# Environmental, Social, and Governance Report



Published in 2019

# Did You Know...

NOV's proprietary Thermal Desorption technology was used to clean over 190,000 tons of oil-contaminated drill cuttings in 2018, rendering them safe for disposal.





In many developing countries, NOV is a leading supplier of solar-powered irrigation pumps to the agricultural industry.

Nearly half of the underground fuel-transport flowlines in the U.S. utilize NOV's Dual-Containment Composite Flowline Technology to safely keep hydrocarbons out of groundwater aquifers.





More than three-fourths of the world's offshore wind power facilities were installed with equipment and technology pioneered by NOV.

NOV actively promotes and contributes to numerous charitable organizations who work to better our communities and lives of our neighbors.





NOV has developed lower-cost, higher-efficiency gear-box designs for wind turbines.

Since 2014, NOV introduced a redesigned Subplate Mounted (SPM) valve to make redundant BOP hydraulic circuits more robust and safer, along with sophisticated predictive analytics for easy identification of BOP maintenance issues.





NOV's pipe interlock management system greatly reduces the likelihood of accidents related to dropped pipe in drilling operations.

NOV's stuffing box leak detector automatically shuts down an oilfield pumping unit if any gas leak is detected.



NOV is a leading provider of treatment and processing equipment, which renders produced brine safe for disposal.



NOV is the largest worldwide provider of equipment and technology into pitless, closed-loop solids-control drilling operations which completely capture drilling waste for safe disposal.

Since 2012, NOV reduced its total recordable incidents among its workforce by 44%.





The majority of the world's geothermal wells were drilled with NOV equipment, and we are introducing new, composite tubular products to this renewable energy sector.

NOV does not support political campaigns or political action committees.





Dozens of dangerous manual steps in oil and gas drilling operations have been rendered safe, or eliminated by NOV's mechanized, automated top drives, iron roughnecks, and pipe racks, which have dramatically reduced the number of drilling accidents and fatalities globally over the past generation.

NOV is working closely with a customer to design floating wind turbines, which are expected to reduce the development costs of wind projects in deepwater; thereby, opening many new offshore markets to renewable wind energy.

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NOV's Anti-Collision systems and Motion-Compensation systems have prevented numerous industrial accidents offshore.

NOV values our diverse workforce and continually invests in improving the skills, capabilities, and well-being of our employees.



## **About Our Report Structure**

The National Oilwell Varco (NOV) Environmental, Social, and Governance (ESG) report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines and reporting principles. A summary of these guidelines is included at the end of this report.

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### **To Our Stakeholders**

Every day, the thousands of employees who collectively form our global family at NOV positively impact both our industry and the communities where we live and work. I am proud of the role our company plays in helping to meet the world's growing demand for energy. And I am proud of the ingenuity and sense of service my colleagues continually apply to progress our organization, our industry, our community and our environment.

NOV remains a leader in the design, manufacturing, and sale of equipment used in the energy industry by pursuing purposeful innovation and fostering a service-first culture. As a leader, we understand and fully embrace our responsibility to continuously improve our Environmental, Social, and Governance performance—both in our operations and in the products and services we bring to our customers.

This means we are dedicated to providing equipment that allows our customers to work more efficiently while reducing their overall impact on the environment. We continue to pioneer equipment automation and predictive analytics technologies that help take people out of harm's way, help prevent operational issues, reduce waste, and drive efficiencies for our customers. In addition to our significant presence in the oil and gas industry, we are also leveraging our core competencies to provide innovative solutions for emerging alternative energy markets.

As a global organization, NOV is comprised of predominantly local workforces. Our diverse, global workforce broadens our perspectives, strengthens community ties, and reminds us, over and over, that our greatest asset is our people.

Throughout this report, you will see countless examples of how our NOV family prioritizes ESG performance in our day-to-day activities, communities, and the products and services that we provide. I hope the drive and ingenuity of our team members will inspire you as much as it continually inspires me.

Sincerely,

Clay Williams Chairman, President and Chief Executive Officer





### **Our Shared Values**

At NOV, we recognize that our operations impact more than just our clients and our company. We consider how our business decisions impact other stakeholders, including our employees, suppliers, shareholders, local communities, and members of civil society. Our Shared Values are the basis for establishing a common culture with our stakeholders and place a focus on being a global family, believing in purposeful innovation, and delivering service above all.

