

# **Contents**

Ounconto



Chairman's Message	2
Corporate Governance	5
Ethics	8

#### **Environment**



Environmental Performance	14
Technology Advantage	20
Employee Engagement: Workplace Solutions	30

#### Community



Education	36
Health and Safety	40
Social and Economic Impact	46
Stakeholder Engagement	52
Employment and Human Capital	56
Local Initiatives and Global Impact	64

#### **Track Record**

66



2016 Awards and Recognition	67
Global Reporting Initiative G4 Disclosures	72
Performance Data Table	75



# Chairman's Message

Global Stewardship of the environment and the communities in which we live and work is an essential part of what Schlumberger does every day in more than 85 countries.

Optimizing water use, ensuring well integrity, and reducing emissions are integral to the guiding principles that define the way in which Schlumberger provides services that optimize reservoir recovery and production. Our approach to Global Stewardship seeks to minimize the impact our operations have on the environment.



Even though 2016 was an extremely challenging year for our industry, we advanced our Global Stewardship activities by launching programs to reduce energy consumption. For example, our Mission Emission program helped us reduce our combined carbon dioxide emissions in 2016 by 27,000 tonnes compared with 2015.

Our position as the leading oilfield services company stems from more than 90 years of experience in the science of measurement, developing the technology our customers need to optimize their performance. This domain expertise also uniquely equips us to develop innovative technologies that can address environmental issues, such as biodiversity. One example is eSource<sup>™</sup>, the world's first bandwidth controlled seismic source developed to limit the exposure of marine wildlife to high-frequency sound waves in the vicinity of seismic operations.

In tandem with technology development, we have implemented new ways of working throughout the Company, which has enabled positive results for our social responsibility activities. For example, our supply chain efforts around the globe help economies expand their business opportunities by assisting them to build capacity and resilience at the local level. Furthermore, our commitment to diversity is supported by the goal to have women comprise 25% of our workforce by 2020. Our workforce is our most valuable asset and the reason why Schlumberger is committed to maintaining the highest safety and health standards for our employees, customers, and contractors.

At the community level, our goal is to have a positive long-term impact through a number of outreach initiatives, such as Schlumberger Excellence in Education Development, health,

safety, and environment (HSE) for Youth, and Faculty for the Future. These initiatives are aligned with the United Nations Sustainable Development goal of ensuring quality education and promoting lifelong learning opportunities for all.

Our lengthy history of engagement in the countries where we operate enables us to make a positive impact in local communities. Sometimes this impact includes special operations, such as mobilizing resources for disaster relief when a 7.8 magnitude earthquake struck Ecuador in April 2016. While Schlumberger employees around the globe donated to a disaster relief fund, our employees in Ecuador helped relief efforts by constructing water wells and delivering food, supplies, water, and medicine to those in need.

Schlumberger seeks to be a unifying force for social and environmental stewardship in the

communities where we and our customers live and work. This approach combines better ways of working with innovative technology and local initiatives to reduce the environmental footprint of the oil and gas industry. It is also an approach that takes the long view by continuing to find ways to improve our performance so Schlumberger can help preserve the world's natural resources for future generations.

Sincerely,

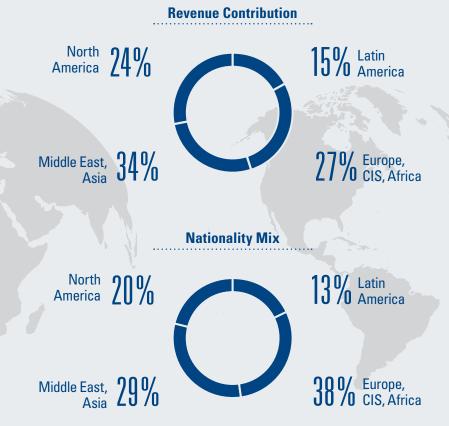
Chairman and Chief Executive Officer



**Nationalities** Countries

Founded in 1926, Schlumberger is the world's leading provider of technology for reservoir characterization, drilling, production, and processing to the oil and gas industry. Having invented wireline logging as a technique for obtaining downhole data in oil and gas wells, Schlumberger today provides the industry's widest range of products and services through its various subsidiaries and operating entities.

Schlumberger has principal offices in Paris, Houston, London, and The Hague. As of December 31, 2016, the Company employed approximately 100,000 people who represent over 140 nationalities operating in more than 85 countries. Schlumberger attracts talented people from around the world. This broad range of perspectives—experience, education, geography, nationality, culture, gender, and age stimulates creativity and innovation, helping us maintain our competitive edge. Moreover, our diverse workforce is better able to understand, respond to, and deliver services that meet the unique expectations and requirements of our stakeholders, including our customers, suppliers, and shareholders.





Learn more about the Schlumberger commitment to Global Stewardship: www.slb.com/globalstewardship

### **Governance and Ethics**

Schlumberger is committed to adhering to sound principles of corporate governance and has adopted best practices that promote the effective functioning of our Board of Directors and our Company. We strive to maintain the trust and confidence of our customers and stockholders as well as everyone affected by our operations. When we behave in an ethical manner, we enhance our reputation for integrity, which in turn helps us attract and retain both customers and employees.

Corporate governance is the bedrock of our Global Stewardship, including environmental, economic, and social responsibility in the communities where we live and work. Our board members are, without exception, fully committed to doing what is right for Schlumberger and for the communities where we operate.



## Corporate Governance

#### **Board of Directors**

The Schlumberger Limited Board of Directors consists of 12 members, including one executive director and 11 independent directors. Our director independence standards exceed the independence requirements in the listing standards of the New York Stock Exchange (NYSE).

The Nominating & Governance Committee of the Board evaluates the suitability of potential nominees for Board membership, taking into consideration the Board's current composition including relevant industry or other expertise; gender, cultural, and geographical diversity; and the general qualifications of potential nominees.

#### **Structure**

The Board recognizes that one of its key responsibilities is to evaluate and determine an appropriate board leadership structure to ensure independent oversight of management. The Board believes that there is no single, generally accepted board leadership structure that is appropriate across all circumstances, and that the right structure may vary as circumstances change. As such, the Board's independent directors consider the Board's leadership structure annually, and may modify this structure from time to time to best address the Company's unique circumstances and advance the best interests of all stockholders, when and as appropriate. Most recently, the independent members of the Board determined to combine the positions of Chairman of the Board and the Chief Executive Officer. However, the independent directors of the Board may, at their discretion, separate those roles in the future if they deem such action appropriate.

#### **Diversity**

With approximately 100,000 employees who represent over 140 nationalities, Schlumberger and our Board of Directors value gender, cultural, and geographic diversity in our directors as well. Three of our 12 directors are women. Among our directors, four are citizens of the United States, three are citizens of Norway, and we have one citizen from each of the following countries: Argentina, Canada, France, Russia, and Saudi Arabia, Our diverse Board also evidences the Board's commitment to have directors who represent countries where Schlumberger operates. The Nominating & Governance Committee's evaluation of director nominees takes into account a director's ability to contribute to the Board's diversity, and the Nominating & Governance Committee annually reviews its effectiveness in balancing these considerations in the context of its consideration of director nominees.

#### **Diversified Director Tenure**



Schlumberger adheres to sound principles of corporate governance, and our practices promote the effective functioning of our Board of Directors and our Company.

#### Board of Directors

- » Peter L.S. Currie
- » Miguel M. Galuccio
- » V. Maureen Kempston Darkes
- » Paal Kibsgaard
- » Nikolay Kudryavtsev
- » Helge Lund
- » Michael E. Marks
- » Indra K. Nooyi
- » Lubna S. Olayan
- » Leo Rafael Reif
- » Tore I. Sandvold
- » Henri Sevdoux

<sup>1</sup>As of Q2 2017

THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Corporate Governance

2016 Global Stewardship Report

#### **Board Committees**

The Schlumberger Board of Directors maintains five committees. The Audit Committee assists in oversight of financial statements as well as legal and regulatory compliance and independent auditor performance. The Compensation Committee helps the Board discharge its responsibilities with regard to executive compensation. The Nominating & Governance Committee identifies and recommends individuals qualified to become directors, oversees the Ethics and Compliance Program, and conducts the annual review of the Board's performance. The Finance Committee assists with financing policies along with pension and profit-sharing trusts. The Science and Technology Committee advises the Board and management on matters involving the Company's research and development programs. The preceding descriptions are qualified by reference to the committee charters, which can be found at:

Audit Committee
Compensation Committee
Nominating & Governance Committee
Finance Committee
Science and Technology Committee

#### Communication with the Board

The Schlumberger Board of Directors and individual members can be contacted at the following address:

Schlumberger Board of Directors or name of Board member c/o the Secretary Schlumberger Limited 5599 San Felipe, 17th Floor Houston, Texas 77056

#### **Executive Compensation**

Our compensation program is designed so that the higher an executive's position in the Company, the larger the proportion of compensation that is contingent on long-term stock price performance, the Company's financial performance and individual

performance, described as "at-risk" compensation. The Company believes that having a significant portion of executive compensation at-risk more closely aligns the interests of its executives with the long-term interests of Schlumberger and its stockholders. Accordingly, our executive officers receive a greater percentage of their compensation through at-risk pay tied to Company performance than our other executives.

A more detailed discussion of our executive compensation program is available in our 2017 proxy statement starting on page 26.

The Compensation Committee believes that:

- The pay of our named executive officers and other senior executives should be strongly linked to performance that is evaluated against personal and Company financial goals.
- Our compensation program should enable us to recruit, develop, motivate and retain top global talent, both in the short-term and long-term, by establishing compensation that is competitive and by promoting the Company's values of people, technology and profit.
- Long-term incentive equity awards should encourage the creation of long-term stockholder value, align our executives' compensation with the stock price returns of our stockholders, and incentivize our executives to achieve strategic and financial goals that support our long-term performance and leadership position in our industry.
- Our executives should be required to hold stock acquired through equity-based awards and stock ownership guidelines that align their interests with those of our other stockholders

Promotion from within the Company is a key principle at Schlumberger, and all of the named executive officers have reached their current positions through career development with the Company.

Schlumberger sees diversity of its workforce as an important part of its cultural philosophy and a business imperative. We believe

that our consistent approach to compensation at all levels, irrespective of nationality, is a strong factor in achieving a diverse workforce comprised of top global talent.

For more information:

#### Financial Performance<sup>2</sup>

(Stated in millions, except per-share amounts)

	2016	2015	2014
Revenue	\$ 27,810	\$ 35,475	\$ 48,580
Income (loss) from continuing operations attributable to Schlumberger	\$ (1,687)	\$ 2,072	\$ 5,643
Diluted earnings (loss) per share from continuing operations	\$ (1.24)	\$ 1.63	\$ 4.31
Cash dividends per share	\$ 2.00	\$ 2.00	\$ 1.60
Cash flow from operations	\$ 6,261	\$ 8,805	\$ 11,195

http://investorcenter.slb.com/phoenix.zhtml?c=97513&p=irol-reportsannual

#### **Independent Audit**

PwC auditors reviewed our processes and procedures for 2016 and verified a subset of our data. PwC has expressed a limited assurance that our data are, in all material respects, fairly presented and in accordance with Schlumberger procedural guidelines. The data reviewed included: Scope 1 and Scope 2 emissions of greenhouse gases, waste production, water consumption, energy consumption, spills, employee and contractor lost time injury frequencies, and occupational illness frequency rate. PwC performed this work in accordance with their professional standards and with ISAE 3000 (assurance engagements other than audits or reviews of historical financial information).

<sup>&</sup>lt;sup>2</sup>All financial figures referenced in US dollars.

#### **Sustainable Development Goals**

Schlumberger has, for a second year, chosen to align with the Sustainable Development Goals introduced by the United Nations in 2015. In this year's Global Stewardship report, we reference how we align with the goals that are listed below.

#### **Alignment with United Nations Sustainable Development Goals**

United Nations Sustainable Development Goal	Schlumberger Global Stewardship Report 2016						
No Poverty	Supply chain, pages 49-51						
	Education, pages 36-39						
	Diversity, pages 62-63						
Good Health and Well-Being	Health & Safety, pages 40-45						
v	HSE for Youth, page 39						
Quality Education	Education, pages 36-39						
	University Relations, page 58						
	Local Initiatives and Global						
	Impact, page 65						
Gender Equality	Gender Diversity, pages 62-63						
	Education, pages 36-39						
Economic Growth	Supply Chain, pages 49-51						
	Ethics, pages 8-11						
Reduced Inequalities	Supply Chain Local Hiring,						
	page 49						
	Ethics, pages 8-11						
Climate Action	Climate Change, pages 11,15						
Life on Land	Biodiversity, page 15						
Life Below Water	eSource, pages 15, 26						
Partnerships for the Goals	University Relations, page 58						
•	Education, pages 36-39						
	Stakeholder Engagement,						
	pages 52-55						
•••••							

#### 2016 Materiality

Issues that continue to be material to our business are listed below. These issues were identified in consultation with our stakeholders and are based on an internal review that assessed risk, applicability, and degree of impact.

#### **Governance & Ethics**

Board Leadership, Responsibility, and Diversity **Executive Compensation** Ethics, Integrity, Compliance, and Transparency Fiscal Responsibility

#### **Environment**

**Unplanned Releases** to the Environment Water Optimization Greenhouse Gas **Emissions Reduction** 

Climate Change

Biodiversity

Risk Management

**Chemical Transparency** 

Technology Impact

**Energy Efficiency** 

Waste Management

Resource Consumption Research and Development

#### Community

STEM & HSE Education Employee Health and Safety **HSE Training and Management** Driving Safety and Injury Prevention Contractor and Supplier Management Crisis Management Community Engagement

#### **Social and Economic Impact**

Process Improvement

Stakeholder Engagement Supply Chain Management **Human Rights** Local Investment

#### **Employment and Human Capital**

**Employee Benefits** and Compensation **Gender Diversity** Global (Nationality) Diversity Knowledge Management Recruiting Training and Development University Relations

THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD

2016 Global Stewardship Report

### **Ethics**

We believe that to succeed, we must draw on the foundations that preserve our identity and establish the direction we must follow. This means understanding what defines us as a company, recognizing how we behave toward others, and defining how we approach our work. The Blue Print documents—Our Identity and Our Code of Conduct—are designed to help employees accomplish this. These documents summarize a number of elements that include Our Purpose, Ambitions, and Values, and they express the mindset we need to succeed.

The Schlumberger Blue Print in Action—Our Code of Conduct applies to all Schlumberger directors, officers, and employees of the Company. It is designed to help each employee handle business situations professionally and fairly. It explains how our actions reflect on the Company, and how the Company is, therefore, the sum of our actions.

Employees are the first line of defense in protecting the Company against incidents of non-compliance. Ethics and Compliance (E&C) training is designed to provide targeted training to employees throughout their careers in Schlumberger, focusing on the E&C risks encountered in their various roles in the Company. Employees are required to complete E&C-related training on a regular basis, and as their careers progress. The E&C training requirements are periodically adjusted to ensure employees continue to receive proper E&C training.

Our Mindset summarizes the behavior expected of every Schlumberger team member, including attitude, words and actions, as we interact with each other and with our external stakeholders. Commitment Integrity Understand and support Recognize the boundaries the direction ahead. and have the courage to act Make a difference. honestly and responsibly. » Service focus Do the right thing. » Continuous improvement » Decision-making » Self-development » Responsibility Commitment Integrity Drive Teamwork Drive **Teamwork** Take action and have Trust others to do their part a positive impact on and work together toward performance. common goals. Achieve excellence. Help the team succeed. » Creativity » Collaboration » Communication » Adaptability » Coaching and mentoring

» Diversity

Ethics

» Results focus

Ethics THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD

2016 Global Stewardship Report

#### **Business Ethics**

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

#### **Supply Chain Management**

Schlumberger works with suppliers in a socially responsible and ethical manner. We have zero tolerance for corruption of any kind, and we expect the same from our contractors and suppliers. To meet our industry requirements, suppliers must adhere to responsible social, environmental, and economic practices. Our suppliers are selected and retained in alignment with our health, safety, and environmental stewardship standards and Code of Conduct (Code of Conduct, p. 12).

#### **Employee Whistle Blower Protection**

Employees who believe that a violation of Our Code of Conduct has occurred must report concerns to management using any available channel of communication. Schlumberger will not tolerate retaliation against anyone who raises a concern in good faith. Employees are required to report known and suspected violations of the Code of Conduct and applicable national laws. However, employees who intentionally report false information are subject to disciplinary action (Code of Conduct, pp. 1 and 12).

#### **Conflicts of Interest**

Conflicts between personal interests and the interests of Schlumberger or its customers may arise when personal, social, financial, political, or other interests interfere. To avoid such conflicts of interest, employees must not hold financial stakes in companies that do business with Schlumberger. They must put Schlumberger business interests first, disclose all conflicts of interest, and avoid situations that create the appearance of a

conflict of interest. If such a conflict exists, the affected employee must obtain written approval from an appropriate Schlumberger controller before continuing to work (Code of Conduct, p. 16).

#### **Stock Transactions**

Our Insider Trading Standard prohibits employees from releasing material, non-public information about such things as financial results, changes in dividends and earnings, mergers and acquisitions, and business strategies. Employees are required to keep such information confidential, including all nonpublic and insider information that relates to Schlumberger or its financial position. Also, employees may not buy or sell Schlumberger Limited stock or publicly traded options until the information becomes public, nor can they act to acquire or sell stocks and options of companies with which Schlumberger does business until the information is public knowledge (Code of Conduct, p. 17).

#### **Gifts and Entertainment**

Accepting or giving business gifts or hospitality must never influence business decisions. Items or benefits for which the recipient does not pay fair market value, including meals, entertainment, or tickets to sporting events worth more than a nominal value cannot be offered to or accepted from any individual or organization that wishes to do business with Schlumberger (Code of Conduct, p. 19).

#### Antibribery

No employee may offer or accept bribes in any form or under any circumstance, including bribes related to charitable contributions. We avoid facilitation payments, making them only in very limited circumstances, such as when an individual's health or safety is at risk and only when we have obtained proper approval and documentation according to Schlumberger requirements. In addition, payments to government officials are forbidden. Schlumberger is politically neutral and does not make political contributions (Code of Conduct, p. 23).

#### **Blue Print in Action**

The Blue Print in Action reinforces the Blue Print—Our Identity, which summarizes our purpose, ambitions, values and the mindset we need to succeed. The Schlumberger Blue Print in Action—Our Code of Conduct is reviewed periodically and amended as appropriate.

#### In Brief

All Schlumberger employees, contractors, and third parties must:

- » know and obey the laws where the Company operates
- » not engage in actions unless they are ethical and legal
- » ask questions and raise concerns when issues arise
- » report actual or potential violations internally

THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Ethics

2016 Global Stewardship Report

#### **Fair and Ethical Business Practices**

Schlumberger does not win business or maintain customer relationships by acting illegally or unethically. We do not enter into agreements that can restrict full and fair competition. We do not share pricing or bidding information with competitors, or with anyone outside of the Company. We do not use Company funds or assets for political purposes. We may engage in dialogue with public policy decision makers, but we do not use lobbyists or seek to bring about particular outcomes or decisions. We compete aggressively, but fairly (Code of Conduct, p. 26).

#### **Trade Compliance**

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

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

Schlumberger keeps honest and accurate business records. Employees must not hide, alter, falsify or disguise the true nature of any business transaction. Schlumberger complies with accounting and financial reporting standards, and requires employees to follow internal financial approval guidelines. We retain and destroy business records in accordance with local laws and with Schlumberger requirements (Code of Conduct, p. 36).

#### **Conflict Minerals**

Schlumberger recognizes that human rights abuses can exist in the extraction, transportation, and trade of minerals in some countries. We commit to not knowingly contribute to the conflict through our sourcing activity. Schlumberger does not tolerate corruption of any kind, and we expect our suppliers to adhere to the same standard. We have also developed a supplementary Conflict Minerals Policy.

#### Information Protection

#### **Information Security**

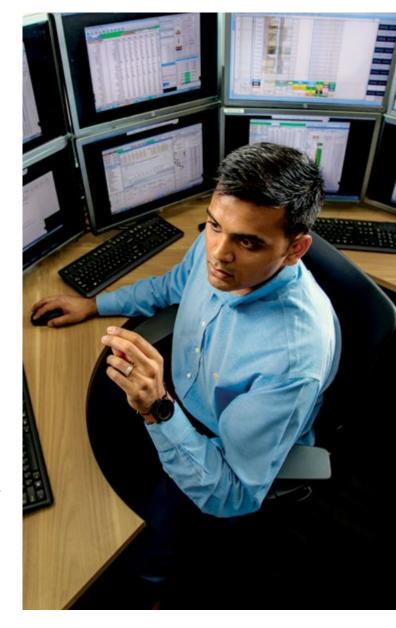
Schlumberger is committed to protecting and respecting the privacy of any employee or third-party personal information that it processes. Specific internal data privacy requirements guide the collection, use, transfer (including transfer across international boundaries), release, disclosure and security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

#### **Consumer Data Protection**

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

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

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



Ethics THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD

2016 Global Stewardship Report

#### Social Responsibility

#### **Equal Opportunity-No Discrimination**

One of our greatest strengths is the diversity of our workforce. Employees of many nationalities and backgrounds work together to achieve common objectives. As a global company, we encourage fair employment practices and offer equal opportunities to all our employees (Code of Conduct, p. 27).

