingly, our services – more information about our projections related to these outcomes are available in our scenario analysis, later in this section.

### Financial Risks

In recent years, there has been increasing pressure within and directed at the financial community, including investors and lenders, promoting divestment from exposure to the fossil fuel industry. Simultaneously, members of the investment community have intensified focus on sustainability practices within the oil and gas industry, especially related to GHG emissions and exposure to climate change-related risks. Further, many of our customers are increasingly taking sustainability factors into consideration during the procurement process.

- These developments, public perceptions and related elements may reduce 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 impacts of climate change could require us to change operating procedures. Specifically, an increase frequency of extreme weather events in certain geographies in which we operate may have a negative impact on our operations, our customers' operations and the overall demand for our customers' products and services.

Using this framework to identify significant climate risks, we have established and implemented operational controls such as processes, procedures and management plans into our EMS. This risk-based process allows for identification of improvement opportunities across our operations, pollution prevention opportunities, energy-use reductions and transition to renewable sources.

These processes also include, where relevant, water consumption reduction and improved waste management opportunities, and allow us to continually evaluate and act upon viable methods that allow Nabors to have a positive impact on the environment and in the communities where we operate.

In support of these processes, we are currently engaging with a third party to provide limited assurance\* of this Sustainability Report for conformance with GRI 1: Foundation, as well as accuracy and reliability of the GHG emission data to a limited level of assurance in accordance with the ISO 14064-3 standard.

\*Revised May 20, 2023





## Investing in Opportunities Related to the Energy Transition

In addition to creating innovative techniques and service offerings to improve operating efficiencies in support of hydrocarbon production, we also are advancing services targeting alternative energy sources, as the global energy mix continues to diversify. Our focus on reducing our exposure to climate change related risk is twofold – mitigating downside risk through carbon intensity reduction of our drilling operations, and supporting society's accelerating demand for energy from alternative sources. With a wealth of experience in drilling and engineering in many geographies globally, these investments support Nabors attractive position to lead in the clean energy space.

Nabors Energy Transition Corp (NETC) participates in the ongoing global energy sector's shift to low carbon and renewable energy sources through two subdivisions: Nabors Energy Transition Solutions (NETS) and Nabors Energy Transitions Ventures (NETV). The combination of NETS and NETV forms a cornerstone of Nabors long-term strategy to maximize our impact on energy transition for our clients, shareholders and for the future of our planet.

**Nabors Energy Transition Solutions (NETS)** encompasses a comprehensive and evolving suite of advanced and automated technologies that help our clients improve energy efficiency and reduce emissions. In 2022, we implemented our emissions reduction technologies, SmartPOWER™, PowerTAP™ and nanO<sub>2</sub>®, across our operations, globally.

**Nabors Energy Transition Ventures (NETV)** makes venture-stage investments in companies innovating in energy transition, assembling an ecosystem of startups that directly feeds into our core business. Utilizing Nabors extensive domain expertise and energy industry relationships, we can accelerate the advancement of leading edge technologies such as geothermal, energy storage, hydrogen and emissions monitoring. To date, we have partnered with four companies involved in geothermal energy production and technology, as well as in companies engaged in energy storage solutions such as sodium-ion batteries.



## Case Study: Investments in Geothermal Energy

In recent years, multiple technological advancements are helping overcome historical hurdles that blocked the path towards wide-scale commercial development, including:

- Advanced simulation technologies related to advancements made in unconventional hydrocarbon fields
- Alternative working fluids that remain super-critical at lower temperatures
- Increased reliability of high-temperature drilling equipment
- Innovative deep hard rock drilling methods

In recognition of these advancements, Nabors has invested in several disruptive geothermal companies, as part of its energy transition strategy. Hover over the link of each of the logos below to learn more about a few of these companies and the innovative work they are doing in our, “Drilling Deeper” series.



[VIEW VIDEO >](#)



[VIEW VIDEO >](#)



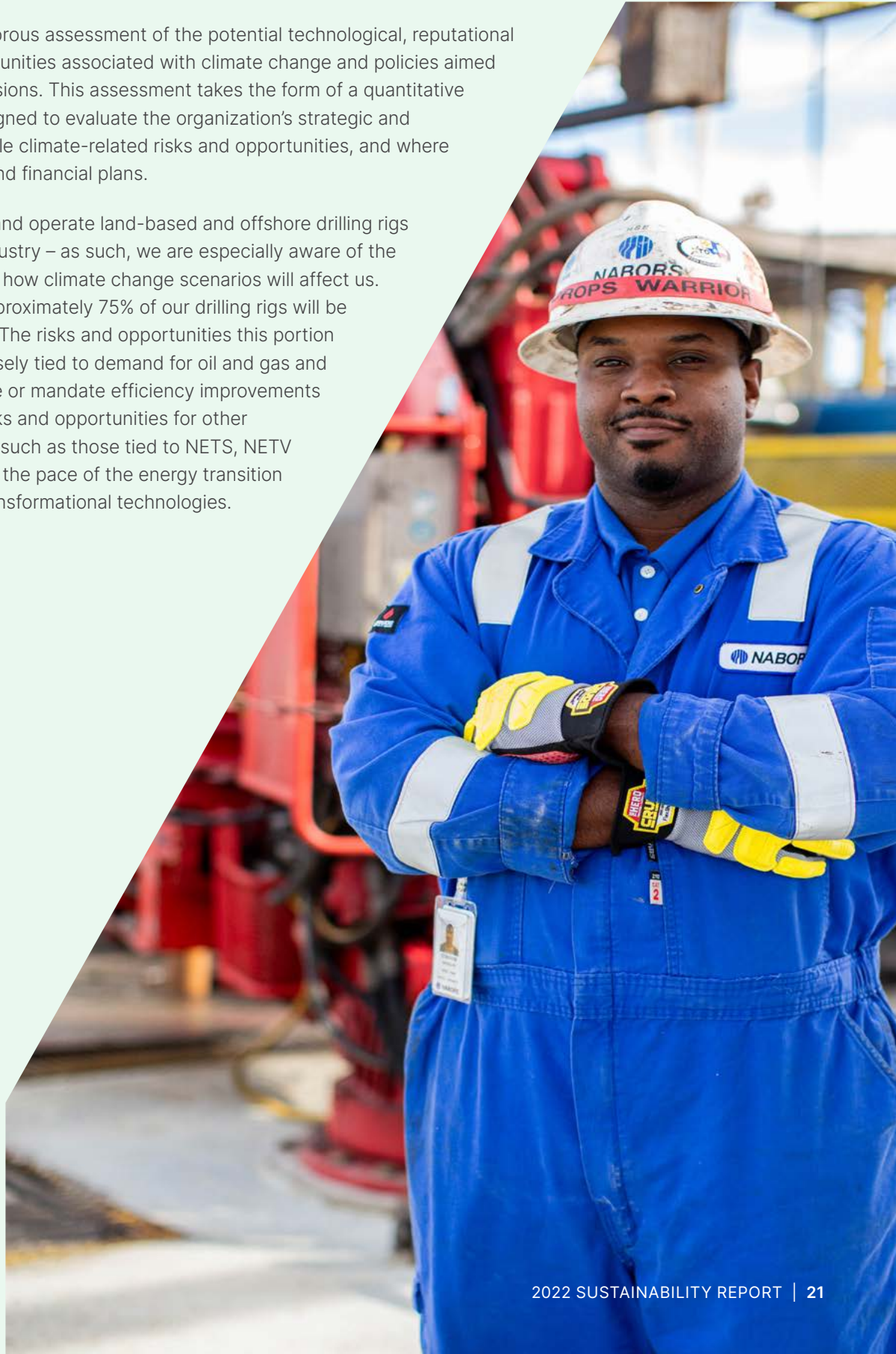
[VIEW VIDEO >](#)



## Scenario Analysis

Nabors is committed to a rigorous assessment of the potential technological, reputational and physical risks and opportunities associated with climate change and policies aimed at reducing global GHG emissions. This assessment takes the form of a quantitative scenario analysis that is designed to evaluate the organization's strategic and business resiliency to plausible climate-related risks and opportunities, and where necessary, adjust strategic and financial plans.

Our core business is to own and operate land-based and offshore drilling rigs that serve the oil and gas industry – as such, we are especially aware of the importance of understanding how climate change scenarios will affect us. In 2023, we estimate that approximately 75% of our drilling rigs will be located in the United States. The risks and opportunities this portion of our business faces are closely tied to demand for oil and gas and policy actions that incentivize or mandate efficiency improvements in the industry. In parallel, risks and opportunities for other portions of Nabors business, such as those tied to NETS, NETV and NETC, are closely tied to the pace of the energy transition and level of investment in transformational technologies.



To conduct this analysis, Nabors worked with a third party consultant using publicly available scenarios from the 2022 World Energy Outlook (WEO) published by the International Energy Agency (IEA).<sup>1</sup> This study is one of the most widely recognized reports that contemplates potential transition risks associated with climate change, and WEO studies have been widely used by companies in the oil and gas sector.<sup>2</sup> Each scenario reflects a plausible future state of the world and tests key uncertainties under different pathways of policy and economic development. The scenarios chosen for this analysis are not designed to deliver a precise prediction or forecast of what will occur, but rather to evaluate risks and opportunities to the company under a wide range of possible GHG mitigation pathways in the global energy sector.

### Overview of 2022 WEO Climate Scenarios

IEA studies three scenarios in the 2022 WEO report:

#### 1. Scenario Stated Policies Scenarios (STEPS)

reflects a sector-by-sector assessment of the specific policies currently in place and under development by governments around the world. This scenario provides a useful benchmark for evaluating outcomes where further actions to address climate change are limited and emissions from the global energy sector remain steady and demand for fossil fuels continues to grow through 2030.

**2. Announced Pledges Scenario (APS)** includes stronger policy action than STEPS and assumes that current climate commitments made by governments around the world are met in full and on time. Achieving these commitments results in a shift away from fossil fuels towards alternative energy sources starting in the 2020's causing global GHG emissions from the energy sector to decline.

**3. Net Zero Emissions by 2050 (NZE)** is a narrow but achievable pathway for the global energy sector to achieve net-zero CO<sub>2</sub> emissions by 2050. This scenario tests a world that pursues even more aggressive emissions reduction strategies than those currently announced. Under this scenario, there is a rapid shift away from fossil fuels towards alternative energy sources beginning in the 2020s.

These three scenarios provide the foundation upon which we investigate the impacts on oil production, gas production and clean energy investments through the lens of our identified climate-related risks and opportunities. Analyses of regional impacts, where presented, focus on the North America, due to our proportional footprint in the United States.

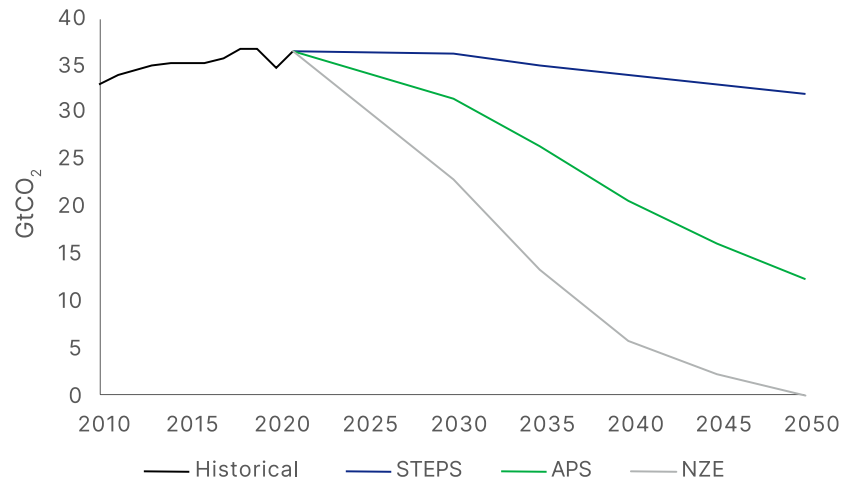


Figure 1: Energy-related and Process CO<sub>2</sub> Emissions, 2010-2050<sup>3</sup>

<sup>1</sup> <https://www.iea.org/reports/world-energy-outlook-2022>  
<sup>2</sup> See: TCFD OG Scenario Analysis Data.xls for individual citations  
<sup>3</sup> International Energy Agency (2022), World Energy Outlook 2022, IEA, Paris



## Oil Demand and Production

Given the impact of fossil fuel combustion on global GHG emissions, varying levels of governmental action taken to mitigate emissions modeled under the three WEO scenarios presented above result in a wide range of forecasts for future oil demand, as illustrated in Figure 2.

The IEA forecasts that global oil demand will grow or remain near 2021 levels through 2030 in the STEPS and APS scenarios. Under the NZE scenario, global demand for oil falls by nearly 20 million barrels per day (mb/d) between 2021 and 2030. This reduction in demand in the NZE scenario is driven by rapid electrification of the transport sector and, to a lesser extent, the buildings sector.

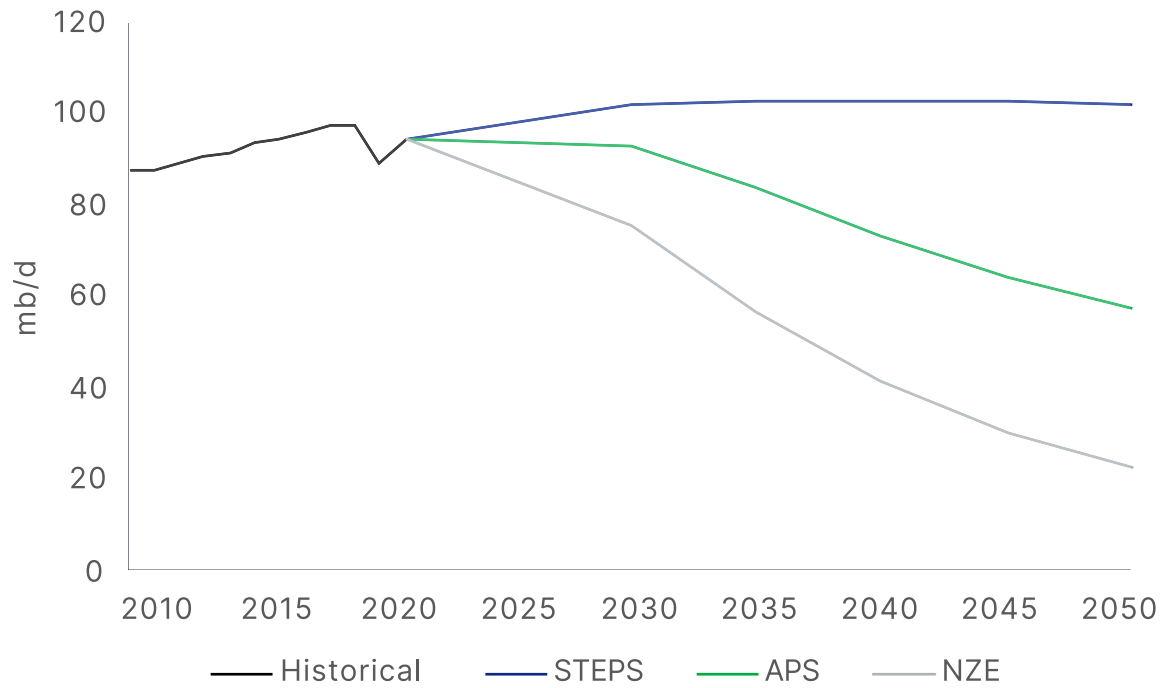


Figure 2: Global Oil Demand by Scenario, 2010-2050 <sup>4</sup>

The IEA projects oil production for the three scenarios, seen in Figure 3, which shows the change between 2021 and 2030 in mb/d of oil produced by various regions of the world. North America, our largest market, shows an increase in oil production in both the STEPS and APS scenarios over this period. Tight oil and natural gas liquids (NGLs) from shale plays account for nearly all of the increase in U.S. production to 2030. Under the NZE scenario, oil production is expected to decline in all regions between 2021 and 2030. However, in North America this decline is limited relative to other regions at 1.4 mb/d, or just 6% of 2021 production volumes.

<sup>4</sup> International Energy Agency (2022), World Energy Outlook 2022, IEA, Paris

Based on the forecasts of oil markets in the 2022 WEO, we see opportunities for our drilling rigs and services under the STEPS scenario, due to the increase in global demand for oil and production growth in North America. In the APS scenario, opportunities through 2030 are more limited, but projections of continued production growth in North America indicate that Nabors operations will be resilient even in the face of policy actions taken to achieve currently announced climate objectives. Under the NZE scenario, oil production and demand for drilling services is expected to fall and may lead to risks for Nabors. However, Nabors is concentrated in the North American market, which experiences a lower decline in oil production than many other regions. This means risks for Nabors may be limited, relative to our competitors.

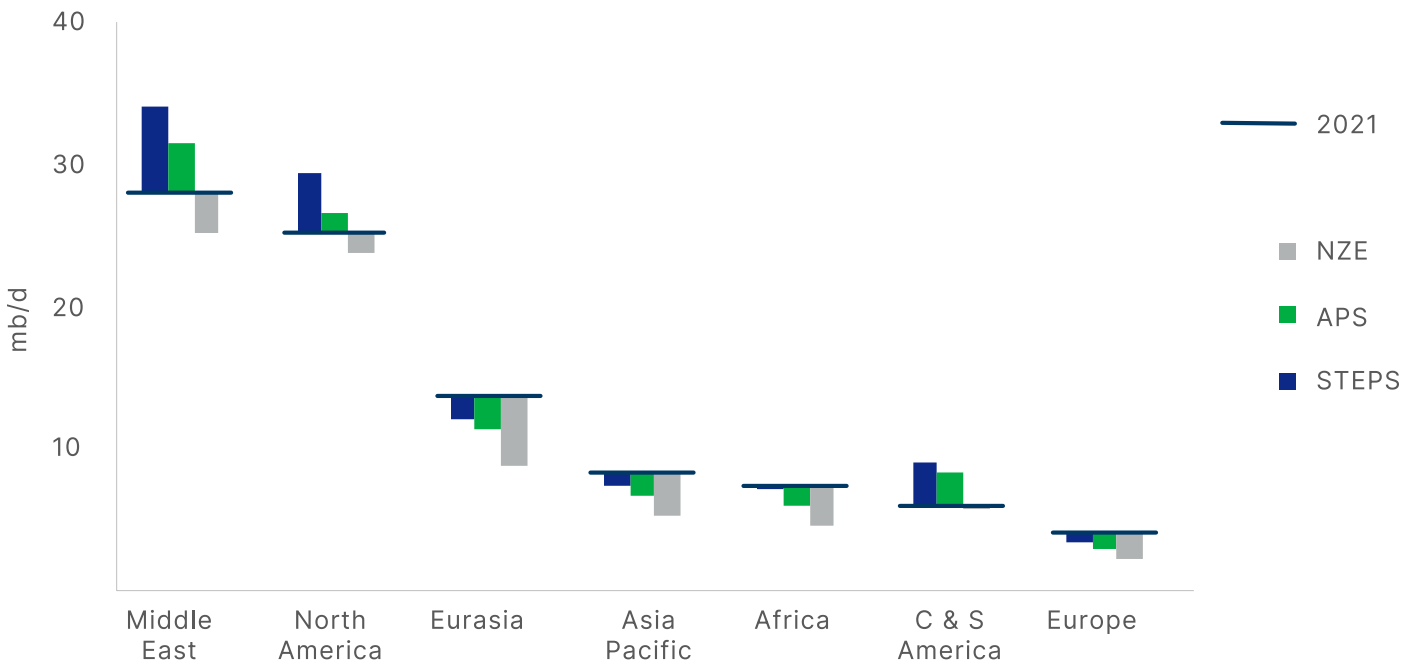


Figure 3: Changes in Oil Production by Scenario, 2021-2030 <sup>5</sup>

KEY TAKEAWAYS

1. Only among the most aggressive emissions reductions scenario (NZE), do we expect a significant decline in oil demand through 2030.
2. Nabors is uniquely well positioned to shifts in oil production, with production in North America, our largest market, expected to be comparatively attractive.

<sup>5</sup> International Energy Agency (2022), World Energy Outlook 2022, IEA, Paris



## Natural Gas Demand and Production

The IEA forecasts of natural gas demand across the three WEO scenarios are presented in Figure 4. Similar to oil demand, varying levels of policy pressure result in a wide range of demand in billion cubic meter equivalents (bcme) between 2021 and 2050.

In the STEPS scenario, demand for natural gas grows through the mid 2030's, due primarily to increased use in the industrial sectors of developing and emerging markets. Under the APS scenario, natural gas demand declines slowly starting in the 2020's, due mostly to fuel switching in the power and buildings sectors projected to occur in advanced economies. The NZE scenario shows the most rapid decline of the three scenarios, as nearly all sectors of the economy begin switching away from natural gas across advanced and developing economies.