#### We are a Global Family

We are thousands of individuals, working as one team to create a lasting impact for our customers, ourselves, and the communities where we live and work. We take responsibility for each other and our company's future, knowing that personal ownership leads to broader success.

### We Believe in Purposeful Innovation

We see where our customers' needs are not being met, and we act. Through business innovation, product creation, and service delivery, we are driven to power the industry that powers the world.

### We Believe in Service Above All

We are the backbone of the oil and gas industry with a singular focus to deliver the finest products and services, on time and on budget, to push our customers' businesses forward.



# Environment

No matter where we operate, we provide sophisticated technologies, products and services that enable our customers to operate in a manner which protects our environment and social communities, and is in compliance with local rules and regulations. Carrier ,

### Environmentally-Focused Technologies

Through sustained investment in R&D NOV has pioneered dozens of technologies that reduce the industrial impact on our environment, and make for cleaner operation by our customers.

From the treatment of drill cuttings and reduced water consumption, to the safe and fully contained transport of hydrocarbons, to technologies that improve power consumption and reduce greenhouse gas emission, NOV technologies are at work daily around the globe helping our customers operate in an environmentally responsible way.

## Investing in Emerging Energy Sources

#### **Integrated Solutions for Offshore Wind Installation**

NOV is applying existing competencies to pioneer solutions to help harness massive amounts of renewable energy from deep water wind turbine installations. Over 75% of offshore wind turbines in Europe, or 16.3 MW of capacity, were installed by NOV-designed vessels. Additionally, we have developed and patented other enabling technologies including our Tri-Floater semi-submersible wind turbine support structure that provides dynamic stability, is efficient to manufacture, and is easy to install.

#### **Solar Pumping Systems**

Our solar pumping systems provide reliable irrigation solutions for remote, off-grid, locations worldwide. With both small- and large-scale solar pumping systems available, we can operate in brackish and silty conditions to help provide agricultural, livestock, industrial, and domestic water supplies for remote and rural communities. Our solar driven pumps dependably transfer water, even on cloudy days, are self-priming, self-cleaning, and require minimal maintenance.

#### **Geothermal Drilling Tools and Equipment**

NOV plays a critical role in supporting the geothermal industry by providing equipment designed to perform in extreme environments. Our drill bits are utilized to drill geothermal wells in Kenya and our TK<sup>™</sup> glass-reinforced epoxy (GRE) lining services is used for corrosion control in geothermal markets. TK GRE lining system addresses the need to manage corrosive fluids at extreme temperatures and overcomes the cost and environmental restrictions of more traditional well design and geothermal extraction.

#### **PowerBlade Hybrid**

NOV's PowerBlade<sup>™</sup> is a hybrid technology combining flywheel energy storage with lithium-ion battery solutions that reduces fuel consumption of offshore vessels and power pack maintenance costs, as well as reduce CO<sub>2</sub> emissions. PowerBlade requires less space to provide a reliable, highefficiency hybrid energy storage system that significantly saves fuel on floating drilling vessels. This technology also minimizes the total cost of ownership for customers by reducing the required amount of generating capacity on vessels by improving power load management.

#### **Biogas Generation Solutions**

NOV's Chopper Hopper reduces food and plant waste by delivering a cost-efficient way of processing solids for biogas generation. Our Chopper Hopper is a powerful grinder pump that combines solids reduction and transfer pumping into one efficient unit, capable of converting almost any sized waste particle into a homogeneous, pumpable mash that is ideally suited for biogas production.



## Investing in Water Treatment Technologies

#### WaterWolf

WaterWolf<sup>™</sup> dynamic oil recovery system recovers oil and suspended solids from produced water in a single stage of treatment, eliminating the need for detrimental chemical treatment and filters. The system treats produced water under pressure, minimizing or eliminating the need for tanks, which can be a major source of air emissions. By keeping solids out of water tanks, the WaterWolf also eliminates hazardous and messy confined space entry tank cleaning jobs. Cleaner air and safer working conditions are better for the environment, neighboring communities, and plant personnel.

#### Seabox

Water injection is the most common way to way to manage reservoir pressure to increase oil production. Traditionally, this has required expensive and bulky topside equipment. With the Seabox<sup>™</sup> subsea water treatment unit and SWIT<sup>™</sup> technology, we can treat water directly at the seabed where the treated water is pumped straight into the injection well. This technology reduces the surface area needed to treat seawater, ultimately decreasing the environmental footprint and adisturbance of the marine environment.

