



# Environmental, Social and Governance

Report 2020

for complete reporting, visit [nabors.com/global-stewardship](https://nabors.com/global-stewardship)



## CEO Message



*ABOVE: Anthony G. Petrello, Chairman, President and Chief Executive Officer at Nabors corporate headquarters in Houston, Texas*

Despite the extreme challenges of 2020, Nabors stood strong in our commitment to sustainability. For decades, we have leveraged our innovation to revolutionize the oil and gas industry. Never has this strategy been more vital than in the face of an unprecedented pandemic and oil price war.

As we emerged from the challenges of 2020, more companies began to understand the [Smart Evolution](#) we have been leading for years – automation, integration and digitalization paving the way to efficiencies that benefit our world.

Thoughtful solutions translate into decreased energy consumption, reduced environmental impact and enhanced safety.

The COVID-19 pandemic certainly affected us all in different ways. As a company we pivoted, working together diligently to make tough decisions and sacrifices to ensure the company moved forward. We adjusted but never wavered from business continuity.

As a leader, I wanted to ensure our employees were safe and supported in every way possible. This was a new frontier, as we set up testing procedures, reporting and quarantine locations around the world. The same ingenuity and initiative that has powered us forward in the oil field became the very energy we leveraged to cope with the global pandemic.

This initiative and inspiration cannot be manufactured, it comes from a sincere desire to protect and preserve what we can.

We pledge to continue doing more every year. We will strive to leave the world a better place for future generations. They deserve our best effort.

A handwritten signature in black ink that reads "Anthony G. Petrello". The signature is written in a cursive, slightly slanted style.

**ANTHONY G. PETRELLO**

CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER

## Our ESG Commitment

For an industry built with mud and steel, sustainability is not a new responsibility, but one that is gaining in momentum. Over the years, we as a company have refined and evaluated our approach, always asking ourselves how we can accomplish more.

Change begins with innovation. We have consistently leveraged our pioneer spirit to convert ideas to industry standards. The transition from manual function to automated processes takes time. That's why Nabors began the [Smart Evolution](#) years ago. Nabors implemented a Smart Suite of products that delivered remarkable results. These intelligent systems are designed to automate manual functions into high tech workflows using the operator's data to customize configurations and maximize results. The result is industry-leading performance, enhanced safety and efficient operations.

Over the years, we have remained laser focused on technology. RigCLOUD® offers a first-of-its-kind platform to host and integrate all software applications and data. The adaptability and scalability of this product has been embraced by our customers, who appreciate its many advantages, including those applicable to sustainability.

The pandemic shone the light on the need for the automation, integration and remote capabilities that Nabors has been developing. The ensuing efficiencies

mitigate energy consumption and emissions, while optimizing safety and performance.

Our outstanding performance does not occur without our talented employees. We continue to expand programs that support our global workforce. Engagement was a challenge in 2020, as many of our in-person events were adjusted for the limitations imposed by the pandemic. Creativity became our guiding principle, as we found new ways to reach, support and engage our people.

Despite the tumultuous scenario of 2020, our staff continued to make progress in the ESG realm. Reinforcing the company's commitment, the board of directors renamed the Governance and Nominating committee as the Environmental, Social and Governance committee and initiated a series of monthly meetings. To bolster this effort, we appointed ESG champions in leadership and project teams to unite the business functions and assemble a cohesive team working in lockstep towards ESG excellence.

At Nabors, we view challenges through the lens of opportunity. This is how we effect change.



“Our business activities have an impact on our environment, reinforcing the importance of exploring all avenues of sustainability. I am encouraged to see companies in our industry viewing sustainability as a competitive advantage and an opportunity to be part of the solution.”

**JADE STRONG**  
*Senior Vice President, Chief Administrative Officer*



“Governance is trust. There are no shortcuts, no compromises, no exceptions. We place an emphasis on identifying, monitoring and minimizing potential risks, while striving to uphold the highest standards of professionalism and ethics.”

**MIKE RASMUSON**  
*Senior Vice President, General Counsel & Chief Compliance Officer*



“Governance represents how we conduct business in terms of accountability and integrity. The governance framework serves as our moral compass and we are dedicated to actively pursuing the highest corporate governance principles.”

**MARK ANDREWS**  
*Corporate Secretary*



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# About Us

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## Framework

We leveraged and organized the content and data following the recommendations of the Sustainability Accounting Standards Board (SASB) voluntary framework. The interpretation of the SASB indicators were based solely on our judgment. Furthermore, we disclosed 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 [Health, Safety and Environmental Management System \(HSE MS\)](#) illustrates, we are continuing to review and align our processes with sound and robust ESG frameworks. In [Appendix A](#), we've included an index that maps our content and data with the SASB framework.

## Transparency in Reporting

Measuring and sharing results is how companies measure progress, and for Nabors that begins with clear communication. This was the impetus for multiple meetings with top investors. These

conversations allowed us to share what we have done, field questions and gather input on areas to improve.

The ESG approach is flexible, and by continuously assessing concerns we can adjust as needed. Having open communications with our stakeholders is a crucial part of our strategy. This additional effort is born out in our results. We have achieved and disclosed more than 90% of our pre-defined ESG key performance indicators (KPIs), a leading measure of positive change in our organizational culture.

### **Enterprise Risk Management Committee (ERM)**

We surveyed our most senior employees, including executives, directors and area managers to measure their perception of the top enterprise risks, facing the company. Based on the results of the 2020 survey, we divided the most noteworthy risks into categories, which were then reviewed by the ERM and reported to the board of directors. These findings, also shared in our Annual Report, laid the foundation for the ESG focus areas this year.

## Statistics

COUNTRIES  
WHERE WE  
OPERATE

20

TOTAL OPERATING REVENUE

\$2B



MARKETABLE RIGS 384



EMPLOYEES

9,500



WORLDWIDE PATENTS

710



**There is no shortage of talent at Nabors but two people in particular exemplify the type of pioneer spirit on which our company was built.**

## Employee Spotlight

These engineers have the courage to try, to fail and to question. Out of that intense curiosity and whole-hearted desire to make a difference, has come an incredibly productive collaboration.

Padira Reddy “Reddy” joined a predecessor of Nabors in 1976. Ashish Gupta followed nearly three decades later, in 2005. Through Reddy’s ongoing mentoring, Ashish continuously thrived. They built rigs together, constantly striving to develop innovative engineering designs that would promote improved operational performance. They succeeded by challenging the status quo. Along the way, Reddy continued to guide Ashish through his career. Their pursuit of excellence and multitude of contributions have solidified Nabors success. Together, they have authored the most patents at Nabors.



# Environmental



**In 2016, an ambitious plan was introduced to the world. The Paris Agreement set expectations for an economic and social transformation, based on the best available science, to battle climate change.**

This agreement focuses on the reduction of greenhouse gas (GHG) emissions. Individuals and corporations alike are identifying opportunities to improve their environmental stewardship, with the ultimate goal of preserving and improving the environment for the future generations.

This shift is also being driven by the next generation of leaders who have demonstrated a deep passion for sustainability. They choose to work for purpose-driven companies. They have exhibited the willingness to pay more for products that lend themselves to environmentally-friendly practices and prefer to invest in companies with robust social and environmental goals.

**The interest of the next generation of leaders has had the greatest impact on decision making of institutional investors.**

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# 75%

OF INSTITUTIONAL INVESTORS APPLY ESG PRINCIPLES TO AT LEAST A QUARTER OF THEIR PORTFOLIOS

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Source: Article | [Advancing ESG Investing: A Holistic Approach for Investment Management Firms](#)

The path forward relies on a transition in the energy equation. This is not the elimination of fossil fuels but an integrated approach that increases renewable energy sources such as wind, solar, geothermal and hydrogen.

Along with facilitating operational efficiencies and capabilities, we plan to target innovative technologies in support of lower carbon intensity and to integrate environmental impact improvement into employee performance and compensation. We translated this focus into specific actions:

- **Reducing Emissions**
- **Conserving Energy**
- **Guiding our Suppliers**
- **Enhancing Operational Efficiencies through Innovation and Technology**

# Reducing Emissions

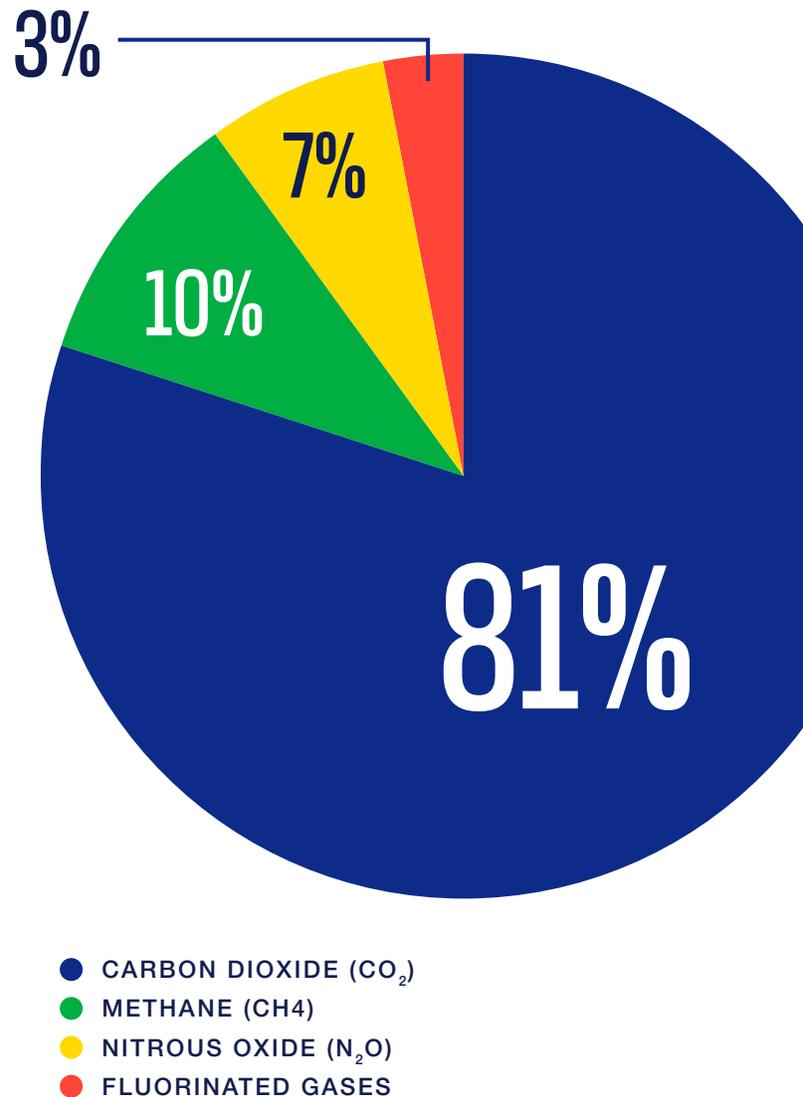
## Greenhouse Gas (GHG)

One of the most pressing challenges is collectively limiting increases in global temperatures. Society, as a whole, must focus on GHG emissions. Greenhouse gases are gases in the atmosphere that allow solar radiation to reach the earth's surface but trap thermal radiation, which causes temperatures to rise. With the exception of water vapor, these gases are present in the atmosphere in trace concentrations. They enter the atmosphere, both as part of natural cycles and as the result of human activities.

Computer-based modeling shows rising concentrations of GHGs generating the increase in the average surface temperature and triggering rapid changes in the climate, such as precipitation patterns, storm severity and sea level.

Monitoring the average global temperature change is important but statistics measuring global GHG can be misleading. Developed countries, especially those undergoing rapid economic growth, have a larger appetite for energy. This translates into more extreme impact in different parts of the world.

## Earth's Distribution of GHGs



Source: United States Environmental Protection Agency (2018)

## Our Industry and GHGs

For the oil and gas industry, specifically, as a drilling contractor, this requires a close examination of emission sources during operations. One challenge has been a reliance on estimates and assumptions, as opposed to detailed statistics. Without a clear picture of the numbers, programs and strategies may not be based on an accurate baseline.

The road to success relies on strong partnerships and compliance with disparate customer and project-specific requirements.

Global companies face the additional burden of balancing different units of measurements and possible inconsistencies in the data. A multi-pronged approach is needed to compile various data in an organized and actionable fashion.

We have dedicated much time and effort to establishing meaningful benchmarks upon which our goals will originate.

### Sources of GHGs in drilling operations:

#### DIRECT EMISSIONS (Scope 1)

##### **Stationary fossil fuel combustion**

ENGINES AND POWER GENERATORS

##### **Fossil fuel consumption by mobile motorized equipment**

WELL SERVICE RIGS  
PRIMARILY VEHICLES FLEET

#### INDIRECT EMISSIONS (Scope 2)

##### **Purchased grid electricity**

ELECTRICITY USE IN COMMERCIAL AND INDUSTRIAL BUILDINGS

# Drilling Operations GHG Reduction Strategies

Identifying our main sources of GHG, allowed us to explore and develop strategies to reduce our GHG emissions.