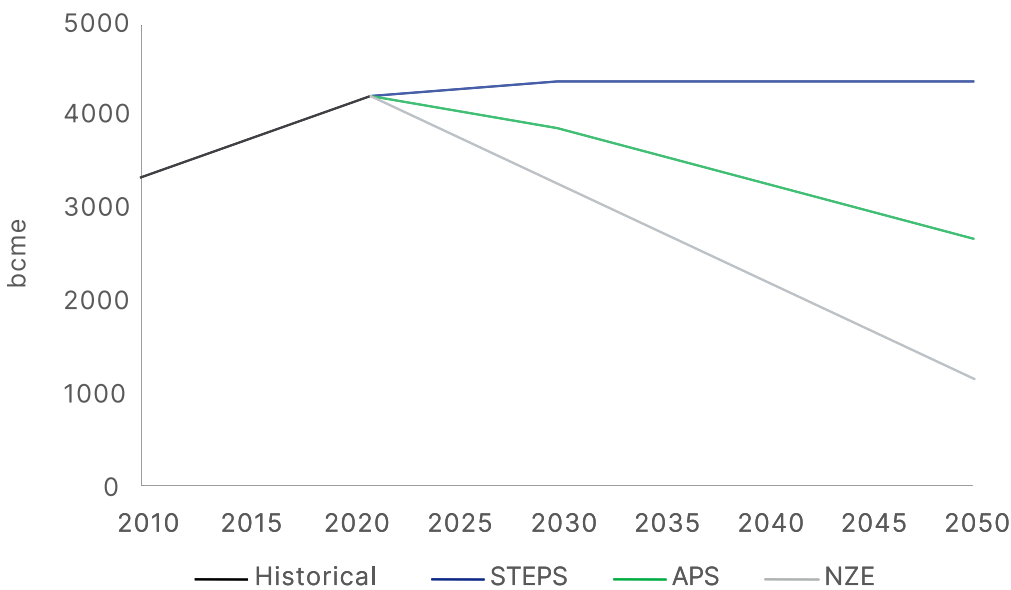


Figure 4: Global Natural Gas Demand by Scenario, 2010-2050 <sup>6</sup>

The IEA projects natural gas production for the three scenarios, seen in Figure 5, which shows the change between 2021 and 2030 in billion cubic meters (bcm) of natural gas produced by region. In the STEPS scenario, North American production grows between 2021 and 2030 and with new production concentrated in the Marcellus and Utica basins. Production falls in nearly every region in the APS scenario between 2021 and 2030. In North America, natural gas production declines about 7% relative to 2021 levels in the APS scenario. This decline is driven primarily by reductions in domestic demand. The NZE scenario shows the greatest decline in global natural gas production, with North American output expected to decline by around 24% between 2021 and 2030. Notably, natural gas production in the Middle East grows between 2021 and 2030 in all three scenarios.

<sup>6</sup> International Energy Agency (2022), World Energy Outlook 2022, IEA, Paris

Similar to our assessment for oil markets, based on the forecasts of natural gas markets in the 2022 WEO, Nabors sees opportunities for drilling rigs and services under the STEPS scenario, due to the increase global demand and production growth in our largest market. While North American production declines forecast in the APS scenario are modest and signal potential risks for our business, these risks could be mitigated by expanding our presence in the Middle East, which represents about 5% of Nabors 2023 rig count. Under the NZE scenario, demand for natural gas production, and in turn demand for drilling rigs, is expected to fall and as such, this scenario outcome represents greater risks for our business.



Figure 5: Changes in Natural Gas Production by Scenario, 2021-2030<sup>7</sup>

KEY TAKEAWAYS

1. Only in the most aggressive emissions reductions scenario (NZE) do we expect a significant decline in natural gas demand through 2030, with modest declines expected under the moderate scenario (APS).
2. While our North American exposure leads to greater risks in the face of the moderate (APS) and aggressive (NZE) emissions reductions scenarios, our exposure to the Middle East provides us with some risk mitigation, due to more favorable production projections in that region.

<sup>7</sup> International Energy Agency (2022), World Energy Outlook 2022, IEA, Paris



## Investments in Clean Energy Technologies

Through NETS, NETV and NETC, we are positioning the business to benefit from a global transition to clean energy technologies, such as geothermal energy, hydrogen, energy storage and carbon capture, utilization and storage (CCUS). These growing business lines may present opportunities with respect to the different scenarios evaluated in the 2022 WEO.

Figure 6 shows IEA forecasts of annual average global investments in hydrogen production and transportation infrastructure under the three WEO scenarios. Under the APS scenario, IEA forecasts that approximately 30% of total hydrogen produced in 2030 will be sourced from fossil fuels equipped with CCUS. Under the NZE scenario, this figure is approximately 34%.<sup>8</sup>

Nabors may be positioned to benefit from these investments in multiple areas of our business (e.g., fossil fuels, hydrogen and CCUS) under these scenarios. While the STEPS scenario shows limited investments in hydrogen, these outcomes are significantly higher under the APS and NZE scenarios, indicating meaningful opportunities for NETS, NETV and NETC.

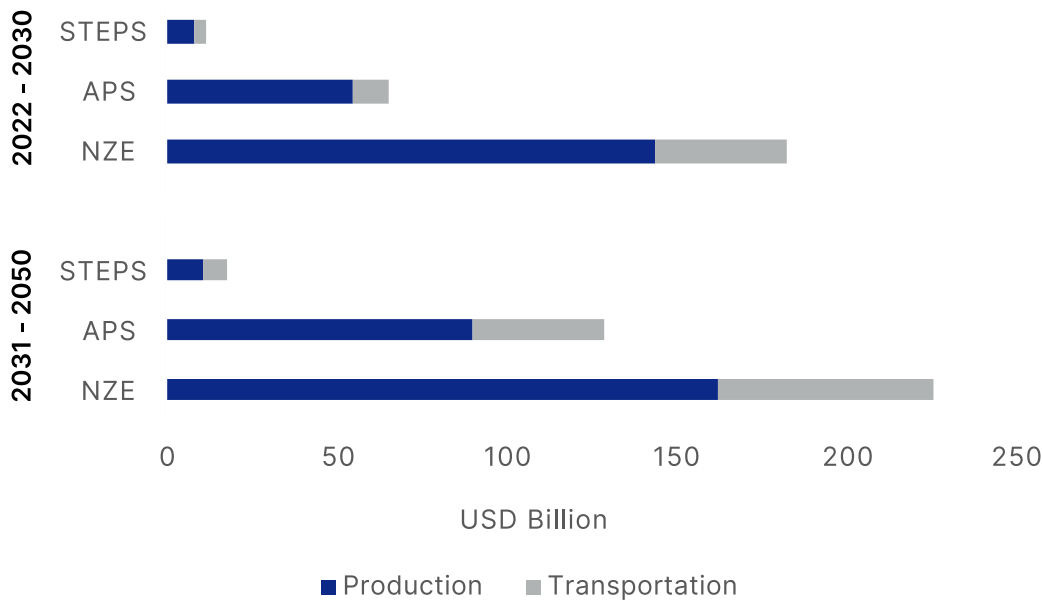


Figure 6: Average Annual Investment in Hydrogen by Scenario, 2022-2050 <sup>9</sup>

Figure 7 shows IEA forecasts of global electric sector installations for select technologies in gigawatts (GW) from 2030 to 2050. This figure shows how global installations of these technologies grow, in particular CCUS and battery storage, under the APS and NZE scenarios where governments pursue more ambitious measures to reduce GHG emission over time. By contrast, growth in these technologies is less robust under the STEPS scenario.

<sup>8</sup> International Energy Agency (2022), World Energy Outlook 2022, IEA, Paris

<sup>9</sup> International Energy Agency (2022), World Energy Outlook 2022, IEA, Paris

Taken together, these figures illustrate how government actions taken to transition away from fossil fuels in the APS and NZE scenarios may increase opportunities for Nabors to grow NETS, NETV and NETC and support customers, as they transition to clean energy sources. Under the STEPS scenario, which is more favorable to Nabors rig and drilling services businesses, opportunities to expand our clean energy business are more limited.

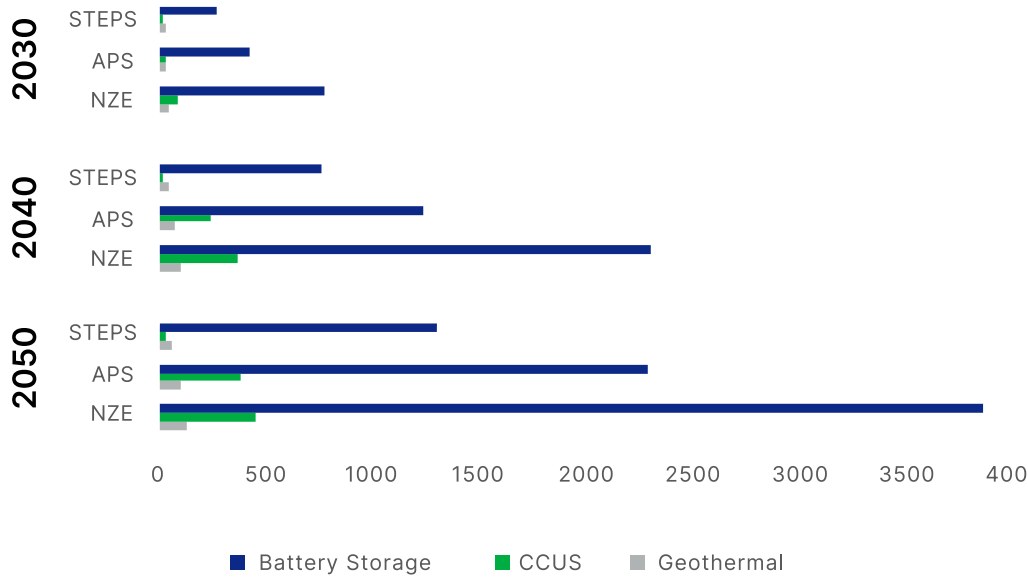


Figure 7: Global Installed Capacity of Select Electric Sector Technologies, 2030-2050 <sup>10</sup>

KEY TAKEAWAYS

1. We are mitigating our exposure to decreasing oil and natural gas production, especially in the most aggressive emissions reductions scenario (NZE), with investments in NETS, NETV and NETC.
2. In particular, we believe our investments in NETS, NETV and NETC are well placed, given the likelihood of expansion of hydrogen-related infrastructure in the moderate (APS) and aggressive (NZE) emissions reductions scenarios.

<sup>10</sup> International Energy Agency (2022), World Energy Outlook 2022, IEA, Paris



# Environmental Stewardship

## GHG Emissions

At Nabors, as we explore opportunities in alternative, low carbon energy sources, we persist in our commitment to reduce the carbon intensity of our drilling operations. We believe hydrocarbons will continue to play a critical role in the global energy mix for decades to come. Therefore, it is important for us to reduce our carbon footprint, while providing best-in-class service to our customers, contributing to the reduction of GHG emissions across the industry. To drive these efforts, we have a multifaceted approach in place, with initiatives spanning from technological innovations that drive efficiency, to emissions accounting and targets setting to measure and benchmark year-to-year progress.

### GHG Reduction Strategies

In 2022, we continued to successfully implement and enhance projects focused on the management of our operational emissions. The innovative application of Nabors proprietary solutions to our portfolio of commercial technologies and operations has been a key part of our improved performance.

PowerTAP™

Substation transformer, which connects the rig to highline power to provide electric power to rigs and reduce reliance on on-site engines

nanO<sub>2</sub>®

Fuel enhancer, which reduces carbon emissions by fuel efficiency through targeting incomplete combustion

PowerFLOW™

Super capacitor, which is an energy storage solution that provides a true peak shaving solution, leading to an estimated 25% fuel savings

SmartPOWER™

Automated power and engine management system, which optimizes the number of engines running while drilling, minimizing emissions and maximizing performance

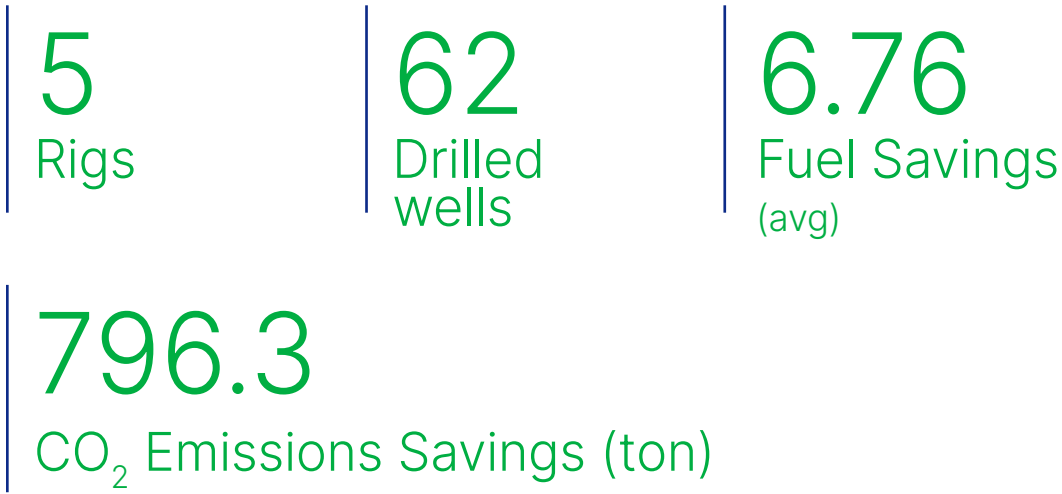
Hydrogen Injection Catalyst

Uses its patented, low-pressure environment to inject hydrogen directly into the combustion chamber, reducing engine maintenance

Focusing on efficiency in fuel use and engine power to reduce emissions globally, has proven successful across our operations. Therefore, in 2022, we implemented various strategies to reduce emissions from our global vehicle fleet. Among these initiatives, we:

- Enhanced management and tracking of our vehicles' fleet fuel consumption and mileage
- Upgraded our fleet with new vehicles that are more fuel efficient
- Minimized vehicle idle time for employees driving company vehicles
- Reduced travel time by strategically placing employees' camps closer to rig locations

In 2022, we implemented the use of our nanO<sub>2</sub><sup>®</sup> fuel enhancer in five rigs in Colombia, comprising 62 drilled wells. The implementation of this innovative product, led to notable reductions of CO<sub>2</sub> emissions.





## ENVIRONMENT

Even as our drilling footage increased, Nabors international Scope 1 GHG emissions per foot drilled decreased by 33% compared to our 2020 baseline year, exceeding our target of 5% that we set last year. In addition, Nabors Drilling USA Scope 1 GHG emissions per foot drilled decreased by 8.8% compared to our 2020 baseline year, exceeding our target of 7.5% that we set last year.

Simultaneously, we are assisting our customers to reduce their emissions and establish a competitive advantage against peers. Furthermore, we also provide equipment and analytical services such as our RigCLOUD® platform, to help our customers manage and reduce their emissions, promoting sustainability across our industry.

### Fuel Consumption

↓ **36%**  
vs. 2021

### Fuel Emissions (CO<sub>2</sub>e)

↓ **39%**  
vs. 2021

### Powered 40% of L48 fleet with alternative fuels in 2022

Dual-fuel	27%
Hybrid Energy Management System (hEMS) with Clean-Design Battery	1%
Biodiesel	2%
Highline	8%
nanO2® Fuel Enhancer	2%



## Measuring and Monitoring

Nabors recognizes that accurately measuring GHG emissions and transparently reporting data is a vital aspect of effective action towards reducing our environmental impact. As such, we are continuously enhancing our emissions accounting in accordance with science-based methodologies and working on other initiatives to further improve our performance. Periodically, Nabors performs audits across our operations to ensure that GHG emissions are measured accurately.

Additionally, having succeeded in meeting our 2022 GHG emissions targets, we are expanding our reduction goals for 2023 to a 41.7 lbs CO<sub>2</sub> per foot drilled or a 3% reduction in Scope 1 GHG emissions intensity for Nabors Drilling USA in 2023, using a 2022 baseline, and an 89 lbs CO<sub>2</sub> per foot drilled or a 3.7% reduction in Scope 1 GHG emissions intensity for Nabors international rigs in 2023, using a 2022 baseline.

NEW TARGETS FOR 2023

# 41.7

lbs CO<sub>2</sub>/ft drilled  
or a 3% reduction in Scope 1 GHG emissions intensity for Nabors Drilling USA in 2023\*

# 89

lbs CO<sub>2</sub>/ft drilled  
or a 3.7% reduction in Scope 1 GHG emissions intensity for international rigs in 2023\*

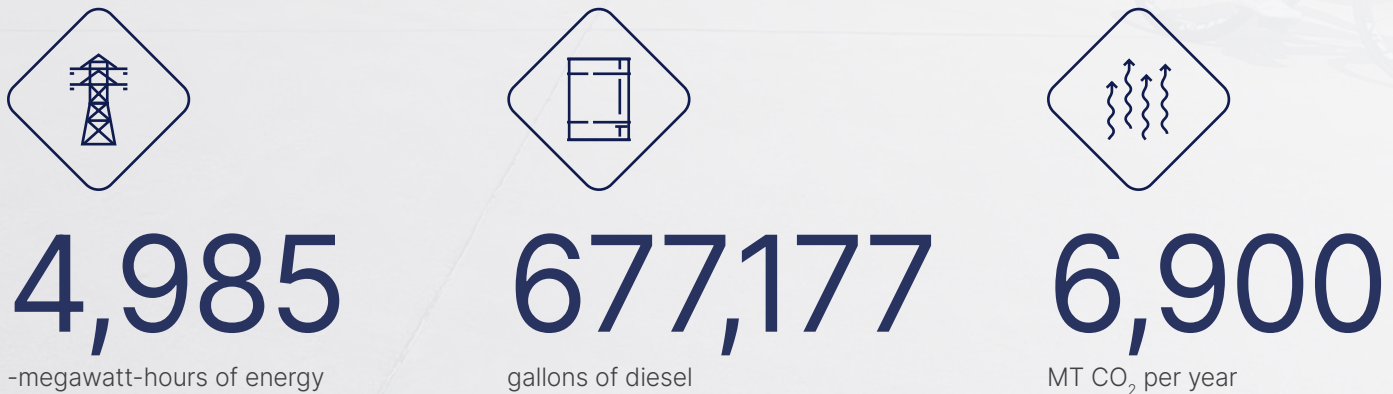


**Total Scope 3 Emissions\* = 24,156.03 Metric Tons CO2e**

Region	GHG Emissions Scope 1 and 2 (MT CO2e)	Emissions Renewable (MT CO2e)	Emissions Non-Renewable (MT CO2e)	Energy Renewable (Gigajoules)	Energy Non-Renewable (Gigajoules)	Electrical Power Renewable (MWh)	Electrical Power Non-Renewable (MWh)
Eastern Hemisphere	402,764.84	-	402,764.84	5,688,840.94	-	495,490.73	-
Western Hemisphere (excluding US)	101,103.64	-	101,103.64	1,434,521.51	-	132,886.59	-
US	705,236.36	3,316.24	701,920.12	9,990,098.61	42,393.59	743,024.43	3,743.67

**Crown Light Energy Savings**

In 2022, we reached our goal of installing 64 sets of crown lights globally, equating to a total savings of roughly:



Our LED crown-mounted lighting is energy efficient and uses maintenance free LEDs, while offering more reach and maximizing our workers' visibility.

## Water Management

Water management is considered a vital aspect of our commitment to environmental stewardship. As such, we have implemented a number of measures to reduce the use of water resources across our operations globally.

Water use is a key component of our drilling operations, and thus efficient and accurate tracking of water data is a necessity. Our water data is tracked throughout our global operations and applies to company-owned or company-leased locations. It includes water used for both domestic purposes, as well as manufacturing, research and development and maintenance (industrial) activities. Water use at the wellsite is under the operational control of our customers, however, we are committed to working with our customers to help meet their water use goals.

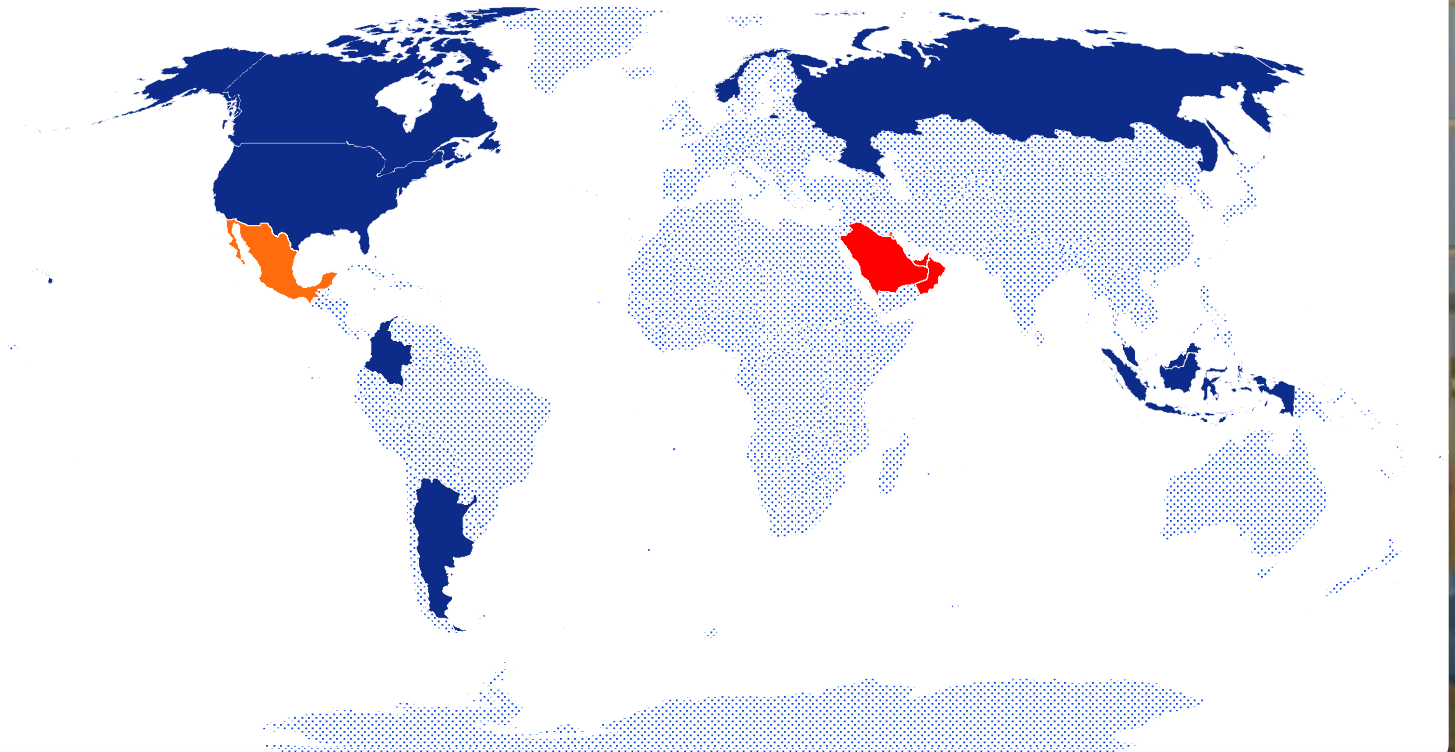
In 2022, Nabors withdrew approximately 204 megaliters (ML) of water, with an estimated 95% of the water supplied from municipal or water utility systems, primarily used for drinking, sanitation, hygiene and irrigation purposes.