#### **Fair Wages**

Compensation paid to workers must comply with all applicable wage laws, including those relating to minimum wages, overtime hours, and benefits. The basis on which workers are being paid is clearly conveyed to them in a timely manner. We offer competitive compensation and benefits packages, and we require our suppliers to comply with all applicable wage laws wherever we work (Code of Conduct, p. 27, and internal personnel policy).

#### **Human Rights**

Schlumberger employees represent more than 140 nationalities, and they live and work in approximately 85 countries around the globe. Our employees are expected to treat one another professionally and with mutual respect. As well, suppliers must not engage in discrimination based on race, color, gender, age, sexual orientation, ethnicity, disability, religion, union membership, or marital status. Schlumberger endorses the aspirations of the International Bill of Human Rights which includes Child Labor (Article 25); Discrimination (Article 7); Fair Wage and Collective Bargaining (Article 23); Freedom of Association (Article 20); Human Rights (Articles 1&2); and Modern Slavery and Human Trafficking (Article 4) (Code of Conduct, p. 27, and Supply Chain Services).

#### **Immigration and Employment Laws**

Because our business involves frequent international movement of employees, we ensure that the travel, transfer, employment, and residence of all personnel complies with applicable immigration and employment laws. This requirement extends to dependents

of our employees and contractor personnel. Schlumberger has visa and immigration compliance programs to assist in this effort, but we expect all employees to take responsibility for their own immigration status (Code of Conduct, p. 30).

#### **Child Labor**

Hiring children is strictly prohibited. A child laborer is defined as any working person who is, (1) under the age of 15, (2) under the age for completing compulsory education, or (3) under the minimum age for employment in the country, whichever is youngest (internal personnel policy).

#### **Social Responsibility**

We contribute to the social development of our communities by supporting initiatives that improve youth education and living conditions. We foster the economic development of these communities by recruiting, hiring, and training where we work, promoting from within and by complying with national regulations and rules. We actively promote health and education in these communities (Code of Conduct, p. 27).

#### **Social and Environmental Management Standard**

A standard to manage social and environmental issues, risks, and impacts in large-footprint projects has been applied on eight projects where Schlumberger develops and comanages customer oilfield assets under long-term commercial agreements. Aligned with IFC Performance Standards on Environmental and Social Sustainability, the Schlumberger Social and Environmental Management Standard provides a framework for managing our local impact and ensuring that we respect the rights of individuals and groups in the communities where we work and live. The standard provides specific guidance in six social and six environmental subject areas.

#### **Environmental Responsibility**

#### **Operations Integrity**

Operations integrity means that every employee commits to doing the job right the first time, every time. We do this to protect our

people, our communities, the environment, and to deliver flawless quality to our customers. To help make continuous quality improvements, we participate in all required audits and periodic assessments. We also help improve quality by addressing customer feedback in a timely and appropriate manner (Code of Conduct, p. 14).

#### **Protecting the Environment**

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

#### **Addressing Climate Change**

As a global technology leader, we believe that our ability to address climate change issues with innovative new technologies and increased operational performance is integral to the energy industry's global initiative to reduce carbon footprint. Schlumberger technologies are already directly and indirectly helping our customers reduce or avoid emissions, lower water usage, improve chemistry applications, and increase oil and gas production using fewer resources. Our corporate strategy includes the development of advanced technologies for faster drilling, reduced surface and subsurface footprint, and improved reservoir recovery and production, all of which contribute to lowering resource requirements and creating fewer emissions per hydrocarbon unit produced.

#### **Environmental Management**

Our <u>HSE management system</u> has encompassed environmental quality management for more than 15 years. This system has been independently reviewed for conformance to the ISO 14001 Environmental Management System standard, and for conformance to environmental standards of the International Finance Corporation.



#### In this Section

Environmental Performance	14
Technology Advantage	20
Employee Engagement: Workplace Solutions	30



Learn more about the Schlumberger commitment to the environment: www.slb.com/globalstewardship/environment

We are working to improve our greenhouse gas emissions performance and continue to increase our ability to manage emissions through new technologies, better data collection, and more accurate measurement. We report on this progress annually to RobecoSAM Corporate Sustainability Assessment, Bloomberg, FTSE Russell, and other company filings. Schlumberger engineering, manufacturing, and sustaining teams continued to achieve their annual Lean and Green objectives in 2016 with 25 locations worldwide delivering on 41 projects that increased efficiency and generated substantial financial and environmental savings for the Company. In addition, our Engineering and Manufacturing organization launched a pioneering environmental program, called Mission Emission, intended to achieve a target of 5% reduction in energy consumption at 34 work locations. While not all locations achieved this target, primarily due to the difficult business climate, the program succeeded in reducing our total combined emissions by more than 27,000 tonnes CO<sub>2</sub>e in 2016 compared with the previous year.

5%

CO<sub>2</sub>e reduction target set by Mission Emission in 2016.

# eSource

Reduces impact of seismic activities on marine life.

99.96%

Our industry-leading rate of disclosure for chemical constituents continues to be almost 100%.

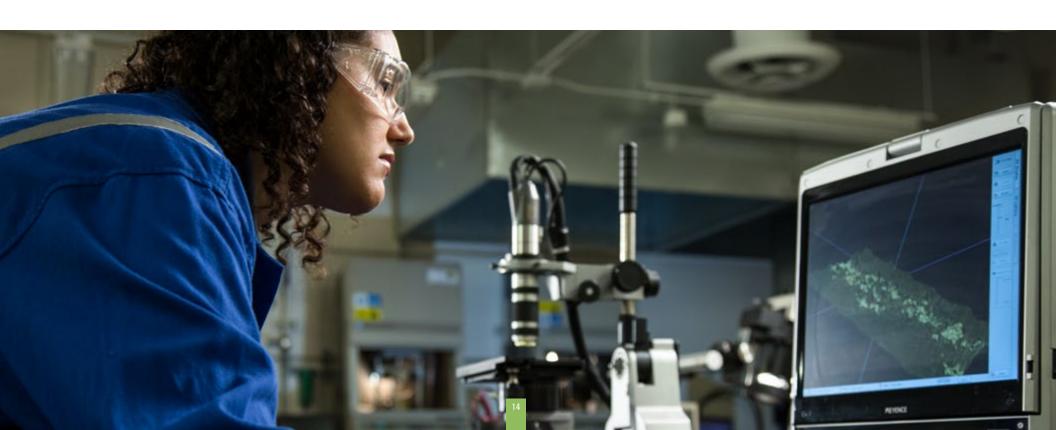
THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Environmental Performance

2016 Global Stewardship Report

## **Environmental Performance**

During the industry downturn, decreases in our activity resulted in lower levels of energy consumption and emissions on an absolute basis. Our successful merger with Cameron resulted in a small yet significant increase in consumption of electricity on an absolute basis, as Cameron manufacturing processes are more energy intensive than many other Schlumberger business units.

On the pages that follow, we highlight our 2016 environmental performance in a number of key areas, and point out some of the many ways in which the environmental attributes of Schlumberger technologies are helping our customers reduce their environmental footprint.



Environmental Performance THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD

2016 Global Stewardship Report

#### **Climate Change**

As a global technology leader, we believe that our ability to address climate change issues with new and innovative technologies and increased operational performance is integral to the energy industry's global initiative to reduce carbon footprint. Schlumberger technologies are already directly and indirectly helping our customers reduce or avoid emissions, lower water usage, improve chemistry applications, and increase oil and gas production using fewer resources. Our corporate strategy includes the development of advanced technologies for faster drilling, reduced surface and subsurface footprint, and improved reservoir recovery and production, all of which contribute to lowering resource requirements and creating fewer emissions per hydrocarbon unit produced.

We align with the United Nations Sustainable Development Goals of reducing environmental impacts and fostering technology innovation, and we continue efforts to advance internal data collection with the intention of addressing climate change through annual improvement in measuring and managing our carbon footprint.

#### **Biodiversity**

To eliminate, minimize, mitigate, and manage significant ecosystem or biodiversity impacts, Schlumberger has developed a risk-based procedure for the creation of ecosystem and biodiversity management plans. These plans protect sensitive wildlife areas, flora and fauna, ecosystems, and conservation areas. They also prevent the introduction of invasive species; establish conditions to facilitate the rehabilitation or restoration of land areas impacted by Schlumberger operations and project activities; detail any local

regulations requiring reporting on ecosystem and biodiversity management activities; and are reviewed periodically to ensure continued applicability.

Through its Design for HSE program, Schlumberger designs and manages its operations to minimize impact on ecosystems and biodiversity across the life cycle of each facility, activity, product or service. Monitoring ecosystem and biodiversity impact takes place throughout the life cycle of the project or facility. Medium-to high-level risk controls are applied when Schlumberger operations are located in environmentally sensitive areas, have a potential for significant wildlife loss, have the possibility to introduce invasive species, or could impact a large body of land or water.

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

As one example, WesternGeco, a Schlumberger company, joined forces with Teledyne Bolt, the largest manufacturer and supplier of marine seismic data acquisition equipment, to develop <a href="Mountaing-Source">Source</a>.

By combining WesternGeco expertise in marine acoustics with the design and manufacturing experience of Teledyne Bolt, the world's first bandwidth-controlled seismic source was developed specifically to address environmental concerns.

By using a sophisticated mechanical filter to limit the high-frequency emissions that are believed to be the most disturbing to marine life, eSource reduces this unwanted source noise while delivering optimal imaging results and maintaining the lower frequencies that are critical to accurate seismic exploration. The design specification for the eSource pulse shape and spectrum was based upon well-established bioacoustical criteria for marine mammal injury. These criteria take account of the measured hearing abilities of different species of marine mammal and on the level of sound that can potentially cause trauma, and the resulting potential trauma zones around the source are significantly reduced in size.

As part of the agreement for this joint development, the entire seismic industry and academia will be able to access the technology through purchase of eSource from Teledyne Bolt.

Schlumberger is a global technology leader with the ability to address climate change issues via new and innovative technologies and increased operational performance.

THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Performance Date

2016 Global Stewardship Report

#### **Managing Environmental Risk**

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

Our environmental risk management program uses a combination of 14 Fundamental Controls that are implemented in all of our workplaces, and 12 Risk-Based Controls that are implemented to manage the environmental aspects and impacts of a specific business activity. The requirements for Risk-Based Controls are described in business-specific environmental risk assessments for each of our geographical regions and business Segments. Each of our worksites uses this risk assessment to create a documented, site-specific environmental program that describes which controls are applicable to the site and how those controls are implemented.

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

Our environmental management program includes a number of processes that provide assurance of internal conformance to our own requirements, and assurance of external compliance to applicable regulatory requirements. These assurance processes are documented and subject to periodic internal review.

### Performance Data

We continue to seek opportunities to reduce our direct consumption of resources, reduce our greenhouse gas emissions, and reduce the quantity of waste that we generate. In 2016, three major factors influenced our overall environmental performance: changes in the demand for our services; completing our merger with Cameron; and continued improvement to internal data-gathering procedures, database systems, and reporting practices for greenhouse gas emissions, water consumption, electricity generation, and waste. Each year we continue to increase the number of sources from which we are able to track data.

#### **Loss of Containment**

Procedures are in place to minimize, respond to, and control the environmental impact of uncontained spills at Company worksites and at some third-party controlled worksites. However, our industry-recognized number of incidents increased from 22 in 2015 to 32 in 2016. In response, we have reviewed our processes and procedures and continue to provide training to minimize unplanned releases of oil and chemicals to the environment.

#### **Water Use**

Water is used at our engineering centers for equipment manufacturing and cleaning. At our field operations facilities it is used for camp and catering purposes. While field activity decreased year-on-year, overall water use increased more than 14% in 2016 to 3.4 million cubic meters. The annual increase in water use was primarily due to the inclusion of Cameron water consumption data. Data for water consumption represents 100% of our facilities.

#### **Air Emissions**

Year-on-year changes to Schlumberger wellsite activities, a reflection of decreased global activity, reduced our overall Scope 1 emissions by more than 18% to 1.14 million tonnes. Completing the Cameron merger in April 2016 shifted our traditional electricity consumption footprint due to adding the Cameron manufacturing business to our portfolio. The result is seen with an overall increase of Scope 2 emission to 0.70 million tonnes, a year-on-year increase of 20.7%. The combined GHG emissions (Scope 1 and 2) fell by 7.4% to 1.84 million tonnes.

#### **Waste Management**

To manage waste materials more efficiently, Schlumberger is constantly improving processes and materials. We reuse materials when possible, recycle more for our own operations and for our customers, and use our novel technologies to find new recovery methods. We continue to seek opportunities to reduce both our direct consumption of resources and the waste we generate. In 2016, we continued to improve data collecting processes. What started as a North American exercise is being applied at our operations around the globe. The inclusion of Cameron data following the merger resulted in an 8.4% increase in waste generated for a combined total of 488,000 tonnes.

#### **Raw Materials**

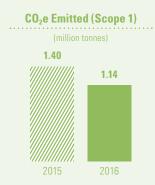
As part of an ongoing effort to improve data collection, we have expanded raw material data to include global consumption of proppants, brines, cement, barite, and bentonite. While raw material utilization typically follows changes in wellsite activity, the 45% year-on-year increase is primarily a reflection of expanding our data collection.

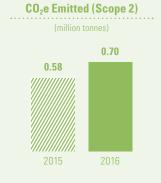
#### **Electricity Use**

Our electricity usage increased from 930,000 MwH in 2015 to 1,220,000 MwH in 2016, primarily due to the inclusion of data from the Cameron Group. Cameron manufacturing processes include heating, testing, and machining parts and equipment, which is more energy intensive than processes used in other groups within the Company.

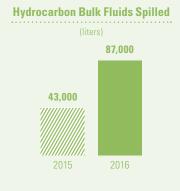
#### **Renewable Electricity Use**

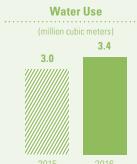
In the United Kingdom, for a number of years Schlumberger has been purchasing 100 percent of its electricity from renewable sources under the Climate Change Levy (CCL). However, that program was phased out by the government, and in 2016 Schlumberger and many other companies operating in the U.K. no longer qualified for the CCL exemption to purchase renewable electricity. For that reason, our 2016 renewable energy use in the U.K. was zero.

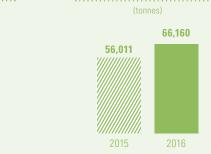


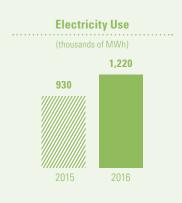


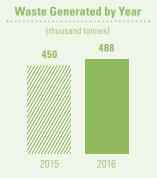
CO₂e per \$B Revenue per Year

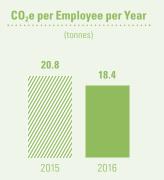


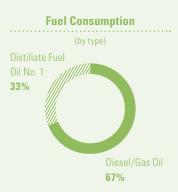












THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Environmental Performance

2016 Global Stewardship Report

The Schlumberger environmental management program has been developed to align with the requirements of our external stakeholders, including our customers and regulatory agencies in the countries where we operate. To support those stakeholders, we have developed our program to include the requirements of two recognized independent environmental management standards—the International Standards Organization ISO14001:2015, and the environmental components of the International Finance Corporation (World Bank Group) Environmental & Social Performance Standards. Furthermore, a third-party organization has completed a review of our program's alignment to those two standards.

In 2016, Schlumberger owned 742 sites and facilities located around the world and 112 of them were certified to the ISO14001 standard.

#### **Operational Integrity**

Operational integrity at Schlumberger is about ensuring that the company is able to deliver safe, efficient, and reliable products and services for our customers. Schlumberger is committed to achieving a tenfold improvement in operational reliability by 2020. In addition, our multiyear transformation program benefitted field operations through increased efficiency, improved reliability, and reduced nonproductive time. Working more efficiently, doing things right the first time, and lowering nonproductive time (NPT) helps our customers reduce emissions. In 2016, we improved our NPT rate by 55% over our baseline year of 2011, which is a significant achievement given industry conditions.

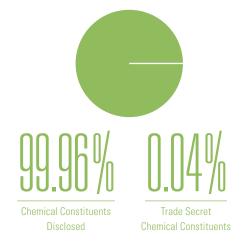
#### **Chemical Transparency**

Schlumberger developed a chemical disclosure process for hydraulic fracturing, called the "systems approach," in 2010. Five years later the process was adopted by Frac Focus, a United States and Canadian registry for public disclosure of fracturing chemistry, with the goal of improving industry-wide transparency rates. After seven years and nearly 20,000 disclosures by Schlumberger, our industry-leading rate of disclosure for chemical constituents continues to be almost 100%.

#### **Lowering Supply Chain Emissions**

Schlumberger Supply Chain Services works with more than 50,000 third-party suppliers to coordinate supply chain logistics and meet global demand for goods and services. We have the largest supply chain in the oil and gas services industry, and we spend several billion dollars annually on it. In 2016, we continued to reduce our transportation-related greenhouse gases by increasing quality control procedures and choosing suppliers who are closer to field operations.

Our global strategy for sourcing and supply chain encourages local engagement and regional industrial development. We hire locally where possible; this practice helps to ensure a receptive atmosphere in foreign markets, and it helps expand our global footprint in line with the United Nations Sustainable Development goals to end poverty in all its forms everywhere, and to promote full and productive employment and decent work for all.



### Managing our Environmental Impact in China

Schlumberger Production Management (SPM) is managing its environmental impact in a delicate ecosystem in a remote part of northwest China by implementing a customized standard designed to manage social and environmental issues along with risks and impacts. In 2016, the SPM team worked with its supply chain and local authorities to put in place an environmental protection program focused on enhanced management of waste from power generation, zero discharge of wastewater, application of landslide risk management techniques, and reduction of emissions by equipping asset infrastructure with electrical power rather than relying on generators. Adopting this approach enabled us to meet the challenges of an evolving environmental regulatory framework in China, and it is helping us minimize our impacts on the local environment, in particular, a seasonal watershed sensitive to soil erosion.

Environmental Performance THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD

2016 Global Stewardship Report

#### **Improving Our Disclosure**

In 2016, Schlumberger became the first company to join the IPIECA in its new category of Associate Member, which is open to oilfield service companies and engineering, procurement, and construction contractors. IPIECA is the industry's principle channel of communication with the United Nations on sustainability programs. IPIECA develops, shares, and promotes good practice and knowledge to help the industry improve its environmental and social performance, and is the only global industry association of its kind for the oil and gas sector.

#### **Third-Party Audit**

Schlumberger continues to quantify environmental data and identify ways to reduce it. In 2016, we engaged PwC once again to audit our methodology for quantifying direct and indirect GHG emissions linked to our operations around the world. As a part of this process, PwC auditors reviewed our processes and procedures and verified selected environmental and health and safety data. Environmental data audited in 2016 includes Scope 1 and Scope 2 emissions of greenhouse gases, waste production, water consumption, spills, and energy consumption. Health and safety data includes employee and contractor lost time injuries and illnesses and the associated work hours to determine frequencies and rates. PwC has expressed a limited assurance that our data are in all material respects fairly presented and in accord with Schlumberger guidelines.

#### **Evaluating Potential Impacts**

Schlumberger has developed a stewardship tool that incorporates sustainability into our engineering and operational practices. The web-based application quantifies potential environmental and social impacts associated with activities related to hydraulic fracturing. Our employees and stakeholders can use this resource to evaluate each phase of a project and determine which activities have the greatest potential for environmental impacts.

#### **Sensitive Habitat Mapping Project**

Schlumberger co-piloted a study with a government agency to enable better planning of oil and gas developments on federal lands. The project uses enhancements of the Petrel E&P software platform to overlay surface stakeholder data with oil and gas reservoir information. By incorporating both sets of data, specific areas such as animal habitats, migration pathways, protected lands, and remediation zones are clearly identified which allows the operator to consider well placement and well trajectories with respect to surface habitat considerations.

#### **Earthquake Research**

The Stanford Center for Induced and Triggered Seismicity (SCITS) is an industrial affiliates program that conducts fundamental research on a variety of scientific and operational issues associated with induced and triggered earthquakes. As a member of SCITS, Schlumberger benefits from the unique expertise at Stanford and is able to liaise with other industry members on topics relating to earthquakes that are associated with energy production activities.



THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Technology Advantage

2016 Global Stewardship Report

# Technology Advantage

Schlumberger is committed to technology innovation, and this corporate philosophy was reinforced in 2016 despite challenging market conditions.

Schlumberger technologies help our customers decrease emissions, save energy, and reduce resources throughout each phase of the oil and gas exploration and production process. A global network of research and engineering (R&E) centers support our Reservoir Characterization, Drilling, Production, and Cameron Groups. Advanced technology programs within each of these Groups help our customers enhance oilfield efficiency, lower finding and producing costs, improve productivity, and maximize reserve recovery, all of which contribute to lowering their impact on the environment.



Technology Advantage THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD

2016 Global Stewardship Report

#### The Reservoir Life Cycle

The life cycle of a reservoir encompasses activities related to exploration, drilling, completions, production and, eventually, abandonment. Schlumberger offers a complete portfolio of technologies that address each phase of this process.