Bi-fuel engines

Drilling  
efficiencies



Collaboration  
with customers



Natural gas



Grid electric  
power

Hybrid  
models

Advanced power  
management

Automation and  
analytics

Tier 4 low  
emission  
engines

## Our GHG Reduction Actions

To thoroughly understand the impact of emissions, a science-based emissions reduction platform is required, including a methodology to report emissions. The decrease in the number of rigs operating in 2020 naturally generated fewer emissions. Recognizing the need for a more accurate picture of our progress, calculations were normalized by the amount of footage drilled in a year. For the last seven years, we've maintained a significant decline in emissions per foot drilled due to higher rig performance. This result was accomplished by upgrading many of our rigs to some of the highest specifications in the industry, growing our market penetration of Smart Suite drilling automation products and by our customers realizing the benefits of the seamless integration of our services.

Because of our automation and efficiency, completing work safely and quickly translated into an agile profile. This also created a challenge that led to more frequent movement of our assets in the field, preventing the use of stationary measurement tools.

**“By collaborating with our customers we are able to more intelligently solve problems, elevate safety and expand efficiencies. We see the payoff every day.”**

**JOSH PRICE**  
AREA MANAGER



Nabors solved this problem by appointing a team of engineers to collaborate with equipment manufacturers and customer subject matter experts (SMEs) to develop the calculations to track GHG emissions.

In 2020, we partnered with SMEs to deploy a new battery system that optimizes engine loads. The installation of natural gas engines, upgrading to hybrid rigs (engines with an energy storage system), using transformers to connect rigs on highline power and bi-fuel (a diesel and natural gas blend) engines reduced emissions. Our crews also employed engine scrubbers and chemical injection systems to further reduce our environmental footprint.

This success will increase in coming years as we launch more innovative products and technologies.

With a thorough audit of our operations, we are establishing a solid foundation to measure GHG emissions and set goals for the coming years. We will focus on a carbon and climate strategy for improving our fleet fuel economy and reducing significant air emissions by establishing relative targets.

# Conserving Energy

## Electrical Power and Water Consumption

We recognize that it is essential for us to take ownership of our impact and reduce our environmental footprint. First, we determined benchmarks for the consumption of electrical power and water. Throughout 2020, we input and organized data to better track electrical power and water consumption at our facilities around the world. In 2021, we will set target reductions for electrical power and water consumption.

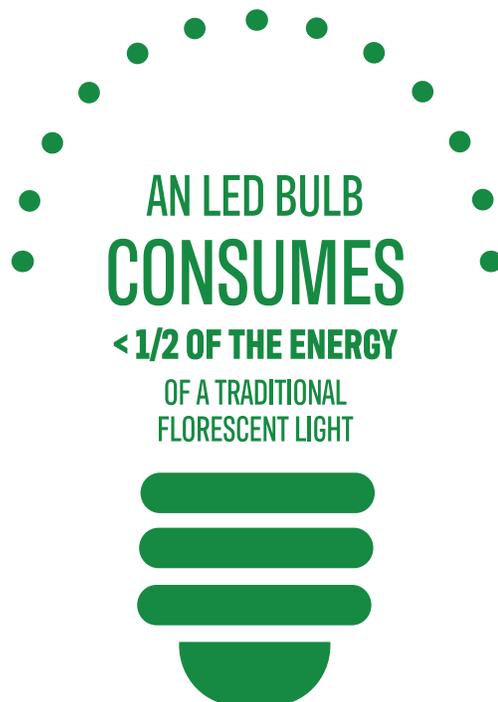
**“It is important that we utilize natural resources responsibly, at a personal and organizational level. Nabors is looking to each part of the global organization to reduce consumption and increase recycling. It is exciting to see Nabors actively engage in the ESG space.”**

**DREW DOTY**  
QHSE Manager



## Rig LED Light Savings

LED lights offer many advantages. This option requires less maintenance, has lower total cost of ownership and is energy efficient. By replacing inefficient incandescent light bulbs on rigs that are running around the clock, we can reduce GHG emissions. The math is simple...



The low-profile design can withstand extreme temperature and vibrations and comes with automatic on/off settings.

In the past eight years, Nabors has:

Installed **LED**  
lights on

**77** DRILLING  
RIGS

Saved  
more than

**7.5** TONS OF GHG EMISSIONS  
PER RIG, PER MONTH  
IN THE U.S.

In 2020,

**1,955** TONS OF GHG  
EMISSIONS SAVED  
IN THE U.S.

On Nabors rigs in 2020:

**U.S.**

**58%**

DECREASE IN  
TOTAL WATTAGE

**Saudi  
Arabia**

**66%**

DECREASE IN  
TOTAL WATTAGE

## Reducing Electricity Consumption

To withstand the desert heat of Saudi Arabia, air conditioning is a basic necessity. The team launched a maintenance program for the 41 air conditioning units at our facility. With monthly inspections, this approach is designed to generate efficient performance and is expected to reduce electricity consumption by at least 10%.



ABOVE: Team member and maintenance program air conditioning unit

## Safe Production Waste Storage

Safe production waste storage was the focus of an effort at our facility in Bumi Serpong Damai, Indonesia. The team built a secure cage with limited access to ensure waste can be safely contained until collection. With a designated point and disciplined system, the contents and its movements is easily tracked and recorded.



ABOVE: Secure cage built for safe waste containment

## Reusing, Reducing and Recycling Proves Cost Effective

Four years ago, warehouse staff in Dubai was churning through a large number of wooden pallets and crates. To reduce the amount of materials being used, the staff developed a system to conserve and reuse the items, instead of disposing of them.

The process includes the careful inspection of each item to determine integrity and quality. Crews established an efficient process to ensure there is no moisture and the boxes are structurally sound so they can be resealed.



ABOVE: Trash cleanup

## Trash Cleanup

In Saudi Arabia, our colleagues launched what has become an annual event. The public area surrounding our joint venture, SANAD, was in need of care. Plastic waste and other garbage was collecting on the roadway and the local government had not cleared the area in some time.

Nearly two dozen employees spent a day collecting, by hand, more than 150 pounds (70 kilograms) of trash littering a wide swath of space outside our property.

## Spill Prevention and Training

The total spillage in the industry has consistently dropped over the last [40 years](#) but we must keep up the momentum. While operators are responsible for the overall prevention and response, everyone has a role to alleviate the environmental impact.

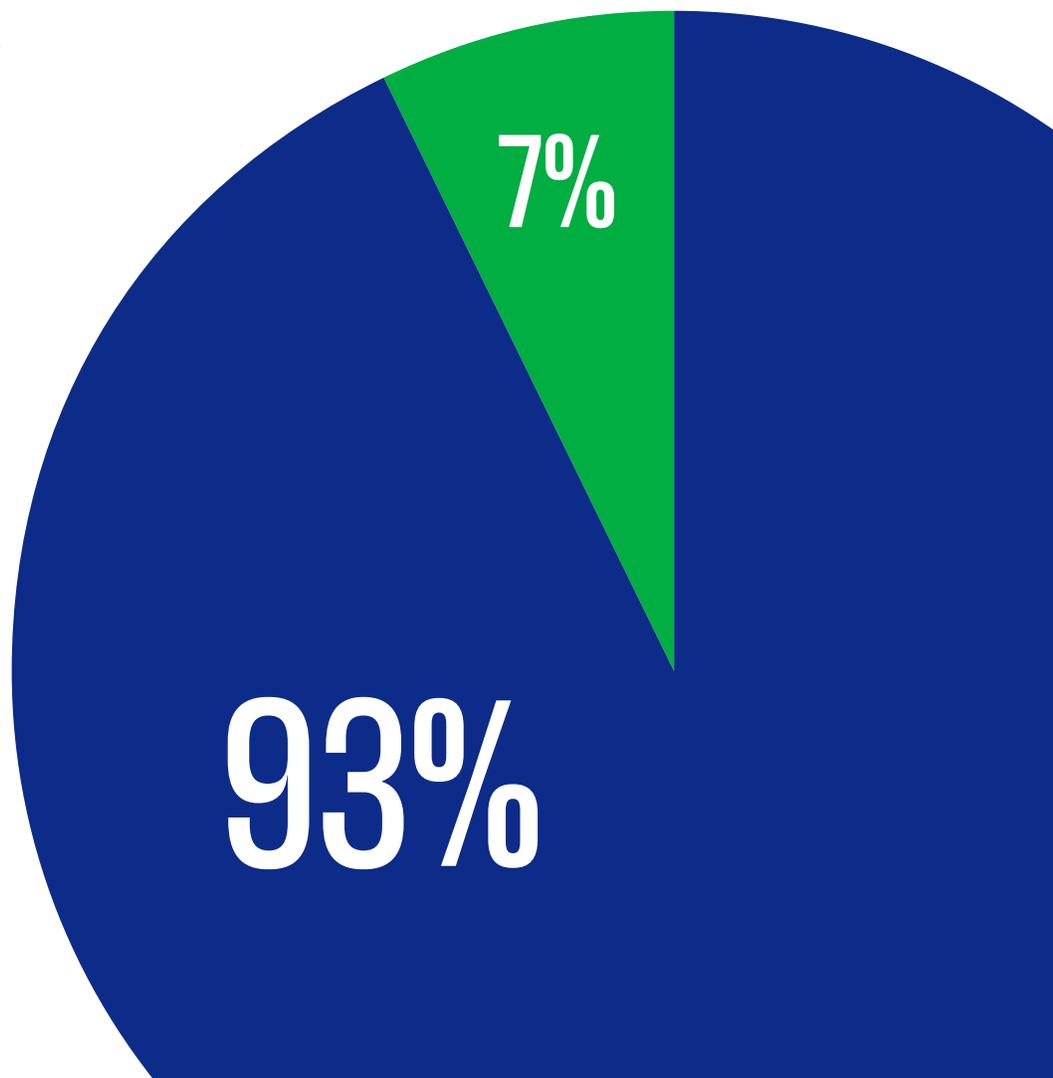
In 2020, over 1,200 employees completed our Spill Prevention, Controls and Countermeasure (SPCC) training.

To ensure a coordinated approach, we reference our [Environmental Management System \(EMS\)](#). The [EMS](#) provides the guidance and process for measuring, reporting and managing spills across all our global locations.

In the coming years, we plan to educate more of our global workforce about spill prevention to ensure we can deliver value in this area.

### Spill Prevention, Controls and Countermeasure (SPCC) Training

- COMPLETE
- INCOMPLETE



## Environmental Stewardship

Throughout the year, we made considerable progress in expanding the environmental knowledge of our field crews. Our Quality, Health, Safety and Environmental (QHSE) team launched several initiatives to augment employee competencies and ensure compliance.

By the end of 2020, we completed environmental training with 90% of our teams.

“These are exciting times to see the entire organization come together and focus on how we can positively impact our environment. We have an entire structure within Nabors devoted to ESG. Personally, I am responsible for ensuring our employees are getting the right information about their role in preventing and managing spills and hazardous waste.”

**MEGAN BROWN**  
*QHSE Supervisor*



ABOVE: Field crew training

# Guiding Our Suppliers

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Nabors prides itself on conducting business in a socially responsible and ethical manner. To accomplish this, we firmly believe a vital factor is to build a sustainable and resilient supply chain. The role of suppliers in this equation became even more apparent during the pandemic.

To this end, we partner with suppliers who maintain the same rigor as we do. At the core of this approach is our supplier survey, which generates a wealth of data, allowing us to view the companies we partner with, through the lens of our [Vendor Guidelines](#).

The survey confirms a supplier's performance in regard to compliance, diversity, inclusion, labor, human trafficking and slavery, environment and human rights. Regardless of their size, geography or employee diversity, all vendors are given equal opportunity to compete for our business. Review our Nabors [website](#) for additional information about our supplier selection process.

**“Our survey is a way for us to see if our suppliers’ business practices, align with our environmental and social standards. We often further engage those suppliers who go above and beyond to share lessons learned and best practices.”**

**CASEY TAYLOR**  
Supply Chain Manager



An annual review and training centered on the survey has been implemented to further build collaboration between our supply chain and strategic sourcing teams. The survey results address changes in requirements or updates to the survey itself to ensure complete comprehension.

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**BY 2020, 81% OF OUR GLOBAL SUPPLY CHAIN AND STRATEGIC SOURCING PERSONNEL COMPLETED THE ANNUAL REVIEW AND TRAINING FOR THE SURVEY.**

# 81%

**THE REMAINING STAFF FINISHED THE TRAINING IN JANUARY 2021.**

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Moving forward, our goals include identifying minority and women-owned businesses and creating a structure to capture the data. We plan comprehensive audits to ensure alignment.

# Enhancing Operational Efficiencies through Innovation and Technology

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## Drilling Contractor of Choice

Having a culture of innovation has produced a multitude of hardware and software options that are now standard on many rigs. By combining our automation and the operator's data, we are able to generate continual, timely improvements in operations with a resulting decrease in environmental impact. Seamless integration of our products permits modifications to a single rig or an entire fleet.



## Q&A with Travis Purvis and Subodh Saxena

### Q: What role does Nabors operations play in improving ESG?



**TRAVIS PURVIS**  
SENIOR VICE PRESIDENT,  
GLOBAL DRILLING

**Travis:** Our rigs' performances are maximized in terms of productivity when automated drilling solutions are integrated into our operations. Advanced digital and automated solutions, like those found in our Smart Suite, drive consistency and safely produce superior, dependable results, that in turn, reduce drilling time.