Alternatively, in operating areas with known water stress as defined by the World Resources Institute (WRI)<sup>1</sup>, we are continuously evaluating methods to improve water efficiency. In 2022, approximately 39% of our total water use occurred in high or extremely high water stressed countries and over 90% of this water was recycled or reused.

**204** Total Water Use (megaliters)

**95%** of total water use supplied from municipal or water utility systems, primarily used for drinking, sanitation, hygiene and irrigation purposes

<sup>1</sup> WRI Aqueduct 3.0 Country Rankings shows countries' and providences' average exposure dataset accessed January 5, 2023.





Building on our work to track water usage more accurately across our facilities globally, we saw an increase in total water use at our headquarters in Houston, Texas in 2022. We worked diligently to meet our 2021 goals on water usage, but we faced challenges, due to an increase in personnel headcount, as well as an increase in personnel returning to the office post-pandemic. In 2023 and years to come, we will continue to explore innovative technologies to increase wastewater recycling capabilities globally, subsequently decreasing the amount of freshwater consumed.

REGIONAL WATER USE DATA (ML)

2022	Withdrawn <sup>1</sup>	Recycled/Returned <sup>2</sup>	Consumed <sup>3</sup>
Headquarters in Houston, TX	51.17	29.88	21.29
United States	93.11	53.78	39.57
Latin America	1.74	0.83	1.06
Asia	4.70	2.93	1.77
Middle East	78.36	77.19	1.10
Europe	26.79	26.79	0.00
<b>Total</b>	<b>204.69</b>	<b>161.52</b>	<b>43.50</b>

<sup>1</sup> Freshwater withdrawn sources include municipal water, groundwater, third party water and other water.

<sup>2</sup> Water returned means used and unused (discharged) water returned to a freshwater source directly by the company or indirectly by a third party treatment center for recycling and reuse; includes domestic and industrial use.

<sup>3</sup> Water consumed is freshwater used in industrial processes including internal recycle; excludes domestic water use.

WATER USE FROM WATER STRESS COUNTRIES (ML)

	Withdrawn		Recycled/Returned		Consumed	
	Freshwater	Other water	Freshwater	Other water	Freshwater	Other water
Oman	1.79	0.00	1.17	0.00	0.62	0.00
United Arab Emirates	12.80	0.00	12.63	0.00	0.42	0.00
Saudi Arabia	4.83	0.00	4.77	0.00	0.06	0.00
Kuwait	58.93	0.00	58.61	0.00	0.003	0.00
Mexico	0.74	0.00	0.74	0.00	0.02	0.00
<b>Total</b>	<b>79.09</b>	<b>0.00</b>	<b>77.92</b>	<b>0.00</b>	<b>1.12</b>	<b>0.00</b>

WATER WITHDRAWN BY SOURCE (ML)

	2022
Municipal water	194.63
Groundwater	8.33
Third-party water	1.74
Other water	0.00
<b>Total</b>	<b>204.60</b>





**Case Study:**  
Wastewater to Fertilizer at Campo Rubiales, Colombia

Our team in Colombia took the initiative to establish a wastewater treatment system, where produced water is drained from the sludge and the sludge goes through a process of dehydration. Once the sludge is removed, we derive water with turbidity ranging from 7 to 25 Nephelometric Turbidity Units (NTUs), which can be used for various needs around the base. At the same time, the dehydrated sludge can be removed from the drying beds and serve as a fertilizer in the surrounding ecosystem.



**Case Study:**  
Sewage Treatment Plants Deliver Water for Tree Irrigation in Oman

In recent years, our team in Oman has been treating and redirecting water discharge towards the irrigation of trees that encircle the facility. Given the arid climate, the impact of this project is significant – both reducing water usage and managing water waste. The treated water is also sent in for laboratory analysis every month to ensure compliance with local regulations.

In 2022, as the team dedicated efforts to improving the sewage treatment plant for better water quality, the analysis results met the requirements of the Omani Environmental Authority and the 115/2001 Royal Decree. This reflects on our teams' commitment to be great stewards of the environment and avoid negative impacts regardless of scale.



## Waste Management

Our waste management program has established a system that enables us to optimize resource usage and minimize waste, reducing our environmental impact. This waste management system applies a waste hierarchy that outlines expected operating practices and requirements necessary to reach these objectives. The hierarchy focuses on preventative measures promoting source reduction, reuse and recycling over disposal. While waste requiring disposal is handled following company guidelines and meeting all applicable legal requirements, our waste management program also includes structures that ensure awareness and compliance with obligations, employee training and measurement and monitoring of key performance indicators.



Across our global operations, Nabors manages waste through prescriptive measures, including organizing waste in labeled containers, maintaining waste storage areas and disposing of waste in accordance with local and all other applicable regulations. Our sites follow our formal procedure for waste management, which requires prioritization of source reduction and life-cycle assessments for hazardous materials, as well as properly managing hazardous end-stage waste from generation to disposal. Our QHSE team leads efforts in waste classification and disposal and is responsible for reporting. In addition, they are continuously evaluating our waste management program to identify any areas for improvement and lead environmental initiatives. This process, combined with training and compliance audits, forms the basis of our waste management approach.

We provide guidance to promote efforts to minimize waste volumes and increase the recycling and reuse of materials

at each of our facilities. Even with application for waste management protocols, there are instances where materials are generated for which there is no economic demand, which requires eventual disposal. To manage waste in an environmentally sound manner, we audit our waste vendors and recyclers and only use those who are approved based on rigorous criteria in line with regulatory requirements. We seek to collaborate with our waste vendors to provide additional sustainability benefits and preferred alternatives to landfill disposal. Our standards on specific waste management requirements are defined, available to all employees, and reinforced through annual training.

While waste management obligations belong to our customers once wellsites are in operation, we request assurance that waste generated at worksites is managed responsibly and in line with applicable guidelines and regulations.



## Our Approach to Data

In 2022, our waste generation data<sup>1</sup> covered all manned, fixed facilities in which Nabors exercised operational control that housed activities identified as having significant potential for waste generation. Waste tracked includes both office and industrial waste, which includes general office trash (i.e., paper, packaging, food waste, etc.), industrial nonhazardous wastes (i.e., iron, steel) and hazardous wastes (i.e., various chemicals). In 2022, the total amount of nonhazardous waste generated across all of our regions of operation was 4,705.61 metric tons (MT). Of this waste, 28.4% was diverted from disposal through recycling and reusing.

<sup>1</sup>Waste data excludes NETS, SANAD and unmanned facilities; data is estimated for end stage waste at fixed facilities with significant operations.

In 2021, we committed to increase waste diversion from landfills by 5% for nonhazardous waste generated at our headquarters in Houston, Texas. During 2022 we exceeded this target by 21%. As we look to 2023, we will continue to develop methodologies for standardizing and digitizing waste reduction tools and resources across our facilities to identify waste reduction opportunities and effectively execute them.

**TARGET MET**

**5%  
INCREASE**

IN WASTE DIVERSION  
FROM LANDFILLS

**EXCEEDED BY  
21%**

	2021		2022	
	Hazardous	Nonhazardous	Hazardous	Nonhazardous
Headquarters in Houston, Texas	--	74.83	0.0	157.55
United States	--	--	20.78	1866.08
Latin America	--	--	71.75	9.28
Asia	--	--	19.29	20.37
Middle East	--	--	331.99	1764.31
<b>Total</b>	--	<b>74.83</b>	<b>443.81</b>	<b>4705.61</b>
Diverted from disposal (recycled/reused) <sup>1</sup>	--	0.0%	8.51%	28.37%
Directed to disposal <sup>2</sup>	--	100%	0.35%	71.19%
Incinerated	--	0.0%	14.98%	0.0%
Other recovery operations <sup>3</sup>	--	0.0%	77.17%	0.43%

<sup>1</sup>Diverted from disposal means waste that is either prepared for reuse, recycled or other recovery operations.

<sup>2</sup>Directed to disposal means discarded products, materials and resources to a controlled site in or on land, such as landfills.

<sup>3</sup>Other disposal operations generally means a chemical, thermal or other transformation that makes products, materials and resources unavailable for further use and mitigates hazardous characteristics.





## Case Study: Old Equipment, New Life

We encourage all teams to proactively think about reducing residual waste from our operations through recycling. Paper and packaging waste, used oil and scrap metal are a few of our industrial waste streams, which are recyclable or reusable and included within our recycling program.

Josh Blount, an operation manager with our team in Texas, developed a creative solution to address the piling up of unusable stator tubes. Stator tubes became a waste issue in a laydown yard north of Houston, as scrapping them required removing rubber and other residues to properly dispose. Blount suggested we repurpose the tubes to create pipe racks – something that all yards need. The team worked together to cut, size and install them, creating a great option for stacking pipes and other auxiliary equipment that are used in the field.

**Josh Blount**, Operation Manager

“It is a matter of getting creative with sustainability in mind. This is something we think about a lot – how do we repurpose something in a way that makes sense?”

## Asset Management

In striving for full elimination of potential releases and environmental incidents, we adhere to a rigid plan developed by our QHSE department to ensure our equipment and its operation meets and exceeds all applicable standards. Our Health, Safety and Environment Manual includes a Spill Prevention, Control and Countermeasure Plan (SPCC), which lays out procedures that apply across our operations globally, including spill reporting and training activities.

Training our employees to be up-to-date in the operations and maintenance of equipment is vital for the prevention of discharges and for the safe and proper functioning of our facilities. As a precaution, we train our employees to address the event of a spill correctly through our discharge procedure protocol. An annual discharge prevention briefing that assures adequate understanding of the SPCC plan is mandatory for all personnel.

IN 2022



4,462

employees completed our SPCC training in 2022



86%

Completed SPCC training in 2022

2020 - 2022

ZERO Significant Spills

We take additional measures on-site to prevent accidental releases and implement them at 100% of our onshore and offshore working drilling rigs, including:

- **Emergency spill drills**
- **Spill prevention plans**
- **Emergency response plans**
- **Systematic preventive maintenance work orders for all applicable equipment to prevent unintentional leaks**
- **Non-destructive test inspections to detect failures in hydraulic systems and high-pressure equipment**
- **Walk the line procedure (high-pressure valve alignment) for verification and validation purposes to avoid unintentional release**
- **Secondary containment for oil storage tanks**
- **Well control assessments (VERIFYit application for well control drills), well control equipment certifications per American Petroleum Institute (API) standards and frequent high-pressure testing on all well control equipment to guarantee the integrity of the equipment**
- **Environmental auditing incorporated in our Nabors Standard of Excellence**



# Biodiversity

Nabors is committed to the protection and preservation of biodiversity, ecosystems and the habitats surrounding our facilities. As such, we conduct impact assessments to understand the effect that our operations, such as drilling and drilling support (i.e., manufacturing, maintenance and production), have on biodiversity.

## Environmental Management Program

Our global [Health, Safety and Environmental Management System](#) (HSE MS) includes considerations for biodiversity protection and preservation, as part of our overarching strategy to reduce or eliminate any adverse environmental impacts. Our HSE MS provides a comprehensive look at the disciplined framework we follow to maintain the structural integrity of the surrounding ecosystems.

To enable the most effective HSE MS, with regards to biodiversity impacts, Nabors leverages the ISO 14001:2015 Environment Management System certification in Colombia, Mexico, Oman and Russia. In addition, we are actively working to improve our current HSE MS to meet or exceed ISO standards across our global operations.

## Drilling Operations

Wellsite locations and construction are determined by our customers, therefore managing biodiversity on and around the drilling location is under our customers' authority. As part of our best-in-class services, we support our customers by strictly adhering to their biodiversity management plans, when applicable.

**Accidental releases to the environment account for one of the greatest risks to biodiversity from drilling operations that the Company can directly affect. Nabors highly prioritizes the prevention of accidental releases and implements spill prevention control and countermeasures at 100% of our facilities (onshore and offshore) as applicable.**



## Facilities

At each of our facilities that are under our control and near or in protected areas or conservation sites, we conduct environmental risk assessments prior to commencing any activity. In line with our commitment to good environmental stewardship, we strive to mitigate significant impacts on the ecosystems that surround our facilities. To this end, Nabors takes two main approaches: operate, where possible, within established facilities and implement operational controls.

These operational controls are aligned with international, national and regional regulations and standards set by federal agencies or international organizations, such as the U.S. Environmental Protection Agency, U.S. Fish and Wildlife Services, International Union for Conservation of Nature and others. These controls are designed to protect sensitive wildlife areas through reporting and reviewing ecosystem and biodiversity activities.

Emergency response plans and spill prevention are deployed at 100% of our facilities, when such plans are required.

## Case Study: From the Contemplation Garden to Green Projects

Following the success of the Contemplation Garden project started by our team in Kuwait to enhance employees' mental wellbeing through green spaces, we have launched the Green project, which is focused on planting trees around our bases globally. This initiative creates dedicated rest areas for our employees, while also creating inviting habitats for birds in shaded areas, helping reduce carbon emissions.

## Case Study: Protecting our Beaches

In order to raise local awareness about the importance of caring about the environment, and to lead by example with Nabors commitment to environmental stewardship, we commemorated International Beach Cleaning in September 2022 in Ciudad del Carmen, Mexico. A group of volunteers on our Mexico team collected over 30 bags of toxic waste, playing a crucial role in helping to protect a sensitive ecosystem.



# 2

## Social

### Overall Approach to Managing Social Risks and Opportunities

Health and Safety Programs and Training

Human Capital Management

Stakeholder Engagement

Community Engagement



# Overall Approach to Managing Social Risks and Opportunities

Our Quality, Health, Safety and Environmental (QHSE) team is dedicated to monitoring, identifying and addressing operational and community issues regarding matters of health and safety. Under board oversight and management, our QHSE experts are responsible for improving processes, procedures and standards to ensure our people – employees and suppliers alike – remain healthy, safe and supported, when operating our assets. At the same time, we work to ensure the integrity of our assets, using best-practice standards to inform our operations.

To meet these performance expectations, we provide a series of QHSE programs and trainings and prioritized DEI during 2022. We also focus on employee engagement and talent management to lead our employees towards success, as well as community involvement and philanthropy.

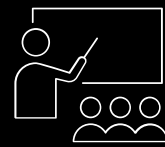




## Human Rights

Our [Corporate Guidelines on Human Rights](#) embody Nabors principles on respecting the basic rights of all people we engage and work with, avoiding involvement in any activity that encourages or solicits the abuse of another's human rights. Our internal policy is guided by the United Nations Universal Declaration of Human Rights and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights to Work. Given our international presence, we are committed to enforce our Corporate Guidelines on Human Rights across our global operations, underpinning our relationship with vendors, suppliers and other subsidiaries and stakeholders.

All employees participate in an annual training on our [Code of Business Conduct](#), which emphasizes our expectations that we should treat everyone with dignity and respect. Employees with roles and responsibilities relevant to aspects of human rights in our operations and those with supervisory responsibilities also participate in our Human Rights Training and Engagement, which is a general awareness training specific to human rights.



Human Rights Training  
and Engagement

94%

Complete in 2022

We commit to:



Diversity and Inclusion



Safe and Healthy Workplace



Workplace Security



Preventing Child Labor



Preventing Forced Labor and Human Trafficking



Appropriate Work Hours, Wages and Benefits



Community Engagement  
(i.e., Water and Health Access)

Nabors provides various channels for employees to **anonymously report any incidents of violation on any corporate policy or guideline and every employee is protected by a strong non-retaliation policy.**



# Health and Safety Programs and Training

## Journey to Excellence

Our mission is to deliver best-in-class drilling performance through our superior teamwork, execution, exceptional people and leveraging our technology. To stay true to our mission, we promote a culture of safety through Mission Zero – our goal of zero incidents. Our Journey to Excellence is a Nabors initiative, designed to serve this mission. It provides a roadmap with directions and tools for our employees to work together and share a commitment towards a Mission Zero objective.

The maturation of our Journey to Excellence in 2022, led to the implementation of our Performance Improvement Team, the “PIT Crew”. The purpose of this team is to support field management through Journey to Excellence coaching and mentoring.





PIT Crew:

**Pre-Assessment and Rig Selection**

- Select rigs based on fingerprint data and operational management requests

**Assess Crew and Rig**

- Current state of crew
- Rig processes against Nabors Standard
- Rig equipment against Nabors Standard
- Continuous improvement

**Journey to Excellence Coaching**

- Educate crews on Nabors Journey to Excellence and how it applies to their role, as well as how to utilize our Continuous Improvement Process (CIP) and After Action Review (AAR) to drive operational and safety performance

**Actions for Continued Development**

- Based on the assessment and Journey to Excellence coaching, develop actions to improve rig culture driving operational and safety performance
- Complete follow up visits and track actions

## Health and Safety

Nabors is committed to using safer and smarter health and safety practices to achieve a zero incidents work environment. It is important to us to provide a healthy and safe environment for all of our employees across our operations globally.

Our approach is guided by our policies and hands-on initiatives, such as our Start Work Checklist (SWC). In 2022, we began the continuous improvement process of reviewing specific Work Instructions (WI) and Job Safety Analysis (JSAs) in the U.S. with the intent of integrating them into our SWCs.

**Our SWCs:**

- ✓ Further align with key elements of our **Journey to Excellence Roadmap**
- ✓ Ensure critical focus area review through stimulated open-ended questions and engagement
- ✓ Provides sound verification assurance with the use of a checklist format
- ✓ Enhance our ability to consistently perform through a unified behavior language and task assessment approach
- ✓ Provide visual aids, including pictures and short videos of the major job step to mitigate hazards, prior to the start of the job steps, through conversation



## Safety Training Program Management

Nabors Occupational Health and Safety (OH&S) activities ensure adherence to all internal, contractual and regulatory requirements. Reflecting on safety as one of our values, in 2022, we undertook the following initiatives:

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





Our training programs equip and empower our employees to execute their responsibilities effectively and safely. Through our comprehensive list of OH&S trainings required for all U.S. field employees annually (see table below), we made further progress toward our safety goals in 2022. Incident metrics improved from a baseline year of 2020, and we anticipate this trend to continue into future years, as a result of our robust program.

### 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 Globally Harmonized System (GHS)	Workplace Violence
Hazard Identification and Risk Assessment	

### Average hours of Training in 2022:

26.02 

FULL-TIME EMPLOYEES

22.15 

SHORT-SERVICE EMPLOYEES

4.81 

CONTRACT EMPLOYEES



## Rigline 24/7™ Training Services

At Nabors, we believe running safe and efficient operations requires a highly qualified workforce. Our Rigline 24/7™ Training Services offers industry-leading accredited training programs to Nabors and non-Nabors oil and gas professionals. Program participants experience a combination of classroom instruction, interactive, hands-on exercises and state-of-the-art simulator technology at one of our 13 accredited global training centers.



Leadership courses that develop the next generation of supervisors and managers



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



Advanced driller performance courses focusing on best practices



HSE and operations accredited courses on job-specific trainings



Equipment operations and maintenance courses

58 

CLASSROOM COURSES

34 

VIRTUAL COURSES

213 

ONLINE COURSES

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 above the industry averages for the Level 3 and Level 4 virtual and in-person well control trainings.

### Rigline 24/7™ Training Services Performance within Industry

VIRTUAL WELL CONTROL DRILLER LEVEL 3	AVERAGE SCORE	PASSING RATE
Rigline 24/7™ Training Services	84%	88%
Industry Average	78%	76%

IN-PERSON WELL CONTROL DRILLER LEVEL 3	AVERAGE SCORE	PASSING RATE
Rigline 24/7™ Training Services	83%	87%
Industry Average	80%	85%

VIRTUAL WELL CONTROL SUPERVISOR LEVEL 4	AVERAGE SCORE	PASSING RATE
Rigline 24/7™ Training Services	87%	95%
Industry Average	84%	85%

IN-PERSON WELL CONTROL SUPERVISOR LEVEL 4	AVERAGE SCORE	PASSING RATE
Rigline 24/7™ Training Services	86%	94%
Industry Average	84%	92%





## RIGLINE 24/7™ 2022 Highlights

Rigline 24/7™ is a resource available around-the-clock for operators to address any question or concern through a single phone call. Staffed with master-level technicians and trained subject matter experts, Rigline 24/7™ aims to cut traveling costs and time by providing our employees in the

field with the assistance they need from troubleshooting equipment to updating software. Savings realized from the implementation of Rigline 24/7™ were approximately \$2.7 million in 2022.

### Equipment Troubleshooting Cases

20,832

equipment troubleshooting cases were created in 2022, with **11,605** resolved remotely by the Rigline 24/7™ equipment team without requiring a technician dispatch.

56%

remote resolution rate for equipment team in 2022.

### Product Rollout/Code Upgrades

591

remote code upgrades or new software upgrades completed remotely in 2022 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.

2,362

cases actively troubleshot by Rigline 24/7™ team; **less than 1% - 23 cases - required a dispatch.**

### Technician Dispatch Reduction and Emissions Saving

26,117

issues resolved remotely in 2022 by Rigline 24/7™ without the need for a technician dispatch.

5,185

**MT CO2e emissions and 588,266 gallons of fuel saved**, when calculated using the average service call distance of 232 miles round trip – this represents a 7.5% decrease in emissions saved from technician traveling, compared to 2021.

### Remote Equipment Commissioning

64

remote commissioning of rig equipment completed by Rigline 24/7™ globally in 2022.