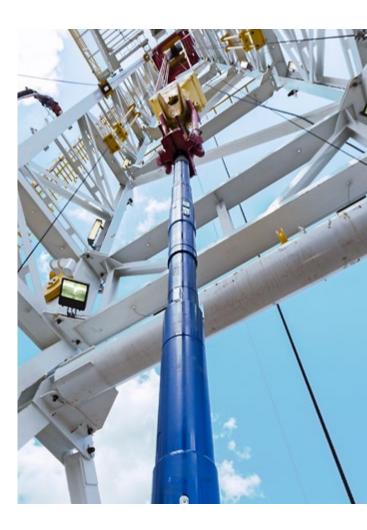
Our Reservoir Characterization Group continues to be a driving force behind the development of new technologies that enable our customers to create geological models and simulations that can improve hydrocarbon production and recovery while also helping to reduce emissions caused by exploration activities.

The Schlumberger Drilling Group brings together all of the bottomhole assembly components into integrated downhole systems that leverage our knowledge of instrumentation, software, drilling optimization, and automation. Our integrated drilling system redefines traditional workflows, reduces total work hours, and requires fewer resources to drill a well. Faster drilling with less downtime increases well construction efficiency, minimizes risks, reduces the cost per barrel, and decreases emissions at the wellsite.

Our Production Group technology portfolio provides a number of environmental advantages by improving well production and overall recovery while also decreasing the wellsite footprint and reducing water and proppant consumption. Using less water and proppant in the production phase reduces the amount of truck traffic to and from the wellsite, with a consequent reduction in noise, dust, fuel consumption and related emissions.

Now that Cameron has joined Schlumberger, our well construction portfolio has expanded to include pressure control and topside drilling equipment and support services. The ongoing integration of Schlumberger reservoir and well technology with Cameron Group wellhead, flow control, and surface equipment into total drilling and production systems is set to provide a step change in industry performance. Cameron Group blowout preventers and control systems offer state-of-the art technology to ensure well integrity and prevent unintended releases to the environment.

Schlumberger technologies reduce environmental impact through each phase of finding and producing oil and gas reservoirs.



THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Material Issues

2016 Global Stewardship Report

### Material Issues

In 2016, Schlumberger identified three environmental issues that continue to be material to our business, based on information obtained from our customers along with an internal review that assessed applicability, degree of impact, and risk. Unintended releases to the environment, our top material risk, encompasses both well integrity and container integrity. We also continue to monitor and optimize water use and to reduce greenhouse gas emissions.

#### **Unintended Releases to the Environment**

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

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

To prevent unplanned discharges, we also test the integrity of our containers on a regular basis, taking into consideration the particular conditions of each container, including its existing condition, age, service history, original construction specifications, and previous inspection results.

#### Well Integrity

We have developed a Well Integrity Barrier Standard containing 10 critical requirements that employees must follow on the job. Development of this standard was a company-wide initiative to raise awareness and impose mandatory rules that define the minimum requirements for training, certification, and knowledge of the barriers we provide.

We also identified a risk assessment methodology to ensure that sufficient controls are in place to prevent the failure of any barriers we provide to our customers. Focusing on process safety, the new methodology uses risk evaluation to analyze and demonstrate causal relationships in high-risk scenarios. We developed two corporate risk assessments: one for undesired events, such as the unplanned loss of a Schlumberger-provided barrier, and one for the loss of containment

#### Container Integrity

Regularly scheduled inspections, evaluations, and testing of bulk storage containers by qualified personnel are critical parts of discharge prevention. Our inspection and testing program involves an external visual inspection along with extensive testing and examination to evaluate container integrity. These inspections are site-specific and they meet or exceed industry standards.

The Schlumberger Environmental Management Standard establishes a minimum level of protection for all primary containers through the use of secondary containment, spill preparedness and response, and prohibitions of certain activities. This requirement is implemented even when local regulatory requirements set a lower standard.

# Material Issues

Unintended releases to the environment

Water use optimization

Greenhouse gas emissions

#### Water Use Optimization

Material Issues This is schlumberger Environment Community Track record

2016 Global Stewardship Report

Hydraulic fracturing accounts for more than 90% of the water used in the development of unconventional reservoirs, such as shales. We help our customers minimize water use associated with hydraulic fracturing by reducing water requirements via engineered solutions. For example, our <a href="HiWAY">HiWAY</a>\* flow-channel fracturing technique increases fracture conductivity while significantly reducing water and proppant consumption. This means higher production, simpler logistics, and a smaller operational footprint. In the Eagle Ford shale in South Texas, more than 1,000 wells have been stimulated using this technique, reducing water volumes by 32% while also increasing well productivity by 26%.

#### **Reducing Emissions**

Schlumberger provides a broad range of technologies and services that our customers can use to help reduce emissions during the development of oil and gas fields. Lower emissions are achieved by reducing the delivery of resources to the wellsite, such as water and proppant, and drilling wells faster. For example, in 2016 a successful collaboration between Schlumberger and Det norske improved drilling rates in the Ivar Aasen field by 121% compared with rates from 2010. Furthermore, this improved completions rates by 142% in the field compared with rates from 2007. These improvements in drilling and completion rates helped to reduce emissions due to conducting early and extended project engagement alongside the customer.

#### **Spill Prevention in Alaska**

The Schlumberger team located in the snow-covered tundra of northern Alaska has cultivated a strong spill prevention culture and takes pride in working on one of the cleanest oilfields in the world.

The sensitive nature of the Alaskan location, with its untouched, pristine natural beauty and many delicate types of flora and fauna, required an unusually rigorous approach to managing unplanned releases to the environment. As a result, over many years the Company has developed stringent spill reporting requirements. Whereas most industrial spills of oil or chemicals are reported in barrels, the threshold for Schlumberger spill reporting in Alaska can be as small as "drops of fluid released."

Our robust environmental culture in Alaska has been evolving since 2002, when our spill rate—calculated as the number of reportable spills per 200,000 man hours worked—was 4.0. Since then, however, that number has been steadily decreasing. In 2016, our spill rate was only 0.70.

Contributing to our environmental performance success in Alaska are a number of programs designed to reduce the risk of spills. This includes the following,

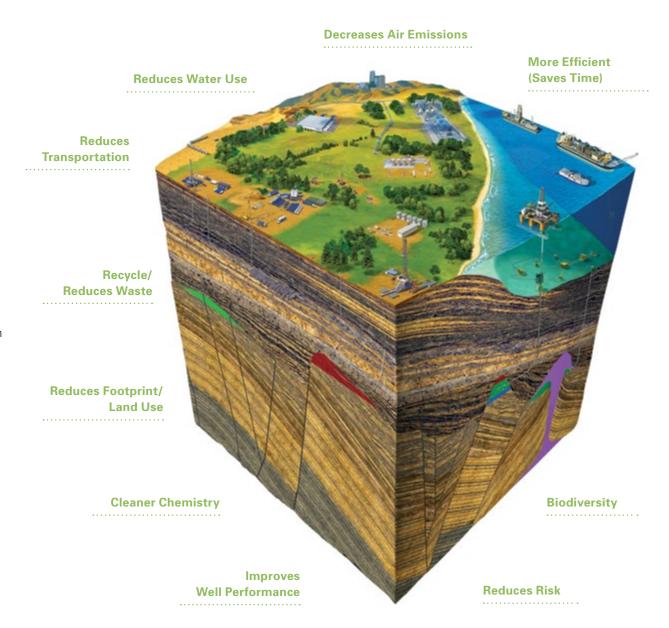
- Spill Champion Checklist: a checklist integrated into the Wellsite Location Condition Report where an employee is assigned responsibility to frequently verify the position and condition of all hoses, hardline, connections, sumps, tanks, and spill containment
- Fluid Transfer Permit: a formal process utilized by M-I SWACO, a Schlumberger company, to ensure that all requirements and procedures are met prior to fluid transfer
- Secondary Containment: containment strategically placed beneath all engines, containers, sumps, connections and wellheads to catch any expected or unexpected releases
- Training and Awareness: additional training and awareness initiatives associated with spill prevention
- Environmental Protection Measures: the input rate of environmental Risk Identification Reports has more than doubled, from 1.55 in 2010 to 3.5 in 2016

## Technologies

#### **Pore to Pipeline**

Schlumberger is the world's leading provider of technology for reservoir characterization, drilling, production, and processing to the oil and gas industry. The Company supplies the industry's most comprehensive range of products and services, from exploration through production, and integrated pore to pipeline solutions that optimize hydrocarbon recovery to deliver reservoir performance in a safe and environmentally sound manner.

The full range of Schlumberger technologies involved in exploration, production and recovery may be found at <a href="www.slb.com">www.slb.com</a>. In the section that follows, we document some of the many ways in which Schlumberger helps our customers reduce unplanned releases to the environment, decrease water usage, and lower emissions.



Technologies THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD

2016 Global Stewardship Report

#### **Reducing Impact**

The process of finding and recovering oil and gas involves subsurface exploration, characterizing a reservoir, constructing and completing the wells, and producing the field. The technologies listed on this page have attributes that help reduce the impact of these activities on the environment. These technologies are listed in the approximate order that our customers deploy them in the field.

More information on the environmental benefits of these and other Schlumberger technologies can be found on our Global Stewardship website.

TECHNOLOGY		BENEFIT								
	Biodiversity	Decreases Air Emissions	Reduces Water Use	Recycle/Reduces Waste	Reduces Footprint/Land Use	Reduces Transportation	Cleaner Chemistry	More Efficient (Saves Time)	Reduces Risk	Improves Well Performance
eSource	•								•	
Blowout Preventers	•								•	
Petrel Geomechanics & Drilling				•		•		•	•	
OptiDrill		•						•	•	
GeoSphere		•						•	•	
NeoScope							•	•	•	
HydraGlyde	•					•	•			
CemFIT Heal		•							•	
Invizion RT								•	•	
Infinity			•	•		•		•	•	
Manara			•		•			•	•	
OpenPath Sequence							•	•		
xWATER	•	•	•	•	•	•		•		
HiWAY		•	•	•	•	•		•		•
MAZE Microfludic SARA Analysis				•	•			•	•	
Electric Actuation Technology					•		•	•		

THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Technologies

2016 Global Stewardship Report

#### **eSource**



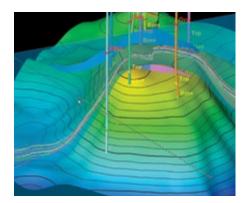
eSource is the world's first bandwidth-controlled seismic source developed specifically to address environmental concerns. Introduced commercially in 2016, eSource is designed to ensure that marine wildlife is subjected to a lower sound exposure in the vicinity of seismic operations. WesternGeco, a Schlumberger company, joined forces with Teledyne Bolt, a leading developer of seismic sources, in developing a technology that would reduce the potential impact of seismic signals on marine life. The key principle behind eSource is the gradual release of air at a predetermined rate as a function of time. Because unnecessary high frequencies are removed from the seismic source, eSource reduces impact on marine life from seismic operations while delivering optimal bandwidth for seismic imaging. In 2016, Schlumberger deployed eSource for the first time on a commercial project in offshore Australia.

#### **Blowout Preventers**



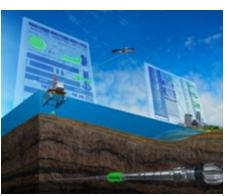
Blowout preventers (BOPs) are crucial for drilling a well safely and for preventing any unplanned releases to the environment. If the need arises to contain wellbore pressure, ram-type BOPs provide the ability to seal the well. The Cameron Group designs BOPs that maximize reliability and performance but also simplifies maintenance and decreases downtime. In today's demanding drilling environments, this combination of engineering simplicity, environmental footprint and operational cost savings, and superior reliability helps improve performance and safety. BOPs are critically important to the safety of the crew, the rig, and the wellbore. They are inspected, tested, and refurbished at regular intervals, which is determined by a combination of risk assessment, local practice, the type of well, and legal requirements.

#### **Petrel**



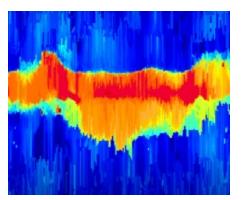
The Petrel\* E&P software platform helps our customers identify and measure oil and gas in reservoirs. Petrel enables companies to assess potential for drilling risks, reduce nonproductive time, and avoid unexpected problems or increased well costs. With better information, wells can be drilled more efficiently and with fewer emissions. In addition, Schlumberger co-piloted a study with a government agency to enable better planning of oil and gas developments on federal lands. The project uses enhancements of the Petrel E&P software platform to overlay surface stakeholder data with oil and gas reservoir information. By incorporating both sets of data, specific areas such as animal habitats, migration pathways, protected lands, and remediation zones are clearly identified which allows the operator to consider well placement and well trajectories with respect to surface habitat considerations.

#### **OptiDrill**



OptiDrill\* real-time drilling intelligence service enables operators to manage downhole conditions, mitigate risk, and increase efficiency. Reducing downhole failures saves costs and reduces emissions. Downhole data is transmitted to the surface, integrated with surface measurements, and displayed on a rigsite drilling dashboard. Experts working remotely simultaneously interpret this data. These experts analyze the real-time data to identify trends, anticipate risks and, in collaboration with the drilling team, provide recommendations for performance improvement. By enabling the rigsite team to identify optimal drilling parameters and improve the rate of penetration, the OptiDrill service reduces emissions and saves time for our customers.

#### GeoSphere



GeoSphere\* reservoir mapping-while-drilling service uses deep, directional electromagnetic measurements to reveal an enhanced view of reservoir properties. Acquisition and interpretation of surface and downhole measurements is used to guide, or "geosteer," the drill bit and improve reservoir characterization. Accurate geosteering depends on real-time data from logging- and measurements-while-drilling technologies. GeoSphere service reveals subsurface bedding and fluid contact details more than 100 feet from the wellbore. These measurements also help to refine reservoir boundaries. By enabling operators to drill wells faster with more precision, the GeoSphere service significantly reduces emissions.

#### **NeoScope**



NeoScope\* sourceless formation-evaluation-while-drilling service reduces risk in logging while drilling. NeoScope service eliminates the need for chemical sources, avoids complex abandonment procedures, provides comprehensive petrophysical measurements in real time, and saves rig time and related emissions. In unconventional plays, NeoScope service technology offers a suite of sourceless measurements to evaluate reservoir quality, provides critical data to optimize completion quality, provides sourceless measurements in real time for better well placement, and removes transportation and handling risks. NeoScope won the 2013 Schlumberger Invention Gold Award.

#### **HydraGlyde**



HydraGlyde high-performance water-base drilling fluid system provides a cost-effective solution for shale wells in environmentally sensitive land areas. The HydraGlyde system helps operators address the challenges of shale plays, including their economic and environmental constraints, by delivering the performance of oil-base mud without associated HSE impact. The HydraGlyde system is designed to improve drillability in extended laterals. It is easy to deploy, compatible with most additives, and resists contaminants. By eliminating the waste transportation and disposal costs associated with oil-base muds, the HydraGlyde system reduces operating costs and environmental impacts.

#### **CemFIT Heal**

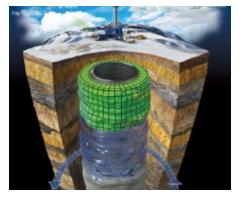


CemFIT\* Heal flexible self-healing cement system helps ensure well integrity from drilling to abandonment, providing a competent annular pressure seal and protecting against hydrocarbon leaks and sustained casing pressure at the wellhead. Unlike conventional cement systems, the CemFIT Heal system expands after setting, improving cement bonding and sealing microannuli that can cause unwanted gas migration. In the event of a hydrocarbon seep due to cement sheath failure, the set cement responds on contact with hydrocarbons and autorepairs the pathways, restoring the hydraulic integrity of the well. The self-healing action is repeatable if well integrity is compromised anytime during the life of the well.

THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Technologies

2016 Global Stewardship Report

#### **Invizion RT**



Invizion RT\* real-time well integrity service improves cementing operations by enabling operators to monitor, control, and evaluate cement placement in real time. The service combines job design data with acquisition data from rig and cementing equipment to provide a more accurate representation of the job as it is under way. With interpretation and support by a team of experts in multiple disciplines, Invizion RT service ensures flawless service delivery, quality assurance, and quality control during the cement job. It provides a visual representation of the information operators need while delivering greater certainty and reduced risk of errors to help ensure well integrity.

#### Infinity



Infinity\* dissolvable plug-and-perf versatile system enhances efficiency and cost effectiveness of plug-and-perf operations. It relies on degradable fracturing balls and seats instead of plugs to isolate zones during stimulation. The patented aluminum-based material degrades completely and predictably within hours to days, ensuring that production reaches its full potential; no additives are required. No plugs means no mechanical intervention is required to mill them out. Eliminating milling considerably reduces the time between drilling and production. As soon as the fracturing operation finishes, the well is ready to flow back and begin producing. Faster stimulation of wells without intervention operations helps reduce emissions and waste.

#### **Manara**



Manara\* production and reservoir management system provides downhole permanent monitoring and in-lateral flow control of multiple zones and compartments in real time—for the first time, even in multilateral wells. The Manara system provides in-situ measurements of pressure, temperature, flow rate, and water cut across the formation face in each zone of each lateral. All sensors are packaged in one compact station, together with an electric flow control valve that has infinitely variable settings controlled from the surface through a single electrical control line. The system decreases surface footprint while enabling customers to reduce the amount of produced water and other fluids, thereby reducing truck traffic and consequent emissions.

#### **OpenPath Sequence**



OpenPath Sequence\* diversion stimulation service is the first in the industry to use degradable fibers to suspend multimodal particles—a combination that enables the sequential stimulation of zones and intervals to maximize near-wellbore coverage. Whereas particles alone are not always effective in isolating fractures of various sizes, the addition of fibers bridges the gaps in fractures and creates impermeable temporary plugs that fully dissolve after stimulation operations are completed. OpenPath Sequence service uses the optimal acid identified for a particular reservoir to sequentially stimulate targeted zones and intervals. No specialized equipment is required, streamlining operations and reducing health, safety and environmental risks compared with conventional chemical diversion methods.

#### **xWATER**



xWATER\* integrated water-flexible fracturing fluid delivery service was developed to reduce freshwater sourcing, transportation, and treatment along with the disposal of produced water in hydraulic fracturing operations. xWATER service enables operators to use water produced from previous hydraulic fracturing jobs or nearby alternative water sources, such as brackish groundwater or seawater, which reduces the need to transport water over long distances. Produced water is collected in onsite storage facilities and transported to nearby fracturing sites, then returned to the central storage facility, eliminating the need for disposal. Optimizing water use minimizes transportation costs and related greenhouse gas emissions.

#### **HiWAY**



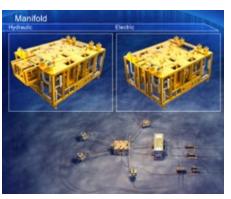
HiWAY\* flow-channel hydraulic fracturing technique helps operators increase fracture conductivity and production while using less water and proppant. In a multipart study conducted over four years on Eagle Ford shale wells, the HiWAY technique significantly reduced the amount of water and proppant needed during operations, performed better than conventional wells on average, and generated significant additional revenue. The study compared more than 1,000 Eagle Ford wells with flow-channel fracturing treatments versus conventional treatments and found that wells treated using the HiWAY technique used 37% less proppant and 32% less water volume—equivalent to 2.7 billion pounds of proppant and 2.1 billion gallons of water-when compared with conventional treatments.

#### Maze Microfluidic SARA Analysis



Maze\* microfluidic SARA analysis fully automates the process for testing oil samples for saturates, aromatics, resins, and asphaltenes (SARA). Maze microfluidic SARA analysis replaces conventional methods that are cumbersome and time consuming, removing operator dependency and subjectivity from the analysis. Turnaround time is also reduced to four hours for Maze analysis compared with three to five days for conventional technology. This first commercial application of microfluidic technology to the oil and gas industry has been accepted by ASTM International Standard D7996 for asphaltene content measurement. By coupling novel microfluidic chip technology and spectroscopy for precise measurements, Maze has the ability to decrease solvent use by 85%. Reducing hazardous solvent use is good for the environment.

#### **Electric Actuation Technology**



OneSubsea designed and installed the world's first, and to date, only fully electric subsea production system. This system has been successfully operating in the North Sea since 2008. Electrically actuated systems are subsea control systems utilizing DC power and electric valve actuation as a replacement for conventional electro-hydraulic multiplexed subsea production control systems. By using electric actuation technology there is no need for hydraulic fluids, therefore allowing systems to become less complex, while maintaining commercial feasibility and increased flexibility. Electrically actuated systems also have the advantage of increased safety and environmental cleanliness. Having zero discharge, electrically actuated systems eliminate the discharge of hydraulic fluid to the environment. In addition, safety issues arising from the use of hydraulic pressure are avoided.

THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Employee Engagement

2016 Global Stewardship Report

# Employee Engagement: Workplace Solutions

Schlumberger encourages its employees to become involved in a wide range of workplace initiatives and volunteer for community projects that reduce environmental impact and help build local capacity.

Schlumberger employees championed multiple strategies to improve internal efficiency through innovative programs such as Mission Emission and Lean and Green. These and other employee-driven programs to reduce energy consumption are helping the Company achieve substantial financial and environmental savings.



#### **Mission Emission Target: Energy Reduction**

In 2016, our Engineering & Manufacturing (E&M) organization launched a program called Mission Emission, which sought to achieve a target of 5% reduction in energy consumption (measured as  $\rm CO_2e$  kg per man hour) at 34 work locations. However, the reduction in business activity in 2016 led to an 18% reduction in man hours within E&M, making the 5% target difficult to achieve.