**Travis:** Whether through the RigCLOUD® platform, training or ongoing reinforcements, our drilling teams are instrumental in managing operations efficiently and effectively, resulting in positive environmental and social impacts. These initiatives have, and will, improve the workplace. They are safer, cleaner and have empowered people in the field to take on additional leadership roles. Developing these technologies is a socially responsible decision.



**SUBODH SAXENA**  
SENIOR VICE PRESIDENT,  
NABORS DRILLING SOLUTIONS

**Subodh:** Nabors Drilling Solutions (NDS) focuses on innovating technologies that deliver optimal drilling performance and drive value for our customers. When drilling performance is more efficient, it results in less GHG emissions. We have been at the forefront of technology development and plan to apply the same rigor to ESG initiatives.

**Subodh:** Additionally, technologies such as SmartNAV™ and SmartSLIDE™ reduce personnel on location, resulting in fewer people on the road, driving to and from a worksite. This is made possible through RigCLOUD®, our cloud-based platform. Through this platform, we have helped our customers establish remote operation centers, where they can have one employee monitoring several rigs. The advantage of owning the rigs and having a separate technology team is that we're able to continuously improve through a deep understanding of performance drilling, access to massive data sets from all over the world and close partnerships with our customers. The industry needs to holistically focus on ESG, which is why we are investing in a RigCLOUD® platform that will provide information to equip our team to better manage our engines, resulting in a reduction of GHG emissions.

# Social



# Empowering People

## Human Rights

Nabors is committed to protecting every person's basic rights and fundamental freedoms. This pledge includes a fair living wage and labor conditions, as detailed within our [Corporate Guidelines on Human Rights](#).

We have recently reviewed and updated our policies to ensure we have the most robust set of guidelines in areas we operate, as social issues continue to evolve. Due diligence is needed because policies can fall out of step, if not revisited at a regular cadence.

To enhance the visibility, comprehension and implementation of our Corporate Guidelines on Human Rights, training is being delivered to the staff at large.

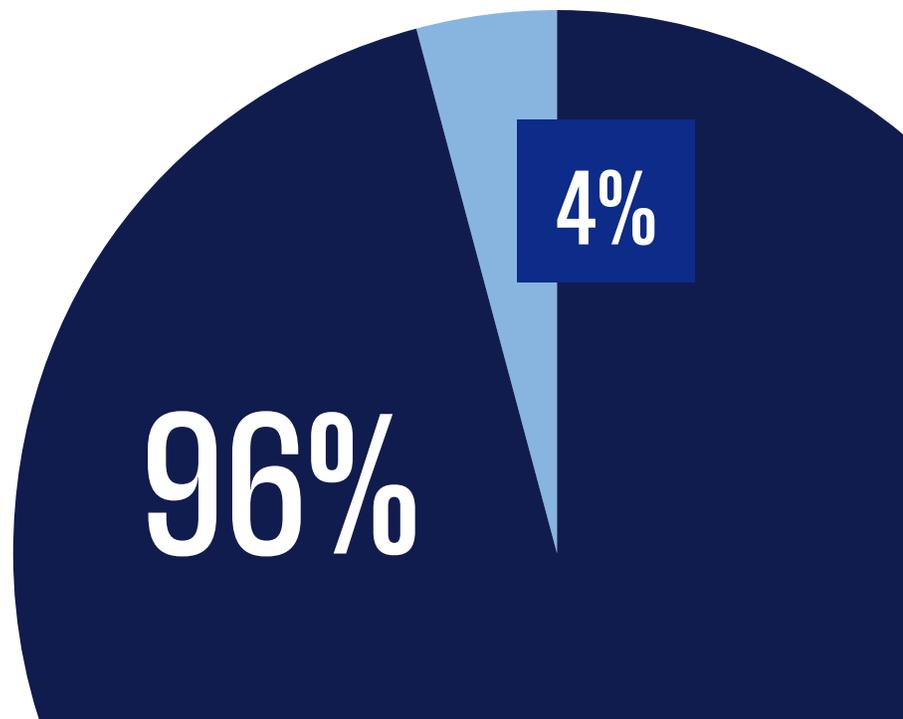
## Human Rights Training and Engagement

- COMPLETE
- INCOMPLETE

“Our inclusive culture promotes respecting the human rights of all stakeholders, including our employees, suppliers and communities. In our Human Rights Training and Engagement, employees are fully guided on making decisions, while respecting the human rights of those impacted by the decision.”



**TJ ADEYEMO**  
Senior Human Resources  
Project Manager



## Bloomberg Square Mile Relay Race

Employees from our Dubai office laced up their running shoes to take part in a popular event that connects team building and health. Every year, around 100 teams step up to the starting line of the Bloomberg Square Mile Relay Race. Competing against other corporate teams, the goal is to raise money for non-profit organizations by pairing physical activity and social causes.

Our Dubai athletes directed their funds to benefit education and disaster relief. The recipient organization, Emirates Red Crescent, partners with the Red Cross and responds quickly in times of need. Money raised through the event enables Red Crescent to continue its humanitarian efforts both locally and globally.





ABOVE: Kenderick Johnson

## Employee Spotlight

The state of Louisiana endured one of the most unusual hurricane seasons on record. Devastated communities barely had time to recover before another major storm loomed in the Gulf of Mexico. For the first time, four hurricanes made landfall in the Pelican State. In the middle of the maelstrom stood our safety professional, Kenderick Johnson.

Born and raised in Louisiana, Kenderick wasted no time organizing relief efforts in the surrounding areas, including Lake Charles. His work began as thousands scrambled to safety. The 36-year-old raised funds to help with evacuation efforts, then quickly turned his attention to setting up a makeshift staging area. Kenderick created a website to facilitate and distribute donations and supplies. His grassroots effort was one of the first to offer aid in the devastated areas because the larger organizations had yet to arrive.

“In a time when unity and love are much needed, we all have the power to change things with very little effort,” Kenderick said. “Throughout the whole experience, I learned that your position or title doesn’t matter. What matters is initiative, compassion and character.”

Kenderick was joined by an array of co-workers who, while coping with their own loss of property and shortage of supplies, served as a de facto procurement and supply chain team on the ground. Their desire to help illustrates the compassion and initiative found throughout Nabors. That help continued months after the massive storms had left the area.

“The work is not over. Even though it’s been several months, there are still so many in need of basic supplies and resources,” Kenderick said. “Even at our busiest, when we were scrambling to locate supplies and identify the greatest need, I was in awe of my co-workers who selflessly volunteered. Many of us were personally affected but we could see the greater challenge. If each of us steps up to help in some way, it benefits society as a whole.”



ABOVE: Hurricane relief supplies

## Training and Development

Training is essential in our industry to stay current on processes, certifications, trends and education. Since early 2020, social distancing and group gatherings were imprudent due to the pandemic. With a bit of ingenuity and a lot of collaboration, leadership teams around the globe successfully launched virtual trainings.

Nabors leadership team for the Eastern Hemisphere hosted the first such undertaking with colleagues from Kuwait, Kazakhstan and Saudi Arabia in attendance for a Safety Leadership Workshop (SLW).

“It became obvious within the first hour of this SLW virtual training that we had found, not only a short-term solution to deliver training, despite global travel restrictions, but a viable long-term solution that’s both efficient and more cost effective. We took the opportunity last year to further develop our programs and make better use of our existing technology, resulting in a more effective way to train more people,” said Michael Beck, director of training, learning and development. “The diversity of attendees adds to the richness of the discussions and also provides an easy way for more senior leaders to join various modules throughout the course.”

**75%** ON PRODUCT AND OPERATIONAL SAFETY

### 2020 Training Compliance Stats:

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CERTIFICATIONS PROVIDED	<b>131,750</b>
COMPUTER BASED TRAININGS	<b>97,625</b>
INSTRUCTOR LED TRAININGS	<b>34,125</b>
PEOPLE TRAINED	<b>13,126</b>
TRAINING HOURS PER EMPLOYEE	<b>24</b>

**25%** ON DATA SECURITY, ENVIRONMENTAL AND LABOR PRACTICES

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# Managing Talent

Talent management begins during the recruitment process and continues through onboarding, development and retention of each employee.

An extensive program ensures each employee has the opportunity to grow professionally. In 2020, we developed and implemented a company-wide talent management system that includes career pathing, identifying high potential performers, succession planning, etc. Our talent management program has proven to bring out the best performance in employees and keeps them engaged, connected and motivated.

## Talent Management Practices and Focuses in 2020

● = 2020 AREAS OF FOCUS



## Career Pathing

Career pathing is a systematic approach to career development that empowers employees to be directly involved in their careers. It enables employees to map their career path, review job competencies and evaluate skill gaps, use tools to chart their career progression and be more engaged in their roles and the development of their careers. At Nabors, we recognize the career path begins the moment a new member joins our team and we are with them every step of the way.

Part of the journey involves nurturing our high potential performers, while not taking away from the broader workforce. Because high potential employees often have a greater desire to grow, attention must be paid to their evolution. This can include stretch goals, strategic promotions, training development and exposure to senior leaders and stakeholders. Our human resource team continually reviews and improves the infrastructure and process for identifying and cultivating these relentless learners.

### Diverse Population with Completed Development Plans

- YES (COMPLETE)
- NO (INCOMPLETE)

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# 42%

DIVERSITY IN IDENTIFIED HIGH POTENTIAL PERFORMERS

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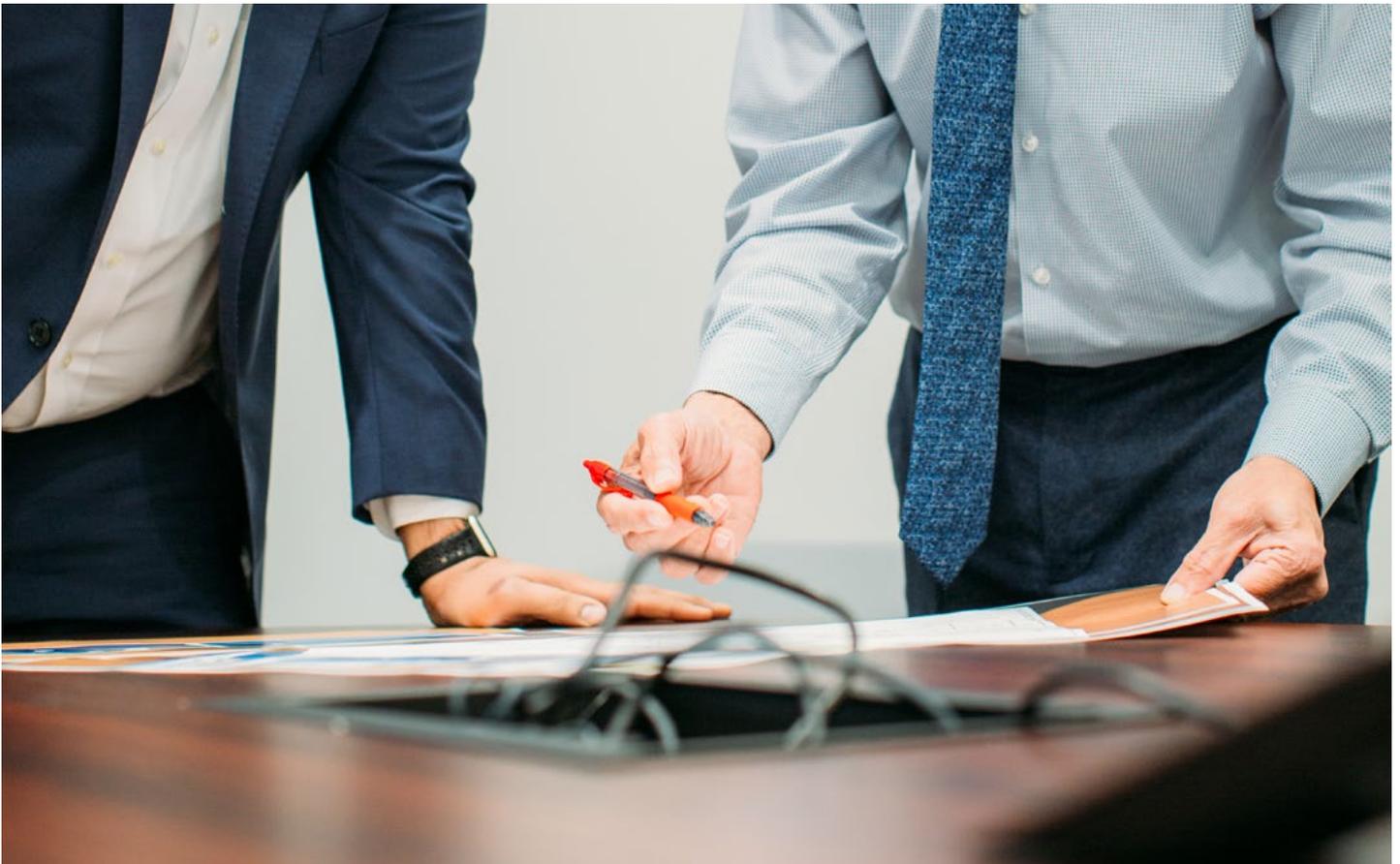


# 100%

## Succession Planning for Critical Roles

Succession planning helps build the bench strength of Nabors to ensure the long-term health, growth and stability of our company. An astute process increases the availability of experienced and capable employees who are prepared to assume these positions as they become available. Succession planning also identifies gaps where there may not be an internal successor.