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



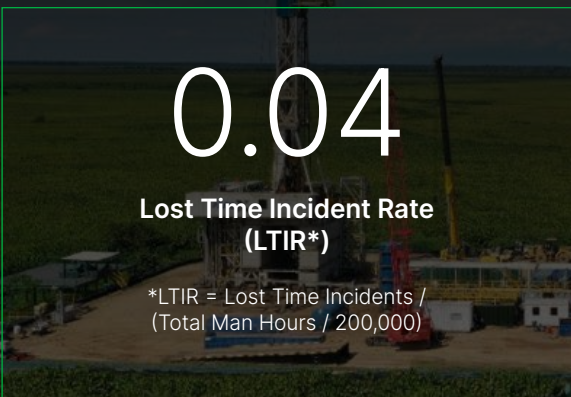
## Occupational Health and Safety

Nabors prevents work-related injury in its operations by providing safe and healthy working conditions worldwide. To ensure we are on par with the most effective health and safety management system, we have certified 17% of our operations in Colombia, Mexico and Oman to ISO 45001:2018 – the international standards for occupational health and safety management systems.

In 2022, our Canrig team was recognized by the Occupational Safety and Health Administration's (OSHA) Voluntary Protection Program with a "Star Among Stars" award, for their outstanding health and safety accomplishments. During that time, approximately 0.04% of U.S. workplaces were known as "Star Sites."

Nabors OH&S Management System facilitates a framework for OH&S objectives and risk reduction, fulfilling legal and industry requirements. We are committed to the continuous improvement of the OH&S Management System, a process which includes input from our employees. Nabors OH&S Statement also applies to suppliers and subcontractors.

We recognize the importance of increasing awareness of the areas of our operations with the highest potential to impact employees, as well as identifying measures that can be taken to mitigate relevant risks.



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



**146**  
Rigs LTI\* Free  
in 2022

\*LTI=Lost Time Incident

No LTIs at our Magnolia  
Facility in 2022


**28**  
UNITED STATES

**33**  
INTERNATIONAL

**61**  
TOTAL

\*Only rigs that operated 75% of each year

### Mission Zero Accomplished



Rig X-05 in West Texas has had

Recordable incidents for the past 4 years

112 Rigs\* had

Recordable incidents in 2022

\*Only rigs that operated 75% of each year

\*Recordable Incidents = MTO (Medical Treatment Only), RWC (Restricted Work Case), LTI (Lost Time Incident) and FTL (Fatality)



## Physical Wellbeing and Mental Health

Integrated in our health and safety culture is a focus on the physical and mental wellbeing of employees. We believe that investing in the wellbeing of employees helps them do their best work. For example, we have supported the wellbeing of our employees at our headquarters in Houston, Texas through the following initiatives in 2022:

- Medical care and personal health assessments (PHAs) through our wellness center co-located at our office, focused on giving employees an evaluation of their risks and common health issues, such as diabetes, heart disease and stroke. **In 2022, the number of employees that completed a PHA increased by 41%**
- On-site fitness facility providing group fitness, personal training services and professional fitness consultations
- Desk health challenges
- Walking challenges
- Healthy food options offered at our bistro and café

“This campaign was a celebration of fitness and wellness. Our goal is to promote employee engagement and wellbeing. You don't need any special equipment or training—simply set aside thirty minutes each day and find something fun that works for you.”

**Abigail Barnuevo**

Senior QHSE Coordinator, Campaign Leader



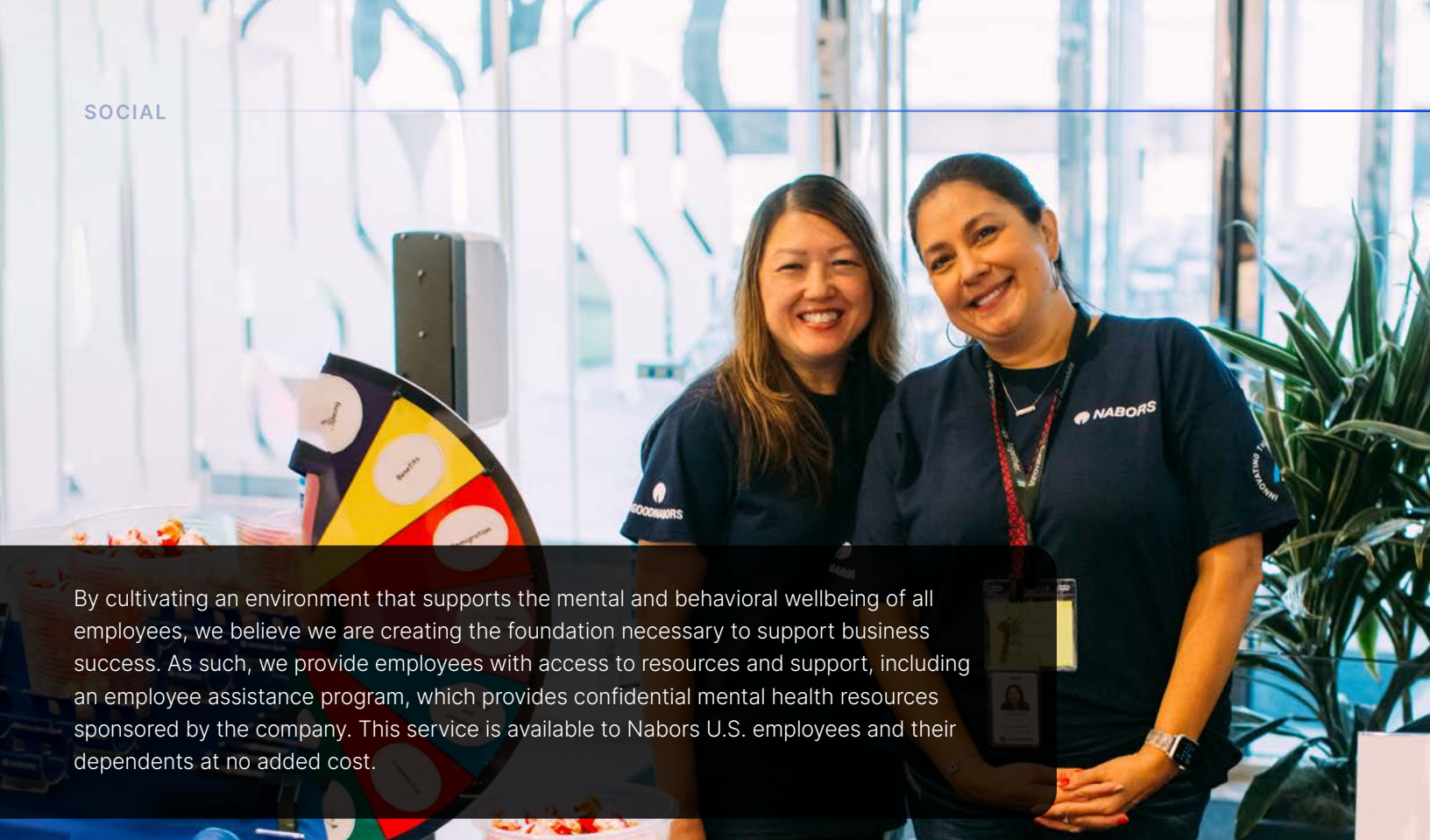
## Initiatives

Nabors health initiatives in 2022 provided opportunities for employees to participate in fun events, while taking care of their health.

For our 6th annual Dubai fitness challenge, we put forward a simple goal for each participant, “30 minutes of activity for 30 days.” To reach that goal, we organized activities, provided workout videos and hosted events around the city to promote and celebrate fitness and wellness. We also invited a certified yoga instructor to lead a private yoga session, highlighting the important connections between physical and mental health.







By cultivating an environment that supports the mental and behavioral wellbeing of all employees, we believe we are creating the foundation necessary to support business success. As such, we provide employees with access to resources and support, including an employee assistance program, which provides confidential mental health resources sponsored by the company. This service is available to Nabors U.S. employees and their dependents at no added cost.



In 2022, we increased our focus on raising mental and behavioral health awareness, with the objective of destigmatizing negative connotations and promoting the various resources available to our employees and their families.

To further promote employee wellbeing, our financial wellness program helps employees navigate their path to financial security and reach important life goals. Through company-sponsored educational sessions and one-on-one consultations with financial specialists, we empower our employees to create a personalized plan that reflects their financial goals.



In 2022, we held sessions specifically targeted at helping employees understand the basics of Medicare, maximizing Social Security benefits and other pre- and post-retirement benefits.

## Incident Management and Emergency Training and Preparedness

The safety of our people is our top priority, and we want everyone to return home healthy to their families. As such, incident preparedness and equipping our employees adequately to prevent and deal with incidents is a key focus area for Nabors.

To mitigate incident risk, Nabors ensures preparedness for both field and corporate employees through rigorous processes and technologies. Successful and continuous implementation of these safety protocols and updates have led to a TRIR of 0.48 in 2022.

### Technology

In addition to the various initiatives noted above, we leverage innovative technology to derive higher efficiency across our operations, as well as to ensure the safety of our employees. Utilizing safer tools mitigates incident risk. Automation in particular, protects our people by lowering exposure to hazardous areas.

### Case Study: Red Zone Robotics (RZR) Rig Floor Automation Module

In 2022, Nabors marked a major industry milestone by fully automating an existing land rig with the first-of-its-kind, "Canrig RZR Rig Floor Automation Module". This achievement can be largely attributed to the insights and lessons learned from the PACE®-R801. The RZR Rig Floor Module features the iRacker®, a fully autonomous triple racking tubular handling system that enables completely hands-free pipe handling. By fully automating the rig floor, a place where most lost time injuries in the industry occur, we are removing crews from the hazardous red zones. The automated rig technology successfully drilled four wells during the year.



"R801 proved fully automated land drilling is possible. Now, RZR has demonstrated those same levels of automation can be scaled across existing assets at a fraction of the cost of a newbuild. This rig floor automation module is a game changer for the drilling industry, as it seeks to increase safety and achieve true factory drilling. We are excited to integrate RZR on our high-spec rigs over time and offer the system to any drilling contractor. Our goal is to bring the same level of safety to all crew members. Automation is the future, and we are leading the industry in this direction."

### Anthony G. Petrello

Chairperson, President and Chief Executive Officer



# Human Capital Management

## Diversity, Equity and Inclusion (DEI)

Nabors global and dynamic workforce drives our company culture and sets us apart from our competitors. We value the worth of each employee and the value they bring to our team. As such, we are genuine in our efforts to create an environment of acceptance and inclusion through a robust DEI program.

We are continuously working to develop new initiatives and improve our policies to ensure all groups are represented and minority voices are heard. At Nabors, we are committed to providing equal employment opportunities to all employees and applicants and prohibiting discrimination and harassment of any type without regard to race, religion, age, color, sex, national origin, disability status, genetics, protected veteran status, sexual orientation, gender identity or expression, or any other characteristic protected by federal, state or local laws. This is how we foster an environment that empowers our employees to reach their full potential and do their best work.



In 2022, Nabors engaged all employees in a company-wide survey to analyze and evaluate the current DEI company culture and identify opportunities for the next year. Overall, the results of the survey showcased improvement across various aspects of our DEI program. In addition, the employee participation rate increased and a higher satisfaction among employees was noted.





## Defining DEI

Our working definition of our DEI goals is to make Nabors a space where people can be comfortable to express themselves, while having the necessary conditions to achieve their fullest potential. Given our global operations, DEI to us is an intrinsic part of our culture and business.



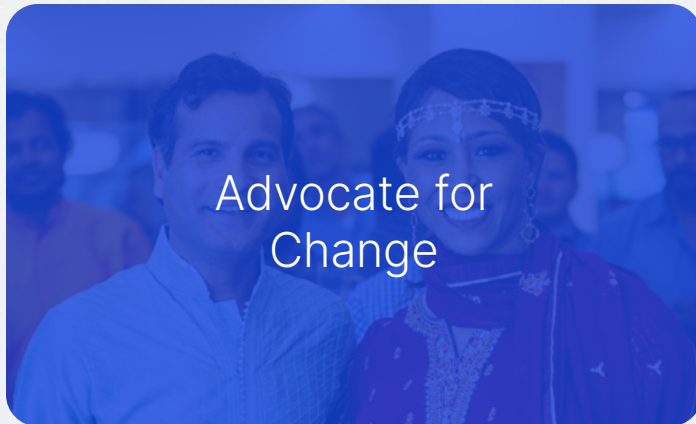
**Diversity** is about valuing our differences



**Equity** is giving people access and opportunities to achieve



**Inclusion** is allowing people to feel valued, heard and appreciated



Advocate for Change



Create a Community of Allyship



Hold Each Other Accountable



Cultivate a Positive Work Environment





## Employee Spotlight

### MARIA BETHANCOURT

Maria Bethancourt began her career in the oil and gas industry in Venezuela as an executive assistant. That is where she learned all about KPIs, OSHA and the industry. Her career path, however, soon faced a challenging event. After five years, the company she had been working for would become part of history. It was the first company seized by Venezuelan President Hugo Chavez. Bethancourt says she remembers sitting at her desk when the military stormed into the building and started seizing all the equipment.

During this time, companies stopped hiring, people were losing their jobs and were forced to migrate to other countries in search of a more stable environment. Throughout all of this, Bethancourt had gotten divorced and was sharing custody of her three children.

In 2011, Bethancourt was hired by Nabors as an assistant at our office in Venezuela. Her resiliency and ambition became clear, and it took her only three years to be promoted to supply chain manager, and six years later, she was invited to join our team in West Texas. However, her journey to the U.S. was not simple. Amid political tensions, Venezuela was engulfed in protests and the U.S. embassy was closed. With perseverance however, she traveled to Panama and successfully restarted her visa process at the U.S. embassy there, determined to take on new opportunities at our Texas operations.

As soon as she arrived in the U.S., Bethancourt got to work. She introduced herself to her direct reports, visited rigs, communicated with the operations team and presented to large internal groups. "Upper management at Nabors has always supported me," Bethancourt said. "The opinions I value the most are the people who truly see me. They value my professionalism, experience and hard work. I could not have gotten this far without Nabors."

**Maria Bethancourt**, Supply Chain Manager





## Forming a DEI Council

We launched our DEI council in 2021 to expand on our efforts towards DEI. The council's objective is to transform our company culture and meet DEI goals through a multi-disciplinary approach that uses knowledge sharing and employee engagement to address challenges internally, while also applying inclusive recruiting practices and focusing on retention strategies.

During 2022, the council met on a monthly basis and undertook various initiatives, deepening the impact on our company culture. Through the teams' dedicated effort and success, we exceeded our DEI goals that we set in the previous year.



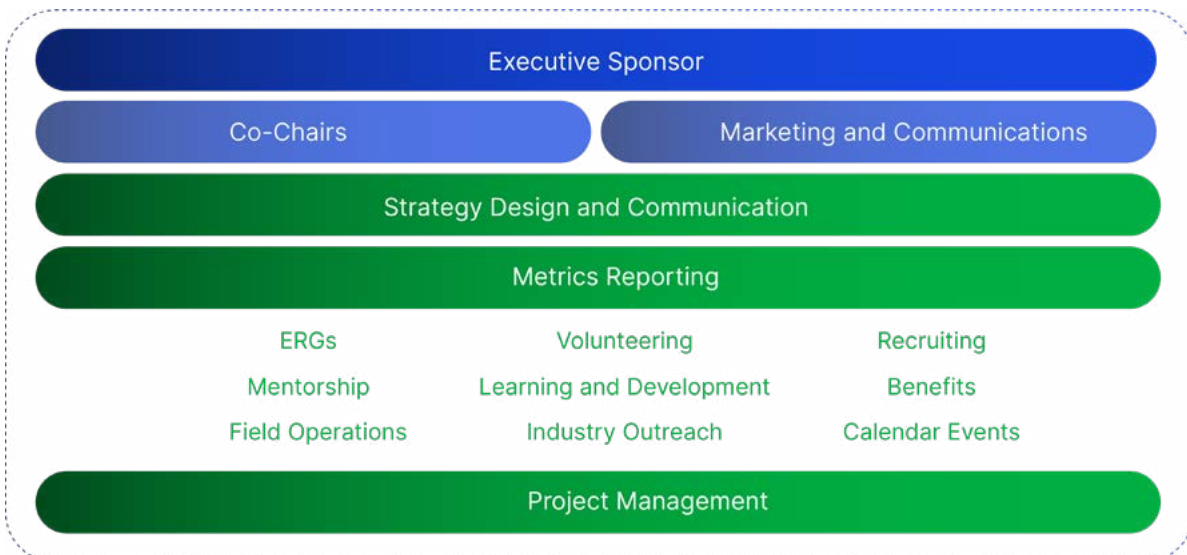
↑ 10%  
**INCREASE**

DIVERSE REPRESENTATION IN  
OUR U.S. TALENT POOL

In 2023, we aim to increase our diversity pool, creating a pipeline of potential future leaders even further in the U.S. by:

- Increasing the percentage of all U.S. employee SGA and FS new hires that are diverse
- Increasing the percentage of all U.S. employee SGA and FS new undergraduate hires that are women

## DEI Council to Drive Formal Strategy





“I volunteered as project manager of the DEI council because I wanted to be an integral part of ensuring our DEI goals aligned with our business and people goals. I wanted to assist Nabors leadership in making DEI a priority, so that we, as a company, set ourselves up for not only economic success but social success as well. I’ve worked at other companies where DEI was a huge part of the culture and I wanted to bring that experience to this council. If we create an inclusive environment that promotes equity in the workplace, then every Nabors employee can have a sense of belonging regardless of their background.”

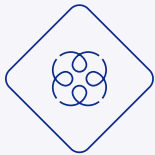
**David Peterson**, Accounting Manager & DEI Council Project Manager

## 2021 DEI Council Achievements



### Influencing Company Culture

- Designed a diversity roadmap to advance DEI and representation across Nabors and setting goals for 2023
- Drove efforts to establish DEI programs across global operations
- Engaged employees to get involved with Employee Resource Groups (ERGs), increasing participation in existing groups and creating interest to launch new ones



### Company and Community Impact

- Hosted events to address and prevent bias-related problems and to increase cultural understanding
- Improved employee health and wellbeing by organizing activities that promote taking care of self, family and others
- Organized volunteering and donating opportunities for specific causes



### Recruitment and Talent Growth

- Improved recruitment strategies by tracking diversity metrics in applicant data and using automation to review applications for better analytics and less bias
- Increased recruitment from HBCUs (Historically Black Colleges and Universities), such as Prairie View A&M and Texas Southern University
- Launched a mentoring program across our global operations to support minority employees at different career levels



### DEI as a Function

- Fostered an environment where employees collaborate and learn about DEI, their benefits, rights and about each other
- Launched four DEI training modules for all employees



## Highlighting Diversity Efforts

1. Nabors committed \$1 million to the North Dakota Tribal College Apprenticeship Program (TCAP), in partnership with our customers Hess Corporation and Halliburton. This is a newly established 4-year apprenticeship program for five North Dakota tribal colleges. The fund is estimated to reach \$14 million in investments for the 4-years, supporting students with tuition, stipends and other financial needs to improve education and employment opportunities for Native Americans across North Dakota.
2. We recognize the value gender diversity brings to the industry and to our company more specifically, which is why every year we make efforts to improve our policies that support women in their careers. In 2022, we enhanced our maternity leave to 12-weeks with full-pay and to 2-weeks for non-birthing parent, regardless of tenure, and have added additional wellness rooms at our headquarters in Houston, Texas to support nursing mothers.

Our U.S. SGA and FS women made up 19% of our leadership roles and 30% of our entry level positions. This year, we are proud to have reduced female attrition among our SGA and FS workforce by more than 20% from the previous year, through our DEI initiatives and improved policies such as our increased promotion

rates for women, mentoring of high-potential female employees and addressing biased perceptions through opened communication.

Additionally, these initiatives led to higher performance from our women employees, where the average rating for female employees' performance management tool was 4.46, compared to the 4.37 point average for all employees.

3. In 2022, our talent acquisition team focused on increasing veteran recruitment by building talent pipelines from various military bases. The team visited and held information sessions with active military personnel at several military bases to build relationships as they transition to civilian life. In recognition of our efforts, the Commonwealth of Virginia awarded us a certificate on our commitment to recruit, hire, train and retain veterans.
4. Nabors global footprint spans many geographies, which allows us to be a leader in our industry, and also provides us with worldwide perspectives and insights. This reach makes us one of the most diverse companies in the world and we strive to nurture this diversity. Therefore, in 2022 our employee base represented 89 nationalities, compared to 75 in 2021.



“Engineering made me reach for truth and objectivity. It taught me to accept reality with wonder and admiration. Seeing projects from a feminine perspective adds a different level of detail and collaboration to a team.”

**Najma Abdollahzadeh**, Senior Mechanical Engineer

Najma holds a master's degree in mechanical engineering. With over 10 years of experience in heavy machinery equipment design, analysis and manufacturing, she has worked for various industries including oil and gas, petrochemical and aerospace. For her, the success of the team in reaching project goals relies on an all-inclusive collaboration model.

## SOCIAL

Over the last three years, we have continued to maintain our gender diversity despite the cyclical nature of our industry. Women represented 5% of our global workforce and 20% of our SGA and FS workforce.

### Gender

	2019		2020		2021		2022	
	All Nabors	SGA & FS	All Nabors	SGA & FS	All Nabors	SGA & FS	All Nabors	SGA & FS
Female	5%	21%	5%	20%	5%	20%	5%	20%
Male	95%	79%	95%	80%	95%	80%	95%	80%

### Age

	2021	2022
Under 30 years old	22%	24%
30-50 years old	63%	61%
Over 50 years old	15%	15%

### Generation

	2021	2022
Generation Z (Born 1997-2012)	8%	12%
Millennials (Born 1981-1996)	55%	54%
Generation X (Born 1965-1980)	32%	29%
Baby Boomers (Born 1946-1964)	5%	5%

### Job Band and Gender

	2019		2020		2021		2022	
	Female	Male	Female	Male	Female	Male	Female	Male
Executive	10%	90%	10%	90%	11%	89%	12%	88%
Director	12%	88%	16%	84%	19%	81%	16%	84%
Manager	17%	83%	18%	82%	17%	83%	17%	83%
Supervisor	8%	92%	12%	88%	10%	90%	8%	92%
Individual Contributor	9%	91%	9%	91%	9%	91%	10%	90%
Administrative Support	53%	47%	50%	50%	51%	49%	50%	50%
Field Operations	1%	99%	1%	99%	1%	99%	1%	99%



## Ethnicity (U.S.)

	2021	2022
White	61%	59%
Hispanic or Latino	25%	26%
Black or African American	8%	8%
Asian	3%	3%
American Indian or Alaska Native	2%	2%
Two or More Races	1%	2%

Nabors minority employees represented 41% of our U.S. workforce in 2022, increasing by 5.1% compared to last year.