#### POLYTRAXX Environmentally Friendly Water-based Mud System

Our high-performance, water-based mud system uniquely delivers a safer, more environmentally friendly performance solution versus an oil-based mud system.

Our Polytraxx<sup>™</sup> aqueous mud system meaningfully reduces costs and challenges associated with disposal and significantly reduces the need for trucking to and from rig site, reducing CO<sub>2</sub> emissions.

### **Hot Oil Thermal Desorption Units**

Our hot oil thermal desorption units provide users with a system for the more effective and environmentally safe treatment of oil-based mud (OBM) drill cuttings. As increased awareness of the need for environmental preservation has driven changes in policies, the industry has demanded more efficient solutions. The hot oil thermal desorption cuttings treatment process provides greater recovery of oil for reuse in OBM, greater recovery of water, and greater recovery of solids with minimal oil residue. The full cuttings treatment process recovers more than double the accumulated energy consumed in the procedure. In 2018, our Seabox subsea water treatment system won a Spotlight on New Technology Award from the Offshore Technology Conference.



GRI Index

## Environmental Risk Management

#### Environmental

At NOV, we employ thoughtful procedures and processes to protect the environment and mitigate risks. As a multinational organization, we are subject to different laws and regulations in different jurisdictions. We manage our environmental risk throughout the lifecycle of our facilities. Before we commence operations, proposed sites undergo environmental assessments to identify potential liabilities. The results of these assessments are used to develop proactive strategies (engineered controls, procedural controls, etc.) to manage risk. These assessments evaluate permitting, infrastructure, and administrative and site-specific requirements.

At operational facilities, our internal assessment program provides facilities with periodic reviews and feedback specific to their operations and geographic locations, using the elements of the ISO 14001 and other standards to assess performance. These assessments help determine actions and improvements to ensure continued compliance with local regulations. In the absence of specific regulations, we rely upon sound management practices and operating procedures that the Company has developed to manage environmental risk.

In meeting the needs of our customers, we sometimes must operate in, or near, environmentally protected areas or areas with high biodiversity. When these instances occur, we have established proactive procedures to safeguard and minimize environmental risk.

Once operations cease, each location undergoes an environmental assessment within our facility closure process. Throughout this process, we take steps to mitigate residual impacts so that the vacated properties are maintained or restored to safe and reasonable conditions.



# Environmental Risk Management

#### **Spill Prevention**

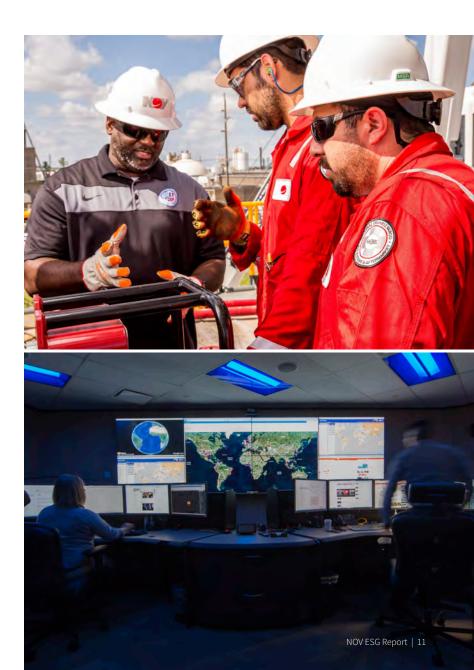
Our operational requirements are aligned with local, state, and national spill prevention, cleanup, and reporting requirements. If an accident should occur, we have established an emergency hotline to connect our facilities with trained professionals who will support our onsite staff, provide guidance on the appropriate actions, and locate additional resources to quickly respond to potential environmental emergencies and minimize environmental impact.

At our facilities and job sites, we identify and address any activities where laws require secondary containment. Along with training our staff to recognize potential release situations, we have implemented a detailed spill prevention, control, and countermeasure plan at each applicable location. Also, in many locations, we implement additional safeguards, such as electronic leak detection and monitoring systems for prevention, as well as provide on-site spill kits that are easily accessible.

### **Corporate Security and Emergency Preparedness**

As we serve our customers across the world, our Corporate Security team works to keep our global family safe. From the development of evaluation contingency planning, to the delivery of professional security measures, Corporate Security provides physical security, asset protection, business continuity, crisis management, employee travel alerts, risk mitigation, and security awareness.