In 2020, we initiated and implemented a succession planning process that included the identification of critical roles and corresponding competencies. Our process further identified potential successors, competency gaps and detailed development plans to ensure readiness.





ABOVE: Irving Rangel-Betanzos

**“This career trajectory fed his appetite to learn but it wasn’t enough. By expanding his business background, he could bring value to the work of the operational staff. Irving is now pursuing his MBA at the University of Louisiana at Lafayette.”**

## Employee Spotlight

As a child, Irving Rangel-Betanzos thrived in his hometown of Orizaba, Mexico but hungered to achieve more. He left to attend university, becoming the first in his large extended family to earn a bachelor’s degree. In 2011, the civil engineer joined the Nabors team in Mexico and the journey since, has been filled with achievements and challenges.

“I transferred to Houston, Texas to work on the fabrication of three new rigs,” Irving said. “My colleagues came from Australia, Hungary, Canada, India, Venezuela, Colombia, China and the Philippines. I was able to grow, just by interacting with people from different countries with unique backgrounds, mindsets and experiences. I was learning on some many different levels. I quickly got educated about my roles and responsibilities but also other cultures and perspectives!”

Irving quickly moved up the ranks, spending time in India and returning to Mexico, becoming the first national field engineer hired by Nabors Mexico. By 2014, he was promoted to project manager for rig moves in the midst of a very busy time in our industry.

A year later, Irving returned to Houston to work on two new rigs and accompanied the finished products to Mexico.

By now, adaptability has become a theme in his life. Whether it was language, culture, geography or a new role, Irving always discovers value in each new experience.

“I don’t see the differences, I see opportunities,” he said. “The key is to take time to understand the entire situation and then I can get my feet moving in the right direction.”

# Fueling Health and Safety

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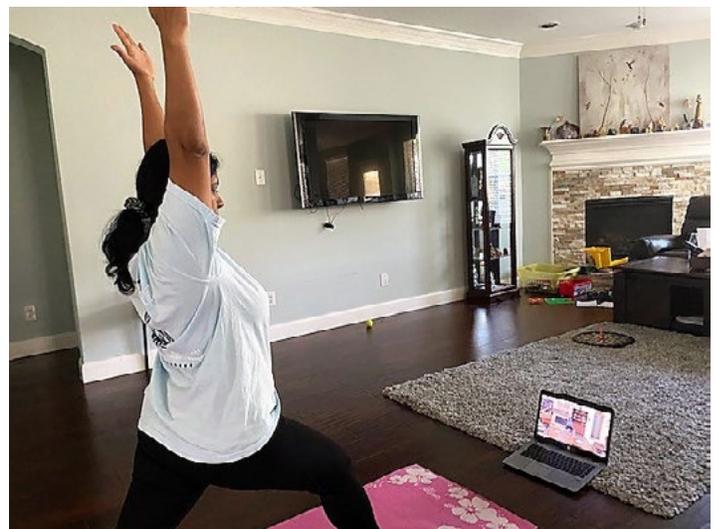
## Mental Health

Nearly one in five U.S. adults live with a mental illness ([51.5 million](#) in 2019). It has been estimated more than half will not seek help, whether because of the stigma, lack of access or a failure to comprehend the condition.

In 2020, we began offering Doctor on Demand behavioral health visits. With no restriction on business hours and no travel requirements, our employees have access to experienced, licensed psychiatrists and therapists 24/7 from the privacy of their homes. They can receive professional help ranging from talk therapy to medication management. In the inaugural year, we had more than 80 visits; compare this to the Employee Assistance Program (EAP), which had 21 visits in 2019 and 20 in 2020. The telehealth component delivers a profound benefit that resonates well with our population.

## Physical Fitness

While our fitness center closed its doors during the pandemic, the staff worked quickly to set up virtual workout classes. With both live and recorded sessions, employees and their families were able to conveniently access more than 50 exercise options including cardio, boot camp, Pilates, barre and yoga.



ABOVE: Virtual workout class

# Safety Performance

Mission Zero stands at the heart of our safety culture. When everyone goes home safely, it is more than a business achievement, it is a personal one as well. Every single person is empowered with our Stop Work Authority (SWA) to stop a job if the scope changes, there is an equipment issue or just to clear up confusion. Each task begins with a Job Safety Analysis (JSA) to walk through the process and consider all variables before any action is taken.

Whether it's capturing high potential incidents or tracking near misses, the rich data allows us to pro-actively address issues that are surfacing before a negative event occurs. We employ regular safety meetings and safety standdowns to disseminate lessons learned and best practices throughout our workforce.

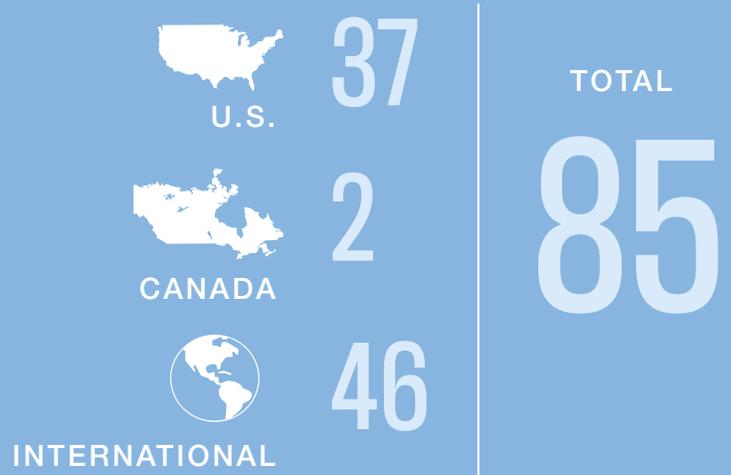
**Rigs LTI\* Free in 2020**

**119**

*\*LTI = Lost Time Incident*

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

*\*Only rigs that operated 75% of each year*



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

**0.61**

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

**Mission Zero Accomplished**

*No recordables on South Texas rigs during pandemic*

**2M**

SAFE MAN HOURS IN SANAD

**23%**

DROP IN TRIR IN LAST 3 YEARS

**0.49**

TOTAL RECORDABLE INCIDENT RATE (TRIR)

**26%**

DROP IN HIGH POTENTIAL INCIDENTS

**Total Number of Hours Worked by All Employees**

**23,921,626**

## Dropped Object Prevention Scheme (DROPS) and Red Zone Management

When working on a massive oil rig that stretches 100+ feet into the air, a single dropped object poses a serious hazard. Even a small object has the potential to result in serious injuries. Compound this risk with simultaneous heavy equipment moving around, while crews continue to perform jobs in the same space – and you begin to comprehend why these areas are typically referred to as red zones.

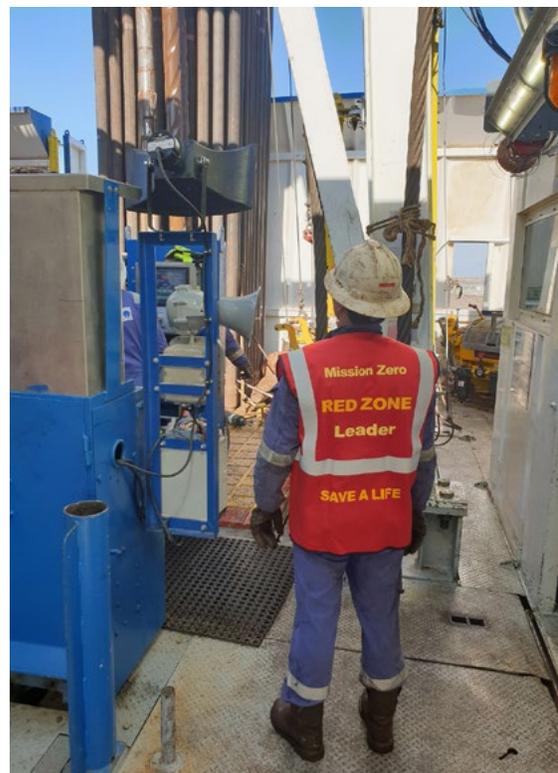
Every crew follows standard guidelines within the clearly marked area, but our Kazakhstan team has taken the safety process one step further to mitigate risk. Each day, on every rig in Kazakhstan, a different floor hand serves as the red zone leader. Clearly spotted with the red vest, this person's only role is to act as an additional pair of eyes and verify necessary processes and procedures are being followed.

Included in their regular red zone responsibilities is limiting entry into the red zone to those with authorization and only for specific tasks, such as moving the machinery. The red zone leader must also make certain the authorized personnel exit as soon as their work is done and monitor if they need to re-enter the space.

“Effective red zone management is key to further improving our safety performance by eliminating exposure to those areas of the rig that increase risk of injury. By actively engaging crews on an individual level, we not only improve their understanding of the risk, we empower them to take initiative and practice SWA, exhibit safety leadership skills and foster a safety culture.”

**MARIN KOCEIC**

*Area Manager*



ABOVE: Red zone management leader

These are standard practices, but the Kazakhstan leadership team included two key components that drove success:

1. Numerous drills to test the red zone leader’s control, awareness and knowledge
2. Rotating this position amongst the rig floor crew, so everyone eventually assumes the responsibility for their co-workers

This strategy is being scaled to additional Nabors rigs, as it has proven to nurture a sense of team, enhance safety awareness, build culture and reinforce overall behavioral safety.

At the end of their shift, the red zone leader logs their findings on a safety observation card and shares that information with the

crew. The red zone leader also identifies the next person to serve in the red zone leader capacity. On a regular basis, area leaders recognize and distribute the best findings with the broader teams to ensure continual learning.

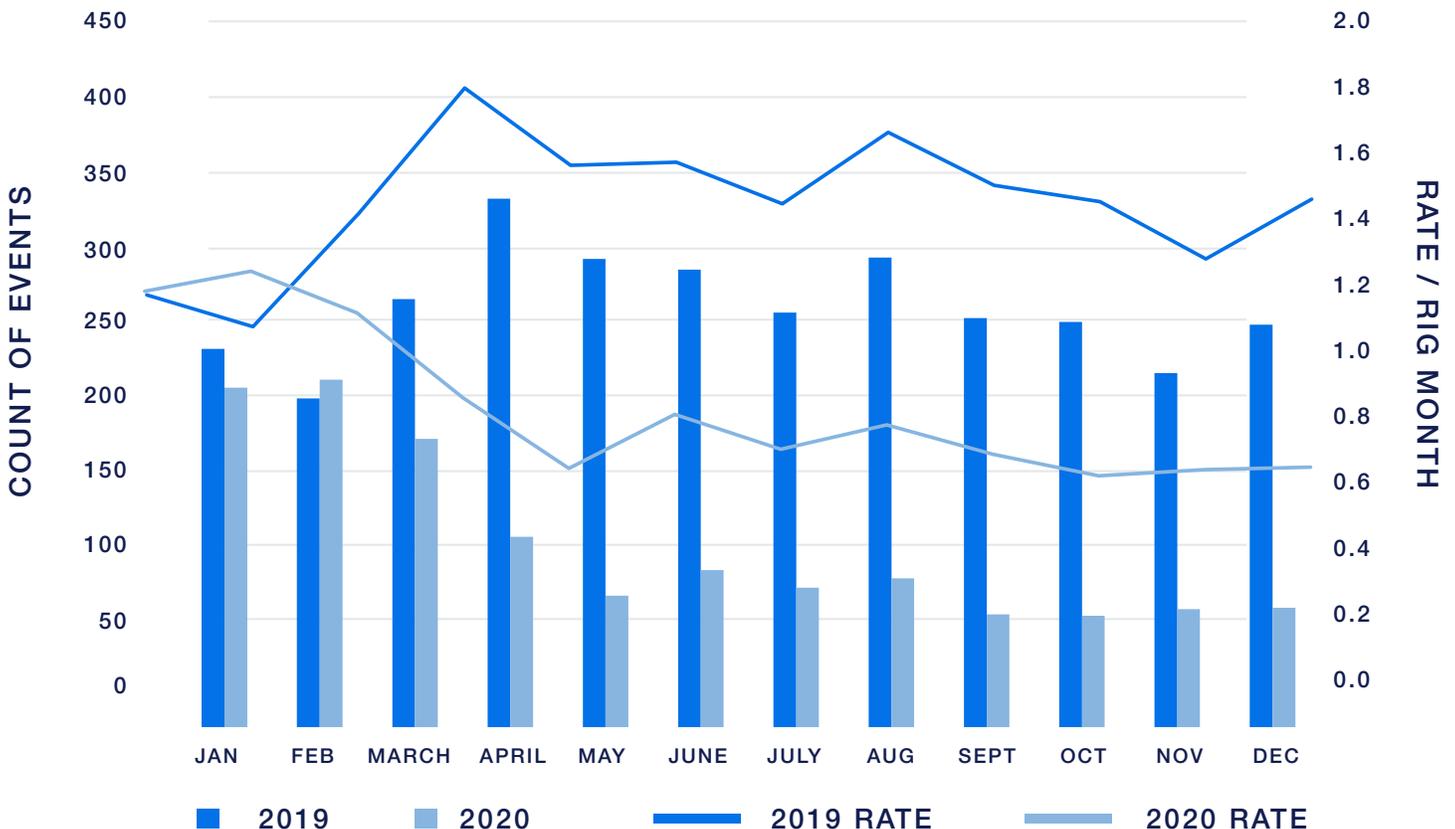
In 2020, this strategy achieved significant results, cutting the number of dropped objects by more than half.