Nevertheless, 14 locations achieved a reduction in  $CO_2e$  kg per man hour, and nine of them achieved the target by reducing  $CO_2e$  kg per man hour by 5% or more compared with 2015. Individually, 30 of the 34 participating locations succeeded in reducing their  $CO_2e$  footprint. At the group level, total combined emissions were reduced by 17%, saving 27,315 tonnes of  $CO_2e$  over the year. This reduction in energy use also resulted in a corresponding decrease in financial expenditures, saving more than \$2.35 million for the E&M organization.

In Norway, the WesternGeco Oslo Technology Center (WOTC) was constructed in accordance with Norwegian legislation designed to drive energy efficiency. All equipment and installations at the WOTC facility are centrally registered and monitored to enable live metering and control of heating systems, sprinklers, compressed air, cooling systems, lighting, alarms, temperature control, and gas consumption. As a result, WOTC energy consumption can be measured by room and by piece of equipment, and data can be retrieved at any time for analysis. This capability enabled a targeted energy campaign, and the facility reduced  $\mathrm{CO}_2 \mathrm{e}\,\mathrm{kg}$  per man hour by more than 40%.

#### **Mission Emission Results**

# Target $\longrightarrow$ 5% reduction

2016

2015

in tonnes CO<sub>2</sub>e

135,467

in tonnes CO<sub>2</sub>e

CO<sub>2</sub>e emi

Environmental Savings

in tonnes CO<sub>2</sub>e

27,315

CO<sub>2</sub>e emitted

2015

in millions

\$20.98

Financial Expenditure: 2016

in millions

\$18.62

Financial Expenditures

Financial Savings

in millions

\$2.35

Expenditure



THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Employee Initiatives

2016 Global Stewardship Report

#### **Facilities**

The Schlumberger Global Facilities Management and Maintenance Standard defines the responsibilities and activities associated with managing facility activities with a goal of maintaining and improving the environment affected by facility activities and minimizing utility usage. The standard ensures that facility activities are compliant with Schlumberger policies along with relevant local environmental legislation and directives. Waste generated by any facility task must be measured and disposed of in a responsible manner with a licensed waste broker, and materials (particularly chemicals) that reduce or control pollution must be handled and stored responsibly. The standard requires energy-saving products and practices to be used in all aspects of facilities management activities, and a record kept of energy usage. In addition, employees and contractors who carry out facility activities must receive appropriate training, particularly when their work may have an impact on the environment.

#### Wildlife Rescue Brigade

A Schlumberger Wildlife Rescue Brigade working in an environmentally sensitive area in Ecuador rescued and relocated 39 different species in 2016, including turtles, snakes, caimans, and birds. A high level of biodiversity at the Consorcio Shushufindi S.A. site and surrounding area means that wildlife may be found at all wellsite locations, facilities, office areas, warehouses, camps, and access roads. Employees or contractors who encounter these wild species are required to notify the Wildlife Rescue Brigade, which is a team comprised of environmental engineers and specialized support from biologists in the area. The Wildlife Rescue Brigade ensures appropriate handling and transfer of species and coordinates logistics with officials of the Ministry of Environment, the Rescue Center in Lake City Agrio, and the Limoncocha Biological Reserve.

#### **Gaining Business by Going Green**

Green technologies are starting to pay off in Ecuador and the Amazon region after Schlumberger became the first company in the oil and gas sector to be granted a Punto Verde certification by Ecuador's Ministry of Environment. The Punto Verde certification is given to companies

that promote environmental practices and clean processes, use environmentally friendly technologies, and provide services that reduce emissions. The Engineering, Maintenance, and Sustaining team in Ecuador compiled energy data generated in the field to define a baseline, then compared various parameters to determine technologies and processes with potential cost savings and emission reductions. The audit process was conducted by a third-party entity approved by the Ministry of Environment in Ecuador, and four of the best practices and technologies identified in the audit were selected for Punto Verde certification by the ministry. In protected areas such as the Amazon jungle, Punto Verde certification enables Schlumberger to use these green technologies in environmentally sensitive areas, differentiating the Company from its competitors and setting a new standard for its customers and stakeholders in Ecuador.

#### **Recycling Lithium Metal Batteries**

Liquid cathode lithium metal batteries are commonly used in the oil and gas industry to power sensors in remote downhole applications. The batteries provide reliable power for a diverse range of equipment in the oilfield, even when exposed to challenging high-pressure and high-temperature conditions, but they need careful handling and dedicated, climate-controlled storage.

All applicable Schlumberger locations have a Battery Safety Officer (BSO) responsible for managing them safely, and batteries must be used in accordance with the Schlumberger Battery Manual. At the end of their life, lithium batteries require special treatment. Schlumberger uses a waste contractor in Canada who has a patented process designed to capture and recycle more than 83% by weight of each cell it processes. The process neutralizes 100% of the hazardous components of each battery (including lithium metal and thionyl chloride), leaving only scrap commodities, which are sold, and no hazardous residual products.

In 2016, more than 50 tonnes of Schlumberger batteries were received at this waste facility, thereby meeting regulatory requirements and ensuring full and sustainable life cycle management.

### Lean and Green Reduces Waste

In its seventh year, our annual Lean and Green Program continued to generate a wide variety of projects that achieved substantial financial and environmental savings, despite ongoing difficulties in the global economic climate.

In 2016, 22 obligated locations and three volunteer locations in the Company's E&M organization completed 41 projects, saving almost \$1.5 million with project costs amounting to over \$450,000. Environmental savings included more than 22 million kilowatt hours of electricity, almost 8,000 kiloliters of water, 665 liters of hydrocarbon fuel, 12 tonnes of materials, and 295 tonnes of waste.

The Lean and Green Program combines the resources and expertise of employees within the Continuous Improvement (CI) and HSE functions. The program positively engages employees across disciplines and provides a means to showcase innovations, environmental technologies, and best practices for environmental improvement. Each project applies the Define, Measure, Analyze, Improve, Control (DMAIC) process, and uses LEAN and Six Sigma techniques to realize environmental improvements. Although an initial investment of resources, time, and money is required, the return on investment for most projects is achieved within one to three years and the majority of initiatives will continue to benefit the environment well into the future

Lean and Green THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD

2016 Global Stewardship Report

#### **41 Completed Projects**

Saved almost \$1.5 million with project investment amounting to about \$450,000. Environmental savings included more than 22 million kilowatt hours of electricity, almost 8,000 kiloliters of water, 665 liters of hydrocarbon fuel, 12 tonnes of materials, and 295 tonnes of waste.

#### Bits and Drilling Technology Center, Houston, TX, USA

Improvements across this large campus through engaging employees to switch off unused lights and equipment, plus a shutdown for three buildings by consolidating employees into main office areas, and implementation of timed lighting in the shop areas.

Invested: \$0

Savings: 14,317,246 kwh of electricity and \$496.106

#### Katy Technology Center, Katy, TX, USA

This campus-wide project included reductions in energy consumption such as a switch-off campaign for lighting; removal of "gourmet" coffee machines with associated packaging, styrofoam cups and utensils; removal of selected printers to reduce printing; and a blue-bin recycling program.

Invested: \$55,424

Savings: 3,036,137 kwh of electricity and \$137,878

#### Singapore Integration Center, Singapore

Installation of a water cooling tower in this center eliminated the need for continuous fresh water supply for five machines, saving 64,800 liters in average daily water consumption.

Invested: \$0 (by reuse of existing

equipment on site)

Savings: 5,956,740 liters of water and \$6.195

#### Completions Production Unit, Monterrey, Mexico

This center decreased oil consumption and equipment downtime for preventative maintenance by reducing the frequency of required oil changes based on lab tests and a review of oil properties.

Invested: \$5,102

Savings: 5,764 kilograms of oil purchase and associated disposal avoided and \$23,424

#### WesternGeco Penang Product Center, Penang, Malaysia

This center invested in a lighting upgrade program to replace old, inefficient lamps with 16-watt LEDs, equivalent to 8% savings on the total electricity bill.

Invested: \$32,492

Savings: 533,798 kwh electricity and \$15,151

#### Specialty Tubular Unit, Shanghai, China

This center saved energy on the shop floor by adjusting temperature settings for air conditioning and by restricting user access and installing sensor controls for roller doors.

Invested: \$8,400

Savings: 118,848 kwh electricity and \$10,616

#### Canadian Power Section Unit, Nisku, Canada

This center installed a new chiller unit on its quench tank to create a closed loop, leading to significant reductions in water consumption and subsequent discharges to the sewer system.

Invested: \$3,908

Savings: 1,800,478 liters water

and \$4,392



#### In this Section

Education	36
Health and Safety	40
Social and Economic Impact	46
Stakeholder Engagement	52
Employment and Human Capital	56
Local Initiatives and Global Impact	64



Learn more about the Schlumberger commitment to the community: www.slb.com/globalstewardship/community

Schlumberger is the world's leading provider of technology for reservoir characterization, drilling, production, and processing to the oil and gas industry. Schlumberger is working in more than 85 countries and employing approximately 100,000 people who represent over 140 nationalities. By combining our advanced technology with increased engagement in the communities where we work, we are reducing our impact on the environment while also helping our host countries build capacity and resilience at the local level.

## 88 clubs

Schlumberger sponsored 88 coding and robotics clubs to help inspire students to seek out careers in the computer science field.

# 3,000+ children

During the year more than 120 learner-centered HSE for Youth workshops in 34 countries reached more than 3,000 children of our employees, contractors and customers as well as children from local schools.

# 10 languages

Schlumberger created a cancer awareness campaign, translated it into 10 languages, and distributed it to Company locations worldwide.

## Risk assessments

In 2016, Schlumberger Production Management completed social risk assessments in Ecuador, India, Mexico, and Uzbekistan.

THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Education

2016 Global Stewardship Report

## **Education**

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

Our community outreach programs are fully aligned with the United Nations Sustainable Development Goal of ensuring quality education and promoting lifelong learning opportunities for all. Through our outreach programs we offer learning opportunities for schoolchildren, we help students understand and adopt HSE-related standards, and we fund women from developing and emerging economies to pursue advanced graduate study in STEM subjects at top universities worldwide.



## Schlumberger Community Outreach Initiatives



THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Education

2016 Global Stewardship Report

# Schlumberger Excellence in Education Development

Schlumberger Excellence in Education Development (SEED) is an educational program focusing on communities where Schlumberger people live and work. Through SEED, Schlumberger engages employees, educators, retirees, and volunteers around the world to share their passion for learning and science with students. A handson program that relies on the scientific and technological expertise of our employee volunteers, SEED focuses on STEM topics through camps, teacher professional development, workshops, and classroom visits. The SEED educational program is focused on robotics, computer science, and energy education.

#### **Robotics**

SEED sponsors schools through an introduction to robotics, construction of robots, programming via RobotC, and competitive challenges. Competitions enable students to compete in building robots while clubs, such as Schlumberger sponsored robotics clubs, help students learn about robotic programming. In addition, students learn about <a href="Schlumberger Robotics Services">Schlumberger Robotics Services</a> that is building an ocean sensor network intended to help solve some of the world's greatest challenges and gain valuable insights into the marine environment

#### **Computer Science**

SEED introduces students to computer-based programing and coding. We sponsor SEED workshops and Schlumberger coding clubs, and we introduce programming to students as early as the second grade with an MIT-based platform called SCRATCH. To

encourage more students to take an interest in computer science, we also donate resources related to our Petrel E&P software platform to high schools and universities around the world. Schlumberger has partnered with Code.org, Microsoft TEALS, the Computer Science Teacher Association, and local educational systems to support the professional development of teachers in computer science education.

#### **Energy Education**

We have formed partnerships with the American Geosciences Institute, Society of Petroleum Engineers, National Energy Education Development, and the Offshore Energy Center to develop workshops and educational programs that help students and teachers understand the highly technical skillset needed to work in the energy industry. For the past seven years, we have partnered with the Independent Petroleum Association of America to provide internships designed to introduce high school students to the energy industry.

#### **STEM Workshops by the Numbers**

132 27,281 1,572 730 Workshops Students Teachers Volunteers

#### **VEX IQ Robotics Competition**

Students at the Secondary School of Tecnica in Villahermosa, Mexico, won first place at a national VEX IQ robotics competition in April 2016, and later that month travelled to Louisville, Kentucky, to compete in the VEX World Competition.

With VEX IQ, students are able to build a robot and program it to perform tasks such as picking up and dropping objects or maneuvering through obstacles. At the VEX World Competition, 850 teams from 29 nations competed with custom-built robots in intensive back-to-back matches. After three days, the students finished 53rd of 199 teams in the middle school VEX IQ division.

Since 1998, more than 15,000 students from 15 schools have benefited from SEED programs in Mexico.



2016 Global Stewardship Report

#### **HSE for Youth**

Schlumberger continues to focus on mobilizing employees and their spouses to share HSE expertise within the communities where we work and live. Our award-winning HSE for Youth program informs and empowers young people aged seven to 18 years to make responsible, safe, globally and personally considered decisions regarding HSE issues.



Using a learner-centered approach with training materials adapted for HSE concerns, employees and their spouses share their expertise within our communities through program workshops focused on nine health and safety topics—injury prevention, personal security, Internet safety, road safety, malaria, HIV/AIDS, Ebola, water sanitation, and climate change.

In 2016, HSE for Youth workshops were held, on average, once every three days. During the year over 120 learner-centered workshops in 34 countries reached more than 3,000 children of our employees, contractors, and customers as well as children from local schools. The program operates all over the world where Schlumberger is present. A workshop on road safety was delivered for the first time in Basra, Iraq, and we hosted our first workshop with our biggest client in Russia on the topics of internet safety and personal safety. In addition, we held our first workshop for the children of Cameron Group employees following completion of our merger.

#### **Faculty for the Future**

The Schlumberger Foundation awarded 49 new fellowships and renewed an additional 169 fellowships in its <u>Faculty for the Future</u> program for the 2016–2017 academic year.

Faculty for the Future enables women from developing economies to pursue advanced graduate studies in STEM subjects at top-tier universities around the world. Since its launch in 2004, the program has awarded fellowships to 600 women from 78 developing and emerging countries. In 2016, Faculty for the Future fellows pursued doctoral and postdoctoral studies at 243 universities worldwide.

The fellowships represent the Schlumberger Foundation's long-term investment in a community of highly qualified role models who help narrow the gender gap in STEM disciplines by inspiring more women to study science. Fellowships are awarded based on the applicant's academic ability, leadership qualities, and engagement in outreach activities toward underserved communities with STEM as a development instrument in their home countries.

Recipients of Faculty for the Future fellowships have achieved academic excellence throughout their studies, often despite considerable financial challenges and traditional barriers to women's education.

After completing their studies, the alumnae are required to return to their home countries where they contribute to economic, social, and technological advancement by strengthening the teaching and research faculties of their home institutions and taking positions in the public sector where their newly acquired technical and scientific skills can help provide evidence-based support for policy-making.

The research focus of the newest cohort of fellows is diverse, with the top five disciplines being chemistry, biological sciences, health sciences, computer sciences, and agriculture. This reflects the regional challenges encountered by the fellows and reveals their determination to improve conditions in their home countries through science.

In addition to enabling women to attend graduate school, Faculty for the Future hosts forums where fellows and alumnae share their experiences and foster cooperation while debating topics of interest. In 2016, two forums were organized—Cape Town, South Africa, in August and Cambridge, England in October—offering an opportunity for the participants to collaborate, learn from each other, and network with distinguished scientists and other invited speakers.



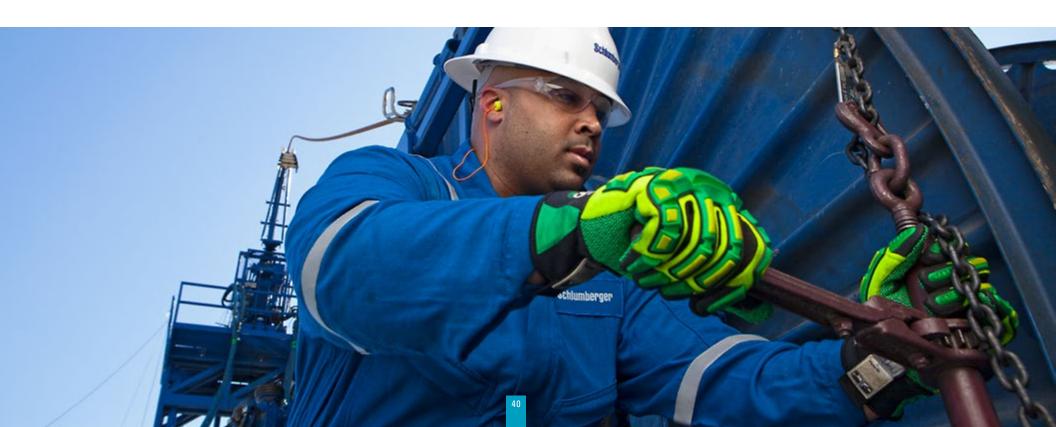
HIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Health and Safety

2016 Global Stewardship Report

## Health and Safety

Schlumberger is committed to maintaining the highest health and safety standards for employees, customers, and contractors, and for protecting the environment wherever we work and live. Our commitment encompasses health and safety risks in the workplace, in the field, and during travel on Company business.

The Schlumberger HSE Management System defines the principles by which we conduct our operations worldwide, and our management team applies our rigorous policies and standards throughout the Company. In addition, we have a long-standing commitment to sharing best practices through technical papers and other means. Schlumberger is a recognized industry leader in HSE performance.



Health THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD

2016 Global Stewardship Report

## Health

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

We have a global network of doctors and health professionals who provide medical support at Company locations on land, at sea, and in remote and hostile environments. Each of our operating locations has a specific preventive training program with a focus on occupational health. Before new operations begin, and regularly thereafter, employees and pre-employees undergo medical checks and health-risk assessments. In addition, effective emergency response is required for extreme health risks that have the potential for rapid global expansion, such as SARS, H1N1, Ebola, and Zika.

#### Zika virus

Hundreds of thousands of people have been infected by this mosquito-transmitted disease, which was later found to also be transmitted by sexual intercourse. Although death from the Zika virus is rare, the major risk comes from mother-to-fetus transmission during pregnancy. This is responsible for thousands of cases of microcephaly (small head and mental retardation) observed in infected newborns, particularly in Brazil.

Schlumberger management, including HSE and medical personnel, carefully followed the Zika virus epidemic in 2016 as it spread to numerous countries in South America and the Caribbean islands. The Company developed a Zika virus training package, including internal certification covering Zika virus symptoms, methods of transmission, prevention practices, and travel advice.

#### **Cameron Group**

The integration of Cameron required merging Cameron Group processes into Schlumberger health programs during 2016. Cameron Group employees and managers were familiarized with the Schlumberger health network, emergency response plans, health training programs, and the internal Health Hub. Cameron Group employees working in countries with high malaria risk were given mandatory malaria training and curative malaria kits. High-risk international travelers within Cameron were also integrated into the Schlumberger Med-Track examination program.

#### **Cancer Awareness**

Cancer is the most common cause of non-occupational deaths in Schlumberger—the most common include colorectal, breast, skin, and lung cancers. In 2016, Schlumberger created a cancer awareness campaign that was translated into 10 languages and distributed to Company locations worldwide.

#### **Healthy Initiatives**

Approximately 400 Schlumberger employees, family members, friends, neighbors, and pets walked five kilometers in Houston and Denver to raise funds for heart disease research. Several Schlumberger campuses in Houston have launched walking clubs where employees received pedometers for participating in noon-hour walks. In 2016, Schlumberger employees held drives and volunteered for a number of other worthy causes:

- American Heart Association
- March of Dimes
- JDRF
- Grant-a-Starr Foundation
- FARE Walk for Food Allergy
- Snowdrop Foundation Happy Hours
- Houston Hemophilia Walk
- National Multiple Sclerosis Society (150-mile bicycle ride)

THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Safety

2016 Global Stewardship Report

## Safety

#### **Shared Responsibility for Safety**

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

#### **HSE Management System**

The Schlumberger HSE Management System states the principles by which we conduct our operations worldwide with regard to health, safety, and the environment. We establish and communicate HSE priorities, objectives, requirements and accountabilities to all employees, customers, contractors and third parties associated with our business. All of our corporate health, safety, and environmental standards must be implemented in all Schlumberger operations, and each Schlumberger organization must provide evidence of compliance.

#### **HSE Alert Program**

In 2016, we continued to develop our ability to communicate lessons learned from incidents and events. In addition, we introduced a new HSE Alert program to share best practices. These alerts focus on what happened and why, taking into account the type of HSE event and the expected employee behavior upon receiving an alert. HSE events in these alerts are ranked as yellow (preventative and good

practice), orange (non-life-threatening), and red (fatality and high potential for fatality).

#### **Fatalities**

Schlumberger suffered six work-related fatalities in 2016. An employee was fatally injured during mechanical lifting activities to load equipment onto a heavy goods vehicle at a rigsite. Another employee was fatally injured as a result of a wellsite process safety event involving a fire and explosion. A contractor was involved in a fatal heavy vehicle collision. Three employees were fatally injured in two separate offshore helicopter crashes. All of these fatalities were studied extensively, and the associated lessons learned were communicated company-wide.

#### **Security Management**

In 2016, Schlumberger released and implemented a risk-based approach to managing security for our personnel and assets. Due to the nature of our global business and operations, our employees, their families, contractors and third parties, and our Company assets may be exposed to security-related threats, including armed conflict, criminality, and civil unrest. Our objective is to reduce security risks to a level As Low As Reasonably Practicable (ALARP) through effective implementation of fundamental and risk-based controls, and through active continuous monitoring of security conditions.