In addition, our facilities are typically equipped with emergency response plans, including: emergency procedures and responsibilities, evacuation plans, critical operations, rescue and medical emergency procedures, and training requirements.



### **Energy Management**

NOV and its customers focus on energy optimization and carbon emissions reduction by integrating energy management and efficiency into our decisions and by actively identifying opportunities to streamline processes, improve efficiencies, and reduce the environmental impact of our product lines and facilities.

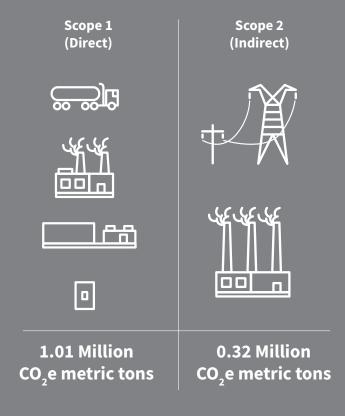
In 2018, we advanced our data collection capabilities by developing the Resource Tracking and Management (RTM) Survey, which enabled us to quantify our energy consumption and create a company-wide energy profile. Our RTM survey captures electric, gas, and fuel usage and assists with management and productivity improvement of these natural resources.

Based on data collected from our RTM survey, we calculated a total energy and natural gas consumption of 1.99 million MWH in 2018. Our Scope 1 greenhouse gas emissions, which include direct emissions from vehicles, stationary sources, etc. totaled 1.01 million  $CO_2e$  metric tons in 2018. Scope 2 emissions, which encompass emissions from the generation of electricity, heat, etc. for the same time period totaled 0.32 million  $CO_2e$  metric tons.

By 2023, our goal is to reduce our energy consumption by 5 - 10% of our baseline value, which was established in 2018. Several of our facilities have performed energy audits and prioritized retrofits and improvements, bringing us one step closer to achieving our goal/target.

### 2018 Total Energy and Natural Gas Consumption **1.99M MWH**





### **Energy Management**

#### **Energy Reduction Initiatives**

NOV has taken steps to reduce energy consumption and increase energy efficiency at its largest facilities. Typical improvements include LED lighting retrofits and equipment refurbishments. Some facilities have undertaken more specific improvements, such as insulating steam and condensate plumbing to prevent heat loss, increasing cleaning frequency of skylights to better utilize natural lighting, and upgrading to more efficient HVAC units. At various office locations, including our corporate headquarters, motion sensors were installed in offices and conference rooms to minimize electricity used for lighting.

In addition, NOV has closed and consolidated nearly 450 operating locations through the past five years, in many instances consolidating these into newer, more energy efficient fit- for-purpose facilities.

### **Success Stories**

Social

### Fiber Glass Systems facility in Little Rock Reduces Energy Consumption

In 2018 our Fiber Glass Systems facility in Little Rock, Arkansas, implemented several energy reduction retrofits, realizing an energy reduction of approximately 2.14 MWH. Implemented retrofits included:

- Lighting retrofits
- Compressed air leak repairs
- Insulation of pipes, valves, etc.
- Repair and replacement of steam traps

### ReedHycalog Facility Implements Site-Wide Improvements and Installs Solar Panels

Our Reedhycalog facility in Stonehouse, UK, made great strides in support of energy use reduction and alternative energy sourcing. In 2018, the facility completed the following retrofits:

- Lighting retrofits
- Right-sizing the air compressor system
- Installation of solar panels on all external storage containers

### Water Management

The responsible use and conservation of water is critical to sustainable operations worldwide. NOV integrates water conservation, efficiency, and recycling opportunities into our decision making process, which is why best management practices are implemented throughout our facilities, especially in locations with arid climates or those with scarce water resources.

Through process improvements, proactive water management, and increased staff awareness, we have effectively reduced our need for fresh water consumption, as well as minimized our total water usage and wastewater volumes. In addition, we continually implement key technologies and practices to reuse process water.

Utilizing the RTM Survey, in 2018 we were able to establish a water consumption baseline of 1.5 million gallons.