“We have received a lot of positive feedback from our customers. One of them is even considering adopting this strategy.”



**TAMAS CSREFKO**  
QHSE Excellence Engineer

## DROPS Trend 2019 and 2020 YTD



## Competency Assurance Management System (CAMS)

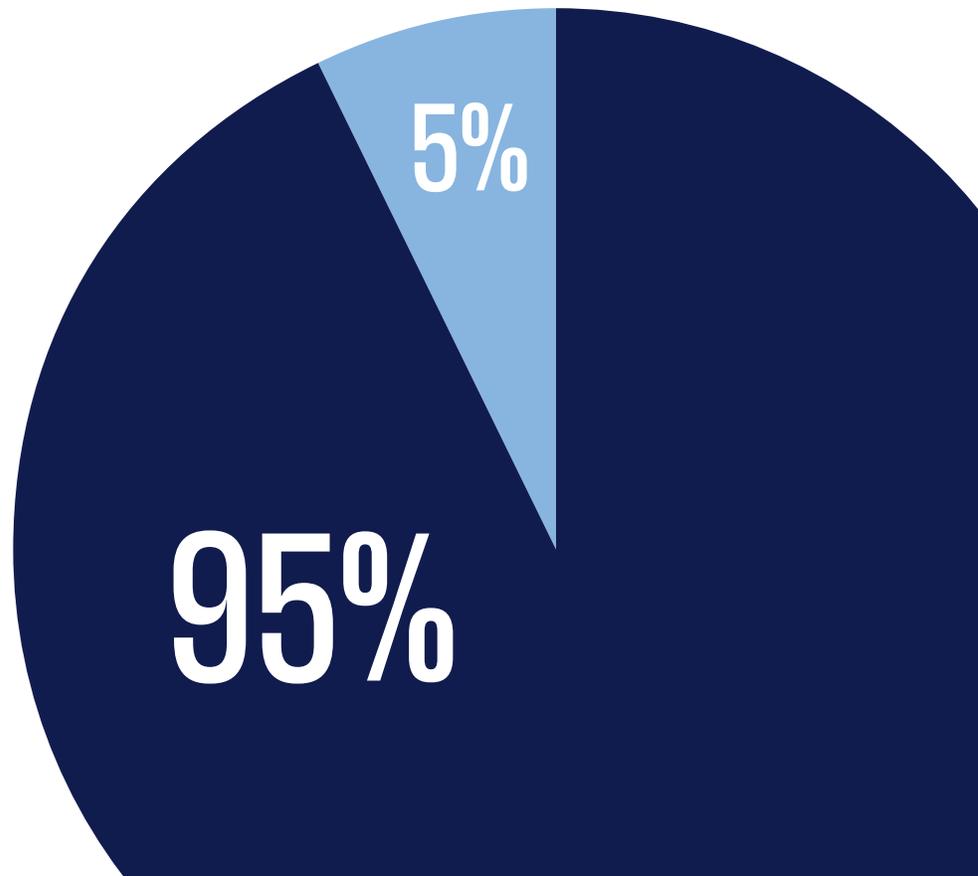
It is not enough to have a knowledgeable workforce if performance is not held to a consistently high level. Nabors Competency Assurance Management System (CAMS) is a program that addresses this by taking knowledge and putting it to the test to identify gaps. The first phase begins with enrolling employees into the program. Next, enrollees receive various types of training to ensure successful demonstration of job competencies and performance standards. The last phase involves verification of their competencies through observation and

dialogue by a team of certified assessors and completion of any improvement tasks. This multi-step program builds a safer, more competent, performance-driven workforce.

To further enhance this program, subject matter experts (SMEs) will drive and manage the overall process, as we work to certify even more assessors. We also intend to expand this strategy to include other jobs and products, as we digitalize the entire process.

### Total Company Phase 1

- COMPLETE
- INCOMPLETE



# Improving Well Control Safety

Effective well control is critical to Nabors journey to Mission Zero. Ensuring employee competency around well control is vital to the safety of our employees, customers and the communities in which we operate.

In 2020, our crews participated in required well control training programs and conducted periodic well control drills to keep their knowledge fresh.

### INCREASED RESPONSE TIMES

Crews are recording faster response times in well control situations

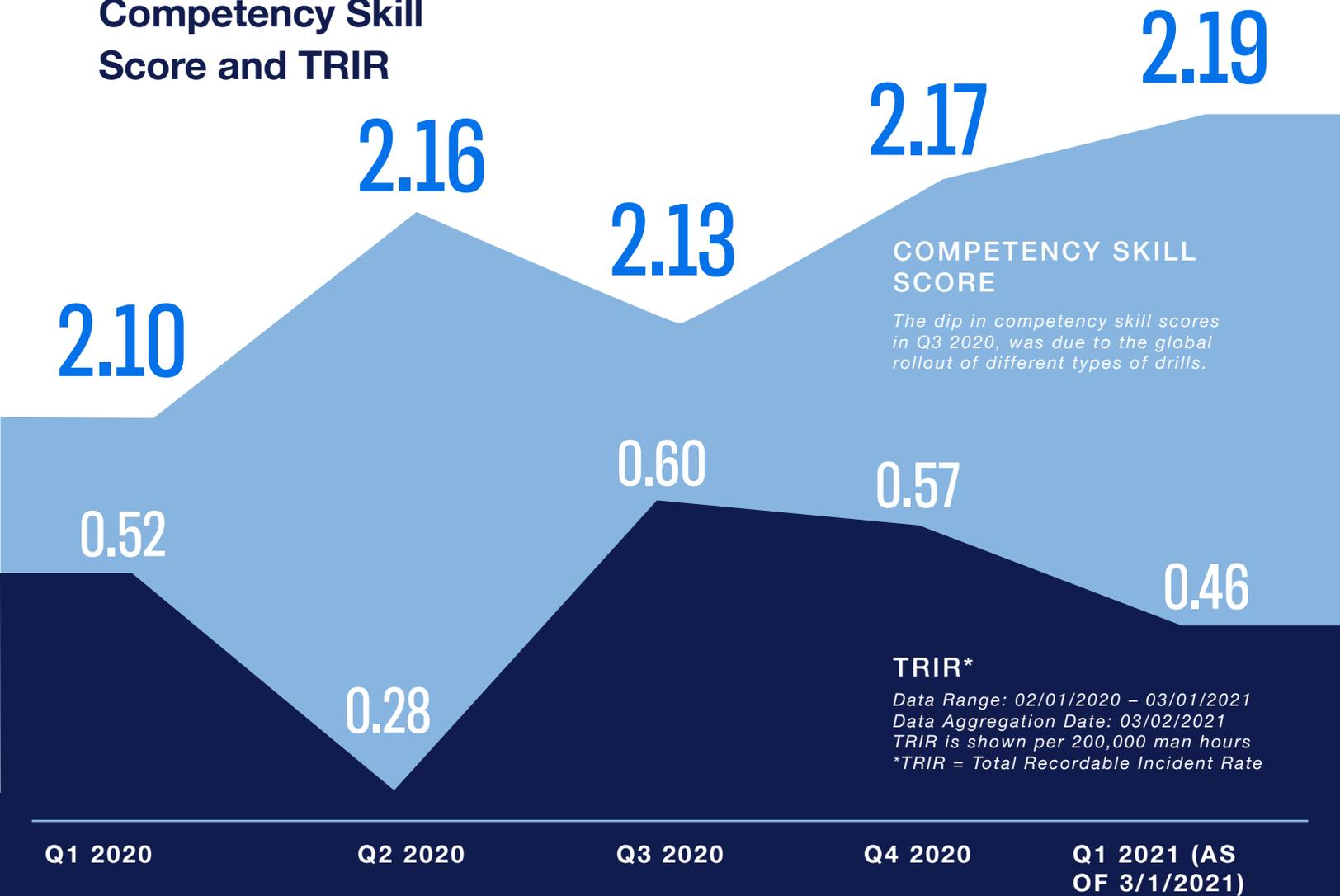
### DEVELOPED TARGETED TRAINING

New training modules can be developed after gaps are identified

### INCREASED OPERATIONAL SAFETY

Rigs with above average competency skill scores have a 48% chance of fewer recordable incidents than rigs with below average competency skill scores

## Competency Skill Score and TRIR



Q1 2020

Q2 2020

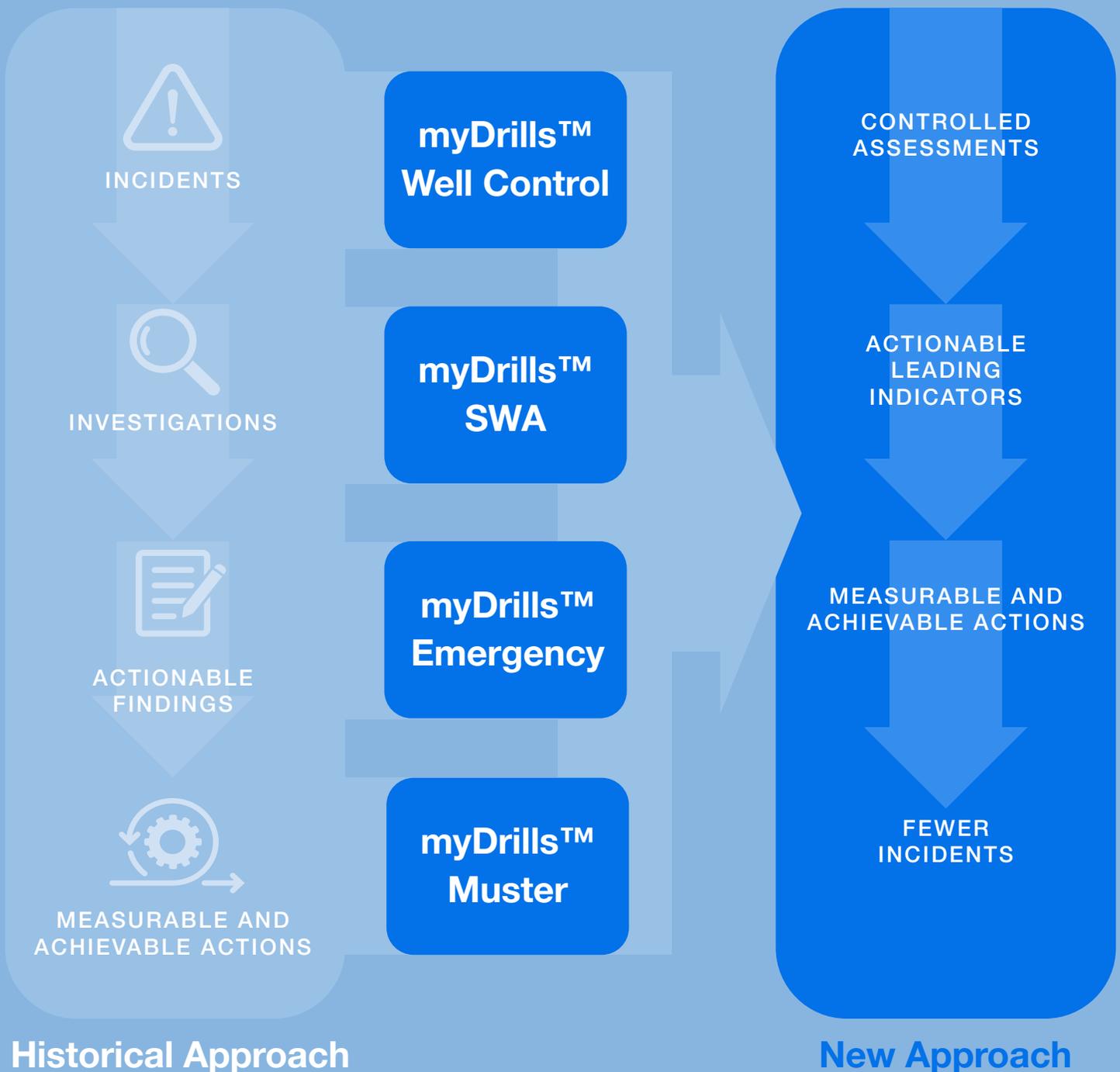
Q3 2020

Q4 2020

Q1 2021 (AS OF 3/1/2021)

# Utilizing myDrills™ to Expand Controlled Assessments

myDRILLS™ is the digitization of rig site drills, a tool to guide planning and evaluate the execution of rig crews in various scenarios including well control, Stop Work Authority (SWA) and emergency events.



# Outstanding Safety Milestone Starts with Communication

From the largest archipelago in the world, comes a safety achievement that surpasses a decade. Our Indonesia team recently passed 11 years without a Lost Time Incident (LTI), this represents more than five million working hours of maintenance and repairs.

The field and workshop crews, supported by more than 40 staff members, are based in Balikpapan and the capital city of Jakarta. Unlike Indonesia's 13,000 islands, the team is closely connected.

"It's essential to have two-way communications to build trust," said Frederic Fergeau, area manager. "The leaders are aligned on delivering the safety message but we also ensure that we're listening to our employees. We take their input and adjust, as needed, because we work as a team."