## Job Band and Generation (U.S.)

	Generation Z (Born 1997-2012)		Millennials (Born 1981-1996)		Generation X (Born 1965-1980)		Baby Boomers (Born 1946-1964)	
	2021	2022	2021	2022	2021	2022	2021	2022
Executive	0%	0%	0%	0%	1%	1%	2%	2%
Director	0%	0%	0%	0%	1%	1%	3%	3%
Manager	0%	0%	2%	2%	5%	5%	8%	9%
Supervisor	0%	0%	5%	7%	8%	9%	13%	13%
Individual Contributor	5%	6%	12%	13%	13%	15%	17%	19%
Administrative Support	1%	1%	3%	3%	3%	3%	6%	6%
Field Operations	95%	93%	77%	75%	68%	66%	51%	49%

## 2021 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%	32%	1%	-	51%	1%
Field Operations	2%	0%	9%	28%	0%	1%	58%	1%

## 2022 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	-	21%	-	11%	-	-	64%	4%
Director	-	19%	3%	10%	-	2%	64%	2%
Manager	0%	11%	4%	15%	-	1%	68%	-
Supervisor	2%	3%	4%	16%	0%	1%	71%	2%
Individual Contributor	0%	9%	7%	23%	-	2%	57%	2%
Administrative Support	-	3%	9%	31%	1%	2%	53%	2%
Field Operations	2%	0%	9%	26%	0%	1%	49%	12%



## 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	
	2021	2022	2021	2022	2021	2022
U.S.	85	86	72	73	85%	85%
Saudi Arabia	10	13	3	4	30%	31%
Argentina	1	1	1	1	100%	100%
Colombia	1	1	1	1	100%	100%
Mexico	1	1	0	0	0%	0%
Kuwait	1	1	0	0	0%	0%
Oman	1	1	0	0	0%	0%
Kazakhstan	1	1	0	0	0%	0%
Other	16	15	4	4	25%	27%
<b>Total</b>	<b>117</b>	<b>120</b>	<b>81</b>	<b>83</b>	<b>69%</b>	<b>69%</b>

## Region

	Employees in 2021	Employees in 2022
Africa and Middle East	30%	29%
Asia and Australasia	18%	15%
Europe and Other	4%	4%
Latin America	13%	13%
North America	36%	40%

U.S. Federal Employer Information Report EEO-1

JOB CATEGORIES	HISPANIC OR LATINO		NOT-HISPANIC OR LATINO												OVERALL TOTALS
	MALE												FEMALE		
	MALE	FEMALE	WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN or PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES	WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN or PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES	
EXECUTIVE/ SR OFFICIALS & MGRS	8	1	42	0	0	12	0	1	11	2	0	0	0	0	80
FIRST/MID OFFICIALS & MGRS	73	16	422	22	2	25	6	2	47	4	1	5	0	2	627
PROFESSIONALS	36	19	103	9	0	49	1	6	29	9	0	11	0	2	273
TECHNICIANS	95	1	225	33	1	6	2	1	0	0	0	2	0	0	366
SALES WORKERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMINISTRATIVE SUPPORT	15	33	45	8	0	2	0	1	50	12	1	0	0	0	167
CRAFT WORKERS	325	0	761	49	2	3	27	11	1	0	0	0	0	0	1179
OPERATIVES	292	1	466	114	2	1	20	8	3	0	0	0	0	0	907
LABORERS & HELPERS	11	0	64	41	0	0	1	2	2	0	0	0	0	0	121
SERVICE WORKERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>855</b>	<b>71</b>	<b>2128</b>	<b>276</b>	<b>7</b>	<b>98</b>	<b>57</b>	<b>31</b>	<b>143</b>	<b>27</b>	<b>2</b>	<b>21</b>	<b>0</b>	<b>4</b>	<b>3720</b>
PREVIOUS REPORT TOTAL	457	59	1446	132	2	97	28	21	134	22	2	23	0	5	2428



## Talent Management and Employee Engagement

At Nabors, we are committed to fostering a workplace environment that is safe and supportive for each employee to succeed. Their contribution, dedication and leadership drives the innovation and accomplishments Nabors is renowned for. Putting our people first and building a workforce that is diverse, equitable and inclusive sets us up for the win, differentiating our company in the long run.



## Talent Management

Every year we strive to advance our talent management structure to assist our employees in their career growth, while retaining people and preparing them to take on bigger responsibilities. The objective of our management structure is to identify and attract new talent, reduce turnover rates, engage our employees in feedback and performance reviews and develop their capabilities for career progression. In 2022, we continued focusing on hiring and onboarding practices and launched a few new initiatives.

Improved our onboarding process through focus groups, surveys, enhanced training and assigned work buddies. The new process is more technology-based and employee-driven to systemize the process, while making it a positive experience. It also empowers employees to meet requirements in a personalized way and allows us to track improvements.

Implemented our ACE (Actively Changing Energy) program. ACE is our early career development program that identifies newly degreed STEM (Science, Technology, Engineering and Mathematics) graduates, and once hired, leads them through a rotational experience for two years to accelerate their understanding of Nabors, while also creating a talent pipeline focused on technology.

### Metrics for ACE Program

#### GENDER



**40%**

Female



**60%**

Male

**80%**

of the selected employees represented minority groups

#### ETHNICITY

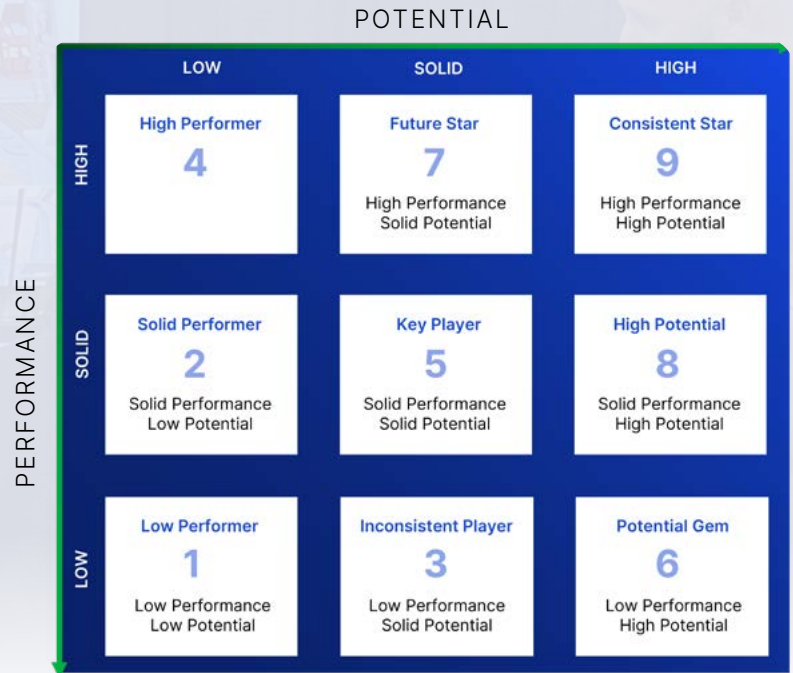
**20%** White

**40%** Hispanic or Latino

**40%** Asian

## Employee Engagement

- Hosted seven Evolving Your Career sessions with an average participation of 118 employees per session. These sessions provided employees with an opportunity to hear and learn from company leaders about career development.
- Designed a 9-Box Talent Matrix used to measure employee performance and identify employees with leadership potential.
- Launched a new performance management tool, “myFeedback”, that encourages teamwork and collaboration. The new appraisal system allows for timelier conversations and evaluations, while making it simpler to follow up on performance improvement and development plans.



## My Feedback Participation

### GENDER DIVERSITY

**28%**

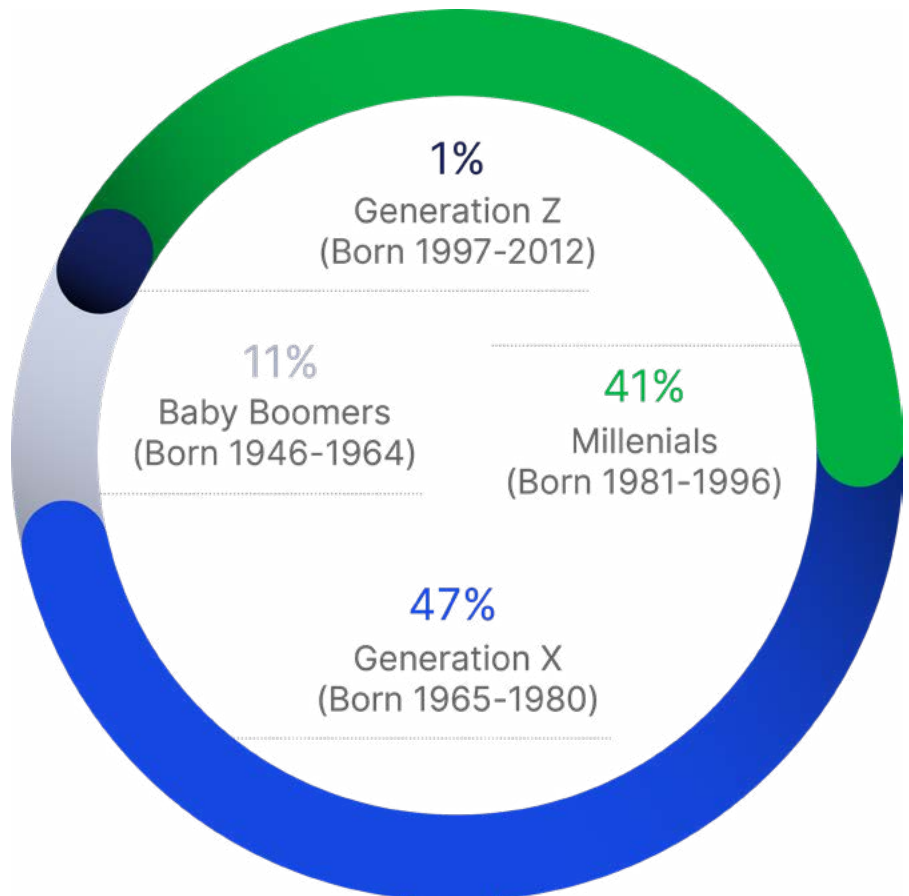
Female

**72%**

Male

TOTAL REPRESENTATION OF MINORITY GROUPS =

**38%**





### Leadership Development

- Identified and completed development plans for more than 80 high-potential and technical/functional expert employees. In a reflection on our DEI efforts, over 50% of the selected employees represented minority groups.
- Calculated bench strength for all executives, directors and managers for the first time. Realizing the competence, capabilities and other metrics around employee readiness, this allows us to understand talent gaps and to make succession planning and transitions smoother.

### Recruiting and Onboarding Talent

#### Employee Spotlight

Gus Miller began his career as a truck driver, but now has 22 years of experience in the oil and gas industry. He took an opportunity to join Nabors and has continued growing in his career ever since. "To know you have influence over what you're managing and that you can provide feedback is what attracted me to come on board." Miller emphasizes taking challenges as a key factor to success. He uprooted his family from Utah to take on a challenging task; he committed to a district-wide growth plan in the northeastern region. However, not only did Miller live up to the challenge, he grew his district from five rigs to nine in just six months. Now, he is the one that oversees recruiting and new talent development for Nabors growing operations, guiding youth through their career journeys.



"I advise people to never be afraid of a challenge. You're always going to question whether you're ready for the next step. Step up, accept the challenge when you're faced with it and own it. Don't be afraid to surround yourself with other successful people and ask questions. How many opportunities do people get? Why pass them up? If you're ever given the chance to shine, that's your moment. Take it."

**Gus Miller**, Operations Manager

## In 2022, 16% of our workforce was promoted.

Within that, 77% were promoted within the same department and 23% were promoted outside their department, as part of our initiative to further develop and reskill our employees.

# 77%

of employees were promoted within the same department

20% FEMALE

41% MINORITIES

# 23%

employees were promoted outside their department

20% FEMALE

42% MINORITIES

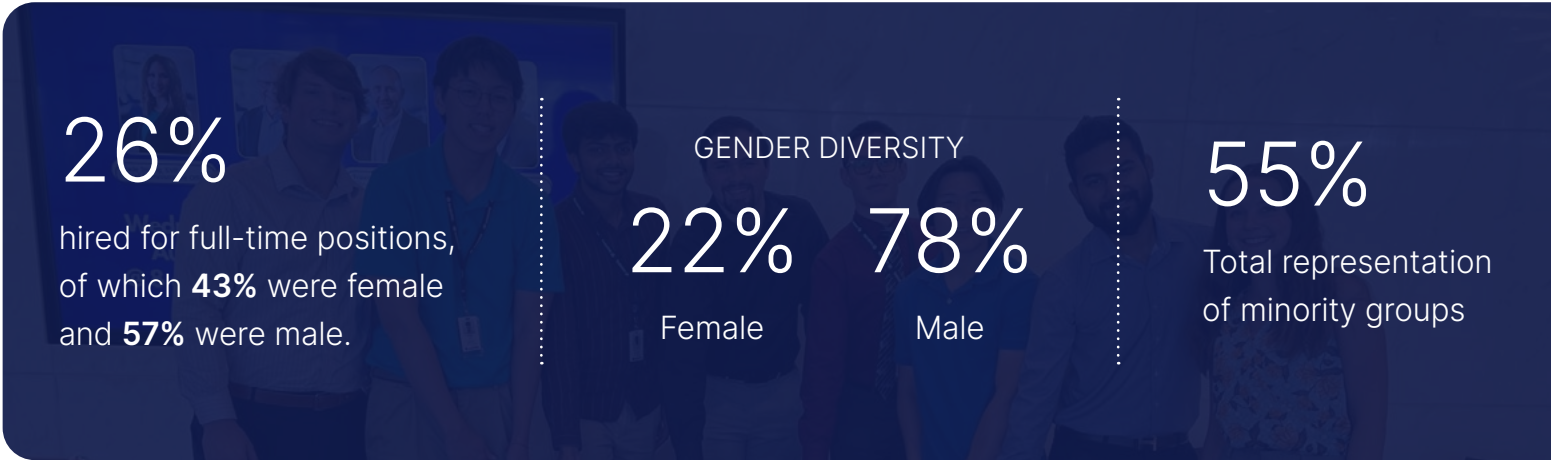


### Recruitment Initiatives

- Our training department supported the T4 – Tools, Trades, Torque, Tech – Future Workforce event that was sponsored by the North Dakota Petroleum Foundation. Over the span of two days, our team conducted eight information sessions on careers at Nabors. There were more than 900 students that participated.
- On the DEI front, we made multiple strides to advance our efforts, including recruitment from HBCUs and leveraging a diversity network to attract minority candidates.
- We started tracking diversity metrics from applications, considering demographic data for gender, ethnicity, veteran status and self-identification of disabilities. This will allow us to support future talent attraction, submissions and interview analytics.
- We grew our NCS (Nabors Corporate Services) internship program, which attracts students to our company and provides them with future full-time position opportunities. In 2022, our intern team was bigger and they came from nine different universities.

### Internship Program

Nabors hired interns across nine different departments, including controls and automation, enterprise solutions and ESG. At Nabors, we aim to offer employment and educational opportunities to students and young professionals. In 2022, we increased our intern team by 69% compared to last year, of which 26% were hired for full-time positions following the completion of the internship program.





“For my Spring 2022 semester, I earned the opportunity to work at Nabors as a data science intern. Over the course of my internship, I assisted in the creation of four applications using Python. Specifically, I developed an application to extract the time-series data from the rigs, perform its compression and retrieve it back to the original data according to the user’s need.

Working on-site allowed me to develop my technical skills and gave me exposure to the culture of the corporate world. My colleagues, and everyone at Nabors, created a very amicable working environment, where I felt free to ask questions, which fostered my personal and professional development.”

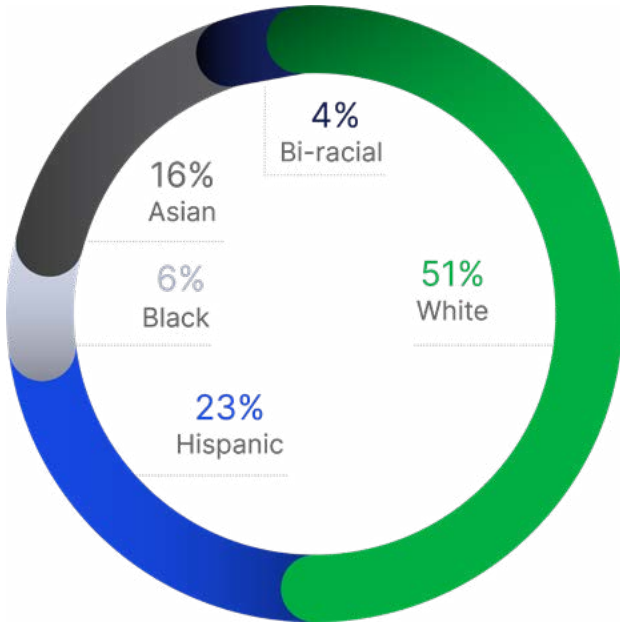
**Sakshee Singh**, Software Engineer

### New Hires\*

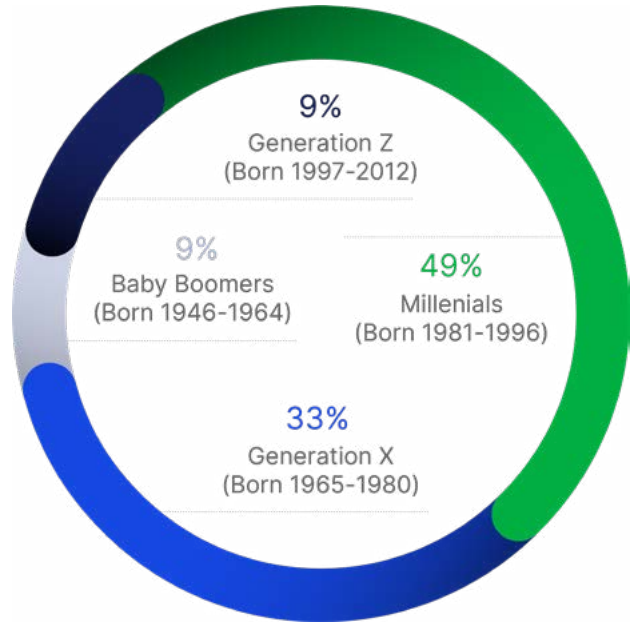
We hired over 300 new employees within our U.S., SGA and FS workforce during 2022. We are proud that our efforts in DEI led to 49% of our new hires representing a minority group, during 2022.

\*U.S.; SGA and FS; excludes SANAD and Contingent Workers

### ETHNICITY



### GENERATION



### GENDER





### Succession Planning for Critical Roles

At Nabors, we recognize the importance of identifying and developing new leaders for the continuity of our business and success. Therefore, we drove efforts to review our existing process and made changes to ensure a seamless transition of leadership positions.

Last year, we set a goal to make necessary changes to all previous succession plans and institute succession plans for all Nabors critical roles. These critical roles are defined internally on the basis of their: i) impact to business, ii) unique expertise and iii) scarcity of talent. We have fully achieved our objectives in 2022:

1. Reviewed successor development plans and improved readiness levels
2. Completed succession plans for 100% of our executives, directors and managers
3. Filled 50% of our critical role vacancies with internal successors

### Employee Resource Groups

As employee-led groups, ERGs bring together members with similar identities and backgrounds to promote a workplace that is diverse and inclusive. In 2022, we focused on increasing employee participation in our ERGs, by creating awareness around their work and by inviting employees to join. Our ERGs were designed to serve employees as platforms for collaboration and discussion.

ERGs launched in 2021:



Parents and Caregivers



United Nabors



Millennials

Total ERG membership **increased by 38% in 2022**, compared to 2021.

During 2022, our ERGs spearheaded employee involvement in 13 corporate community relations opportunities. The groups hosted events that aimed to improve employee wellness, break bias and increase cultural understanding. For instance, our Dubai ERG team gathered employees for cultural events such as Diwali and for spirit activities like the Dubai fitness challenge. Following the success of our ERGs across the company, we aim to expand our ERGs in the Eastern Hemisphere (EH) of our operations and launch new ERGs in 2023.

### Isenberg Scholarship Program

The Isenberg Education Fund Scholarship Program was founded by our former Chairman and CEO, Eugene M. Isenberg, in 2009. The fund was established to provide educational assistance to qualifying employees and their family members. To qualify, candidates must be high-achieving individuals who demonstrate strong academic performance, dedicated community service and financial need. In 2022, 64% of the applicants met all requirements and received monetary awards for their fall semester education.

To date, the program has provided over

**\$4.3 million**  
in education assistance.

**36** scholarships awarded in 2022, totaling the amount of \$272,000.



“As a recipient of the 2022 Isenberg Scholarship, I am one step closer to being that comfort and contact people deserve in a nurse. Upon graduation, I plan to use my registered nurse (RN) degree to pursue a career as a neonatal intensive care unit (NICU) nurse, with the hopes of eventually becoming a travel nurse. Nursing school has challenged my mind and has really made me think about how important a nurse is to helping people in so many ways. By awarding me the Isenberg Scholarship, Nabors has helped not only my ability to fully focus on my schooling, but also lifted the burden of financial worry. The generosity of the Isenberg Scholarship has inspired me to one day help others the same way I have been blessed with this amazing scholarship. I am so thankful to Nabors!”

**Brianna Zapata**

2022 Isenberg Scholarship Recipient

## Training and Professional Development

Training our employees, so that they achieve their fullest potential is an essential to Nabors success, and as such, we dedicate many resources to it. We recognize that training is vital for every employee to develop and see career growth, and to ensure that work duties are completed, to evolving standards and best practices.