# 2018 Total Water Consumption **1.5M Gallons**



### **Water Management**

#### **Water Conservation Initiatives**

At NOV, we are cognizant of our water usage and are always looking for ways to reduce fresh water consumption and reuse process water. Globally, hundreds of recycling systems, including oil-water separators, have been installed in our facilities. Some locations have implemented water-vapor recovery systems, scale removal systems, or wash stations to manage water use. We have also evaluated ways to use recycled or non-potable water in other industrial applications to reduce our water demand and effluent volumes.

### **Success Story**

Social

### NOV Argentina Tuboscope Reduces Water Consumption

By installing an oil-water separator and other water treatment plant modifications, our Tuboscope operations in Argentina reduced their water consumption by 40% in comparison to 2017.

Their conservation initiatives consisted of:

- Tubing washbay retrofits
- Dip tank installation: 30% water recovery, reducing consumption by 6000 liters/month
- Vapor system installation: 35% water recovery, reducing consumption by 56 000 liters/month

#### Sucker rod washbay retrofits

- Immersion pool installation: 35% recovery, reducing consumption by 1865 liters/month
- Vapor system installation: 50% water recovery, reducing consumption by 17 500 liters/month

#### Scale removal retrofits

- System modifications: 65% water recovery, reducing consumption by 46 956 liters/month

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### **Waste Management**

NOV integrates waste minimization opportunities into our decision making process. We routinely work to improve our waste management practices and reduce the total volume of our landfilled waste. From process optimization and expanded recycling efforts to changing and reusing materials in our operations, we know that everything we do gets us one step closer to our waste reduction goals. Some examples of waste management initiatives for regulated and municipal waste streams include:

#### **Regulated Waste Stream**

- Research materials that are safer for employees and the environment to substitute where possible
- Transition from oil-based to water-based solvents
- Recycle solvents and cutting fluids
- Train employees on waste management practices

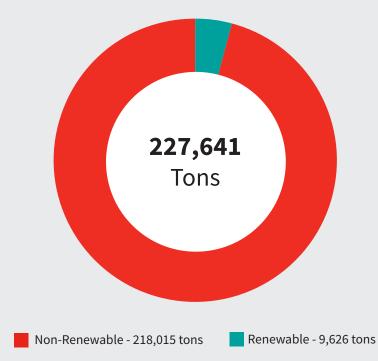
#### **Municipal Waste Streams:**

- Maintain good housekeeping practices
- Include proper waste storage and containment
- Recycle or reuse: paper, aluminum, cardboard, plastic, batteries, electronics, etc.
- Train employees on waste management practices

#### Air emission sensors:

• 90% of our pipe coating plants utilize scrubbers to reduce/eliminate emissions from our curing ovens

### Total Materials Used Based on Toxic Release Inventory (U.S.)



### Total material recovered based on 2018 Annual Waste Summary Report (Texas)

163K lbs

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### **Waste Management**

### **Success Story**

### **NOV Stonehouse's Waste Reduction Journey**

Our Stonehouse, UK facility successfully implemented multiple waste minimization and recycling initiatives.

Leading up to 2018, all waste generated by our Stonehouse Facility was landfilled. As part of its waste reduction efforts, facility management purchased waste compactors and ramped up staff education on recycling. These efforts resulted in all standard and specialty waste generated by the facility now being segregated, compacted, and recycled, thereby reducing required material pickups at the facility by 50%.

Additionally, as a part of this specialized waste recycling program, facility management identified the need to streamline their collection processes as well as reduce the potential for spills. They created a dedicated waste storage area by repurposing an unused area that offered strong secondary containment for segregated materials.

In 2018, the Stonehouse facility was able to collect and return 48 tons of uncontaminated graphite fines to their supplier for recycling, diverting the stream from the landfill. Today, our Stonehouse facility has significantly reduced its landfilled waste and is considered a model of success for the rest of our facilities around the world.

Stonehouse's 2019 initiative is to segregate precious metals to recycle and gain maximum return on all scrap metals.



# Minimizing Our Clients' Ecological Impact and Environmental Risk

Discharges to sea represent a potential environmental challenge to offshore petroleum production activities. To combat this challenge, our Environmental Unit group provides ecological impact and environmental risk management support to our chemical supply and manufacturing clients. Not only does this group help our clients safeguard their operational waters, it keeps them in compliance with strict regulations concerning their chemical use and discharges.

This Environmental Unit group provides an extensive portfolio of testing and studies catering to marine and freshwater environments. In addition to acute and chronic toxicity tests, bioaccumulation and biodegradation studies provide comprehensive assessment of environmental risk of chemical and potential wastewater discharges.