#### **Crisis Management**

Schlumberger is continuing with initiatives to cascade its crisis management training programs throughout the organization. In 2016, an additional 288 employees were trained in crisis management. This training incorporates best practices in crisis

#### **Driving to ZERO**

Schlumberger launched a Driving to ZERO campaign within North America in 2016 to refocus efforts on zero-tolerance driving. Driving is a fundamental part of our work—during the year Schlumberger drivers in North America drove a total of 118 million miles on business. The Driving to ZERO campaign reinforces driver controls related to wearing seatbelts, refraining from using mobile devices while driving, ongoing driver training, avoiding the use of alcohol or drugs while driving, journey management, and logging trips properly. While our 2016 driving performance in North America improved significantly over the previous year, we continue to strive to achieve our goal of zero driving accidents.

Safety THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD

2016 Global Stewardship Report

management techniques and practices from global academic experts and expertise from within the Company, and includes a practical exercise in crisis management.

#### **Mechanical Lifting Standard Revised**

Schlumberger released a revised risk-based Mechanical Lifting Standard in 2016 to complement the DROPS Standard introduced in 2015. The new standard focuses on eliminating harm to people caused by mechanical lifting activities and associated dropped objects, and is fully aligned with industry best practices. The new standard encompasses personnel competence, lifting equipment and load integrity, and active Red Zone management.

International Association of Oil and Gas Producers statistics indicate that over the last 10 years there have been 63 fatalities (almost 17% of all work-related fatalities among the association's member companies) related to mechanical lifting, cranes, rigging and deck operations.

All Schlumberger employees, contractors, and worksites must adhere to the requirements of the new standard. Assigned country and field mechanical lifting champions lead the worksite-level implementation process.

#### **Injury Prevention**

Schlumberger is committed to injury prevention for employees and contractors through the effective implementation of our own best practices and those from the industry. Our total recordable injury frequency (TRIF) rate has decreased annually since 2011.

An analysis of our HSE data revealed that nearly 40% of personal injuries is related to hands and fingers. Although the overall number of personal injuries has decreased during the past 10 years, limited improvement has occurred in this category. To mitigate the risk, our hand and finger injury workshops and other programs continue to be an area of focus.

#### **Driving Safety**

In 2016, our focus continued to be on training, driving and journey management, and the implementation of new in-vehicle technologies to improve driver performance.

Our risk-based driving and journey management approach provides effective management of driving activities in more than 85 countries. Every Schlumberger employee, from field to office, is required to take regular fit-for-purpose driver training, including the use of simulators and driver-improvement monitors to provide real-time, in-vehicle driving performance feedback. We also actively share our experience and expertise with our customers and in the communities where we work through our HSE for Youth and community outreach programs.

Our comprehensive driver management system consolidates, leverages and augments the best practices of our various business groups to systematically eliminate accidents through training, journey and trip management, safe driving behavior, and compliance with <a href="Our Code of Conduct">Our Code of Conduct</a>.

#### **Journey Management Centers**

Schlumberger journey management centers around the world reinforce safe driving behaviors and deliver increased support for drivers during each journey. The centers ensure that every trip is verified for compliance with journey management procedures where higher-risk driving environments are subject to more stringent controls and standards. Real-time tracking monitors driving behavior and provides immediate feedback to drivers. By defining, measuring, and shaping driving behaviors, the centers help drivers continuously improve their performance. These centers serve more than 40 countries with real-time journey tracking in 12 languages, 24 hours a day, seven days a week.



THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Performance Data

2016 Global Stewardship Report

## Performance Data

Schlumberger captures HSE performance data through an online, enterprise-level business system that consolidates all HSE information. Accessible by all employees, this system enables them to monitor reported HSE events, incidents, observations, and Risk Identification Reports. Schlumberger employees are actively encouraged to report, and we use the data to benchmark our performance against industry data sources.

To help prevent incidents from recurring, the system facilitates the investigation process and the management of remedial work plans to resolve incidents, identify learning opportunities, and incorporate the lessons learned by improving our facilities, equipment, processes, and systems. To ensure continuous improvement, we monitor trends and identify areas of concern. Schlumberger employees are able to use the online business system to suggest improvements, post recognitions, track HSE training, and analyze HSE data. The system can also be used to assign job-specific online HSE training, and to facilitate and track the testing and certification of computer-based training material.

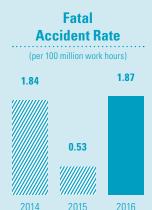
In 2016, Schlumberger launched a revised risk-based HSE Event Reporting and Management Standard, new event investigation training, and a mobile app for risk identification reporting. These initiatives form part of a global campaign focused on maximizing the learning potential from events using the investigation of incidents via process management, data integrity, and quality.

Our health and safety performance, including the Cameron Group since the second quarter of 2016, has shown steady progress. Our total recordable injury frequency decreased 12% to the lowest rate since we started keeping records in 2000. Our automotive accident rate for the combined company showed a slight deterioration compared with 2015, which reinforces our commitment to improve driving and implement journey management across the entire organization, including newly acquired companies. Our contractor lost-time injury frequency increased from 0.46 to 0.56 injuries per million hours worked, largely due to an increase in project-based work including seismic and integrated projects.

The International Association of Oil and Gas Producers (IOGP) annually reports upstream oil and gas work-related safety performance statistics. Schlumberger uses the IOGP definitions and reporting criteria to classify HSE data. The data include injuries sustained by Company employees and contractors engaged in work-related activities.

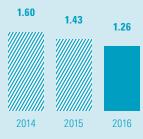
PwC auditors reviewed our processes and procedures for 2016 and verified a subset of our environmental and social data. The health and safety lost time injury and occupational illness frequency data reviewed included employee and contractor lost time injury frequencies and an occupational illness frequency rate. PwC has expressed a limited assurance that our data are, in all material respects, fairly presented and in accordance with Schlumberger procedural guidelines.

Note: 2016 data includes the Cameron Group from April through December.





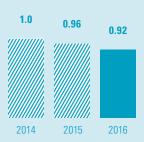
(per million work hours)



2016 Global Stewardship Report

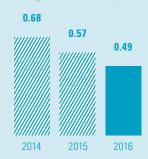
#### Combined Lost-Time Injury Frequency

(per million work hours)



#### Employee Lost-Time Injury Frequency

(per million work hours)



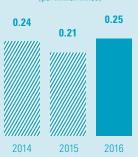
#### **Fatalities by Year**

(employees)



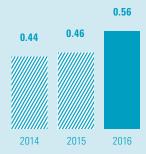
## **Automotive Accident Rate**

(per million miles)



#### Contractor Lost-Time Injury Frequency

(per million work hours)



#### **Fatalities by Year**

(contractors)



#### **World Safety Day**

In April, Schlumberger Health, Safety, and Environment and Loss Prevention teams focused on simulated real-life activities where participants could learn by doing during World Safety Day. Teams in more than 300 locations around the world formed small groups and participated in emergency drills where they responded to a situation without outside assistance.

Scenarios were based on hazards and risks most relevant to each location and segment. For example, the Middle East Learning Center focused on mechanical and manual lifting activities, information security, and a simulated chemical spill causing unconsciousness while the Siberian Training Center staged scenarios involving a foot injury during forklift operations, an ergonomics challenge, and cardiac arrest. In France, the European Learning Center team staged scenarios such as opaque smoke billowing into the classroom, unauthorized access by an intruder, and a heart attack while the HSE team at the Schlumberger Riboud Product Center coordinated a fire safety event for more than 130 employees.

In the United States, employees at the Kellyville Learning Center staged similar scenarios, including a toxic hazardous spill drill on a coiled tubing pad in front of the lunchroom using water and food dye and a tornado preparedness drill. Employees at the Sugarland Learning Center campus participated in a simulated lithium battery explosion and heavy objects dropped from height. In each scenario, employees made use of existing HSE training that includes training about identifying hazards on scene, assessing the situation, knowing emergency response plans, and using first-aid techniques.

World Safety Day is organized in connection with the United Nations International Labor Organization World Day for Safety and Health at Work.

HIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Social and Economic Impact

2016 Global Stewardship Report

## Social and Economic Impact

Schlumberger people are located in approximately 85 countries around the globe. We live where we work, we recruit and hire locally wherever possible, and we are committed to building local capacity in our supply chains.

By providing employment and training for local workers and procuring goods and services locally, we help our host countries build capacity and resilience at the local level. We take a long-term interest in our communities, often positively influencing community development while at the same time managing our operational risks. This creates shared value—actions that generate business value also generate social value. Our community investment focus is on addressing social issues such as education and health.



Investing Locally This is schlumberger environment community track record

2016 Global Stewardship Report

## **Investing Locally**

Global Stewardship means that Schlumberger shares the same challenges as our employees, contractors, suppliers, clients, shareholders, families, and communities. As a business and a community of individuals, we care about our impact on society and focus on areas where our organizational strengths, our technological expertise, and cultural values can have the greatest impact.

Our philanthropic activities reflect the Company's values and focus on a limited range of social and educational issues that call for strategic involvement and partnerships with community organizations. We make our largest commercial investments in academia for basic and applied research that we conduct in partnership with top universities, where we also contribute millions of dollars annually in reservoir software, training, and support. Our in-kind contributions to the community include Schlumberger products, equipment, services, and other noncash items, as well as 3D printers, refurbished computers, office supplies, and office furniture.

#### **President's Volunteer Service Award**

Schlumberger received a Junior Achievement USA Bronze President's Volunteer Service Award in 2016. Created by the President's Council on Service and Civic Participation, the award is given to individuals and organizations who contribute a significant amount of time to volunteer service. During the year, Schlumberger volunteers contributed more than 5,000 hours of teaching to students in the Houston area.

#### **STEM Workshop in Vietnam**

The first Schlumberger SEED STEM workshop in Vietnam in nearly 10 years was held in June. The workshop included an introduction to engineering, injury prevention, and the health and safety risks on the job. As electrical engineers for a day, the students learned about simple and parallel electrical circuits using tools such as paper, a coin cell battery, conductive copper tape, and sticker LEDs.

#### **Russian Students Honored**

Two students from a SEED sponsored school in Russia were invited to represent the Russian team at the 2016 Intel International Science and Engineering Fair Competition. High school students from 75 countries, regions, and territories had the opportunity to showcase their independent research and compete against 1,700 of their peers. In addition, SEED students from a school in Russia participated in the annual robotics Eurobot competition junior category (for ages 18 and younger). Using controlled robots that had to perform a number of tasks in 90 seconds, the Russian teams participated in two stages of the competition, including a city tour held in Moscow where they earned second place and a second stage in Skolkovo where they won third place.



#### **In-Kind Giving**

# Commercial Initiatives (billions) (billions) (Description of the property o

2016

2015



THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Human Rights

2016 Global Stewardship Report

## **Human Rights**

Schlumberger is committed to supporting the United Nations General Assembly Universal Declaration of Human Rights. Our commitment is articulated in the Schlumberger Blue Print in Action—Our Code of Conduct, which states, "Schlumberger endorses the aspirations of the International Bill of Rights and encourages work that augments the contributions that business can make to preserve and respect human dignity". Schlumberger participates in the United Nations Guiding Principals Reporting Framework, which includes a picture of the Company activities on human rights.

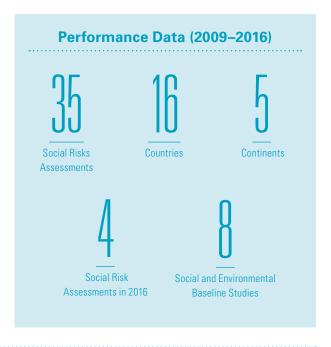
#### **Social Risk Assessments**

Social risk assessments are designed for projects with a high potential for significant social and environmental impact. The proprietary tool we use has three integrated phases: planning, implementation, and monitoring and evaluation. Information collected during the planning phase is used to analyze social hazards, in terms of risks to people and to projects, and develop

appropriate responses as part of our commitment to our Global Stewardship. Since we implemented the social risks assessment process in 2009, 35 assessments have been completed in more than 15 countries. In 2016, social risk assessments were completed in Ecuador, India, Mexico, and Uzbekistan.

#### Social Investment Collaboration

In 2016, Schlumberger Production Management developed a voluntary social investment program on its large-footprint projects in Ecuador. During a series of workshops with the operator and first-tier contractors, Schlumberger identified three areas of potential social investment: community health, education, and arts and culture. The partners then examined legacy programs that could be revitalized or expanded to bring measurable long-term benefits and social change to local communities. This social investment collaboration has helped us develop shared values across the contracting chain in Ecuador, creating a greater awareness of community priorities and a better understanding of community concerns and expectations.



2009

Established our social responsibility process and began conducting risk assessments of projects with large footprints in countries where we have new operations, frontier countries, and countries with emerging issues.

2010

Reviewed 400 statements of Company policy, standards, and guidelines against the Business and Human Rights Matrix developed by the Business Leaders Initiative on Human Rights. 201

Completed a review of customer and peer human rights statements and policies to further our understanding of the United Nations' Protect, Respect, and Remedy framework. **ZUI3** 

Introduced a new Social and Environmental Management Standard for large-footprint projects. 2014 —

Revised Security Standard to incorporate a reference to the Voluntary Principles on Security and Human Rights.

2015

Developed preliminary alignment with the United Nations
Sustainable Development Goals (SDGs).

## **Supply Chain**

In today's competitive global economy, we know that strong relationships with our suppliers are essential to meeting our own needs, the needs of our customers, and local content.

We only procure goods and services from financially stable, technically qualified, and reliable sources. Our preferred suppliers are those who work with us in a professional, ethical, competitive, and cost-effective manner consistent with Schlumberger policies, procedures, and <a href="mailto:business objectives">business objectives</a>. When evaluating potential suppliers, Schlumberger considers delivery price, reliability, operational costs, and after-sales support.

Schlumberger <u>Supply Chain Services</u> provides our field and manufacturing locations with supplier management, strategic sourcing, logistics, and inventory management. Supply chain processes are regularly reviewed to ensure quality in our services and products. Every supplier we select must comply with Schlumberger standards.

#### **Local Hiring**

Whenever possible, Schlumberger hires workers where we work. Hiring locally helps to ensure that we invest in the regional economy through local employment and supplier opportunities, and it helps local economies expand their business opportunities while also fostering our involvement with the community. Moreover, foreign nationals working in their home countries better understand the challenges of doing business there. This local hiring practice establishes a hospitable and receptive environment for our businesses in foreign markets and it helps our Company expand its global

footprint in a competitive marketplace. In addition, it is in line with the United Nations Sustainable Development goals to end poverty in all its forms everywhere, and to promote full and productive employment and decent work for all.

#### **Local Suppliers**

We invest time and resources to help our local suppliers meet our stringent quality and <u>HSE standards</u>. Our investment in things such as safety training, driver training, installation of in-vehicle monitors, and vehicle maintenance standards helps build the competitiveness of local vendors. All of our social investments in local suppliers are underpinned by core principles: they must be connected to our business and rooted in the communities where we work; and they must be focused, streamlined, and accountable.

#### **Supply Chain Management**

Schlumberger maintains a Supplier Management Dashboard that analyzes our spending by supplier, commodity, geography, business segment, legacy company, and trends over time. Schlumberger supplier managers are responsible for evaluating suppliers against our established performance metrics in order for them to be included in our approved supplier list. In addition, total procurement spending is presented in the analysis.

#### **Critical Suppliers**

Suppliers are classified as critical if they provide materials, components, or services that may significantly influence one or more aspects of Schlumberger products and services performance. This includes elements as safety, technology, competitiveness, and compliance with operations integrity, HSE, and ethics standards.

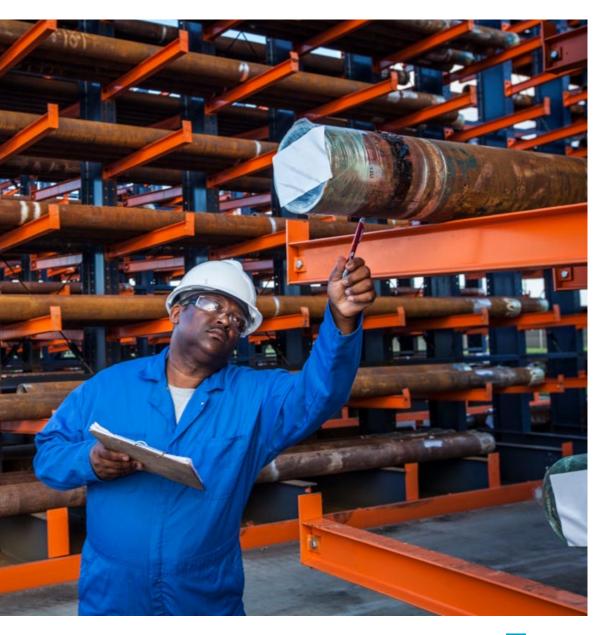
Comprehensive audits of our critical suppliers are conducted per a defined schedule and incorporate supplier performance, finance, contract, HSE, Quality, and Ethics and Compliance components including human rights and labor questions.





THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Supply Chain

2016 Global Stewardship Report



#### **Performance Data**

#### **Awareness**



Critical Suppliers for which more than 40% of their revenue comes from Schlumberger 209 suppliers



Spend analysis covers 100% of suppliers 52,109 suppliers

#### **Risk Assessment**



Of spend is covered in risk analysis



Suppliers that are at high risk

#### Risk Management



Supplier Audits were conducted in 2016



Of audited suppliers have a documented development plan

Supply Chain THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD

2016 Global Stewardship Report

#### **Development Program for Local Suppliers**

Acquiring goods and services from local suppliers is a legal and contractual obligation in many countries where we work, but most importantly, a way to maximize our positive impact in local communities. A recurring challenge is that many local companies do not meet the Schlumberger minimum requirements to become a supplier, which may include being certified and familiar with oil and gas best practices, operating according to labor laws, as well as client and HSE requirements.

In 2016, Schlumberger launched a Local Suppliers Development Program in Colombia. The program is designed to drive improvements in quality, HSE, delivery, cost, and the capacity of local suppliers. The program will initially support 14 Colombian companies throughout 2017.

The results of our efforts in the development of this plan benefits the communities in which we work as well as our customers. By helping local suppliers meet our industry requirements, we seek to promote innovation through the sourcing of new products and services, develop alternative channels for procuring goods and services, and create new business opportunities in the locations where we operate. This also enables us to align with our customers' best practices because some of them already have similar supplier development programs in place.

#### **REACH**

Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH), a European Union regulation that covers manufacturing, importing, placement, and use of chemical substances, provides a high level of protection to human health and the environment by making people responsible for understanding and managing the risks associated with chemical use. In 2016, Schlumberger continued to develop new chemicals and technologies that comply with REACH regulations in Europe. In addition, we reviewed our European chemicals portfolio with a view to reduce our REACH registration costs.

#### **Conflict-Free Minerals**

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

#### **Freely-Chosen Employment**

Schlumberger is committed to, and expects from its suppliers, the highest ethical standards of business conduct and compliance with laws and regulations in the countries where we operate. We require that all work is voluntary and that workers are free to leave upon reasonable notice. We prohibit the use of forced, bonded, indentured, or involuntary prison labor.

#### **Supply Chain Sustainability**

OneSubsea worked closely with the Woodside contracting and procurement team in Australia to help the Company develop a more comprehensive framework to manage its overall supply chain risks with respect to sustainability. By reviewing the Woodside supply chain elements, OneSubsea was able to better understand where equipment materials are sourced, which subcontractors are involved, and the process used to determine supplier suitability as well as employment terms and conditions. The OneSubsea analysis, which was completed in 2016, helped provide a platform for Woodside to advance its supply chain management techniques and methodologies in 2017.

We know that strong relationships with our suppliers are essential to meeting our own needs, the needs of our customers, and local content.

HIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Stakeholder Engagement

2016 Global Stewardship Report

## Stakeholder Engagement

We engage with our stakeholders to learn about their changing expectations and needs. Through actively listening to their feedback, we are better able to align our business processes to conform to local and national priorities.

Our stakeholder engagement takes many forms. We meet regularly with investors, we join industry initiatives and partnerships, we participate in academic forums, and in consultation with our customers we often participate in local community meetings. In 2016 we committed significant resources to listening to our employees through Engage to Excel, our new and ongoing employee engagement program.



2016 Global Stewardship Report

## Our Stakeholders

#### **Customers**

Continuous engagement with customers enables us to appreciate their needs and expectations around many issues in the oil and gas industry. Our interpretation of this information enables our investment in technologies and solutions to be tailored to market requirements while also remaining aligned with our Global Stewardship priorities. Strategic planning demands that we respond to environmental and other concerns in a manner that leads toward our sustainable existence in the communities where we work.

#### **Employees**

We work in more than 85 countries and employ approximately 100,000 people who represent over 140 nationalities. Our commitment to nationality and gender diversity enables us to offer a truly global approach. Our employees are the most professional women and men in the oil and gas services industry, and we consider them to be the most credible ambassadors of Schlumberger and one of our most important stakeholder groups.