Nick Nesterenko, senior operations manager, attributes a good deal of the

success to the low turnover rate at the facilities. The average tenure is nine years.

"We built a solid foundation on Mission Zero, so the employees work safely, not because it's a company requirement but a personal expectation," said Dony Axner, QHSE supervisor. "It's not about reaching a certain number or milestone. We take it one day at a time, ensuring everyone goes home the same way they arrived. Every shift. Every day."

The dedication to safety is matched by their commitment to customer service. The team maintains industry-leading certifications in ISO 9001, a quality management system with rigorous standards for products and services.

"We continue to deliver the high level of services our operators have come to expect," said Nick. "I am proud of how the Indonesian staff is helping Nabors become the performance driller of choice."



ABOVE: Indonesia team

# Promoting Diversity, Equality and Inclusion

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Transforming culture in a traditionally male-dominated industry is an endeavor requiring dedication, commitment and often, creativity. Every year, new co-chairs are nominated to lead the Diversity, Equality and Inclusion (DE&I) committee. It's through this multi-disciplinary team where we lead the DE&I charge to broaden knowledge, highlight challenges and offer an avenue to engage. By implementing strategic recruiting efforts, development streams and retention best practices, we have been able to achieve results that outpaced not just our industry but the business world in general.

Nabors has employed the assistance of third parties to accurately define what areas may need bolstering to create a welcoming environment, where all voices are heard and everyone is valued. We have learned there are several areas where we can concentrate efforts to attract a wider range of talent.

**We conducted a 2020 survey that focused on women in the workplace and learned:**

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**87%** OF WOMEN FEEL SUPPORTED BY THEIR MANAGER

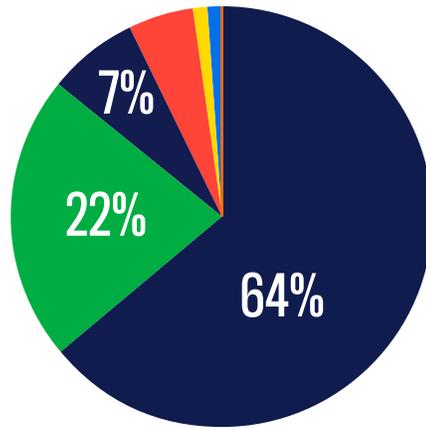
**73%** OF WOMEN OF COLOR HAVE STRONG ALLIES ON THEIR TEAM

**48%** OF NEW ENTRY-LEVEL, EXTERNAL HIRES WERE WOMEN

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# Employee Statistics

## Employees by Ethnicity



- 64%** WHITE (NOT HISPANIC OR LATINO)
- 22%** HISPANIC OR LATINO
- 7%** BLACK OR AFRICAN AMERICAN
- 5%** ASIAN (NOT HISPANIC OR LATINO)
- 1%** TWO OR MORE RACES (NOT HISPANIC OR LATINO)
- 1%** AMERICAN INDIAN OR ALASKA NATIVE
- 0%** NATIVE HAWAIIAN/ OTHER PACIFIC (NOT HISPANIC OR LATINO)

## Employees by Gender

	ALL NABORS	SGA* & FS*	OIL & GAS INDUSTRY
FEMALE	5%	20%	15%
MALE	95%	80%	83%

\*SGA = Selling, General and Administrative  
\*FS = Field Support

## Employees by Job Band

	FEMALE	MALE	TOTAL
EXECUTIVE	4 (10%)	35 (90%)	39
DIRECTOR	13 (16%)	69 (84%)	82
MANAGER	58 (18%)	272 (82%)	330
SUPERVISOR	67 (12%)	477 (88%)	544
INDIVIDUAL CONTRIBUTOR	112 (9%)	1,121 (91%)	1,233
ADMINISTRATIVE SUPPORT	147 (50%)	148 (50%)	295
FIELD OPERATIONS	66 (1%)	7,334 (99%)	7,400
<b>GRAND TOTAL</b>	<b>467 (5%)</b>	<b>9,456 (95%)</b>	<b>9,923</b>

# Localization

In recent years, Nabors launched a concerted effort to hire local people, as opposed to deploying expatriate employees. The advantages are many. Native employees are familiar with the language, local culture and business practices. In certain respects, our efforts have been directed at those in socially vulnerable populations.

A well-paying job gives individuals from these groups security and allows them to provide for their families. From Argentina to Russia, local employees have strengthened our operations and in return, have the opportunity to turn a job into a career.

## Localization by Country



## Employee Spotlight

Forging a path into a male-dominated industry is never easy but for a single mother in college the road can be even more challenging. Olga Toro is the first woman in Colombia to achieve the position of mechanic helper.

Currently studying for her bachelor's degree in mechanical engineering, Olga has acquired skills traditionally held by men. Cultivating the careers of women is part of Nabors' pledge to promoting gender equality. Olga had been rejected by five different companies before landing a job with Nabors. In Colombia, the oil and gas industry continues to register some of the lowest numbers of women in the workforce.

By shattering stereotypes, Olga is advancing her career, gaining valuable experience and forging the way for others.

**“I am the sole provider for my family so I knew I needed a financially stable, well-paying job,” Olga said. “I also want to set an example for my children that if you want something, you are the only one who can make it happen. You can't wait around for things to change, sometimes you are the change.”**



ABOVE: Olga Toro



ABOVE: Olga Toro with her mother and son

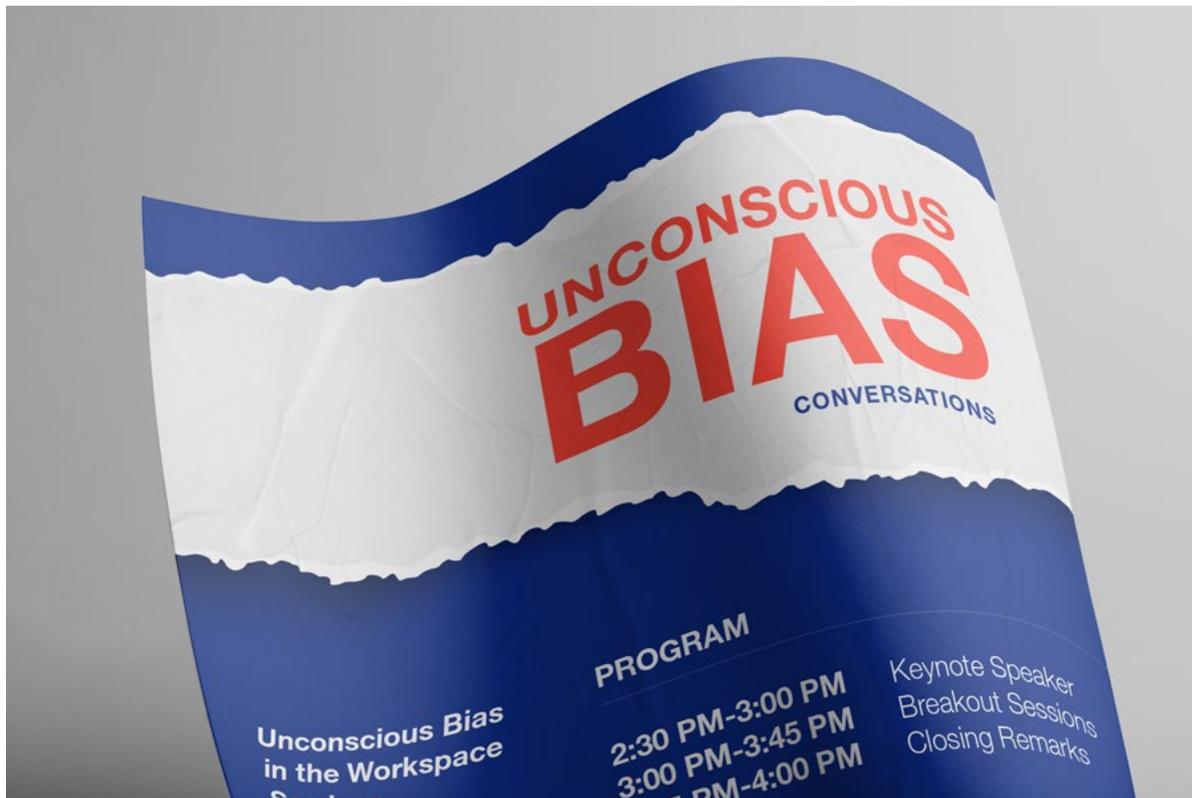
# Unconscious Bias Workshop

Taking into account the safety protocols necessary during the pandemic, the DE&I committee hosted a virtual and socially distanced, in-person gathering for a second educational workshop focused on unconscious bias. More than 200 people heard from a compelling speaker and joined in a subsequent lively discussion.

The DE&I committee is focused on stereotypes that pose a significant obstacle to the careers of so many. Acknowledging these challenges helps curate more impactful strategies:

- Bias is often ingrained in one's personality
- Participants are more inclined to culture change
- Some bias is, well, conscious
- Training success can be difficult to quantify

The goal is to empower changemakers who can open the doors for conversations, employ best-practice techniques and can connect in fair and effective ways.



ABOVE: Invitation for Nabors Unconscious Bias virtual and socially distanced workshop

## CEO Actions

**In 2020, Nabors CEO, Anthony G. Petrello, pledged to pursue three actions to carry our momentum into the future. These actions apply to every corner of our organization around the world.**

### 1 Creating Collaborative Committees to Drive Inclusiveness

Diversity, equity and inclusion committees, both a steering team and individual groups, will identify, guide and create events throughout the year with the overall intent of engaging a broader audience. A developed systematic process will ensure each event is followed through with debriefing sessions to identify areas of continuous improvement. By valuing and leveraging our heritage, background, culture and experiences, we will continue to enhance the diversity of our workforce.

### 2 Understanding Our Blind Spots Through Discussion Across Differences

By reaching an extensive section of our employee base, we can shift the perspective and demonstrate the worthiness of enhancing the diversity of our business. A regular and sustained cadence of events will grow our resolve for a robust DE&I journey. Subsequent to discussions and workshops, the DE&I committees will regroup, debrief and edit the content to ensure continuous improvement. This is more than an advantage in the business world, the awareness will also improve personal interactions.

### 3 Developing Diverse Talent

A well-managed talent pipeline ensures smooth transitions into leadership roles and nurtures business continuity. The development plans will include projects to improve general skill sets, elevate business acumen, facilitate teamwork and expose employees to senior leadership and board members. By investing in high potential employees, we will retain the diverse people we need to secure our future.

# Navigating the Unknown

## Our COVID-19 Response

In early 2020 the world changed as individuals, and companies scrambled to cope with the effects of the COVID-19 pandemic. Entire countries had gone into lockdown. Many of our employees were required to work longer at well sites as co-workers were unable to replace them because of travel restrictions. Equipment and resources ran low, with no solution in site. Everyone was scrambling for more information and worried about contracting the virus.

Our colleagues in the Eastern Hemisphere experienced the effects first, so we were able to quickly apply lessons learned to our operations in other parts of the world. As a result, our crisis management team united and quickly implemented business continuity plans, safety procedures and mitigations and the development of a central repository to

house information and enable clear, quick communications to our employees around the world. We also participated in several external COVID-19 committees, where we shared our return-to-work plan and how we effectively managed its success.



ABOVE: Houston, Texas corporate office, COVID-19 safety regulations

Through it all, our people demonstrated ingenuity and initiative in creating solutions to deal with a comprehensive response.

In record time, our Information Technology (IT) team deployed an enterprise Virtual Private Network (VPN) solution, which allowed employees to connect from the outside into our IT environment. We ensured this was done in a secure manner, where data transmissions would be encrypted, thus avoiding data theft or manipulation. During the roll out, we adhered to safety guidelines to avoid large gatherings or frequent contact.

In two short months, we had our entire company up and running on a secure remote VPN solution. Employees were no longer tethered to the office but still had access to the full features of an office structure from anywhere in the world without compromising security.



*ABOVE: Working from home*

Internally, a micro-site and dashboard were set up to track cases and offer resources to our staff. At every entrance, temperature testing and surveys were implemented, as we focused on business continuity. To prepare for the unknown, rig crews mapped out areas for quarantine. Travel was curtailed for our employees and numerous communications were published through various channels.

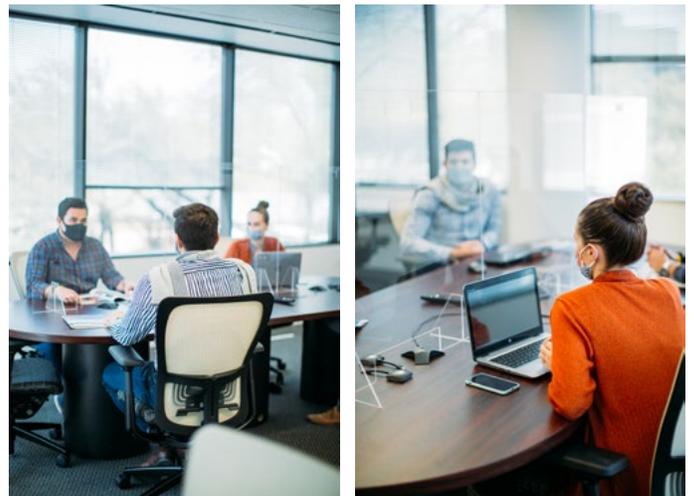
Medical staff from our Houston, Texas clinic helped implement many of the safety protocols, which were scaled across our



*ABOVE: Temperature checks*

offices, warehouses, equipment yards and rigs. The additional steps included identifying quarantine space, conference room protocols, building sanitation, etc.