To align with the varying needs and preferences of different generations, we have implemented a multitude of training methodologies to facilitate in their learning. As an example, we have implemented more tech-based methods, such as our Smart Rack simulator, online courses and live online classrooms, while we continue hosting workshops in person with our subject matter experts.

	2021	2022
Certifications Provided	190,252	259,415
Online Trainings	160,572	217,476
Instructor Led Trainings	29,680	41,938
People Trained	9,826	14,799
Training Hours Per Employee	36	26

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

#### By Gender 2021



11.10  
Female



37.44  
Male

#### By Gender 2022



10.61  
Female



26.65  
Male

#### By Job Band

	2021	2022*
Executive	12.29	4.22
Director	12.92	6.18
Manager	23.35	18.12
Supervisor	52.03	40.28
Individual Contractor	29.18	7.67
Administrative Support	15.02	19.02
Field Operations	38.96	26.57

\*In 2022, we made some changes to our training programing, combining some courses to improve efficiency, which led to a reduction in the total amount of hours needed to finalize the courses. This partially explains the decrease in hours of training from 2021 to 2022.



Achieved 96% compliance with all safety-related trainings

Our Competency Assessment Management System (CAMS) tool empowers employees by identifying strengths, gaps, employee knowledge and skills objectively and in a standardized way. CAMS assesses required competencies for job function and technical deployment.

**Phases** | Enrollment > Record > Assessment

**Tools** | Mentors Guides Recruitment

In 2022, Nabors reached:

Phase 1: Enrollment

**97% complete**

### Mentorship Program

In 2022, we launched a comprehensive mentorship program following the successful completion of a similar pilot program in 2021. The objective of this program is to enable women and minority groups to jumpstart their professional growth. After completion of the program, **12% of the mentees were promoted.** To increase success rates, Nabors offered workshops to boost mentoring skills.

In an effort to expand the program across geographies, in 2022, we rolled out a U.S. field operations pilot program, as well. The DEI council plans to expand presence in the field, introducing new initiatives and working with operational leaders to train employees and advance DEI efforts.

**95%** DEI Introduction Training  
Rig Manager Attendance Rate

The mentorship program also encourages and promotes professional growth between areas and regions. In 2022, field employees participated in an international operations integration program in the U.S. They visited Nabors headquarters in Houston, Texas and toured our facility in Magnolia and 3 rigs in Midland. Following the mentorship program's success, we hope to expand it further across the company in 2023.

### Mentee's

**52%** FIELD EMPLOYEES

**40%** WOMEN IN LEADERSHIP

**8%** PRESENT LEADERS

### Regions:

**24%**

Colombia

**24%**

U.S.

**20%**

Mexico

**16%**

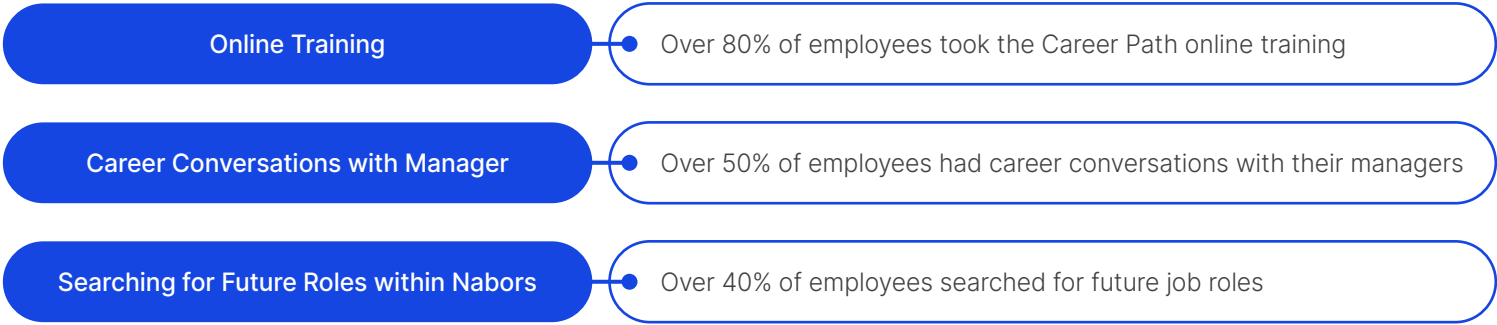
Argentina

**16%**

Eastern Hemisphere

### Career Pathing

We use career pathing to empower our employees to pursue their career goals by taking their career development under their own control. Our intention is to guide our employees in utilizing the various tools Nabors has made available for planning a career trajectory and equip them with the skills to identify gaps and capture opportunities. Career pathing includes three main components:



47%

of Millennials accessed career pathway tools, which speaks to the value this generation puts on career development



20+

cross training transfers

Our 2021 pilot proved successful, and in 2022, we drove efforts to complete the career pathing process across our departments globally.

**We anticipate completing 100% of the process by the end of 2023.**



# Stakeholder Engagement

At Nabors, our stakeholders are an essential part of our business and therefore, their opinions matter to us. By engaging key stakeholders in conversation, our board and management team derives insight on important topics concerning the future of our company, including strategy, performance, matters of ESG and compensation issues. We leverage their feedback to design effective responses, while remaining aware of issues, as they arise.

Our stakeholders include:



## Shareholders

We engage our shareholders through various methods, such as one-on-one meetings, investor meetings, analyst conferences, panel discussions and our annual shareholder meeting. Their feedback is gathered at each event and is reported to our board.



## Lenders

We update our debt investors on a consistent basis with information on our financial and ESG performance. Similar to our equity investors, we leverage multiple engagement routes to receive feedback.



## Employees

Nabors recognizes the essential role our people play to drive our company's success, which is why every year, we try to do better in ensuring their safety and wellbeing. We conduct employee surveys, provide platforms for employee-led initiatives and invest overall to improve our company culture.



## Vendors

Our vendors' support is vital to our operations, and, as such, we work to build strong relationships based on trust. We aim to use local vendors where possible, and we expect our vendors to align their QHSE standards to ours.



## Customers

Satisfying our customers and ensuring that our relationships remain long-lasting is a key element to businesses success. We ensure this not only through our best-in-class service, but also through proactive conversations.



## Communities Where We Operate

We emphasize the importance of supporting the environmental and socio-economic aspects of the communities where we work and live. As part of our community engagement efforts, in 2022 we provided support to various organizations in communities across our operations globally. We also made it a point to hire youth from local universities and support with educational assistance, such as our partnership with the North Dakota Tribal College Apprenticeship Program.

We recognize that other stakeholders may have not been addressed above, however, Nabors works diligently to address the needs and intake the feedback of any entity that makes possible our presence and success.



# Community Engagement

Nabors is committed to support and uplift the communities in which we live and work. As such, we embody that commitment by engaging with and investing in those communities across all of our operations, globally. In addition, we strongly believe that we need to understand these communities in depth, in order to manage our operations in line with their needs and to serve them to the best of our ability. Which is why we strive to build meaningful relationships with community members.

To this end, we launched our Corporate Volunteering Program, through which we implemented two paid days per year for eligible employees to pursue volunteering opportunities in the communities where we live and operate. Creating a space where our employees get to serve the causes they are interested in, while getting to know the community that surrounds us better.





## Social Investment

At Nabors, we always embrace opportunities to give back, and 2022 was no exception.

### Technology Lab Donation

The Shirgaon Panchakroshi school in India provides more than 800 students with access to a free, high-quality education. It has grown from a small four-room building, to a 19-classroom facility, complete with a science lab, computer room and athletic fields. Nabors learned of this school's need for computers through a valued business partner in India, who also happens to be the granddaughter of the founder of the school. Our team in India donated computers, giving hundreds of children access to a world previously beyond their reach.



“This access completely changes the experience for these students. They can learn new technology and have a window into the great, big world out there.”

**Pramod Ayre**  
Operations Field Support Technician



### Access to Education Support

Nabors donated \$10,000 to the Fe y Alegría foundation in Venezuela, which supports children without access to education and basic needs.

### Back to School Supplies Drive

Our parents and caregivers ERG partnered with the Aldine Independent School District (ISD) for the start of the 2022-2023 school year in Harris County, Texas. The ERG hosted a school supplies drive, collecting various supplies and then sent volunteers on the ground to distribute them. With the help of our donations, Aldine ISD was able to provide supplies to over 8,000 students.







### Bike Multiple Sclerosis (MS)

We sponsored a team of 30 employees who completed the MS 150, a 150-mile bike trek across Texas to support the National MS Society. The MS Society helps improve the lives of those living with MS through programs, services and research. The event raised over \$30,000 and brought together our employees in a demonstration of living our Nabors values.

### Breast Cancer Awareness

Our employees in Houston, Texas brought efforts together in October to participate in any way or form at the 2022 Susan G. Komen Race for the Cure. As a challenge that impacts many individuals and families on a daily basis, this great social cause is more than a community engagement for Nabors.

In addition to Nabors investment, employees were encouraged to run, walk or just donate, as it best fit their preference. Ultimately, our goal was to raise awareness and solidarity for the millions of women who battle breast cancer. We are proud of our employees across the globe, who also showed their support by organizing events online and within their offices, including selling baked treats and lemonade. In total, we were able to donate over \$11,000 to the cause.





## Giving Blood

It is in our tradition to conduct blood drives throughout the year. By making it easier for our employees to donate by bringing these events on-site, we create a path to save the lives of others. During our blood drives in 2022, we had over 130 employees who participated.

## Food and Holiday Season Drives

Our Canrig team, continued their partnership with the Society of Samaritans (SOS) during 2022, supporting various projects and outreach programs in our local communities. SOS has been serving residents of the greater Magnolia, Texas area for over 34 years, providing food, clothing and emergency financial assistance. During the year, the team:

- Built a fence at the SOS office to help secure donations and discourage dumping
- Distributed pantry staples, fresh produce and bakery items to more than 290 families
- Donated over 5,000 pounds of canned goods, benefiting over 1,400 children
- Delivered 50 turkeys, feeding many during the holiday season
- Provided Christmas gifts to over 20 children





The 2022 intern class partnered with the parents and caregivers ERG to provide meals through the Montgomery County, Texas Meals on Wheels program. Nabors employees collected more than 500 items, which served 75 home-bound senior citizens for their weekly breakfast need.

Nabors gives back and supports through various initiatives in the local communities in Colombia, where we have operations. In 2022, we donated \$45,000 throughout the year, including 600 boxes of groceries and over \$10,000 in Christmas gifts to those in need.

Employees from our headquarters in Houston, Texas and our team in the field in West Texas participated in the Salvation Army Angel Tree program. The program aims to provide children, whose families face financial hardship, with new clothing and toys. Different from a toy drive, the program connects each child to a donor. In total, we were able to provide gifts to over 120 children, among which 30 received bikes.

## Foster Youth Support

Our headquarters in Houston, Texas supports the Houston Alumni and Youth (HAY) Center, which is a program through the Harris County Resources for Children and Adults. The HAY Center fosters public and private partnerships, such as ours, to provide assistance to foster youth transitioning to adulthood in the community.

To support this program, we welcomed 16 individuals from the HAY Center to sit down one-on-one with employees to conduct mock interviews to prepare them for upcoming job placements. After interviews were conducted, all attendees

were invited to participate in a lunch-and-learn, where they were taught about the oil and gas industry and what we do on a day-to-day basis. Nabors employees also shared their career paths and how it led them to their current roles.

Nabors is dedicated to the mission and values of this program, which are centered not only on helping our customers meet their objectives through the delivery of best-in-class performance, but also on giving back to the community by supporting educational and other charitable activities.





No matter how long or how challenging my week has been, I always look forward to Wednesday afternoons. All of this is made possible by the Nabors partnership with the HAY Center, which does such an amazing job providing services to prepare youths in foster care with life skills. I leave Wednesday sessions with the feeling my being there, has made a real difference in some way. Each of the girls, with their unique personalities, has made a positive difference in my life, as well."

**Rhonda Faust**, Contracts Director

"Every Wednesday, I look forward to spending 2-3 hours with a handful of amazing young ladies who reside full time at a local group home for girls and who vary in age from 12 to 17. The primary focus of our sessions is academic coaching and tutoring across a myriad of subjects.

Often, my sessions with these girls transcend academics and venture into the realities of life experiences, which the girls are excited to share. We talk about their aspirations and career goals; sometimes their plans to make it just one more week until our next session. Like all young people, each has shared their upcoming birthdates and I have made it a point to bring each a gift on her birthday, which correlates to some story they have shared with me about their hopes and dreams. The first birthday gift I brought was for a young lady who is adamant she wants to be a nurse. Not just any nurse, but a nurse in a neonatal intensive care unit (ICU). I bought her a stethoscope and sphygmomanometer set and taught her how to manually take blood pressure. She took everyone's blood pressure and had turned "pro" by the end of that session.

In another session, the girls mentioned they were excited to have earned privileges to attend an upcoming homecoming dance, but that they did not all have dresses. That evening, I put a call out to my circle asking for lightly used prom and homecoming dresses in a variety of sizes. Within a couple of days, I had about 15 dresses, shoes and jewelry for the girls. This was enough for all of the girls at the home who were eligible to attend the dance.

"I was so excited to learn about Nabors volunteer opportunities with the HAY Center. As an empty nester, I was in a position to give back to the community. Through the HAY Center, I was eventually matched with a 15-year-old.

The experience has been extremely rewarding. As we have gotten to know each other, he has opened up and shared his story. He is a courageous young man who needs a chance to succeed in life. My goal is to guide and encourage him on his journey to adulthood and life outside the foster care system. We take it a week at a time – sometimes, it is just talking, and other times it is playing basketball with the rest of the kids in the shelter.

Over the past two months, he has improved on his journey and will start transitioning to high school. His dream is to become a Special Weapons And Tactics (SWAT) officer and I look forward to encouraging him to achieve his dream."

**Peter Goebel**, Vice President Procurement & Supply Chain



# 3

# Governance

Corporate Governance

Compliance, Business Ethics and Professional Conduct

Management of Third Parties and Suppliers

Cybersecurity

Political Activities

Memberships and Associations

# Corporate Governance

## Board Oversight

Nabors is committed to conducting business with integrity and transparency, driven by good corporate governance practices. Our strong corporate governance framework allows us to stay true to our mission and maximize long-term shareholder value, while ensuring compliance with applicable laws and observing the highest ethical standards. To guide our efforts, the board has adopted the [Board Guidelines on Significant Corporate Governance Issues](#) and our [Code of Business Conduct](#), which are reviewed annually and updated, as necessary.

## Board of Directors

Our governance structure is comprised of a seven-member board and six committees. The board and its constituent committees are responsible for the direct oversight of our corporate governance and the strategic priorities of our business. To provide this guidance, our board members bring to bear many different areas of expertise, collectively forming a diverse set of skills and decades of experience. This enables them to manage Nabors opportunities, risks and challenges in the best interests of our stakeholders. Six of our seven board members are independent, exceeding the NYSE guideline for independent board member majority. For more details, please review our latest [Proxy Statement](#).

### Board Committees

Name	Audit	Compensation	ESG	Risk Oversight	Technology and Safety	Executive
Tanya S. Beder	M	M+C			M	
Anthony R. Chase		M	M	M+C		
James R. Crane					M+C	M
John P. Kotts	M+C	M				
Michael C. Linn			M+C	M		
Anthony G. Petrello						M+C
John Yearwood*	M		M	M	M	M

M - Members | C - Chair



The board is comprised of six standing committees:



**Audit Committee:** Oversees the integrity of our consolidated financial statements, system of internal controls, internal audit and financial risk management. In addition, this committee monitors the qualifications and independence of the independent auditor, the performance of auditors and company compliance of legal and regulatory requirements.



**Compensation Committee:** Supports the board in determining the salaries and other compensation for executive officers, establishing and supervising incentive compensation and equity-based compensation plans for the company's management, establishing measurable goals applicable to the compensation of the CEO and CFO and the goals of the Company's executive compensation programs and performing other related responsibilities.



**ESG Committee:** Responsible for reviewing our corporate governance framework and internal policies annually, identifying and recommending candidates for election to the board and for shaping the company's ESG initiatives. This committee receives regular updates on sustainability from relevant internal leaders and it reports and advises the board on these reports and initiatives. The committee's mandate spans across a long list of other activities, which can be found on the Corporate Governance page of our website, under the [ESG Committee Charter](#). The publication of this Sustainability Report is overseen by the ESG committee.



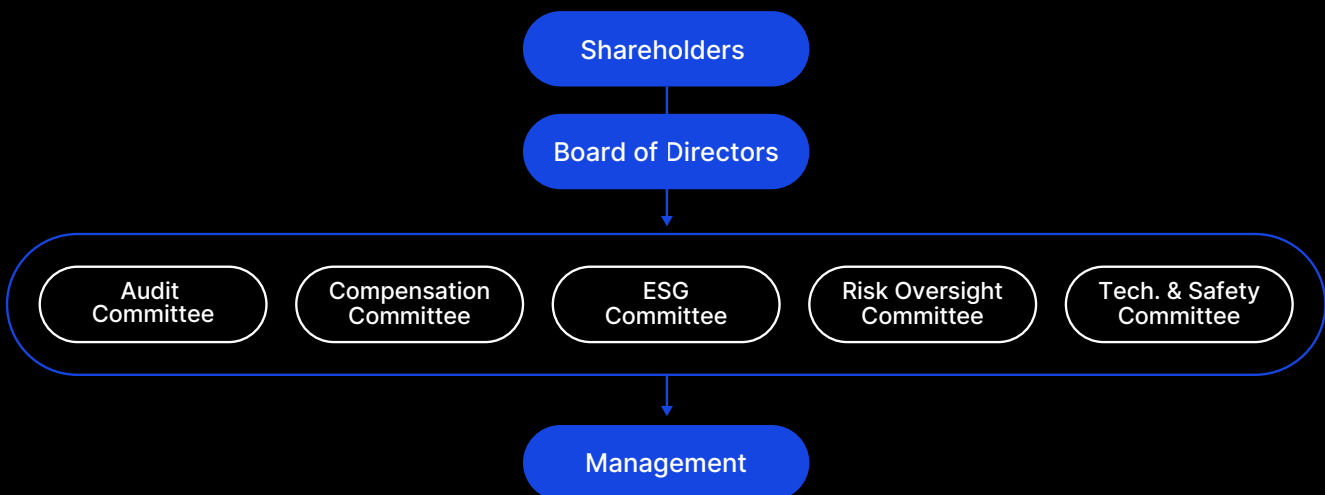
**Risk Oversight Committee:** The risk oversight committee monitors management's identification and evaluation of major strategic, operational, regulatory, information technology, cybersecurity and other external risks inherent in our business and oversees the integrity of our risk management controls and processes.

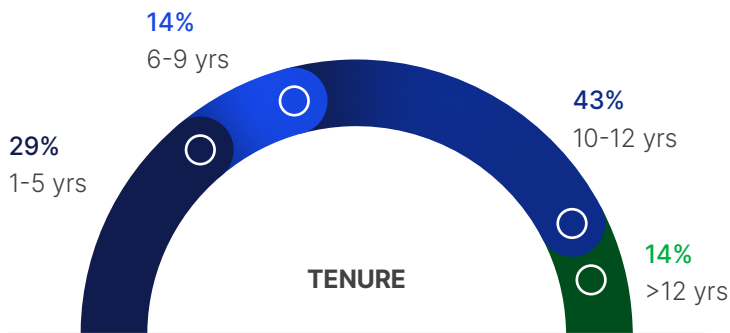
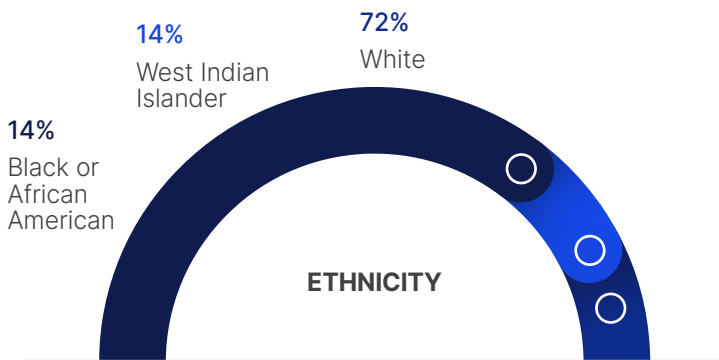
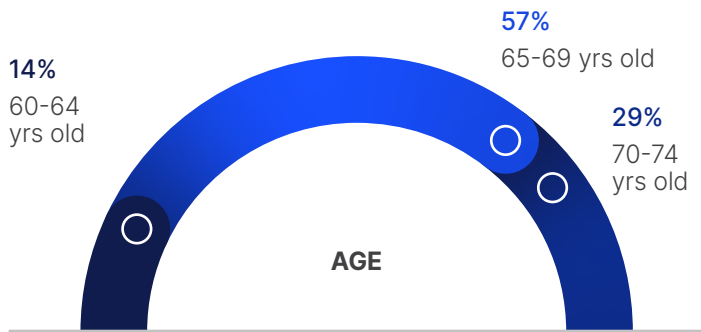
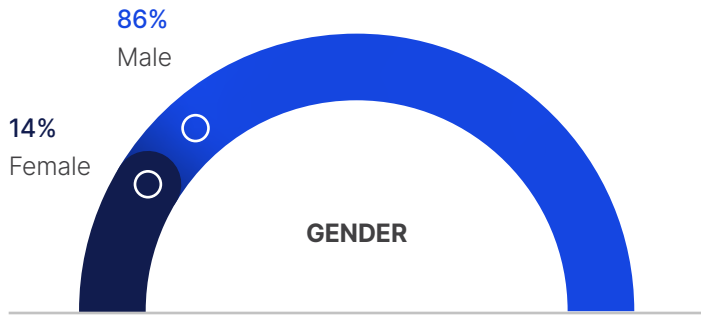


**Technology and Safety Committee:** Reviews our strategic technology positions, including intellectual property, patents and trademarks, in addition to ensuring that the best health, safety and security measures are in place across the organization to protect our personnel, including senior executives and facilities from threats, both physical and cybersecurity related.