#### **Communities**

We strive to make a marked and positive impact wherever we work. The results of our efforts touch our employees, contractors, suppliers and clients, as well as the communities in which we live and work. Schlumberger trucks and equipment are often the most visible aspect of our presence in these communities, and our impact is frequently measured by local populations in increased potholes, dust, and traffic noise. Our direct impact on local economies can also be measured in taxes, customs tariffs, the wages we pay



THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Stakeholder Engagement

2016 Global Stewardship Report

to local workers, the promotion of our strong health and safety culture, and the wide range of initiatives we undertake to build supply chain capacity in communities.

#### Universities

Schlumberger has a decades-long history of partnering with universities. Our relationships with approximately 700 universities and other academic institutions around the world contribute to developing our products and services and provide a plentiful source of potential employees. These partnerships are part of our Global Stewardship network, which is how we manage our impact on the wider environment and in the communities where we work.

#### **Suppliers**

Schlumberger <u>Supply Chain Services</u> pursues relationships with suppliers based on cooperation, trust, reliability, and communication. We procure products and services through manufacturers and suppliers that demonstrate high standards for quality, service, pricing, performance, after-sales support, and supply chain management. In addition, we continue to examine the feasibility of supplier capacity-building programs in several countries.

#### **Keeping Investors Informed**

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

- Speeches and conference presentations by senior managers explain strategy and the technical means by which it is carried out.
- Conference calls after quarterly earnings give context and color to results while welcoming questions from institutional players.
- Face-to-face meetings at conferences and in Schlumberger and investor offices create the personal contact essential to investors' understanding of the Company.
- Tours of Company facilities worldwide, including North America, the Middle East, China, Latin America, and Europe give investors direct experience of operations.
- Company-hosted two-day conferences give investors a broad, multi-year company outlook while putting them in personal contact with dozens of specialized managers.
- Conference calls engage investors in discussion immediately upon announcement of significant events, such as acquisitions.
- The <u>Investor Relations website</u> offers complete financial performance data, archived press releases, replays of conference calls, the Annual Report, and much more.
- Senior Investor Relations staff is organized to respond promptly to market inquiries.

#### **Reporting on Performance**

Schlumberger utilizes G4 Sustainability Reporting Guidelines established by the Global Reporting Initiative. We also participate with a number of third-party firms that collect and report on corporate environmental, social, and governance (ESG) performance:

- Bloomberg Dashboard: ESG data provided worldwide on the Bloomberg Professional Service
- RobecoSAM Corporate Sustainability
   Assessment (CSA): An evaluation of corporate
   ESG performance that provides the basis for
   the Dow Jones Sustainability Index (DJSI)
- FTSE Russell: A series of indices measuring the ethical performance of corporations
- Sustainalytics: ESG data provided for benchmarking sustainability performance

2016 Global Stewardship Report

#### **Engaging with Policy-Makers**

We engage with policy-makers in a wide variety of capacities:

- We are sponsors and active participants in the National Academy of Sciences' Roundtable Project on Unconventional Hydrocarbon Development.
- We have served as an industrial sponsor and executive committee member for the International Energy Agency's Greenhouse Gas Research and Development program (IEA GHG), and as a member of the agency's technical networks addressing monitoring, risk assessment, wellbore integrity, modeling, and social research.
- We were a founding member of the Global CCS Institute (GCCSI) and have participated in numerous international meetings.
- We have served as an advisory committee member of the European Technology Platform for Zero Emission Fossil Fuel Power Plants (ZEP) and participated in numerous working groups.
- We have participated as a member of the North America Carbon Capture and Storage Association (NACCSA).
- We were a founding member of the Board of Directors of the UK Carbon Capture and Storage Association (CCSA).
- We are a member of the Board of Directors of the UK Carbon Capture and Storage Research Centre (UK CCS RC).

- We have donated numerous times to the University College London Carbon Capture Legal Programme (CCLP).
- We have served as project manager, technology supplier, and member of a research consortium of Australia's CO<sub>2</sub> CRC Otway Project, a large research and geosequestration demonstration project.
- Schlumberger conducted a six-month pilot study on mapping endangered or sensitive habitats with the US Department of Interior using the Petrel E&P software platform.
- Through our relationship with the Petroleum Equipment and Services Association, twice a year Schlumberger trains Foreign Service Officers from the US State Department on various aspects of the oil and gas industry.

#### **Shareholders and Investors**

Schlumberger maintains the highest standards of transparency in disclosing information about the Company to investors. We also think it important to communicate the Company's values. We believe these efforts help investors fulfill their obligations to make objective financial decisions as well as judgments about environmental and social issues.

#### **Governments**

Government and regulatory officials and other stakeholders seek out Schlumberger domain experts for their knowledge and experience in many aspects of the oil and gas industry. Although the Company is politically neutral and does not lobby, we routinely help regulatory officials interested in gaining practical understanding of the technologies and processes that can reduce emissions and carbon footprint.

#### Industry

Schlumberger manages and coordinates active relationships with numerous industry organizations. Most notably, we are members of the Petroleum Equipment and Services Association (PESA), the American Geosciences Institute Foundation (AGIF), the American Petroleum Institute (API), the Society of Petroleum Engineers (SPE), the American Association of Petroleum Geologists (AAPG), and the International Association of Oil and Gas Producers (IOGP). Schlumberger senior executives serve on the boards and/or advisory committees of these organizations. Schlumberger was the first Associate Member of IPIECA, the global oil and gas industry association for environmental and social issues. We hold nonpolitical positions and adhere to a do-not-lobby policy. As a result, these groups frequently call on us for technical advice and guidance.

HIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Employment and Human Capital

2016 Global Stewardship Report

## **Employment and Human Capital**

One of our greatest strengths is the diversity of our workforce, with men and women of many nationalities and backgrounds working together and sharing common objectives.

Our long-standing commitment to national, cultural, and gender diversity fosters a corporate culture that is global in outlook yet local in practice. We attract top performers from the countries where we work, and this broad range of perspectives enables us to better understand national issues, respond to local concerns, and deliver services that meet the expectations and requirements of our stakeholders and customers.



2016 Global Stewardship Report

## Research and Innovation

Through our global network of R&E centers, Schlumberger is committed to advanced technology programs that enhance oilfield efficiency, reduce exploration and production costs, improve productivity, maximize reserve recovery, and increase asset value while also accomplishing these goals in a safe and environmentally sound manner. Despite a revenue decrease of 22% due to continued weakness in exploration and production spending, in 2016 we invested more than a billion dollars in R&E programs to develop and advance our technologies.

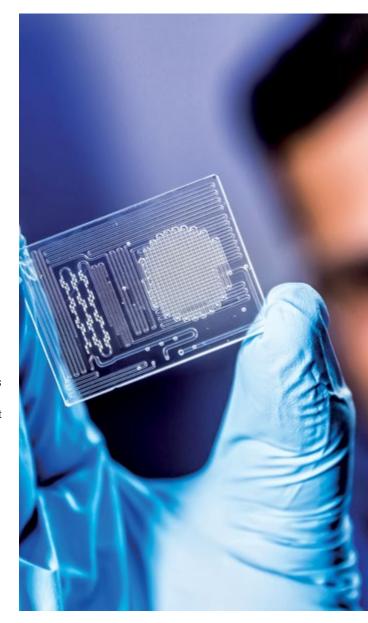
Since 2008, our Early Stage Technology Corporate Venture group has supported external innovation by co-investing and codeveloping promising technologies with start-up companies in a broad range of disciplines, including technologies such as nanocrystalline cellulose, wireless power, high-pressure mass spectrometry, robotics, automation and control, and cybersecurity, all of which are being actively pursued. More recently, we have also invested in technologies around waste heat recovery and decarbonization, emissions monitoring and control, and renewable energy.

Technology Watch, a component of our University Relations program, identifies opportunities for commercializing game-changing technology and connects the most promising university teams with the Schlumberger Corporate Ventures group. Technologies currently being watched include drilling and treatment fluids that reduce our industry's environmental footprint, advanced materials and chemistry

for extreme environments, renewable energy, nanotechnology, robotics, mechatronics, automation, autonomous vehicles and the mobility transformation, power management and energy storage technology, and data analytics.

We are founding members of the NorTex Alliance of Petroleum Universities, which includes leading universities in Norway and Texas that are conducting applied research on carbon storage and reuse in operations to improve hydrocarbon recovery.

As one of four founding companies that established the Global Climate and Energy Project (GCEP) at Stanford University in 2002, Schlumberger has committed almost \$25 million in collaboration with 40 institutions worldwide that have collectively committed more than \$188 million. GCEP seeks ways to supply energy to meet the changing needs of the growing world population in ways that protect the environment. The project manages a portfolio of innovative energy research programs to develop technologies that are efficient, cost-effective when deployed on a large scale, and environmentally benign.



THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD University Relations

2016 Global Stewardship Report

## **University Relations**

Our <u>University Relations</u> program helps develop technical leaders and positively influence science and energy technology worldwide. In 2016, we continued to attract talented university graduates; advance education and research in engineering, manufacturing, science, and technology; promote academic entrepreneurship; support technology transfer; foster corporate, social, and environmental responsibility through university partnerships; and become change agents in communities by directly supporting education programs in STEM subjects.

Internally, we are aligning University Relations with our transformation program, focusing on efficiency and reliability, and we are working closely with the Cameron Group Integration team. In 2016, we revisited our selection of Ambassador universities and streamlined our Recruiting organization. For the fifth year in a row we retained our leadership position as a Top-50 Global Employer, ranking 28 in attractiveness and 42 overall.

Over the past five years, Schlumberger has invested more than \$50 million in advancing science and engineering at more than 70 universities around the globe. In 2016, we invested in six technology transfer and commercialization initiatives and our R&E group participated in about 90 collaborations with 65 universities around the world.

These collaborations, many of which are ongoing, are directly relevant to the primary technical challenges facing the oil and gas sector. Approximately 49% of our collaborations are related to

software development, 30% to advanced materials, and 21% to robotics, mechatronics, and automation. They include technologies for deepwater operations, such as the development of subsea engineering education programs, footprint reduction in operations to extract unconventional resources, materials and chemistries for extreme operating environments, technologies to improve the accuracy of surface and subsurface measurements, and high-performance computing and big-data analytics.

#### **Education Program**

Our education program is building a pipeline of STEM talent. In 2016, we donated more than \$1 billion worth of software to more than 600 universities, colleges, and high schools in 70 countries. Almost 50% of this support went to 25 universities, mostly in North America, to support the education of thousands of national and international students and the work of hundreds of professors and research scientists in the earth sciences, petroleum-related engineering disciplines, and software development. In addition, we continue to donate computer equipment to institutions in underprivileged communities and develop a bioassay lab in sub-Saharan Africa to support basic environmental education.

More than 20 members of the Schlumberger leadership team serve on university boards around the world. Our representatives also serve on faculty or deans' industry advisory boards, on departmental industry affiliates committees, and on student project committees at the undergraduate and graduate levels.

Schlumberger continues to sponsor and interact with several academic chairs, with a dozen professors active in 2016 and a few recently assigned by host universities in the United States, United Kingdom, and Egypt. This interaction also includes visiting professors in India, Malaysia, Netherlands, and the United States. In 2016, we invested almost \$1 million in scholarships, either by supplying direct financial aid or in the form of tools and training. We hosted competitions such as the Schlumberger Ocean Academic Competition, aimed at developing software competencies among select university and high school students, in addition to hosting a PetroChallenge™ competition aimed at promoting deeper knowledge of the sector and inter-disciplinary collaboration across engineering, science and business schools or faculties. We continued to support competitions organized by professional societies, such as the American Association of Petroleum Geologists Imperial Barrel Award and the Society of Exploration Geologists Geosciences without Borders, through grants, direct financing, and donations of software tools and expertise.

Furthermore, in 2016 we hosted approximately 700 interns from over 150 universities in more than 75 countries. The candidates came from more than 100 disciplines of study and worked in field operations, applied research, engineering, manufacturing, business, sales, finance, legal, and human resources.

Recruiting THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD

2016 Global Stewardship Report

## Recruiting

Schlumberger believes in meritocracy, early responsibility, and promotion from within. We provide a challenging workplace, we encourage fair employment practices, and we offer equal opportunities to all of our employees. For five years in a row we have been ranked by Universum as one of the world's top-50 engineering employers.

#### **Hiring for Success**

Our <u>recruiting</u> strategy is based on a long-term vision. We hire the best talent globally. Our investment in the accelerated development of our people by exposing trainees to multiple experiences across a variety of locations and operations helps us develop an agile workforce and the next generation of business leaders.

In 2016, we hired approximately 700 interns, 75% from target universities, and recruited 1,117 graduates, 37% of whom were females. The candidates came from all disciplines of study and worked in field operations, applied research, engineering, manufacturing, business, sales, finance, legal, and human resources.

#### **Social Impact Challenge**

Working in conjunction with the Society of Women Engineers (SWE), the Schlumberger recruiting team in North America sponsored a Serve 2 Succeed (S2S) social impact challenge by encouraging section members and partners to volunteer in their communities and to turn ideas into positive real-world impact. Over a five-week period in fall 2016, 630 volunteers from 13 universities participated in 145 volunteer events, contributing a combined total of almost 500 hours of volunteer time. Winners of the 2016

challenge were the University of Minnesota in the category Most Volunteering Events; McGill University for Best Video Content; and Tulane University for Best Social Impact Performance. For more information visit <a href="https://www.s2schallenge.com/">www.s2schallenge.com/</a>

#### **Veteran Career Transition**

Schlumberger held its first Industry Day for veterans in October and provided them with an overview of the oil and gas industry. Other activities for the day included a tour of the Company's Sugar Land campus, shop facilities, and a drilling rig. Several members of the human resources team volunteered their time and expertise to provide the veterans with a personalized one-on-one resume and interviewing workshop.

Schlumberger partnered with the Lone Star Veteran Association, NextOpVets, and several industry organizations to participate in monthly workshops focused on helping veterans transitioning between military and civilian service improve their skills in resume writing, interviewing tips, virtual branding, and financial responsibility. More than 50 veterans attended four workshops in 2016.

#### Recruiting



40+
Countries

443
Universities

Disciplines



THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Training and Development

2016 Global Stewardship Report

## Training and Development

Our investment in employee <u>training and development</u> is one of the largest among oilfield services companies. High-quality training is fundamental to the success of our employees, as well as to the success of our business. Our ability to adapt to new business challenges depends on the ability of our people to develop their competencies.

Training and development are continuous processes at Schlumberger. Training is delivered through classroom-based instruction, live simulations at learning centers, self-paced learning using the latest interactive technologies, and on-the-job education. Development opportunities include coaching, mentoring, and cross-training through career mobility to expose employees to new roles, geographies, business segments, and functions.

Depending on job position, all of our employees take various training modules on the topics of ethics, governance, compliance, health, environment, safety, and social responsibility. All employees prepare annual training and development plans with their managers and agree on specific actions for the year. Our goals are to foster partnerships between employees and the Company, and to create value for employees by enabling them to keep their skills current and to develop their talents to their full potential.

We also offer a significant number of internships for students, and many of our people started with Schlumberger this way. Interns generally progress through a period of intensive off-the-job technical training or receive on-the-job training interspersed with formal seminars.

#### **HSE Training**

All employees have access to an online application that collects HSE data. The system is used for a variety of functions, including recording and tracking HSE certifications. Throughout their careers, employees are assigned trainings based on specific roles and responsibilities. HSE training is adapted to local conditions and individual job assignments.

#### **Employee Development**

Opportunities are provided for employees to develop their full potential through a combination of training and experience during a progression of roles. For certain positions, our goal is to transfer employees to new roles every 24 to 36 months. Our borderless career philosophy means we support multiple flexible career paths; we take risks on people in developing them across functions, businesses and geographies. We provide employees with the necessary training to enable them to fulfill the requirements of their current role or position.

#### **Learning Centers**

Our global network of learning centers are busy year-round. Our training programs include technical, safety, personal development, business, and managerial courses as well as on-the-job training. New oilfield trainees follow a fixed-step training program that lasts three years, and all employees are offered courses that last from several days to 12 weeks, or are multiyear.

#### **Engage to Excel**

A new employee engagement survey in 2016 aimed at accelerating our transformation and improving our performance received a 95% participation rate by Schlumberger employees. Called Engage to Excel, the survey provided employees around the world with an opportunity to suggest ways to improve their work environment, grow our enterprise, and give back to local communities. More than 93,000 employees in 100 countries responded to 18 survey questions administered by Gallup Inc. The survey uncovered insights that helped Schlumberger identify strengths along with areas that need improvement.

#### **NExT**

NEXT, a Schlumberger company, provides training, competency and professional development services for the oil and gas industry. With a portfolio of over 600 courses, training programs, and competency services covering technical and software skills, NEXT assists in developing the petrotechnical expertise needed to meet today's increasingly complex industry challenges. NEXT has 24 dedicated subject matter experts and about 3,000 instructors teaching 11 disciplines in 119 countries. In 2016, NEXT hosted more than 1,500 classes and trained over 15,000 oil and gas industry professionals. NEXT also won the Getenergy Localization award after three consecutive years of winning that organization's Education and Training Provider of the Year award.

## Knowledge Management

The approach to knowledge management at Schlumberger encourages employees around the globe to share their expertise across the full spectrum of the Company's day-to-day activities, this includes topics such as addressing health, safety, and environmental concerns during our operations and best practices across all domains. Using established knowledge management systems and processes, Schlumberger employees address the technical challenges of the oil and gas industry. Within this strong culture of knowledge sharing, the Schlumberger approach to knowledge management enables people to connect, collaborate, and learn from one another on a daily basis.

In 2016, our employees viewed 10.8 million pieces of vetted information in the corporate knowledge base, and they accessed over 29,000 entries in our internal encyclopedia more than 20 million times since its inception. To facilitate networking within the Company

and encourage knowledge sharing, every employee maintains a curriculum vitae on our intranet, and these are accessed more than 9.8 million times annually.

For the eleventh year in a row, Schlumberger has been voted a winner in the Global Most Admired Knowledge Enterprises (MAKE) study—the international benchmark for world-class knowledge organizations. Overall rankings are based on a company's performance in eight individual categories, and in 2016 Schlumberger was voted No. 1 for creating an enterprise knowledge-driven culture, as well as for developing knowledge workers through senior management leadership. The global award recognizes organizations that outperform their peers in creating shareholder wealth by transforming tacit and explicit enterprise knowledge and intellectual capital into superior products, services, or solutions.



#### **Knowledge Sharing**

Number of Times Employee CVs Are Viewed	9,817,908
Number of Times Employees Have Viewed Database Info	10,798,060
Total Number of Objects in Knowledge Base	614,159
Number of Entries in Corporate Encyclopedia	29,000
Total Number of Times Encyclopedia Has Been Accessed	28,000,000
Total Number of Videos Uploaded	1,696
Total Downloads of Technical Articles	234,000
Employees Involved in Forums, Newsletters and Workshops	31,000
Number of Live Webinar Viewers	42,000
Number of Webinars Downloaded	130,000
Number of Webinars	750
Number of Bulletin Board Posts	120,000
Number of Bulletin Board Replies	225,000

THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Diversity

2016 Global Stewardship Report

## **Diversity**

Making diversity a business priority has given us access to the best people, no matter where they were born. Our people are our main asset. Schlumberger sees diversity of its workforce as an important part of its cultural philosophy and a business imperative because it enables the Company to serve clients anywhere in the world. We attract top performers from the countries where we work, and this broad range of perspectives enables us to better understand national issues, respond to local concerns, and deliver services that meet the unique expectations and requirements of our stakeholders and customers.

#### **National and Cultural Diversity**

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

#### **Management Diversity**

Employees from non-Western nationalities and emerging countries are now integrated into every level of the workforce, including senior management. The composition of our Board of Directors also reflects the diversity of the Company—among our 12 directors, three of which are women, four are citizens of the United States, three are citizens of Norway, and we have one citizen from each of the following countries: Argentina, Canada, France, Russia, and Saudi Arabia.

#### **Age Diversity**

Ongoing changes in the composition of our workforce require an adaptive approach toward recruitment, retention, and the mobility of our employees. As oil and gas companies lose the experience and expertise of senior professionals leaving the industry through retirement, it is important to capture their knowledge and pass it on. Schlumberger is dedicated to hiring, training, and retaining younger professionals to take on the leadership roles being vacated, and we benefit from the perspectives younger employees bring to the Company.

#### **Gender Diversity**

In accordance with the United Nations Sustainable Development Goal of achieving gender equality, we strive to meet the evolving needs of our workforce in terms of gender equality, work-life balance, and dual career expectations. We believe this focus helps us maintain our competitive edge. Schlumberger continually monitors equality in compensation for men and women globally across all grades with the goal of maintaining equity.

Our gender diversity focus began in 1994, when the Company set an overall target of having women comprise 15% of our workforce by 2015. After achieving this milestone ahead of schedule in 2011, we set a new target of having women comprise 25% of our workforce at all levels of the organization by 2020.

In 2016, women made up 16.4% of the Schlumberger workforce—double that of the oil and gas industry worldwide. Within our salaried population, 19.2% are female. As of December 31, 2016, we had three female presidents, two female GeoMarket managers, and eight female vice presidents.

#### **Connecting Women**

Connect Women, a networking community within Schlumberger, enables women and men around the globe to ask questions internally and provide guidance on a wide variety of topics, such as career planning, work-life balance, and gender equality. Connect Women's mission is to empower women to achieve their full potential through networking, mentoring, development, and community outreach. Connect Women has more than 50 local chapters around the world that enable members and managers to meet regularly to exchange ideas and propose concrete actions to facilitate integration and career progression within Schlumberger.