In addition, facility staff removed chairs and cordoned off public spaces to engender



*ABOVE: Social distanced practices for meeting rooms*

social distancing. Entrances and exits were restricted to one-way traffic and a process was established to identify occupied offices that would be disinfected after use. Occupancy in elevators was limited for the few present in the office.

Most importantly, it was a time when our value of people was actively demonstrated through compassion, patience and flexibility. We searched for new ways to protect our people and their families.

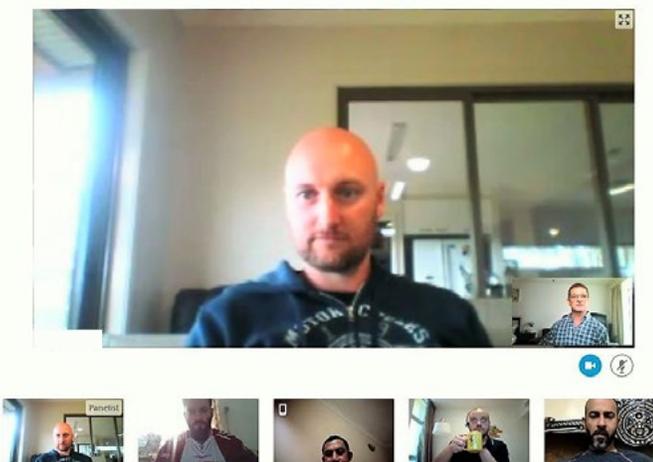


# Collaborating with Customers

## Virtual Safety Meetings

Every week the QHSE team shares best practices and lessons learned in an in-depth conversation. Each area around the world reports developments, successes, challenges, good catches and methods for developing meaningful employee involvement. Once a month a customer is invited to share a Mission Zero Moment - a short message or safety lesson from their organization.

The meetings are based on transparency and communication, with the customer observing and providing feedback at the end. This feedback loop facilitates improvement in our people, processes and overall culture of safety. It has proven to be an ideal venue to improve relationships and engage in a two-way dialogue.



ABOVE: Virtual meetings

# Tailoring Actions Based on Needs

## Expanding RigLINE 24/7™ to Support Automation

Part of our automation strategy began years ago with RigLINE 24/7™. This around-the-clock resource is staffed by master-level technicians, SMEs trained at the highest level of knowledge. Whether it's equipment challenges or software updates, this skilled pool of professionals can deploy solutions without traveling to the rig. Not only does this save on manpower costs, gas consumption and environmental impact, resolutions can be initiated and scaled quickly.

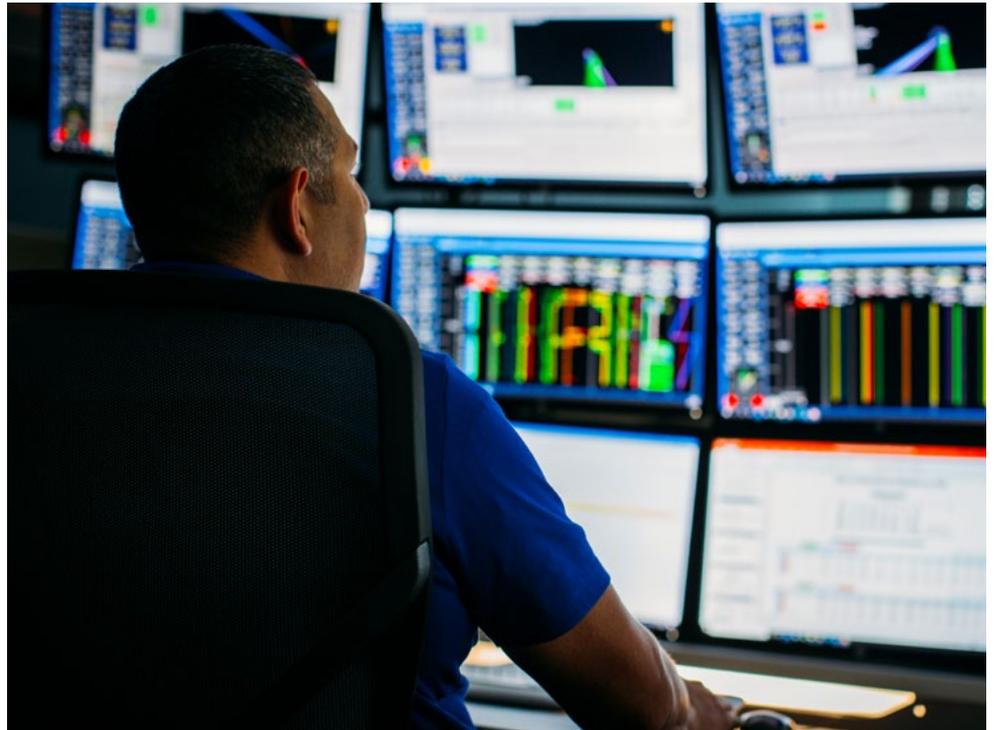
RigLINE 24/7™ is different from a remote operations center, which is designed to oversee operations. With a single phone call, operators have access to expedient answers, no matter where they are, without having to wait for assistance. Whether its preventative maintenance, equipment troubleshooting or connecting the rig with the right person to resolve challenges, RigLINE 24/7™ agile and timely intervention enables efficient production and a decreased need for energy, materials and cost.

## RigLINE 24/7™ Remote Resolution Rate

YEAR	CASES CREATED	DISPATCHED	RESOLUTION RATE
2019	25,992	11,147	57%
2020	15,933	5,120	68%



ABOVE: RigLINE 24/7™



# Implementing SWA Drills to Empower Employee Action

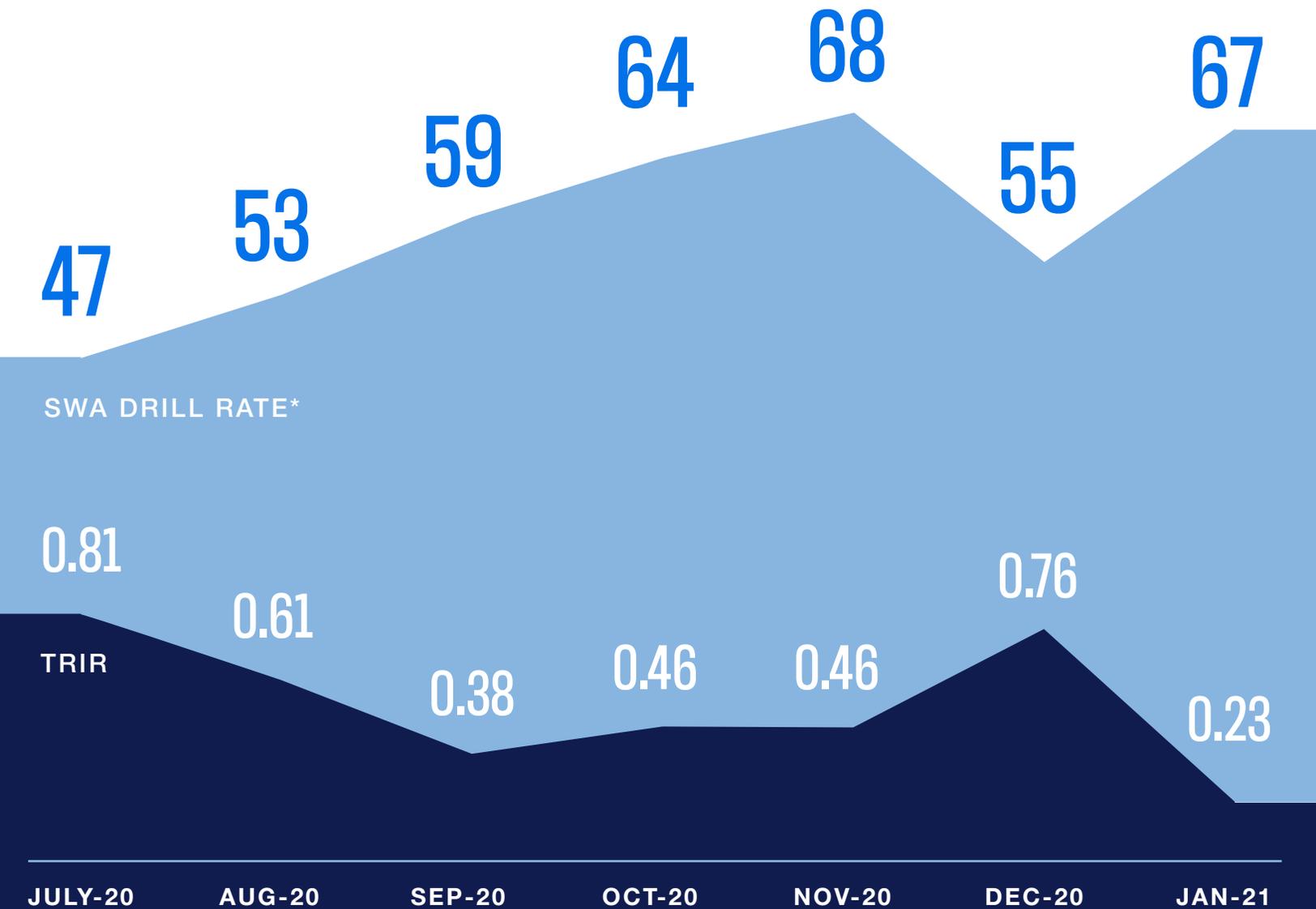
One challenge we face on our rigs is empowering our people to use their Stop Work Authority (SWA) when they see an unsafe act or condition. As a result, we rolled out SWA drills that tested the knowledge and abilities of our crews, as well as, third parties. We noticed trends in our data that illustrated rigs that participated in SWA drills, saw a downward trend in TRIR. Based on this trend, we will continue to organize SWA drills on our rigs.

## SWA Drill Rate and TRIR

- SWA DRILL RATE\*
- TRIR\*

*\*SWA Drill Rate: SWA drills completed in myDRILLS™ per 200,000 man hours*

*\*TRIR = Total Recordable Incident Rate*



## Q&A with Le Pan, Vice President, Human Resources



### **Q: What are the most productive ESG activities that Nabors has undertaken?**

**Le:** Certainly, a couple come to mind. One of them is the massive effort to reconfigure our succession planning and talent development process for our critical roles. This really serves as the backbone of our company. It gives us a robust structure and allows our employees to see their path forward with us.

### **Q: Innovation is often a critical piece to incorporating an ESG step change in the oil and gas industry, how has Nabors approached this?**

**Le:** This is an industry that is decades old. The key is to recognize that we all have certain ways of doing things and perspectives that are unique to us.

With millennials representing the largest generation today, we recognize they are also the most ethnically diverse and have a deep interest in technology. We considered their interests and talent to utilize our existing infrastructure in ways that may not have been as valuable to other employees.

One of our approaches was the Blue Sky brainstorm. We gathered some of our younger or newer staff and leveraged their input. What we found was they came up with fresh ideas that utilized our existing infrastructure, technology and talent in ways that had not been considered at the senior executive level. What is critical is creating an environment where this type of innovation can not only grow but flourish and be appreciated.

# Governance



# A Focused Approach

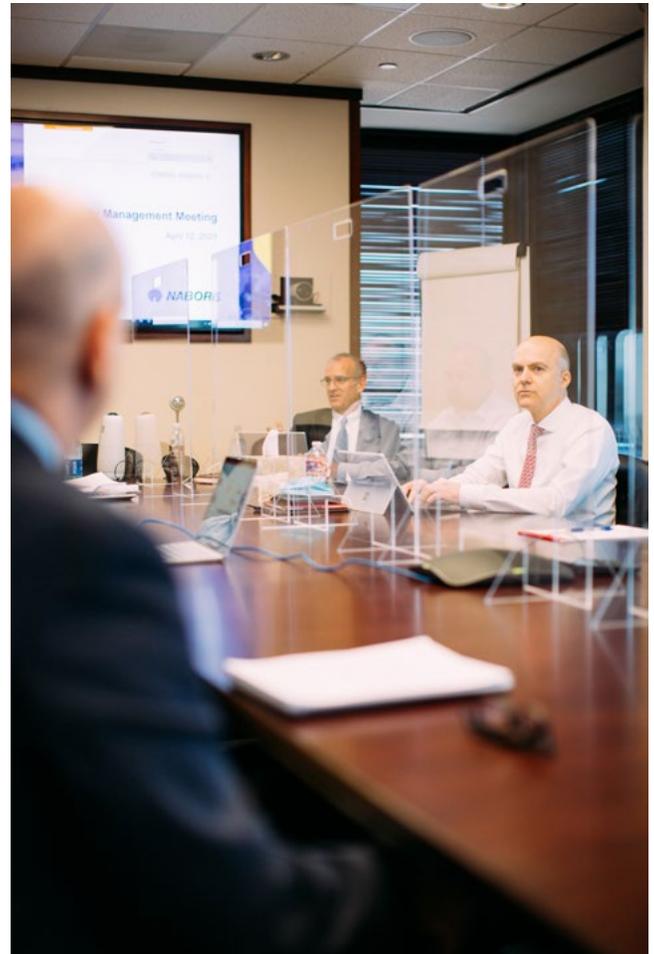
Strong corporate governance assures investors of a company's integrity. They gain confidence in the policies, standards, disclosure, auditing and compliance. Weak oversight has led to business failures and investors want to be able to determine the amount of existing risk.