**Executive Committee:** As necessary between meetings of the board, exercise all power and authority of the board overseeing the management of the business and affairs of the company.





**2022 MEETINGS**

**100%**

Attendance  
from incumbent directors

In 2022, the board held 4 meetings and 20 committee meetings for a total of 24 meetings in the calendar year. All of our incumbent directors attended **100% of all meetings** and information sessions of the board and committees, on which they served.

**2022 Board and Committee Meetings**

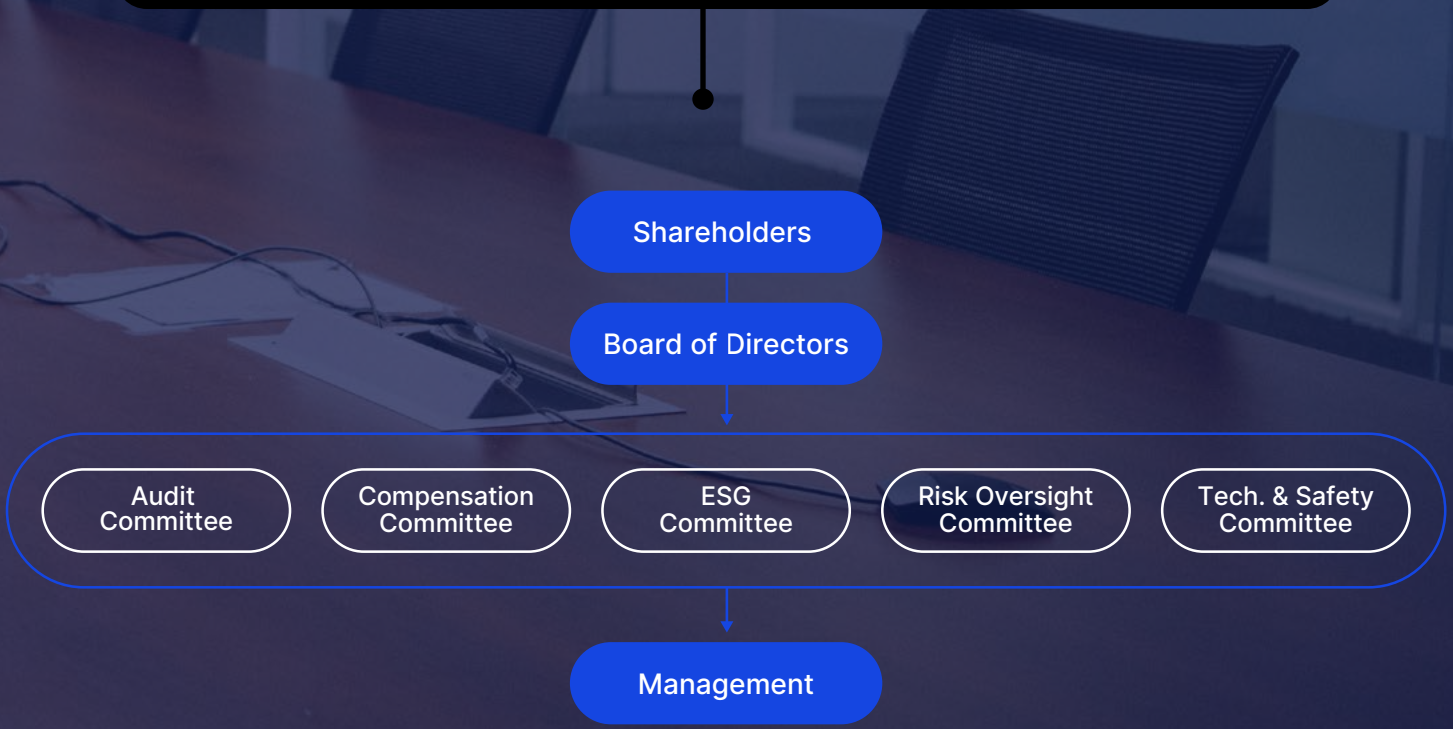


## Risk Management

Nabors risk management is overseen by the board, while the risk oversight committee is tasked by the board to oversee the company’s policies and practices regarding risk assessment and management. This means the committee monitors the integrity of our enterprise risk management program, compliance and operational control activities. More details are provided in the written charter adopted by the board, available on the Corporate Governance page of our website.

To supervise the day-to-day risk management across our operations, Nabors has established the enterprise risk management committee (ERMC), comprised of top senior leaders. It is their task to evaluate specific risks, as they relate to Nabors and our industry. The ERMC reports directly to the risk oversight committee.

In addition, the risk oversight committee receives updates from all other board committees and provides an overarching quarterly risk report to the board. This quarterly risk report includes climate-related risks and opportunities, as provided by the ESG committee and our SVP, Chief Administrative Officer (CAO). A detailed analysis of our climate risk management is discussed in our TCFD report.





# Compliance, Business Ethics and Professional Conduct

At Nabors, we conduct business responsibly, in accordance with applicable laws and with high ethical standards. Our Code of Business Conduct embodies this commitment and all employees are expected to adhere to the Code's principles across our operations globally. We uphold this commitment to our customers, suppliers, the communities in which we operate and all of our shareholders. Similarly, we expect vendors, suppliers and all third parties we collaborate with to act in accordance with this Code.

Our policy is to comply with all laws, rules and regulations that apply to areas where we operate. Nabors ensures that all employees are aware of these laws and comply with Nabors requirements, in particular with regards to:

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## Fair Competition

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## Insider Trading

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## Quality, Health, Safety and Environmental Excellence

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## Fair Employment Practices

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## Political and Civic Activities

Because Nabors conducts business internationally with governments and government-owned enterprises, we are committed to maintaining a high ethical standard when interacting with government officials. To that extent, we train our people on their legal and ethical responsibilities when conducting business on behalf of Nabors.



To empower our employees to preserve the high-level of transparency and ethics we are known for, we've implemented processes to report violations of our Code of Business Conduct:

- **Employees can raise concerns with a Nabors manager, human resources, the legal department or an internal or independent auditor**
- **We have a toll-free, 24-hour Nabors reporting hotline that is operated by an independent organization to ensure employees raising ethical concerns feel comfortable to do so**
- **Employees may visit our EthicsPoint portal to file an anonymous report online**

These different avenues allow for information to be provided in several ways, and all options allow for anonymity.

Nabors has a zero-tolerance policy towards retaliation or any other adverse action against anyone who raises attention on a conduct violation or helps resolve a policy concern.



# Management of Third Parties and Suppliers

We acknowledge the indispensable role of our suppliers and vendors in our success and their substantial contribution to our routine operations, collaborating with us to promote efficient operations, maintain high standards of QHSE performance, mitigate risks and create shared value.

We have established policies and programs to guarantee that every vendor, irrespective of their size, location or workplace demographics, is afforded equal opportunities to compete for our business. Our procurement and sales decisions are exclusively based on factors such as efficiency, price, quality, service and suitability, without any prejudice or bias. Additional information regarding our recently updated Supplier Assessment Process can be found [here](#).

We work together with our suppliers to review processes, procedures and data in accordance with our guidelines to foster compliance. In 2022, we continued to strengthen our supplier relationships by increasing transparency, delivering mutual value and discovering improved ways of working together.

Where necessary, our practices may be adjusted to comply with applicable local laws and requirements.

## Supply Chain Transparency and Compliance

Nabors reserves the right to conduct annual 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 [Health, Safety and Environmental Management System \(HSE MS\)](#) and [Occupational Health and Safety \(OH&S\) Statement](#). Concurrently, we ensure 100% of our suppliers' operations are covered by a certified ISO 14001 or EMAS environmental management system, where applicable, and are audited to certify their compliance with all applicable sanction protocols.



As part of our reevaluation procedures, all suppliers are assessed based on annual, quarterly or monthly reports that focus on the supplier's performance. Based on the assessment, the review board, which includes global supply chain, QHSE and operations, assigns additional actions to be taken.

These include our **supplier survey** and **on-site assessment, supplier report card**, which is completed by the supply chain quality manager or supply chain manager and a **formal business review** that documents meetings conducted between Nabors and the supplier that reviews all relevant elements of both the supplier relationship and their performance.

Additionally, depending on the determination of the annual review board, there are other actions that can be taken. These actions will be specifically determined during the annual reevaluation meeting. Examples of other actions include Department of Transportation (DOT) screening, verification of valid employee qualifications and/or training, verification of current certifications, etc.

Moreover, we anticipate our vendors to implement their due diligence processes for their suppliers, subcontractors and other stakeholders in their supply chain to ensure that there are no instances of human rights violations, such as slavery, child labor or human trafficking. More comprehensive information on our vendor expectations is available in our [Vendor Guidelines](#).

## Nabors Supplier Evaluation and Reevaluation

During 2022, Nabors supplier evaluation for a newly added supplier yielded a total of 527 global additions, where all suppliers were compliant with Nabors Vendor Guidelines.

In conducting routine audits of our suppliers, Nabors global supplier reevaluations verified 100% of our suppliers were void of any non-conformance and associated corrective action for their compliance with, at a minimum, labor rights, human rights, environmental and health and safety practices.

2022 SUPPLIER EVALUATION

527

Global Additions  
all compliant with  
Nabor Vendor Guidelines

1,735

Global Suppliers

Suppliers assessed for social and environmental impacts	527 (newly added suppliers) 1,735 (global 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

At Nabors, our primary objective is to minimize potential risks to our daily operations and safeguard the wellbeing of our environment, workforce and other stakeholders through robust cybersecurity strategies. In 2022, our Information Technology (IT) team took the lead in formulating and implementing cybersecurity measures, which encompassed the following controls and practices:

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**Annual cybersecurity maturity assessment by a third party, using the National Institute of Standards and Technology (NIST) standards**

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**Evaluation by a third party against the Oil and Natural Gas Subsector Cybersecurity Capability Maturity Model (ONG C2M2) standards, against domains such as risk management, asset, change and configuration management, threat and vulnerability management and event sharing and communications.**

→ *Nabors is rated by the third party, as exceeding the minimum requirements of basic cybersecurity*

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**Penetration testing by a third party**

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**Phish and spearphishing exercises for employees based on the most relevant and recent threats, with required follow-up training, as needed**

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**Tailored trainings for employees based on job role and security risk**

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**Regular cybersecurity updates to the board**

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**Robust data backup technologies and controls**

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**24/7 security operations center**

**Nabors has experienced zero cybersecurity breaches since 2019.**



## Cybersecurity Incident Scenario

In 2022, we conducted tabletop exercises, in which we simulated realistic cybersecurity breach scenarios. Conducting these drills provides our team a pragmatic approach to assess our employees level of preparedness and responsiveness, while also educating personnel on the significance of cybersecurity and the necessary actions to take during a cyber breach.

As our systems and personnel become increasingly interconnected, our cybersecurity landscape is expanding. Consequently, we continue to prioritize cybersecurity by ensuring our workforce is adequately equipped with the necessary tools and expertise to proactively respond to potential incidents. All employees are required to successfully complete our online cybersecurity training on an annual basis, and certain elevated risk groups receive additional targeted training based on potential cybersecurity threats identified.

As part of our unwavering dedication to improvement, we aim to enhance our training programs and revise our processes and information accessibility annually. This approach enables us to identify any potential gaps in our procedures and to ensure their refinement for the future.

Additionally, Nabors strives to weave regular awareness initiatives throughout the year. For example, in 2022, we promoted cybersecurity awareness month, by providing new touchpoints for Nabors, to remind employees of the barrage of cyber threats our company may face.



## Political Activities

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

We encourage the legitimate personal and financial involvement of our employees, officers and directors in various elective, civic, welfare, political, educational and similar endeavors that benefit the public. However, any political or civic activities undertaken by them, apart from those sponsored by Nabors, are strictly in their individual capacity and not on behalf of the company. Furthermore, engaging in any political or civic activities (excluding Nabors-sponsored civic activities) during work hours or utilizing company resources, including telephones, computers or supplies, for such activities or discussions is strictly prohibited.

Personal political contributions or the decision of an employee to refrain from making political contributions, in accordance with the law, will not impact their compensation, job security or advancement opportunities. Additionally, Nabors will not reimburse directors, officers or employees for any political donations they undertake.



# Memberships and Associations

Nabors endorses various trade associations and organizations that represent diverse perspectives on industry and policy matters. To remain engaged and mindful of our memberships, we frequently evaluate the overall merits and advantages of each group, including their public stances, alignment with our priorities and the resources required to foster productive collaborations.

In 2022, we increased the number of trade memberships we were an active member in:



Society of Petroleum Engineers





# 4

# Appendix

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Performance Data

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Appendix A

# Performance Data

## Emissions

EMISSIONS	2020	2021	2022
<b>Total Global Direct (Scope 1) GHG Emissions (CO<sub>2</sub>e) (metric tons)</b>	<b>1,085,215</b>	<b>1,011,505</b>	<b>1,195,970</b>
<b>Other Air Emissions (metric tons)<sup>1</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>
NOx	8,498	8,074	9,678
CO	2,543	2,468	2,814
PM	255	224	269
NMHC/VOC	566	509	637
<b>Total Fuel Consumed (Scope 1) (gigajoules)</b>	<b>-</b>	<b>14,540,812</b>	<b>17,155,855</b>
Diesel	-	14,313,508	16,987,958
Gasoline	-	64,526	76,663
Natural Gas	-	228,250	30,123
Biodiesel	-	13,171	37,916
Jetfuel	-	21,358	23,195
<b>Renewable (Scope 1)<sup>2</sup></b>	<b>0%</b>	<b>0.15%</b>	<b>0.27%</b>
<b>Fuel Used in On-Road Equipment and Vehicles</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>
<b>Fuel Used in Off-Road Equipment</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>
<b>Engines in Service that Meet Tier 4 Compliance for Non-Road Diesel Engine Emissions</b>	<b>0.04%</b>	<b>0%</b>	<b>0%</b>
<b>Total Fuel Consumption Within the Organization from Renewable Sources</b>	<b>0%</b>	<b>0.15%</b>	<b>0.27%</b>
<b>Total U.S. Scope 2 (Location and Market-based) GHG Emissions (CO<sub>2</sub>e) (metric tons)</b>	<b>7,732</b>	<b>7,394</b>	<b>7,206</b>
<b>Total International Scope 2 (Location and Market-based) GHG Emissions (CO<sub>2</sub>e) (metric tons)</b>	<b>-</b>	<b>4,022</b>	<b>5,928</b>
<b>Renewable (Scope 2)</b>	<b>-</b>	<b>0.5%</b>	<b>0.1%</b>
<b>Carbon Intensity (MT CO<sub>2</sub>e per MWh)</b>	<b>-<sup>i</sup></b>	<b>0.93</b>	<b>0.88</b>
<b>Carbon Intensity (MT CO<sub>2</sub>e per \$1000 revenue)</b>	<b>-</b>	<b>0.51</b>	<b>0.46</b>
<b>Carbon Intensity (MT CO<sub>2</sub>e per workhour)</b>	<b>-</b>	<b>0.04</b>	<b>0.05</b>
<b>Biogenic CO<sub>2</sub> Emissions (metric tons)</b>	<b>-</b>	<b>942</b>	<b>2,713</b>
<b>Significant Emissions of Ozone-Depleting Substances (ODS)</b>	<b>-</b>	<b>0</b>	<b>0</b>
<b>Significant Air Emissions from Hazardous Air Pollutants (HAPs)</b>	<b>-</b>	<b>0</b>	<b>0</b>
<b>Significant Air Emissions in or Near Areas of Dense Population</b>	<b>-</b>	<b>0</b>	<b>0</b>
<b>Sulphur Oxides (SOx)</b>	<b>-</b>	<b>0</b>	<b>0</b>

### Reporting Framework and Principles applied:

Our performance data covers the period from 1 January to 31 December 2022. 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 2022 for fuel consumption and the International Energy Agency's (IEA) Emissions Factors published in September 2022 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>), nitrous oxide (N<sub>2</sub>O).

Scope 2 in 2022 includes purchased electricity for all Nabors facilities globally. Nabors Scope 2 emissions are location based, as we do not have contractual instruments available that meet Scope 2 quality criteria for market based emissions.

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 (US). The base year for Scope 2 for Nabors International is 2021.

### Notes:

<sup>1</sup> 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, and may continue to identify certain gaps that may result in the reinstatement of emissions data.

<sup>2</sup> The percentage of renewable fuel used includes bio-diesel (20% ratio) used on drilling rigs and ethanol content (10% ratio) of gasoline used on US-based vehicles.



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

CATEGORY	#	CATEGORY TYPE	2022	NOTES
Upstream Emissions	1	Purchased goods and services	9,067.25	Emissions were calculated using the economic allocation method per GHG Protocol Technical Guidance for Calculating Scope 3 Emissions (version 1.0) for Nabors Top Tier vendors that are publicly disclosing their emissions.  Currently, we only have data from 5 vendors and we have not reviewed their methodology to make sure it includes all their inventory. We are asking our vendors to consider reporting this data in the future.
	2	Capital goods	Category excluded	All emissions from capital goods purchases have been included with Category 1, purchased goods and services.
	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 Nabors Scope 1 and 2 emissions.
	4	Upstream transportation and distribution	241.59	This includes Scope 1 and 2 emissions pertaining to Nabors operations from our primary shipping/transportation company. We have not reviewed their methodology to make sure it includes all their inventory.
	5	Waste generated in operations	83.40	This includes Scope 1 and 2 emissions from waste management vendors for waste generated in our Houston, Texas area facilities, which are Nabors largest, for year 2022. Data is not available for waste generated in other U.S. and international facilities. We are asking our vendors to consider reporting this data in the future.  Emissions were calculated using the volume allocation method per GHG Protocol Technical Guidance for Calculating Scope 3 Emissions (version 1.0).
	6	Business travel	6,034.40	Includes air travel, 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	343.80	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	8,385.58	This includes total miles for leased trucks used for rig moves globally.
	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 emissions as a result of investments to report at this time that are not already covered by our Scope 1 and 2 emissions.

## TOTAL SCOPE 3 EMISSIONS: 24,156.03 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).

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

ELECTRICAL POWER	2020	2021	2022
Total Electrical Power Use (Scope 1 and Scope 2) (megawatt-hour)	887,034	1,101,402	1,375,145
Electricity from Non-Renewable Source (megawatt-hour)	886,996	1,099,968	1,371,402
Electricity from Renewable Source (megawatt-hour)	38	1,434	39
Energy Consumed from the Grid	2%	2%	6%
Power Consumption Normalized by Revenue (megawatt-hour per 1\$ revenue)	-	1	-
Power Consumption Normalized by Workhours (megawatt-hour per workhour)	-	0.05	-

REGIONAL WATER USE (MEGALITERS)									
	Withdrawn <sup>1</sup>			Returned <sup>2</sup>			Consumed <sup>1</sup>		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Headquarters in Houston, Texas	-	43.52	51.17	-	-	29.88	-	-	21.29
United States	-	74.83	93.11	-	-	53.78	-	-	39.57
Latin America	-	-	1.74	-	-	0.83	-	-	1.06
Asia	-	-	4.70	-	-	2.93	-	-	1.77
Middle East	-	-	78.36	-	-	77.19	-	-	1.10
Europe	-	-	26.79	-	-	26.79	-	-	0.00
<b>Total</b>	<b>102.54</b>	<b>74.83</b>	<b>204.69</b>	<b>-</b>	<b>-</b>	<b>161.52</b>	<b>-</b>	<b>-</b>	<b>43.50</b>

<sup>1</sup> Freshwater withdrawn sources include municipal water, groundwater, third party water and other water.

<sup>2</sup> Water returned means used and unused (discharged) water returned to a freshwater source directly by the company or indirectly by a third party treatment center for recycling and reuse; includes domestic and industrial use.

<sup>3</sup> Water consumed is freshwater used in industrial processes including internal recycle; excludes domestic water use.

2022 WATER USE FROM WATER STRESS COUNTRIES (MEGALITERS)						
	Withdrawn		Returned		Consumed	
	Freshwater	Other Water	Freshwater	Other Water	Freshwater	Other Water
Oman	1.79	0.00	1.17	0.00	0.62	0.00
United Arab Emirates	12.80	0.00	12.63	0.00	0.42	0.00
Saudi Arabia	4.83	0.00	4.77	0.00	0.06	0.00
Kuwait	58.93	0.00	58.61	0.00	0.003	0.00
Mexico	0.74	0.00	0.74	0.00	0.02	0.00
<b>Total</b>	<b>79.09</b>	<b>0.00</b>	<b>77.92</b>	<b>0.00</b>	<b>1.12</b>	<b>0.00</b>

## APPENDIX

WATER WITHDRAWN BY SOURCE (MEGALITERS)	2020	2021	2022
Municipal Water	-	-	194.63
Groundwater	-	-	8.33
Third Party Water	-	-	1.74
Other Water	-	-	0.00
<b>Total</b>	-	-	<b>204.69</b>

WASTE GENERATION (METRIC TONS)						
	2020		2021		2022	
	Hazardous	Nonhazardous	Hazardous	Nonhazardous	Hazardous	Nonhazardous
Headquarters	-	-	-	74.83	0.00	157.55
United States	-	-	-	-	20.78	1866.08
Latin America	-	-	-	-	71.75	9.28
Asia	-	-	-	-	19.29	20.37
Middle East	-	-	-	-	331.99	1764.31
<b>Total</b>	-	-	-	<b>74.83</b>	<b>443.81</b>	<b>4705.61</b>

	2020		2021		2022	
	Hazardous	Nonhazardous	Hazardous	Nonhazardous	Hazardous	Nonhazardous
Diverted From Disposal <sup>1</sup>	-	-	-	0.00%	8.51%	28.37%
Directed to Disposal <sup>2</sup>	-	-	-	100%	0.35%	71.19%
Incinerated	-	-	-	0.00%	14.98%	0.00%
Other Recovery Operations <sup>3</sup>	-	-	-	0.00%	77.17%	0.43%

<sup>1</sup> Diverted from disposal means waste that is either prepared for reuse, recycled or other recovery operations.

<sup>2</sup> Directed to disposal means discarded products, materials and resources to a controlled site in or on land, such as landfills.