In 2016, Connect Women more than doubled its membership to more than 6,800 to become the largest community in Schlumberger. Global activities reached a new record of more than 55,000 downloads and included webinars, newsletters, and highlights of internal and external leaders.

#### **Advancing Careers**

In partnership with Heriot-Watt University in the United Kingdom, Schlumberger offers scholarships for women working on their bachelor's or master's degrees in engineering and science. Students must be in their third year or higher and recipients are awarded financial assistance each year for up to three years of study.

#### **Women's Global Leadership Conference**

Attracting more than 600 attendees, the Women's Global Leadership Conference in Energy provides a global gathering for women to meet and discuss issues surrounding leadership in the energy industry. The conference strives to provide a meaningful

2016 Global Stewardship Report

discussion on all aspects of responsible stewardship ranging from energy security and geopolitics to personal career development.

The theme of the 2016 conference, Changing the Landscape of Leadership in the Energy Industry, offered a forum for sharing ideas to support women moving into leadership positions in our industry, and Schlumberger leaders were active participants in the program.

The Schlumberger president of North America spoke about, "Listening: An Essential Habit for Effective Leadership." The Sugar Land test facilities manager moderated a panel discussion titled, "Acceleration of the Big Crew Change: Building a Brighter, Diversified Tomorrow for STEM Professionals," and our global eCommerce analyst moderated a panel discussion about, "Driving the Future of the Industry: Big Data Initiatives in Oil and Gas." Our public relations manager of the Western Hemisphere served as chair of the conference advisory board. Additionally, Schlumberger was a Platinum Sponsor of the conference in support of our gender diversity focus.



"One of our greatest strengths is the diversity of our workforce around the world. We have men and women of many nationalities and backgrounds working together—this wide variety of perspectives stimulates creativity and innovation and helps maintain our competitive edge."

- Patrick Schorn, *President Operations* 

#### **Revenue Contribution**

(percentage)

15 Latin M

America

34 Middle East

Asia

Europe,

24
North

America

#### **National and Cultural**

<del>Off</del>+

ountries We Work In 140+

Nationalities
Represented in Our
Workforce

#### **Nationality Mix**

(percentage)

 $\frac{13}{Latin}$ 

America

Middle East.

Asia

JO Europe,

CIS. Africa

North America

#### **Gender Diversity**

(percentage)

16.4
Women in

Women in the Company Management Positions

20.F Women in Ju

Women in Junior
Management
Positions

9.2

Women in Top Management Positions HIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Local Initiatives and Global Impact

2016 Global Stewardship Report

## Local Initiatives and Global Impact

As a multinational company, Schlumberger conducts business in more than 85 countries. In each of those countries, our employees are also active and engaged community members, parents, and volunteers.

Wherever we work and live, we engage with local institutions, coordinate our activities with community initiatives and objectives, and invest in local capacity building. Our approach as global stewards is to focus on local concerns where we can make a positive difference and have the greatest impact.



Local Initiatives and Global Impact

THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD

2016 Global Stewardship Report

## Spotlight on Latin America

Schlumberger brings value to host countries by hiring and training local workers, procuring local supplies and services, and building capacity among local suppliers. In this section, we highlight some of our community engagement activities in Latin America.

#### **Ecuador Disaster Relief Fund**

When a 7.8 magnitude earthquake struck Ecuador on April 16, 2016, 600 hundred people lost their lives and tens of thousands were left homeless. Along with confirming that all of our employees were safe, Schlumberger set up a disaster relief fund to support the affected communities. To help provide food, water, and power, our employees made personal donations from wherever they were in the world, and the Company matched every donated dollar for a total of \$284,000. Schlumberger arranged for two helicopters to assist in the relief efforts while local employees participated in the construction of two potable water wells and helped deliver food, supplies, water, and medicine. In Houston, Schlumberger summer externs prepared and packaged 1,000 "Think Like a Scientist" kits that were sent to schools in the affected area. These activities are designed to bring out positive feelings by implementing a play approach to learning by using accessible materials that students can take with them to help them feel motivated and empowered.

#### **Social Investment in Ecuador**

On its large-footprint projects in Ecuador, in 2016 Schlumberger Production Management developed a voluntary social investment program to ensure good social and environmental performance across the contracting chain. In a series of workshops with the operator and its first-tier contractors, Schlumberger identified three areas of social investment that all partners agreed would best create shared value

for both the community and their businesses: community health, education, and arts and culture. In order to effect measurable long-term benefits and social change to local communities, the partners sought to focus resources by identifying legacy programs that could be revitalized or expanded. This new collaboration across the contracting chain has created a greater awareness of community priorities, understanding of the community's expectations of the industry, and a new starting point for transformation in the communities where we work and live.

#### **Petroleum Education in Venezuela**

Almost 200 preschool children in La Vega, Venezuela, learned about the oil and gas industry when Schlumberger Excellence in Education Development (SEED) volunteers visited to present, "A Petroleum Day in My School." The presentation included instructional videos, models, and games in addition to maps illustrating oilfield activities in Venezuela. In addition, SEED Venezuela hosted a workshop called "Ecology, Energy, and Energy Saving" in partnership with a local science and technology organization, FONACIT. This workshop

focused on the importance of energy in powering today's world, and how energy-saving initiatives at work and in the home can help make the world more ecologically sustainable. Venezuela has one of the largest oil reserves in the world, the Orinoco Oil Belt.

#### **Work Anniversary in Mexico**

We conducted our first well logs in Mexico in 1936 using manually operated equipment, and in 1943 a subsidiary company, Schlumberger Surenco S.A., ran the first electric log in the Poza Rica #25 well. Since then Schlumberger has introduced numerous technologies for every service line in the Company's portfolio. Today we conduct operations from bases in Villahermosa, Poza Rica, Reynosa, Tampico, Ciudad del Carmen, and Veracruz, as well as from manufacturing and support centers in Monterrey and Mexico City. The Company celebrated its 80th anniversary of operations in Mexico with a variety of events, and for the eighth consecutive year Schlumberger was recognized by the Mexican Center for Philanthropy with a "Socially Responsible Company" award.

During 2016, we assisted Ecuador's earthquake victims and gained a better understanding of expectations and priorities for social investment in local communities.



16 Awards and Recognition THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY

2016 Global Stewardship Report

## 2016 Awards and Recognition

In 2016, we continued to be recognized for our educational programs and for our corporate emphasis on social responsibility. We believe that our size and geographic reach enables us to make valuable contributions to developing economies by hiring locally, by building domestic capacity in our supply chains, and by offering other forms of support for the communities where we live and work.

Schlumberger is also widely respected for technology advances that help customers produce oil and gas more efficiently while helping them conserve natural resources and minimize their environmental footprint. This year we received numerous awards from industry peers honoring our technology advantage.

## Sustainability Awards

#### Geteneray Ltd.

#### **Localization Award of the Year**

NExT Schlumberger has received the Localization Award of the Year from Getenergy Ltd. This award recognizes organizations that have contributed to supporting local education and supply chain capacity building.

Getenergy Ltd., a global education and training organization for the energy industry, focuses on designing and operating events that link education provision and the oil and gas industry.

#### **Most Admired Knowledge Enterprises (MAKE)**

#### 2016 Global MAKE Award

For the eleventh consecutive year, Schlumberger was voted a winner in the Global Most Admired Knowledge Enterprises (MAKE) study—the international benchmark for world-class knowledge organizations. Managed by Teleos, the 2016 Global MAKE study ranked Schlumberger in fourth place overall. The award recognizes organizations that outperform their peers in creating shareholder wealth by transforming tacit and explicit enterprise knowledge and intellectual capital into superior products, services, or solutions.

Teleos is an independent research company in knowledge management and intellectual capital areas.

#### **Junior Achievement**

#### President's Volunteer Service Award

Schlumberger received a Junior Achievement USA Bronze President's Volunteer Service Award (PVSA) for the 2015–2016 program year. Created by the President's Council on Service and Civic Participation, the award is given to individuals and organizations who contribute a significant amount of time to volunteer service. Schlumberger volunteers contributed more than 5,000 hours of teaching to students in the Houston area.

The PVSA is a premier volunteer awards program that encourages citizens to live a life of service through presidential gratitude and national recognition.



THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Sustainability Award

2016 Global Stewardship Report

#### **GulfTalent**

#### Top 20 Most Popular Employers for Saudi Graduates

Schlumberger earned third-place on a list of the most sought-after multinational employers in an annual survey by GulfTalent of recent graduates at the King Fahd University of Petroleum and Minerals in Saudi Arabia.

GulfTalent's 2016 study was based on a survey of 224 recent graduates and final-year students from King Fahd University of Petroleum & Minerals.

#### Saudi Aramco

#### iktva Excellence Award

Schlumberger received a Saudi Aramco iktva Supplier Excellence Award in the category of "Highest in Saudi Workforce".

Designed to drive domestic value creation with the aim of achieving 70% localization of all spending on goods and services and enabling the export of 30% of Saudi energy sector products by 2021, iktva is Saudi Aramco's flagship localization initiative.

#### PwC Global

#### 2016 FutureBrand Index

Schlumberger ranked 45 on the 2016 FutureBrand Index, a global perception study of the PwC Global Top 100 Companies by market capitalization. Now in its third year, the index offers a rigorous assessment of how "future proof" the world's 100 most prominent companies are. Companies are measured across six key perception categories to produce a ranking of companies that have the right qualities in balance.

The 2016 FutureBrand Index explores the rise of consumer services organizations in the context of digital transformation and the new rules of customer experience.

#### **FutureToday**

#### Top Employers in Russia

Schlumberger ranked at No. 17 among university students attending oil and gas-related faculties in Russia, and No. 45 overall among students attending Russian universities, according to a poll conducted by FutureToday.

FutureToday is the leading Russian provider of graduate recruitment and employer branding services.

#### Barron's

#### **World's Most Respected Companies 2016**

Schlumberger ranked at No. 26 on Barron's Top 100 World's Most Respected Companies list for 2016. Every year Barron's surveys professional money managers about their views of the world's 100 largest companies by market value. About 75% of survey participants said they highly respect or respect the Company.

SyncForce Ranking the Brands Top 100 is a consolidated ranking based on all globally published brand rankings.

#### **Rigzone Magazine**

#### **Global Top-10 Ideal Employers**

Rigzone's Ideal Employer Survey, carried out between July and September, asked 8,400 respondents in more than 100 countries which company they would most like to work for. Schlumberger ranked at No. 6 in the magazine's list of Global Top-10 Ideal Employers.

Rigzone's first annual Ideal Employer research explored current market sentiments of global oil and gas professionals, particularly in regard to their choice of ideal employers and their reasoning behind this choice.



Sustainability Awards THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD

2016 Global Stewardship Report

#### **Forbes Middle East Magazine**

#### **Top 100 Executives**

The Schlumberger Middle East and Asia president was recognized by the business publication Forbes Middle East, ranking at No. 30 in the publication's list of Top 100 Executives in the Middle East and North Africa region.

Forbes Middle East Magazine features articles and reports related to the finance and business world.

#### **ConocoPhillips**

#### **HSE Excellence Award**

The Schlumberger Alaska team received the ConocoPhillips HSE Excellence Award as recognition for demonstrating commitment to HSE excellence and the guiding principles of the incident-free culture at ConocoPhillips. Recipients of this award are selected by evaluation of both leading and lagging indicators over a period of a few years. Schlumberger Alaska has seen significant improvement in both Total Recordable Incidents Rate as well as Spill Rate since 2014.

With almost 15,000 people working in 20 countries of operations, ConocoPhillips is committed to the efficient and effective exploration and production of oil and natural gas.

#### **Institutional Investor Magazine**

#### **2016 Most Honored Company**

Schlumberger ranked among the top companies for corporate leadership and investor relations expertise in the 2016 Institutional Investor All-America Executive Team rankings. A total of 1,930 companies in the United States received votes in this year's All-America Executive Team survey, and Schlumberger was one among 144 companies to receive a "Most Honored" distinction.

For more than 30 years, Institutional Investor has recognized people and firms in the financial services industry for excellence.

#### **IR Magazine**

#### Global Top 50 Gold Ranking: 2016

Schlumberger ranked No. 12 on *IR Magazine*'s 2016 list of Global Top 50 companies for meeting international standards of disclosure, transparency, and communication in investor relations.

IR Magazine's Global Top 50 ranking celebrates companies that demonstrate excellence in communicating with their shareholders and that get their investor relations (IR) programs right all the time.

#### 2016 Best in Sector: Energy

IR Magazine ranked Schlumberger as Best in Sector: Energy for 2016 in the Investor Perception Study-United States. In total, 342 American companies across a range of sectors and market capitalizations were ranked in the magazine's 2016 investor perception study.

IR Magazine is a publication of IR Media Group, a business media company. Originally launched in 1988 by the Economist Group, IR Magazine is known for providing quality insight and a global perspective.

#### **Newsweek Green Rankings**

Schlumberger placed 124 in the United States and 220 worldwide in the 2016 Newsweek Green Rankings, which measure corporate sustainability and environmental impact among 500 of the world's largest publicly traded companies. Schlumberger placed fourth in the energy sector in the US rankings, and 10th in the energy sector in the world rankings. The 2016 rankings feature eight key performance indicators used to assess and measure corporate environmental performance.

Based on research from Corporate Knights and HIP (Human Impact + Profit) Investor Inc., the Newsweek Green Rankings are one of the world's most recognized assessments of corporate environmental performance.

## United States Department of Defense Employer Support of the Guard and Reserve

#### **Pro Patria Award**

Schlumberger received an Employer Support of the Guard and Reserve Pro Patria Award, the highest award presented by the United States Department of Defense at the state level. The annual award is presented to recipients who have demonstrated support to Guard and Reserve employees through their leadership and practices, including adopting personnel policies that make it easier for employees to participate in the National Guard and Reserve. Schlumberger employees perform a variety of community service and outreach activities within the veteran community.

THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD Sustainability Award

2016 Global Stewardship Report

#### **Military Friendly Employer**

Schlumberger received a Military Friendly Employer designation, ranking at No. 4 in the nation within the manufacturing industry. The award considered the overall percentage of veterans in our workforce, the percentage of veterans we hired in the previous year, what we do for the veteran community, and what we do for our veteran employees in terms of career development, military leave policy, and removing barriers to entry.

#### **Military Friendly Spouse Employer**

Schlumberger received a Military Friendly Spouse Employer designation, ranking No. 1 in the nation within the manufacturing industry. The award was given to recognize spouses of employees who led a variety of projects that benefited the veteran community.

The US Department of Defense bestows Employer Support of the Guard and Reserve awards to recognize employers who support their Guard and Reserve employees.

#### **Royal Society of Chemistry Industry and Technology Awards**

#### **Industrial Analytical Science Award**

Schlumberger Gould Research received an award for the development of cutting-edge industrial sensors to monitor the impact of climate change and how to optimize new fuels to combat it.

The Royal Society of Chemistry is the world's leading chemistry community, advancing excellence in the chemical sciences. The Industry and Technology Awards recognize talented teams and individuals across the chemistry-using industry.

#### **Center for Offshore Safety**

#### Safety and Environmental Management Systems Certification

The Center for Offshore Safety issued its first safety and environmental management systems (SEMS) certification outside of the Gulf of Mexico to Schlumberger North America. This is the second voluntary SEMS certification of the Schlumberger program, which now encompasses the Alaska region.

The Center for Offshore Safety is an industry-led group promoting continuous safety improvement for offshore drilling, completions, and operations through effective leadership, communication, teamwork, disciplined management systems, and independent third-party auditing and certification.

### Brazil National Agency of Petroleum, Natural Gas and Biofuels

#### **Technology Innovation Award**

CO2 Self-Healing and Resistant Cement Systems

Schlumberger Well Services and Petrobras were jointly honored with a 2016 Technology Innovation Award for the Schlumberger  $\rm CO_2$  Self-Healing and Resistant Cement System. Awarded by the Brazilian National Agency of Petroleum, Natural Gas and Biofuels, the Technology Innovation Award encourages and recognizes innovative technologies with applicability in the oil and gas industry.

The Brazil National Agency of Petroleum, Natural Gas and Biofuels presents the Technology Innovation Award award for technologies developed in Brazil by large enterprises in collaboration with Petrobras, the Brazilian national oil company.

#### **Employee Recognition**

A book chronicling the lives of female geologists through memories shared by family and friends was released in Houston at the annual American Association of Petroleum Geologists conference. Anomalies: Pioneering Women in Petroleum Geology: 1917 to 2017 features female pioneers in petroleum geology and includes a profile of the director of global social responsibility at Schlumberger.

The Greater Houston Women's Chamber of Commerce (GHWCC) honored our director of educational programming with a 2016 Advocate of the Year award. GHWCC is a nonprofit business organization of influential women and men dedicated to the advancement and empowerment of women through avenues of leadership, education, advocacy, and mentoring. Schlumberger has been a member of the GHWCC for five years.

Our executive vice president of corporate development and communications accepted a Global Impact Award presented by the Houston Area Chapter of the United Nations Association. The award recognizes the global philanthropic and outreach efforts of Schlumberger, in particular our work to promote education in STEM fields of study. The Houston Area Chapter of the United Nations Association is one of the oldest and largest of 160 chapters in the United States.

Technology Awards

This is schlumberger environment community track recoi

2016 Global Stewardship Report

# **Technology Awards**

#### 2016 World Oil Awards

The annual World Oil Awards program recognizes the upstream oil and gas industry's leading innovations. In 2016, four Schlumberger technologies were honored with industry awards.

**Best Completion Technology Award:** The Manara production and reservoir management system, developed in collaboration with Saudi Aramco, provides downhole permanent monitoring and in-lateral flow control of multiple zones and compartments in real time—for the first time, even in multilateral wells.

**Best Drilling and Completion Fluids Award:** The <u>HydraGlyde</u> high-performance water-base drilling fluid system delivers an oil-base mud—comparable rate of penetration (ROP), exceptional hole cleaning, and superb wellbore stability in high-angle build and long-lateral sections.

Best Health, Safety, Environment/Sustainable
Development – Onshore Award: The <u>xWATER</u> integrated
water-flexible fracturing fluid delivery service enables 100% reuse
of produced water while also reducing or eliminating the costs
associated with water acquisition, transportation or conveyance,
water treatment, and disposal.

# **Best Well Intervention Technology Award:** The **ProMILL**

trip-saving milling and underreaming system combines an underreamer and a section mill in one single-trip solution, achieving rock-to-rock zonal isolation and preparing the foundation for an abandonment cement barrier. Performing both operations in the same trip not only saves rig time and improves ROP but ensures plug integrity for confident plug and abandonment decisions.

The World Oil Awards recognize and honor the upstream industry's top innovations and innovators.

# E&P Magazine

### 2016 Meritorious Awards for Engineering Innovation

The following awards were presented to winners who spanned a broad range of disciplines and addressed a number of problems that pose roadblocks to efficient operations. The resulting technological advances opened new and better avenues to the challenging process of finding and producing hydrocarbons worldwide. In 2016, Schlumberger received the following awards:

#### Drilling Fluids/Stimulation

• Broadband Services composite fracturing fluids, Schlumberger

#### **Drilling Systems**

• ICE UltraHT drilling services, Schlumberger

### Intelligent Systems and Components

 Manara production and reservoir management system, Saudi Aramco and Schlumberger

#### Water Management

 xWATER integrated water-flexible fracturing fluid delivery service, Schlumberger

The annual Hart Energy Meritorious Award honors engineering excellence and achievement in the upstream petroleum industry. The program recognizes new products and technologies that demonstrate innovation in concept, design, and application.

### **Offshore Technology Conference**

# **Spotlight on New Technology Awards**

The Offshore Technology Conference (OTC) recognizes innovative technologies with the Spotlight on New Technology Awards. Winning technologies are selected based on four criteria:

- New and Innovative: less than two years old; original and groundbreaking
- Proven: through full-scale application or successful prototype testing
- Broad Interest: broad appeal for the industry
- Significant Impact: provides significant benefits beyond existing technologies

In 2016, Schlumberger received meritorious awards for the following technologies:

#### AquaWatcher™ Water Analysis Sensor

The OneSubsea AquaWatcher™ Water Analysis Sensor detects minuscule quantities of water in multiphase and wet gas flows and determines the salinity of that water. The patent-pending technology can also measure the concentration of chemicals in water to determine accurate dosage requirements, thus enabling significant risk reduction and reduced costs.

# HyFleX™ Subsea Tree System

OneSubsea HyFleX™ Subsea Tree System provides benefits of both vertical and horizontal conventional trees. Designed so the tubing hanger and tree can be installed and recovered independently of each other, it provides functional flexibility and the ability to batch set wells, mitigate risk, and save significant costs both in field development and over the life of the field.

The Offshore Technology Conference (OTC) is the world's largest trade show for offshore resources in drilling, exploration, production, and environmental protection. OTC is sponsored by 13 industry organizations and societies.

# **Global Reporting Initiative G4** Disclosures

The Schlumberger 2016 Global Stewardship Report was developed using the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines as our main reference. The GRI guidelines help businesses, governments, and other organizations measure and report their sustainability performance in the areas of economic, environmental, and social impacts.

In addition to using the GRI guidelines, we have been influenced by guidelines issued by IPIECA; American Petroleum Institute: International Association of Oil & Gas Producers; and the Sustainability Accounting Standards Board. These organizations include indicators and reporting elements to help companies report on priority issues.