Substantial governance also drives strong shareholder value. It all starts at the top, with the leadership of the board of directors (board) and the guiding principles laid out in our [Corporate Governance Guidelines](#). These structures represent our commitment to respond to our shareholders' interests, nurture trust and continuously focus on long-term relationships that ensure our decisions are aligned with their interests.

## Board of Directors

Providing oversight and guidance to our business, our board members possess a diverse set of skills and qualifications, from years of experience in many different fields, that enable them to manage the many opportunities, challenges and risks faced by the company.

The board is divided into five standing committees: [Audit](#), [Compensation](#), [ESG](#), [Risk Oversight](#) and [Technology and Safety](#) each governed and director by a charter available on the Corporate Governance section of our Nabors [website](#).



## Board Members

M = MEMBER  
M+C = MEMBER + CHAIR  
\* = LEAD

NAME	AUDIT	COMPENSATION	ESG	RISK OVERSIGHT	TECHNOLOGY AND SAFETY
Tanya Beder	M	M+C			M
Anthony R. Chase		M	M	M+C	
James R. Crane					M+C
John P. Kotts	M+C	M			
Michael C. Linn			M+C	M	
John Yearwood*	M		M	M	M

As of April 22, 2021

Review our Nabors [website](#) for additional information on each board member.

## Stakeholder and Investor Engagement

The board, investor relations and key members of the executive management team focused on furthering our commitment to transparency by engaging with shareholders and investors throughout

the year on a range of key topics, including COVID-19 responses, environmental and safety topics, executive compensation, finance and operations.

### Meetings Held in 2020:

# 20

BOARD AND  
COMMITTEE  
MEETINGS

# 10

ESG BOARD  
INVESTOR MEETINGS

## Q&A with William Conroy, Vice President, Corporate Development and Investor Relations



### Q: What is the growing impact of the ESG movement?

**William:** We are seeing investors, especially the largest institutions, increasing their focus on ESG. To date, the focus is evident in two areas. In the first, investors use ESG as a screening criteria. They may include or exclude investments in companies, depending on those companies' performance against certain ESG criteria. In other cases, investors influence their portfolio companies' ESG policies and performance through the proxy voting process, as well as, direct engagement.

### Q: Is there a correlation between ESG scores and stock price and, if so, what is the result?

**William:** This is an area of ongoing research. There is growing evidence of positive correlation between ESG scores and stock returns and of negative correlation between ESG scores and volatility of returns. It is worth noting that by late 2020, U.S.-domiciled assets under management utilizing sustainable investment strategies, accounted for more than one-third of total U.S. assets under professional management.

## Industry Advocacy

Nabors participates in industry trade associations on a regular basis. Deciding which associations to actively engage, requires us to take account of the overall value and benefits, positions taken publicly, alignment of priorities and the amount of resources required to demonstrate an effective partnership:

- American Petroleum Institute
- Canadian Association of Oilwell Drilling Contractors
- International Association of Drilling Contractors
- Society of Petroleum Engineers
- American Association of Drilling Engineers (AADE)

Review our Nabors [policy](#) for additional information.



# Enhancing a Culture of Safety and Inclusivity

## Safety

Safety remains one of Nabors core values and it all begins with a substantial management commitment. To reinforce a culture focused on the health, safety and security of the workforce, we adopted an [EMS](#) that works in parallel with the overarching [HSE MS](#).

This framework guides us in effectively planning, executing, measuring, analyzing and continuously improving safe and efficient operations. The system is reviewed annually and leverages industry best practices.

## Diversity

Diversity is only one part of the equation when it comes to DE&I. Creating a culture of inclusivity, where people demonstrate mutual respect, appreciation and have the courage to critically self-reflect is our commitment.

This acceptance resonates throughout the organization. The tone must begin at the top with leaders at all levels taking the initiative and continually driving positive change.

PLAN	1	Management Commitment and Employee Engagement
	2	Risk Assessment and Management
DO	3	Environmental Stewardship
	4	Policies and Procedures
	5	Training and Documentation Control
	6	Emergency Preparedness
	7	Event Reporting, Analysis and Corrective Action
ASSESS	8	Performance Monitoring, Measuring and Audit
ADJUST	9	Continuous Improvement, Verification and Validation and Management Review

## Q&A with Michelle Muse, Senior Manager, Communications and Organizational Development



### **Q: What is the key to continuously improve a culture of safety and inclusivity?**

**Michelle:** You may have heard the well-known quote ‘culture eats strategy for breakfast’ but to be successful, these two aspects must actually work together. I think companies fail at creating a robust culture when they don’t make the connection between organizational goals and the culture they aspire to. If you can’t explain this to every member of your staff, then people won’t understand their roles or how they can contribute. This makes it incredibly difficult to move the needle much less maintain momentum.

Building a robust culture should be a living process. You should be listening to your people and assessing what is working and what’s not. If you remain aligned with the business goals, you’ll be able to avoid a flavor-of-the-month type of campaign that just won’t resonate. At Nabors, we remain laser focused on safety and establishing a diverse and welcoming environment. This approach is reflected in business goals and individual goals as well. This is how we continue driving the type of culture that is not just good for the business but good for our staff.

### **Q: What roles do executives play in developing culture?**

**Michelle:** It is true that change starts at the top and our leaders model the behavior we expect of our employees. The staff can tell when it’s just talk or whether the executive truly believes and lives what they’re saying. True leaders inspire and when you look at our top people, you can see they are relationship-driven leaders.

Baked into our method is placing the right people in the right roles. Some may feel they don’t have a lot of influence outside of their functional area but that’s just not true. You can’t manage your way to culture change. You have to demonstrate it and that authentic example sends the right message.

## Q&A with Miguel Sanchez, Vice President, International Operations



### **Q: How do we keep our young people motivated to be creative and innovative, while working safely every day?**

**Miguel:** We recognize the value of our younger generation and the importance of ensuring they have a clear line of sight here, in terms of their career ambitions. Because of this, we engaged a nominated group of employees to participate in an offsite brainstorm meeting with the intent of coming up with Blue Sky ideas, representing the future of Nabors.

As a result of this session, we provided them exposure to the senior management team, as well as the CEO and board lead director, who will review their ideas and identify if any will proceed with further development.

I feel this initiative has not only allowed me to think outside of the box and learn from this generation but who knows, one of their ideas may be the one that catapults us into something completely new. This younger generation has a different way of thinking about the oil and gas industry and the role that Nabors could potentially play.

## Q&A with Kolby Franz, Senior Manager Marketing and Sales

### **Q: Describe the impact of the Blue Sky brainstorm.**

**Kolby:** The Blue Sky brainstorm was a great opportunity for a younger group of employees to step out of our daily routine and share our perspective on the big picture. Just being able to take the time to pull back and look from a 30,000-foot view, really energized us. It was a collaborative exercise and we had a lot of freedom to pitch different ideas. I found it really rewarding to be able to give input on company strategy.



# Cybersecurity

Agility and anticipation are the hallmarks of the Nabors IT team, as they work constantly to shore up our defenses against the ever-evolving malicious digital attacks. Strong in commitment and armed with the latest data and insight, this group continually designs new tests, based on what's trending.

There are so many vulnerabilities in large companies that it really requires an astute staff to thoroughly examine everything. In 2020, Sherri Griffin, vendor services manager, spotted a high-risk transaction and decided to ask more questions. By insisting on secondary confirmation, a fraud attempt that would have cost the company tens of thousands of dollars was avoided. On its face, the payment request seemed routine but awareness of the possibilities moved her to take the extra step.



**“When you’re in cybersecurity, you can never stand still. You have to watch the horizon constantly and evolve accordingly.”**



**MING YEO**  
*IT Director*

**“Some of the attempts are pretty sophisticated and others simply rely on slipping through the cracks. That’s why my team has ownership of the process.”**



**SHERRI GRIFFIN**  
*Vendor Services Manager*

# Setting the Stage for the Right Decisions and Right Reasons

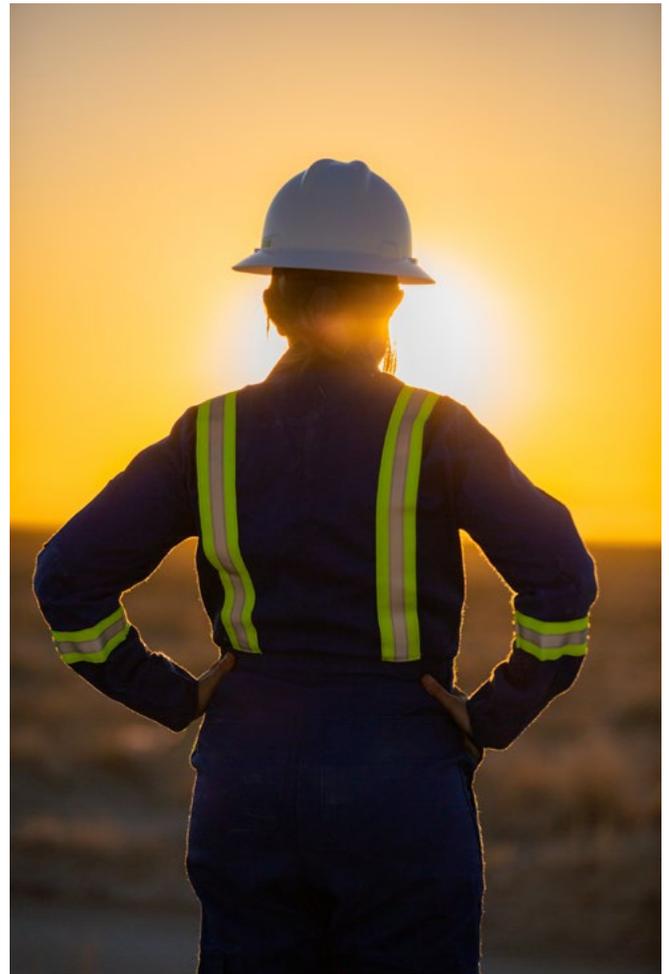
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We are programmed to react to the visual cues around us. Whether it's a traffic light, a fitness app or a speed bump, these visuals guide our behavior and decisions. We can use images or physical signs to quickly and effectively communicate messages. These techniques construct a visual workplace designed to share information, enforce standards and call attention to irregularities.

This concept cannot stand alone. It needs to be combined with standardization and observation tools for a broad approach to achieve tangible results.

Despite the challenges of 2020, we held steady in our commitment and pressed forward building benchmarks and setting the framework.

We are invigorated by what has been accomplished but there is much more to be done. Nabors pledges to continue evolving and innovating in ways that protect the earth and advance our business.



# Performance Data

## Water

	2020
Total Water Use (gallons)	27,087,686
Total Water Withdrawn (gallons)	27,087,686
Total Volume of Fresh Water Handled in Operations (gallons)	27,087,686

## Spills

	2020
Total Number of Significant Spills	0

## Workforce Health and Safety

	2020
Total Recordable Incident Rate (TRIR)	0.49
Fatality Rate	0.008
Near Miss Frequency Rate (NMFR)	168.90
Total Vehicle Incident Rate (TVIR)* <i>*TVIR = Total Motor Vehicle Incidents / (Total Man Hours / 200,000)</i>	0.61
Average Hours of Health, Safety and Emergence Response Training for (a) full-time employees, (b) contract employees and (c) short-service employees	(a) 19.03 (b) 1.33 (c) 23.91

## Economic

	2020
Total Amount of Drilling Performed (feet)	27.7 million
Number of Active Rig Sites* <i>*Based on operating hours</i>	110.2

# Appendix A

## SASB

Category	Metric	Indicator	Relevant Nabors Disclosure(s)
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	EM-SV-110a.3	Industry Advocacy, p.59
Water Management Services	Total volume of fresh water handled in operations	EM-SV-140a.2	Performance Data, p.66
Ecological Impact Management	Discussion of strategy or plan to address risks and opportunities related to ecological impacts from core activities	EM-SV-160a.1	Spill Prevention and Training, p. 19
Emissions Reduction Services & Fuels Management	Discussion of strategy or plans to address air emissions-related risks, opportunities, and impacts	EM-SV-320a.1	Our GHG Reduction Actions, p.14
Workforce Health & 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-530a.1	Performance Data, p.66

Activity Metric	Indicator	Relevant Nabors Disclosure(s)
Number of Active Rig Sites	EM-SV-000.A	Performance Data, p.66
Total Amount of Drilling Performed	EM-SV-000.B	Performance Data, p.66
Total Number of Hours Worked by All Employees	EM-SV-000.D	Safety Performance, p.34

# Learn More

If you are interested in learning more or continuing the conversation, we welcome you to engage with us on social media and our global stewardship page on our site.

## Social Media



@naborsglobal



@globalnabors



@globalnabors

## Global Stewardship



For additional information about corporate sustainability and global stewardship at Nabors, visit [nabors.com/global-stewardship](http://nabors.com/global-stewardship).

*Scan this QR code with your smartphone to access the Nabors sustainability page, where you can find the latest ESG updates.*

*QR readers are available from your phone's app store.*



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