<sup>3</sup> Other disposal operations generally means a chemical, thermal or other transformation that makes products, materials and resources unavailable for further use and mitigates hazardous characteristics.

SPILLS	2020	2021	2022
Total Number of Significant Spills	0	0	0

BIODIVERSITY	2020	2021	2022
Average Disturbed Acreage Per (1) Oil and (2) Gas Well Site	-	-	0
Number of Facilities Operating With at Least One Threatened or Endangered Species in state <sup>1</sup>	-	-	25
Number of Assets Under Nabors Operational Control Overlapping with Designated Protected Areas (Within 5 Miles) <sup>2</sup>	-	-	2

<sup>1</sup> Fixed facilities under Nabors operational control with observed or known critical habitats for threatened or endangered species based on U.S. Fish and Wildlife dataset

<sup>2</sup> Assets in area overlapping with IUCN I-VI protected areas based on World Database on Protected Areas



WORKFORCE HEALTH AND SAFETY	2020	2021	2022
Total Recordable Incident Rate (TRIR) <i>*TRIR = [(Total Recordable Cases x 200,000) / Total Number of Hours Worked]</i>	0.49	0.41	0.48
Fatality Rate <i>*Fatality Rate = Fatalities / (Total Man Hours / 200,000)</i>	0.008	0.000	0.015
Near Miss Frequency Rate (NMFR) <i>*NMFR = Near Misses / (Total Man Hours / 200,000)</i>	168.90	88.78	66.02
Lost Time Incident (LTI)	10	4	5
Lost Time Incident Rate (LTIR) <i>*LTIR = Lost Time Incidents / (Total Man Hours / 200,000)</i>	0.08	0.03	0.04
Total Vehicle Incident Rate (TVIR) <i>*TVIR = Total Motor Vehicle Incidents / (Total Man Hours / 200,000)</i>	0.61	0.27	0.16
Average Hours of Health, Safety and Emergency Response Training			
(a) full-time employees	19.03	36.08	26.02
(b) contract employees	1.33	5.17	4.81
(a) short-service employees	23.91	41.23	22.15

ECONOMIC	2020	2021	2022
Total Amount of Drilling Performed (feet)	27.7 million	28.9 million	39.2 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	142.4

# Appendix A

## Acronym List and Glossary

TERM	DEFINITION
API	American Petroleum Institute
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)
COP	Conference of the Parties
DEI	Diversity, Equity and Inclusion
DOT	Department of Transportation
EH	Eastern Hemisphere
EMS	Environmental Management System
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
HSE	Health, Safety and Environmental
HSE MS	Health, Safety and Environmental Management System
IADC	International Association of Drilling Contractors
IEA	International Energy Agency
IPCC	Intergovernmental Panel on Climate Change
IPIECA	International Petroleum Industry Environmental Conservation Association

TERM	DEFINITION
ISD	Independent School District
IUNC	International Union for Conservation of Nature
IWCF	International Well Control Forum
LTI	Lost Time Incident
LTIR	Lost Time Incident Rate
MT	Metric Ton
MWh	Megawatt Hour
N <sub>2</sub> O	Nitrous Oxide
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 Safety and Health Administration
OIL AND GAS	Refers to crude oil and natural gas, collectively called hydrocarbons
OSHA	Occupational Safety and Health Administration
PHA	Personal Health Assessment
QHSE	Quality, Health, Safety and Environmental
SASB	Sustainability Accounting Standards Board
SGA	Selling, General and Administrative
SME	Subject Matter Expert
SOx	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
WRI	World Resources Institute

## Nabors Goals and Year-Over-Year Progress

GOAL	2022 GOALS	2022 RESULTS	2023 GOALS
Environmental	Achieve a 7.5% reduction in Scope 1 GHG emissions per foot drilled for Nabors Drilling USA	Achieved an 8.8% reduction	Achieve 41.7 lbs CO <sub>2</sub> per foot drilled or a 3% reduction in Scope 1 GHG emissions intensity for Nabors Drilling USA in 2023, using a 2022 baseline
	Achieve a 5% reduction in Scope 1 GHG emissions per foot drilled for Nabors international rigs using a 2020 baseline	Achieved a 33% reduction	Achieve 89 lbs CO <sub>2</sub> per foot drilled or a 3.7% reduction in Scope 1 GHG emissions intensity for Nabors international rigs in 2023, using a 2022 baseline
Social	Set targets to improve U.S. employee SGA and FS diverse representation at the leadership level (director and above; Houston, Texas only) in 2022	Improved diverse representation in our U.S. SGA and FS talent pool by 10%	Increase percentages of all U.S. employee SGA and FS new hires that are diverse
			Increase percentage of all U.S. employee SGA and FS new undergraduate hires that are women

## SASB

CATEGORY	METRIC	INDICATOR	RELEVANT NABOR DISCLOSURES
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. 103
	Discussion of strategy or plans to address air emissions-related risks, opportunities and impacts	EM-SV-110a.2	Climate Risk Management, p. 15
	Percentage of engines in service that meet Tier 4 compliance for non-road diesel engine emissions	EM-SV-110a.3	Performance Data, p. 103
Water Management Services	(1) Total volume of fresh water handled in operations, (2) percentage recycled	EM-SV-140a.1	Performance Data, p. 103
	Discussion of strategy or plans to address water consumption and disposal-related risks, opportunities and impacts	EM-SV-140a.2	Environmental Stewardship, p. 29 Water Management, p. 34
Chemicals Management	Discussion of strategy or plans to address chemical-related risks, opportunities and impacts	EM-SV-150a.2	Environmental Stewardship, p. 29 Asset Management, p. 42
Ecological Impact Management	Average disturbed acreage per (1) oil and (2) gas well site	EM-SV-160a.1	Performance Data, p. 103
	Discussion of strategy or plan to address risks and opportunities related to ecological impacts from core activities	EM-SV-160a.2	Environmental Stewardship, p. 29
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	Performance Data, p. 103
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	Climate Risk Management, p. 15 Governance, p. 90
Critical Incident Risk Management	Description of management systems used to identify and mitigate catastrophic and tail-end risks	EM-SV-540a.1	Environmental Stewardship, p. 29



ACTIVITY METRIC	INDICATOR	RELEVANT NABORS DISCLOSURE
Number of Active Rig Sites	EM-SV-000.A	Performance Data, p. 103
Total Amount of Drilling Performed	EM-SV-000.C	Performance Data, p. 103
Total Number of Hours Worked by All Employees	EM-SV-000.D	Occupational Health and Safety, p. 49

GRI<sup>1</sup>

CATEGORY	INDICATOR	METRIC	RELEVANT NABOR DISCLOSURES
General Disclosures	GRI 2-1	Organizational Details: a. Legal name b. Ownership and legal form c. Location of headquarters	a. Nabors Industries, Ltd. b. Publicly Traded Company Under the New York Stock Exchange (NYSE): NBR c. Hamilton, Bermuda
	GRI 2-3	Reporting Period, Frequency and Contact Point: a. Reporting period for, and the frequency of, its sustainability reporting b. Reporting period for its financial reporting c. Publication date of the report or reported information d. Contact point for questions about the report or reported information	a. January 1, 2022 to December 31, 2022 b. Annual c. May 2023 d. 281.775.3900 or press.contact@nabors.com
	GRI 2-5	External assurance	Appendix A
	GRI 2-6	Activities, value chain and other business relationships a. Sector	a. Oil and Gas Drilling Contractor
	GRI 2-7	Employees a. Total number of employees and a breakdown of this total by gender and by region	a. Who we are, p. 4 Diversity, Equity and Inclusion, p. 61
	GRI 2-9	Governance structure and composition	Corporate Governance, p.91 2022 Proxy Statement
	GRI 2-10	Nomination and selection of the highest governance body	2022 Proxy Statement
	GRI 2-11	Chair of the highest governance body	2022 Proxy Statement
	GRI 2-12	Role of the highest governance body in overseeing the management of impacts: a. Role of the highest governance body and of senior executives in developing, approving and updating the organization's purpose, value or mission statements, strategies, policies and goals related to sustainable development b. Role of the highest governance body in overseeing the organization's due diligence and other processes to identify and management the organization's impacts on the economy, environment and people c. Role of the highest governance body in reviewing the effectiveness of the organization's processes as described in 2-12-b and report the frequency of this review	a. Corporate Governance, p. 91 b. Our Approach to Sustainability, p. 6 Climate Risk Management, Risk Assessment, p. 15 c. Corporate Governance, p. 91
	GRI 2-13	Delegation of responsibility for managing impacts: a. How the highest governance body delegates responsibility for managing the organization's impacts on the economy, environment and people b. Process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organization's impacts on the economy, environment and people	a. Governance of Sustainability, p. 7 b. Corporate Governance, p. 91
	GRI 2-14	Role of the highest governance body in sustainability reporting	Our Approach to Sustainability, p. 6
	GRI 2-15	Conflicts of interest	Compliance, Business Ethics and Professional Conduct, p. 95
	GRI 2-16	Communication of critical concerns	Compliance, Business Ethics and Professional Conduct, p. 95
	GRI 2-17	Collective knowledge of highest governance body	Governance of Sustainability, p. 7

<sup>1</sup> Nabors has reported the information cited in this GRI content index for the period January 1, 2022 to December 31, 2022 with reference to the GRI Standards identified within.

CATEGORY	INDICATOR	METRIC	RELEVANT NABORS DISCLOSURES
General Disclosures	GRI 2-18	Evaluation of the performance of the highest governance body	Corporate Governance, p. 91
	GRI 2-22	Statement on sustainable development strategy	Letter from CEO, p. 3
	GRI 2-23	Policy commitments	Compliance, Business Ethics and Professional Conduct, p. 95
	GRI 2-26	Mechanisms for seeking advice and raising concerns	Compliance, Business Ethics and Professional Conduct, p.95
	GRI 2-28	Membership associations	Memberships and Associations, p. 101
	GRI 2-29	Approach to stakeholder engagement	2022 Proxy Statement
Market Presence	GRI 202-2	Proportion of senior management hired from the local community	Diversity, Equity and Inclusion p. 61
Energy	GRI 302-1	Energy consumption within the organization	Performance Data, p. 103
	GRI 302-3	Energy intensity	Performance Data, p. 103
Water	GRI 303-1	Interactions with water as a shared resource	Asset Management, p. 42
	GRI 303-2	Management of water discharge-related impacts	Water Management, p. 34
	GRI 303-3	Water withdrawal	Performance Data, p. 103
	GRI 303-4	Water discharge	Performance Data, p. 103
	GRI 303-5	Water consumption	Performance Data, p. 103
Emissions	GRI 305-1	Direct (Scope 1) GHG emissions	Performance Data, p. 103
	GRI 305-2	Energy indirect (Scope 2) GHG emissions	Performance Data, p. 103
	GRI 305-3	Other indirect (Scope 3) GHG emissions	Performance Data, p.1 03
	GRI 305-4	GHG emissions intensity	Performance Data, p. 103
	GRI 305-5	Reduction of GHG emissions	Measuring and Monitoring, p. 32
	GRI 305-6	Emissions of ozone-depleting substances (ODS)	Performance Data, p. 103
	GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	Performance Data, p. 103
Biodiversity	GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Performance Data, p. 103
	GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Performance Data, p. 103
Waste	GRI 306-1	Waste generation and significant waste-related impacts	Waste Management, p. 38
	GRI 306-2	Management of significant waste-related impacts	
	GRI 306-3	Waste generated	Waste Management, p. 38
	GRI 306-4	Waste diverted from disposal	Performance Data, p. 103
	GRI 306-5	Waste directed to disposal	Performance Data, p. 103
Asset Integrity and Critical Incident Management*	GRI 306-3	Significant spills	Performance Data, p. 103
Occupational Health and Safety	GRI 403-5	Worker training on occupational health and safety	Safety Training Program Management, p. 51
Training and Education	GRI 404-1	Average hours of training per year per employee	Training and Professional Development, p. 80
Diversity and Equal Opportunity	GRI 405-1	Diversity of governance bodies and employees	Corporate Governance, p. 91
Supplier Social Assessment	GRI 414-1	New suppliers that were screened using social criteria	Management of Third Parties and Suppliers, p. 96
	GRI 414-2	Negative social impacts in the supply chain and actions taken	Management of Third Parties and Suppliers, p. 96

\* Reported in reference to GRI Standard GRI 306: Effluents and Waste 2016

TCFD

CATEGORY	METRIC	RELEVANT NABORS DISCLOSURES
Governance	Disclose the organization's governance around climate-related risks and opportunities	Climate Risk Management, Board and Management Oversight p. 16
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, Scenario Analysis, p. 21
Risk Management	Disclose how the organization identifies, assesses and manages climate-related risks	Climate Risk Management, Climate Risk Assessment, p. 17
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material	Performance Data p. 103

IPIECA

MODULE	ISSUE	INDICATOR	RELEVANT NABORS DISCLOSURES
Governance and Business Ethics	Governance and Management Systems	GOV-1: Governance Approach	Corporate Governance, p. 91
		GOV-2: Management Systems	Climate Risk Management, p. 15 Corporate Governance, p. 91
	Business Ethics and Transparency	GOV-3: Preventing Corruption	Compliance, Business Ethics and Professional Conduct, p. 95
		GOV-4: Transparency of Payments to Host Governments	Political Activities, p. 100
		GOV-5: Public Advocacy and Lobbying	Political Activities, p. 100
Climate Change and Energy	Climate Strategy and Risk	CCE-1: Climate Governance and Strategy	Climate Risk Management p. 15
		CCE-2: Climate Risk and Opportunities	Climate Risk Management p. 15
	Technology	CCE-3: Lower-Carbon Technology	Climate Risk Management p. 15
	Emissions	CCE-4: Greenhouse Gas (GHG) Emissions	Environmental Stewardship, GHG Emissions, p. 29
	Energy Use	CCE-6: Energy Use	Environmental Stewardship, GHG Emissions, p. 29
Environment	Water	ENV-1: Freshwater	Environmental Stewardship, Water, p. 34
		ENV-2: Discharges to Water	Environmental Stewardship, Water, p. 34
	Biodiversity	ENV-3: Biodiversity Policy and Strategy	Environmental Stewardship, Biodiversity, p. 43
	Spills	ENV-6: Spills to the Environment	Environmental Stewardship, Water, p. 34
	Materials Management	ENV-7: Materials Management	Environmental Stewardship, Waste, p. 38
Safety, Health and Security	Workforce Protection	SHS-1: Safety, Health and Security Engagement	Health and Safety, p. 49
		SHS-2: Workforce Health	Health and Safety, p. 49
		SHS-3: Occupational Injury and Illness Incidents	Health and Safety, p. 49
	Product Health, Safety and Environmental Risk	SHS-5: Product Stewardship	Health and Safety, p. 49
Social	Human Rights Management	SOC-1: Human Rights Due Diligence	Human Rights, p. 47
		SOC-2: Suppliers and Human Rights	Management of Third Parties and Suppliers, p. 96
	Labor Practices	SOC-4: Site-Based Labor Practices and Worker Accommodation	Human Capital Management, p. 61
		SOC-5: Workforce Diversity and Inclusion	Human Capital Management, Diversity, Equity and Inclusion, p. 61
		SOC-6: Workforce Engagement	Health and Safety, p. 49
		SOC-7: Workforce Training and Development	Human Capital Management, p. 61
		SOC-8: Workforce Non-retaliation and Grievance Mechanisms	Human Rights, p. 47
	Community Engagement	SOC-9: Local Community Impacts and Engagement	Community Engagement, p. 84
		SOC-13: Social Investment	Community Engagement, p. 84
	Local Content	SOC-14: Local Procurement and Supplier Development	Management of Third Parties and Suppliers, p. 96
SOC-15: Local Hiring Practices		Human Capital Management, Talent Management and Employee Engagement p. 72	





# LRQA Independent Assurance Statement

## Relating to Nabors Industries Environmental, Social and Governance Report for Calendar Year 2022

This Assurance Statement has been prepared for Nabors Corporate Services, Inc. on behalf of Nabors Industries (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 on its 2022 Environmental, Social and Governance (ESG) Report (the report) to a limited level of assurance and materiality of the professional judgement of the verifier using LRQA's verification procedure. LRQA's verification procedure is based on current best practice, is in accordance with ISAE 3000 and ISAE 3410.

Our assurance engagement covered Nabors operations globally specifically the following requirements:

- Verifying conformance with Global Reporting Initiative's (GRI) 1 Foundation 2021 Requirement 1 Reporting principles of Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness and Verifiability.
- Confirming conformance with GRI Foundation Requirement 3 Determine material topics.
- Evaluating the accuracy and reliability of data and information contained in the report.

Our assurance engagement excluded the data and information of suppliers, contractors and any third parties mentioned in 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 corresponding GHG Assurance Statement should be referred to in conjunction with this Assurance Statement.

### 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 above
- Disclosed accurate and reliable performance data and information as no errors or omissions were detected
- Covered all the issues that are important to the stakeholders and readers of this report.

The opinion expressed is formed on the basis of a limited level of assurance<sup>1</sup> and at the materiality of the professional judgement of the verifier.

### Basis for Qualified Opinion

Nabors does not have a formal materiality analysis process. Topics and metrics included in the report were selected with Nabors' internal subject matter experts, consulting with EGS guidance (SASB, GRI, Ipieca) and reviewing peer ESG reports.

### 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:

- Assessing Nabors' approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this through interviews with senior management and a review of documents related to stakeholder engagement.
- Reviewing Nabors' activities to determine material issues that were included in their Report. We did this by independently reviewing documents related to Nabors materiality, benchmarking the report written by Nabors to ensure that sector specific issues were included for comparability, referencing the GRI Universal Standard, referencing Oil and Gas SASB Service sector standard and referencing Ipieca Sustainability reporting guidance for the oil and gas industry.
- Auditing Nabors' data management systems to confirm that there were no significant errors, omissions, or misstatements in the Report. We did this by:

<sup>1</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.



- sampling specific source and aggregated data points referenced in the Report; supporting backup data for the report for all sections and topics was made available to LRQA.
  - speaking with key people responsible for compiling the data and drafting the Report
  - reviewing LRQA verification of GHGs and environmental data for 2021.
- Interviewing members of the management team and various other roles within the company by virtual meetings.

### Observations

Further observations and findings, made during the assurance engagement, are:

- Stakeholder inclusivity:  
We are not aware of any stakeholder groups that have been excluded from the stakeholder engagement process. Materiality reviews are conducted by interviewing sales representatives who rank topic level of importance to internal and external stakeholders. Material topics are also identified by reviewing peer reports and reporting some metrics to ESG frameworks (e.g., SASB, GRI and Ipieca).
- Materiality:  
We are not aware of any material issues concerning Nabors' sustainability performance that have been excluded from the Report. The Report covers a range of ESG performance. The published annual PDF report provides highlights of key accomplishments and initiatives. The addition of the Appendix includes ESG data spanning the three years. Nabors' 2022 ESG is relevant to the context of the oil and gas service industry and regions in which it operates.
- Responsiveness:  
Nabors' engages with internal and external stakeholders and considers input for inclusion in their ESG report.
- Reliability:  
We believe that the criteria applied are appropriate and sufficient to produce consistent, unbiased, understandable content for the end user.

### Recommendation

Recommend Nabors formalize the materiality assessment and incorporate the process and results into the next ESG.

Nabors's an oil and gas industry service provider. Boundaries of operations and responsibilities related to impacts (e.g., water use, waste generation, land disturbance, biodiversity and GHG emissions) are complex and shared with their client. Recommend visually showing the operations, issues, boundaries and shared (supporting vs. ownership) responsibilities to ensure clarity and transparency.

### LRQA's Standards, Competence, and Independence

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.

The verification assessment along with GHG verification is the only work undertaken by LRQA for Nabors' and as such does not compromise our independence or impartiality.

Signed

Dated: June 23, 2023

Andrea M. Bockrath

LRQA Lead Verifier

On behalf of LRQA Inc.

2102 City West Blvd., Houston, TX 77042LRQA reference: UQA00002105

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\*Revised May 20, 2023



# LRQA Independent Assurance Statement

## Relating to Nabors' Greenhouse Gas Inventory for the 2022 Calendar Year

This Assurance Statement has been prepared for Nabors Corporate Services, Inc. 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 2022 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 operations, with the only exception of Scope 3 emissions from employee commuting which covered US employees only, 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.
    - Other Indirect (Scope 3 emissions) GHG emissions from Category 6: Business Travel, Category 7: Employee Commuting and Category 8: Upstream Leased Assets.

Except for the Scope 3 categories mentioned above, 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 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.

<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 2022:**

Scope	Value	Units
Scope 1 GHG emissions <sup>1</sup>	1,196,033	Metric Ton CO <sub>2</sub> e
Scope 2 GHG emissions (Location-based) <sup>1,2</sup>	13,127	Metric Ton CO <sub>2</sub> e
Scope 2 GHG emissions (Market-based) <sup>1,2</sup>	13,127	Metric Ton CO <sub>2</sub> e
Biogenic CO <sub>2</sub> emissions	2,713	Metric Ton CO <sub>2</sub> e
Total Scope 1 and 2 emissions (Location-based)	1,209,160	Metric Ton CO <sub>2</sub> e
Total Scope 1 and 2 emissions (Market-based)	1,209,160	Metric Ton CO <sub>2</sub> e
Scope 3 Category 6 Business Travel	5,679	Metric Ton CO <sub>2</sub> e
Scope 3 Category 7 Employee Commuting <sup>3</sup>	14,792	Metric Ton CO <sub>2</sub> e
Scope 3 Category 8 Upstream Leased Assets	4,623	Metric Ton CO <sub>2</sub> e
1. This data does not include GHG emissions from 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. 3. Employee commuting covers US employees only.		

**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 year 2022.

**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.

Signed

Dated: 12 July 2023

Natali Ganfer  
 LRQA Lead Verifier  
 On behalf of LRQA, Inc., 2101 CityWest Blvd, Houston, TX 77042  
 LRQA reference: UQA00002105

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2022

Sustainability Report