Material issues for the oil and gas industry include a range of environmental, social, and governance topics. Based primarily on information obtained through regular and ongoing interaction with our customers, Schlumberger reports on

data that is relevant to our Company performance and to our external audiences and stakeholders. The content in this report was chosen based on a materiality review using the criteria of applicability, degree of impact, and risk. When an indicator is deemed to be useful, we provide reliable and verifiable data to the greatest extent possible utilizing internal data collection systems.

In addition, we have engaged PwC to review our processes and procedures and to verify a sample of the data listed below. PwC has expressed a limited assurance that our data are in all material respects fairly presented and in accord with guidelines used by Schlumberger.

The table that follows identifies and maps specific GRI and IPIECA reporting indicators by providing page locations for information covered in this report, which is specific to Schlumberger.

	Category: General Standard Disclosures		
Standard Disclosure	Standard Disclosure Title	IPIECA Indicator	Information Location
	Strategy and Analysis		
G4-1	Statement from the most senior decision-maker of the organization		2
	Organizational Profile		
G4-3	Name of the organization		1
G4-4	Primary brands, products, and services		Annual Report
G4-5	Location of the organization headquarters		Back Cover
G4-6	Number of countries where the organization operates		3
G4-7	Nature of ownership and legal form		Background
G4-8	Markets served		10-K
G4-9	Scale of the organization		3
G4-10	Breakdown of employee type		3, 62, 63
G4-12	Describe the organization's supply chain		49-51
G4-13	Significant changes during the reporting period		Annual Report
G4-16	List memberships of associations and national or international advocacy organizations		55
G4-17	Entities included in the organization's consolidated financial statements or equivalent documents		10-K/Proxy
	Stakeholder Engagement		
G4-24	List of stakeholder groups engaged by the organization		52-55
G4-25	Basis for identification and selection of stakeholders with whom to engage		52–55
G4-26	Organization's approach to stakeholder engagement		52-55
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns		52–55
G4-29	Date of most recent previous report		Reports
G4-30	Reporting cycle (such as annual, biennial)		Reports
G4-31	Provide the contact point for questions regarding the report or its contents		Back Cover

	Governance		
G4-34	Governance structure of the organization		5
G4-38	Composition of the highest governance body and its committees		5, 6
G4-39	Report whether the Chair of the highest governance body is also an executive officer		5
G4-40	Nomination and selection processes for the highest governance body and its committees		5, 6
G4-41	Processes for the highest governance body to avoid and manage conflicts of interest		5, 6
G4-45	Highest governance body's role in the identification and management		5, 6
G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes		5, 6
G4-51	Remuneration policies for the highest governance body and senior executives		6
	Ethics and Integrity		
G4-56	Organization's values, principles, standards, and norms of behavior		8-11
G4-57	Internal and external mechanisms for seeking advice		8–11
G4-58	Internal and external mechanisms for reporting concerns		8–11
	Category: Economic		
Standard	Standard	IPIECA	Information
Disclosure	Disclosure Title	Indicator	Location
	Economic Performance		
G4-EC1	Direct economic value generated and distributed	SE4, SE13	6, 47
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change		15
	Market Presence		
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	SE6	49, 53
	Indirect Economic Impacts		
G4-EC7	Development and impact of infrastructure investments and services supported	SE4	47
G4-EC8	Significant indirect economic impacts	SE4, SE6	47
	Procurement Practices		
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	SE5, SE7	3, 53

	Category: Environmental		
Standard	Standard	IPIECA	Information
Disclosure	Disclosure Title	Indicator	Location
	Materials		
G4-EN2	Percentage of materials used that are recycled input materials	E10	16, 17, 32, 33
G4-EN3	Energy consumption within the organization	E2	16, 17
G4-EN4	Energy consumption outside the organization		16, 17, 49–51
	Energy		
G4-EN6	Reduction of energy consumption	E2	16–18
G4-EN7	Reductions in energy requirements of products and services	E3	16, 17, 25–29
	Water		
G4-EN8	Total water withdrawal by source	E6	16, 17
G4-EN10	Percentage and total volume of water recycled and reused	E6	16, 17
	Biodiversity		
G4-EN12	Description of significant impacts of activities, products, and	E5	15
	services on biodiversity in protected areas		
G4-EN13	Habitats protected or restored	E5	15
	Emissions		
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	E1	16–18
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	E1	16–18
G4-EN19	Reduction of greenhouse gas (GHG) emissions	E1	16–18
	Effluents and Waste		
G4-EN23	Total weight of waste by type and disposal method	E10	16, 17
G4-EN24	Total number and volume of significant spills	E9	16, 17
G4-EN25	Weight of hazardous waste transported, imported, exported, treated, and shipped internationally	E10	16, 17
	Products and Services		
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	HS4	20–29
	Compliance		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		Annual Report
	Overall		
G4-EN31	Total environmental protection expenditures and investments by type		30–33

	Supplier Environmental Assessment		
G4-EN32	Percentage of new suppliers that were screened using environmental criteria		9, 49–51
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain		49–51
	Category: Social		
Standard Disclosure	Standard Disclosure Title	IPIECA Indicator	Information Location
	Sub-Category: Labor Practices and Decent Work		
	Occupational Health and Safety		
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities	HS3	42–45
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	HS2	42-45
	Training and Education		
G4-LA9	Average hours of training per year per employee	SE17	60
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees by assisting them in managing career endings	SE17	60
G4-LA11	Percentage of employees receiving regular performance and career development reviews	SE17	60
	Diversity and Equal Opportunity		
G4-LA12	Composition of governance bodies	SE15	5, 62-63
	Supplier Assessment for Labor Practices		
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria		9
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain		49–51
	Sub-Category: Human Rights		
	Investment		
G4-HR1	Number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	SE8	48
	Child Labor		
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	SE8, SE9	11, 48

	Sub-Category: Human Rights		
	Supplier Human Rights Assessment		
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	SE9	9, 49
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain		49–51
	Sub-Category: Society		
	Local Communities		
G4-S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs	SE1	53, 54, 64, 65
G4-S02	Operations with significant actual and potential negative impacts on local communities	SE1	53, 54
	Anti-Corruption		
G4-S03	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	SE11, SE12	9–11
G4-S04	Communication and training on anti-corruption policies and procedures	SE11	9–11
	Public Policy		
G4-S06	Total value of political contributions	SE13, SE14	5
	Anti-Competitive Behavior		
G4-S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes		9–11
	Supplier Assessment for Impacts on Society		
G4-S09	Percentage of new suppliers that were screened using criteria for impacts on society	SE12	9
G4-S010	Significant actual and potential negative impacts on society in the supply chain	SE12	49–51
	Category: Social		
Standard Disclosure	Standard Disclosure Title	IPIECA Indicator	Information Location
	Product Responsibility		
	Customer Health and Safety		
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	HS4	20–25
	Marketing Communications		
G4-PR6	Sale of banned or disputed products	HS4	9, 10

# Performance Data Table

Metric		Units		Year		Reference
Corporate Governance			2014	2015	2016	Page Number
Number of Employees Worldwide, approximately		_	105,000	95,000	100,000	3
Countries We Work In		_	85+	85+	85+	3
Nationalities Represented in Our Workforce		_	140+	140+	140+	3
	Latin America	percentage	17	18	13	3
National Mix	North America	percentage	31	21	20	3
National Wilx	Middle East, Asia	percentage	22	30	29	3
	Europe, CIS, Africa	percentage	30	31	38	3
Revenue Contributions	Latin America	percentage	18	17	15	3
	North America	percentage	33	28	24	3
	Middle East, Asia	percentage	21	28	34	3
	Europe, CIS, Africa	percentage	28	27	27	3
Revenue		in millions of dollars	48,580	35,475	27,810	6
Income from Continuing Operations		in millions of dollars	5,643	2,072	(1,687)	6
Diluted Earning per share from continuing operation excluding charges and credits	ns,	_	4.31	1.63	(1.24)	6
Cash Dividends per Share		in millions of dollars	1.60	2.00	2.00	6
Cash flow from Operations		in millions of dollars	11,195	8,805	6,261	6
Environmental Performance			2014	2015	2016	Page Number
CO₂e Emitted (Scope 1)		thousands of metric tonnes	2,100	1,400	1,136	17
CO₂e Emitted (Scope 2)		thousands of metric tonnes	747	577	704	17
CO₂e Emitted (Scope 1 + 2)		thousands of metric tonnes	2,847	1,987	1,840	17
CO₂e Emitted (Scope 3)		thousands of metric tonnes	1,191	1,057	876	_
Total Energy Consumption		thousands of MWh	9,450	6,275	5,506	_
Electricity Use		thousands of MWh	1,100	930	1,220	17
Renewable Energy Use		thousands of MWh	25.8	25.1	0	17

Environmental Performance			2014	2015	2016	Page Number
Fuel Used – Natural Gas		MWh	240,000	320,000	314,000	_
Fuel Used – Oil/Diesel		thousands of MWh	8,350	5,000	3,972	_
Fuel Consumption by Toron	Distillate Fuel Oil No. 1	percentage	_	26	33	17
Fuel Consumption by Type	Diesel/Gas Oil	percentage	_	74	67	17
Water Use		thousands of cubic meters	3,300	3,000	3,433	17
Total Water Recycled		thousands of cubic meters	120	185	162	_
% Water Recycled		percentage	4	6	5	_
Waste Generated by Year		thousands of metric tonnes	410	450	488	17
Waste Recycled		thousands of metric tonnes	25	25	193	_
Raw Materials Used		thousands of metric tonnes	6,052	7,000	10,163	_
Number of Incidents >1 bbl of Oil		_	26	22	32	_
Hydrocarbon Bulk Fluids Spilled		liters	31,000	43,000	87,000	17
ISO 14001 Certified Sites		number of sites	74	70	112	_
Sites Subject to Environmental Audit Requirement		number of sites	905	790	742	_
Sites Subject to Environmental Audit Requirement		percentage	8.18	8.80	13.13	_
Environmental Accounting Cost		in millions of dollars	300	_	394	_
Investments in Operational Sustainability		in millions of dollars	322	_	407	_
CO₂e Per \$B Revenue Per Year		tonnes	58,700	56,011	66,160	17
CO₂e Per Employee Per Year		tonnes	23.7	20.8	18.4	17
	Electricity	million kWh	1.1	5.5	22.0	33
	Water	kiloliters	15,000,000	492,076	8,000	33
Lean and Green Program Savings	Hydrocarbon Fuel	liters	25,000	192	665	33
Lean and Green Frogram Savings	Natural Gas	cubic meters	_	48,000		33
	Materials	tonnes	2.8	11.4	12.0	33
	Waste	tonnes	210	26	295	33
Nonproductive Time Rate Improvement from Baseline Year	(2011)	percentage	33	51	55	18
Community and Education			2014	2015	2016	Page Number
	Workshops		38	190	132	38
SEED: STEM Workshops	Teachers	_	519	1,151	1,572	38
SELD. STEIN WORKSHOPS	Students	_	2,679	61,519	27,281	38
	Volunteers	_	225	3,130	730	38
	Workshops	_	_	161	122	39
HSE for Youth	HSE Topics	_	9	9	9	39
HOL IOI TOURI	Attendees	_	4,000+	4,000+	3,000+	39
	Countries	_	52	52	34	39

Community and Education			2014	2015	2016	Page Number
	New Scholarships Awarded	_	84	155	49	39
	Scholarships Renewed	_	91	129	169	39
Faculty for the Future	Developing Countries	_	69	80	78	39
ractify for the ruture	Fellow and Alumnae	_	_	_	600	39
	High Level Fields of Study	_	_	_	24	39
	Host Universities of Study	_	_	_	243	39
In Kind Civing	Commercial Initiatives	in millions of dollars	10.7	2,650.0	2,300.0	47
In-Kind Giving	Community Initiatives	in millions of dollars	18.0	16.9	10.0	47
	Assessments	_	_	28	35	48
Social Risk Assessments (2009-2016)	Assessments in 2016	_	_	_	4	48
Social nisk Assessifients (2003-2010)	Continents	_	_	5	5	48
	Countries	_	_	15	16	48
Number of Social and Environmental Baseline Studies		_	_	_	8	48
Amount Committed to the GCEP		in millions of dollars	25	25	25	57
Health and Safety			2014	2015	2016	Page Number
Company's health & safety system certified to OHSAS 18001		percentage	_	5	7	_
	Employee	_	4	1	5	45
	Contractor	_	4	1	1	45
Fatalities	Company Total	_	8	2	6	45
	Third Party	_	4	1	0	_
	Fatal Accident Rate	per 100 million work hours	1.84	0.53	1.87	44
Combined Lost Time Injury Frequency (CLTIF)		per million work hours	1.00	0.96	0.92	45
Automotive Accident Rate		per million miles	0.24	0.21	0.25	45
% data coverage as % of employee work hours for injury and illness		percentage	100	100	100	_
% data coverage as % of contractor work hours for in	jury and illness	percentage	100	100	100	_
Third party (PwC) verification for injury and illness da	ta	_	No	Yes	Yes	_
Total hours worked	Employees (Direct Workforce)		335,256,690	291,397,600	248,226,800	_
		Total Recordable Incidents (Inju (Fatality + LWDC + RDW				
Total Recordable Incidents	Employees (Direct Workforce)	_	608	461	346	_
Total Recordable Incident Rate (Frequency) <sup>4</sup>	Workforce (Employees + Contractors)	per million work hours	1.65	1.46³	1.30	_

THIS IS SCHLUMBERGER ENVIRONMENT COMMUNITY TRACK RECORD

Performance Data

		Lost Time Incidents (Injuries and (Fatality + LWDC)	Illnesses)			
Total Lost Work Time	Employees (Direct Workforce)	hours	62,560	30,744	20,808	_
Lost Time Incident Rate (Frequency) <sup>4</sup>	Workforce (Employees + Contractor)	per million work hours	0.65	0.55	0.52	_
		Total Recordable Injurie (Fatality + LWDC + RDWC +				
Total Recordable Injury Rate (Frequency)	Workforce (Employees + Contractor)	per million work hours	1.60	1.43	1.26	44
		Lost Time Injuries (Fatality + LWDC)				
Lost Time Injury Rate (Frequency) (LTIFR)	Employees (Direct Workforce)	per million work hours	0.68 <sup>3</sup>	0.57	0.49	45
Lost Time Injury Rate (Frequency) (LTIFR)	Contractors	per million work hours	0.44	0.46	0.56	45
Lost Time Injury Events (Lost Work Day Cases + Fatalities)	Employees (Direct Workforce)		229	165	122	_
Total Lost Work Time (Injury)	Employees (Direct Workforce)	days	7,820	3,843	2,601	_
Lost Time from Accidents (Injury)	Employees (Direct Workforce)	hours	62,560	30,744	20,808	_
Lost Time Severity Rate	Employees (Direct Workforce)	lost days per million work hours	23	13	10	_
		Lost Time Illnesses (Fatality + LWDC)				
Lost Time Illness Rate (Frequency) (OIFR)	Employees	per million work hours	0.021	0.007	0.020	_
Supply Chain			2014	2015	2016	Page Number
Critical Suppliers		absolute number	2,144	1,914	1,960	49
Audits of Tier 1 Suppliers	Critical Suppliers	percentage	62	52	27	49
Addits of their Suppliers	Total Suppliers	absolute number	61,760	48,902	52,109	49
Critical Suppliers for which more than 40% of their revenue comes from SLB		percentage	_	13	11	50
Citical Suppliers for which more than 40 % of their revenue comes from Sco		absolute number	_	249	209	50
Spend analysis covers 100% of suppliers		percentage	_	100	100	50
Spend analysis covers 100% of suppliers		absolute number	_	48,902	52,109	50
Of spend is covered in risk analysis		percentage	_	32	84	50
Suppliers that are at high risk		percentage	_	<1	<1	50
Supplier Audits were conducted		absolute number	_	205	332	50
Of audited suppliers have a documented development plan		percentage	_	37	32	50
University Relations and Recruiting			2014	2015	2016	Page Number
University Interns		_	900	180	700+	59
Recruiting Job Applications		_	500,000	327,000	275,000	59
Number of Countries Recruited In		_	80	85	40+	59
Number of Universities Recruited At		_	500	444	443	59

University Relations and Recruiting			2014	2015	2016	Page Number
Disciplines Recruited		_	_	55+	55+	59
Managament on University Advisory Doords		Schlumberger executives	_	20	24	58
Management on University Advisory Boards		number of universities	_	17	19	58
Training			2014	2015	2016	Page Number
	Average time per Position	hours	165	162	162	_
Investment for Operations Engineers,	Average Spend per Position	in millions of dollars	10,945	16,400	15,285	_
Petrotechnical Experts, and Specialists	Training Days	days	_	280,000	125,101	_
	Training Centers	centers	_	10	10	_
	Professionals Trained	_	10,000	32,000	15,000	60
	Instructors Across 11 Disciplines	_	_	_	3,000	60
NEST Training	Classes Held Worldwide	_	_	_	1,500	60
NExT Training	Countries Covered	_	_	_	119	60
	Practical Courses & Programs	_	420+	655	600	60
	Dedicated Subject Matter Experts	_	_		24	60
	New Job Experiences	percentage	_	70	70	_
Employee Development	Internal and Professional Coaching	percentage	_	10	10	_
	Training Courses	percentage	_	20	20	_
Knowledge Management			2014	2015	2016	Page Number
Number of Times Employee CVs are Viewed		_	11,000,000	13,000,000	9,817,908	61
Number of Times Employees Have Viewed Database Inf	0	_	1,500,000	12,600,000	10,798, 060	61
Total Number of Objects in Knowledge Base		_	_	582,000	614,159	61
Number of Entries in Corporate Encyclopedia		_	26,000	28,000	29,000	61
Total Number of Times Encyclopedia Has Been Accesse	d	_	20,000,000	25,000,000	28,000,000	61
Total Number of Videos Uploaded		_	3,000	1,014	1,696	61
Total Downloads of Technical Articles		_	250,000	234,000	234,000	61
Employees Involved in Forums, Newsletters and Workshops		_	29,000	29,000	31,000	61
Number of Live Webinar Viewers		_	_	42,000	42,000	61
Number of Webinars Downloaded		_	_	130,000	130,000	61
		_	500	750	750	61
Number of Webinars					400.000	61
		_	_	_	120,000	01
Number of Bulletin Board Posts			<u> </u>	_	225,000	61
Number of Bulletin Board Posts Number of Bulletin Board Replies					•	
Number of Bulletin Board Posts Number of Bulletin Board Replies Diversity		— — percentage	_	_	225,000	61
Number of Webinars  Number of Bulletin Board Posts  Number of Bulletin Board Replies  Diversity  Women in the Company  Women in Management Positions		_	2014	<u> </u>	225,000 <b>2016</b>	61 Page Number
Number of Bulletin Board Posts  Number of Bulletin Board Replies  Diversity  Women in the Company					225,000 <b>2016</b> 16.4	61 Page Number 63

 $<sup>^3</sup>$  Indicates a figure which has been adjusted from historical values published e.g. due to changes in company structure and scope of data reporting  $^4$  To convert from per million work hours to per 200,000 work hours, divide by 5

This report contains "forward-looking statements" within the meaning of the U.S. federal securities laws that is, statements about the future, not about past events. Such statements often contain words such as "expect," "may," "believe," "plan," "estimate," "intend," "predict," "anticipate," "should," "could," "will," "see," "likely," and other similar words. Forward-looking statements address matters that are, to varying degrees, uncertain, such as statements about our improvements in operating procedures and technology; performance and operational targets and other goals, forecasts or expectations; growth for Schlumberger as a whole and for each of its Groups and segments (and for specified products or geographic areas within a segment); oil and natural gas demand and production growth; rig count; oil and natural gas prices; the business strategies of Schlumberger's customers; the anticipated benefits of our transformation efforts; future global economic conditions; and future results of operations. These statements are subject to risks and uncertainties, including, but not limited to, the inability to reduce environmental impact; the inability to reduce the cost-per-barrel of hydrocarbon developments; global economic conditions; changes in exploration and production spending by Schlumberger's customers and changes in the level of oil and natural gas exploration and development; demand for our integrated services and new technologies; Schlumberger's future cash flows; the success of Schlumberger's transformation efforts; general economic, political, security and business conditions in key regions of the world; country risk; weather and seasonal factors; operational modifications, delays or cancellations; production declines; changes in government regulations and regulatory requirements, including those related to offshore oil and gas exploration, radioactive sources, explosives, chemicals, hydraulic fracturing services and climate-related initiatives; the inability of technology to meet challenges in sustainability, and challenges in exploration and production; and other risks and uncertainties detailed in our most recent Forms 10-K, 10-Q, and 8-K filed with or furnished to the U.S. Securities and Exchange Commission. If one or more of these or other risks or uncertainties materialize (or the consequences of such a development changes), or should underlying assumptions prove incorrect, actual outcomes may vary materially from those reflected in our forward-looking statements. The forwardlooking statements speak only as of the date of this report, and Schlumberger disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise.



Many of the terms found in this report are defined in the award-winning <u>Schlumberger Oilfield Glossary</u>. Launched in 1998, this collection of industry terms includes more than 46,000 entries for oilfield-related activities and technologies. The Oilfield Glossary mobile app can be downloaded from iTunes and contains definitions for more than 5,000 industry terms defined by technical experts.

