



## **Supplier Environmental Sustainability Obligations**

Supplier shall contribute as relevant and stated herein to SLB's sustainability initiatives aimed at reducing GHG emissions deriving from SLB's various operations and will cooperate with SLB in this regard.

### **Definitions:**

1. **Base Year:** According to the GHG Protocol Corporate Standard, a base year is “a historic datum (a specific year or an average over multiple years) against which a company’s emissions are tracked over time.” See Chapter 5 of the GHG Protocol Corporate Standard for more information on setting and recalculating a base year.
2. **Emissions Reporting Period:** SLB defined period for which Supplier shall communicate the GHG emission sources, fuel and industrial gas suppliers and CO<sub>2</sub> injection sites.
3. **Greenhouse Gas (GHG) emissions:** means the natural and anthropogenic gases which trap thermal radiation in the earth’s atmosphere and are specified in Annex A to the Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC) or otherwise specified by the UNFCCC at the date of this agreement, as may be amended from time to time, each expressed as a total in units of carbon dioxide equivalent (CO<sub>2</sub>e).
4. **GHG Protocol:** the standards to measure and manage emissions. GHG Protocol establishes comprehensive global standardized frameworks to measure and manage GHG emissions from operations, value chains and mitigation actions.
5. **ISO:** International Standards Organization. International standard for quality management.
6. **Life Cycle Assessment (LCA):** LCA is a methodology for assessing environmental impacts associated with all the stages of the life cycle of a commercial product, process, or service.
7. **Paris Agreement:** is a legally binding international treaty on climate change. It was adopted by 196 Parties at the UN Climate Change Conference (COP21) in Paris, France, on 12 December 2015. It entered into force on 4 November 2016. Its overarching goal is to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.



8. **Product Carbon Footprint (PCF):** A life cycle Product Carbon Footprint measures the total GHG emissions generated by a product, from extraction of raw materials to end-of-life. It is measured in carbon dioxide equivalents (CO<sub>2</sub>e). Product footprints should be associated with a scope or boundary, the most common being:

Cradle-to-gate: mostly used for business-to-business (B2B) products. This measures the total GHG emissions from the extraction of raw materials through to product manufacture up to the factory gate.

Cradle-to-grave: mostly used for business-to-consumer (B2C) products. This measures the total GHG emissions from the extraction of raw materials through to the product's manufacture, distribution, use and eventual disposal.

9. **Residual Emissions:** means a Party's GHG emissions from all operations including its value chain that are emitted after all reasonable efforts have been made to reduce them.
10. **Target Date:** Date set to reach the relevant objective.
11. **Target Year:** The year used for defining a GHG emissions target, e.g., to reduce CO<sub>2</sub> emissions 25% below the 2019 base year levels by the target year 2030. In other words, this is the date by which Supplier sets to achieve the reduction target. See GHG Protocol Corporate Standard for details.

**WHEREAS** Supplier agrees that it will comply with the following environmental deliverables below:

- 1.1 If required by SLB or any third party designated by SLB, Supplier shall and shall cause each of the members of Supplier Group providing Products or Services required by this Agreement to publicly disclose the environmental and social impact information and related actions undertaken by Supplier, including but not limited to climate change and human rights in a timely and accurate fashion to SLB and its designated third party.
- 2.1 Supplier shall commit to report on at least 95% of its scope 1 and 2 emissions as defined by the GHG Protocol corporate standard.
- 3.1 SLB may request third party assurance on the data to ensure accuracy and validity of the reporting.



4.1 Supplier agrees that it shall provide a structured GHG emissions reduction target which shall form part of this Agreement. Where Supplier has not set a GHG emissions reduction target, Supplier agrees that, within twelve months from the signature of this Agreement, it shall provide its GHG emissions reduction targets. A structured GHG emissions reduction target shall include a Base Year, a Target Year, for each scope 1 and 2 at the minimum, including scope 3, if possible, with a targeted reduction from Base Year which is consistent with the goals of the Paris Agreement, that is, with the level of decarbonization required to keep global temperature increase to 1.5 degree compared to pre-industrial temperatures. Supplier acknowledges that it is mandatory that Supplier commits continuously to its respective targets including its interim targets.

For the Base Year and Target Year Supplier shall take into account the following:

- Specify the Base Year emissions covered by target (metric tons CO<sub>2</sub>e or Intensity figure i. e Metric tons CO<sub>2</sub>e per unit of activity)
- If the Target Year is beyond 2030 (e.g.: 2040, 2050), then an interim target is made available as well (i.e. time horizon between 5 years and a maximum of 10 years until the target)
- Specify the nature of the target set by the Supplier:
  - (i) Absolute: Metric tons CO<sub>2</sub>e reduced.
  - (ii) Intensity: Metric tons CO<sub>2</sub>e per unit (product/revenue) reduced.

5.1 Supplier agrees to provide visibility on their emissions reduction roadmap and actions, and evidence that their materiality is coherent with the targets they have set.

6.1 Supplier shall ensure that it is able to provide a Cradle-to-gate PCF or a complete LCA for some specific products purchased by SLB from Supplier.

The PCF or LCA shall adhere to a recognized environmental footprint standard such as ISO or GHG Protocol.

7.1 If SLB reasonably determines or suspects that Supplier is not complying with their obligations herein, SLB may notify Supplier when SLB becomes aware, of such event. Supplier agrees that it shall, within thirty (30) days of receipt notice from SLB, take immediate corrective measures to address Supplier's non-compliance of its obligations under this Agreement.