Using the Dose-related Risk and Effect Assessment Model (DREAM) program, our scientists mimic site-specific conditions to characterize potential environmental risk of offshore discharges, helping to ensure preservation of environmental biodiversity.



At NOV, we are invested in the safety, wellbeing, and growth of our people across our diverse workforce. We are also committed to creating a safe and prosperous environment for our customers and their employees through our operations, services, and equipment offerings. We are thankful for the opportunity to work in many different countries with many different cultures, and we believe that giving back creates continued positive impacts while strengthening community ties.

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### **Health and Safety**

Protecting the health and safety of all stakeholders is a core value. That's why we are consistently working to ensure that our employees, at all levels, prioritize safe operations — to protect themselves, their fellow employees, and visitors to our facilities. This practice is not only essential to our business, but it is also designed to promote safety as an ongoing behavior. Ultimately, at the end of each day, we want our employees to return home in the same condition as they arrived.

To help achieve this, we have established health, safety, and environment (HSE) procedures for mitigating health and safety risks. Under our HSE management system (HSE MS) model, along with our "Guiding Principles," we facilitate compliance with recognized global safety and environmental standards and drive HSE performance. The HSE MS requires the commitment of every NOV employee and is run and managed at all levels of the organization. Our HSE MS model is aligned with recognized global standards, including the Occupational Health and Safety Assessment Series (OHSAS) and the International Organization for Standardization (ISO).

To ensure health and safety within our workplaces, NOV conducts proactive and routine monitoring. Occupational health assessments are often administered with oversight from a certified industrial hygienist (CIH). All participants are informed of the results of the assessments, and any resulting corrective actions are implemented as needed. In 2018 alone, 120 workplace assessments were conducted.

To further reduce risk, all approved and banned materials are designated by our corporate-wide directives and any material changes to our operations must pass through a Management of Change procedure.

HSE Statistics	
1.23	Total Recordable Incident Rate
0.52	Lost Time Incident Rate
0	Fatalities

### Some NOV facilities that have maintained exemplary safety records include:

Tuboscope Aztec, NM	9 Years LTIR Free	
M/D Totco Oman Team	2 Years LTIR Free	
Pole Products, Ontario	3 Years TRIR Free	
N Tulsa Tube, Tulsa, Ok	5 Years TRIR Free	

### **Health and Safety**

Safety meetings and safety audits are held at NOV job sites around the globe to raise awareness and identify opportunities for improvement. Employees are provided with the resources, tools, and training to implement safety practices and are encouraged to take a "Plan, Do, Check, Act" approach to ensure that all safety risks are identified and evaluated before starting work.

To promote a culture of safety, ongoing safety training programs are held with our employees, clients, and other stakeholders. From computer-based courses on general safety to hands-on sessions relevant to specific job functions, these safety courses and trainings are held at the corporate, business segment, and facility levels. All corporate HSE training is tracked through our Achieve Learning Management System, which is designed to enhance and support the global learning environment while managing training requirements.

### **Global Drug-Free Work Place**

At our facilities, NOV is committed to providing a safe, healthy, and productive workplace for our employees, vendors, customers, and others in the community. This means creating a workplace that is free from the use of illegal drugs, the improper use of prescription medication, and the misuse of alcohol. Our program includes: drug awareness education, counseling, and assistance in identifying local treatment and recovery groups.

#### **Driver Safety**

Due to the diversity of our operational footprint, we face the potential for risks while driving. That's why road and vehicular safety are critical to our operations. To reach our global clients safely, we educate our drivers to recognize and manage any risks they may encounter on the road.

The mission of NOV's DRIVE program is to promote driver safety through training and awareness. We promote safe driving through a combination of classroom and behind the wheel training. All of our drivers are required to complete stringent training programs and competency evaluations biennially.



HSE Audits and Training	
> 170K	HSE Training Hours Held
> 9,300	HSE Audits and Inspections Performed

These values include various types of training and audits at different levels of the organization

### **Health and Safety**

#### **Leadership Stars**

Our Leadership Stars program is a monthly recognition program designed to promote safety acts and best management practices throughout NOV. The purpose of the program is to encourage facilities to find innovative solutions to everyday HSE issues and to recognize employees who are going above and beyond. Since its inception in March 2017, over 20 best management practices have been recognized and adopted.

#### Make It Shine Campaign

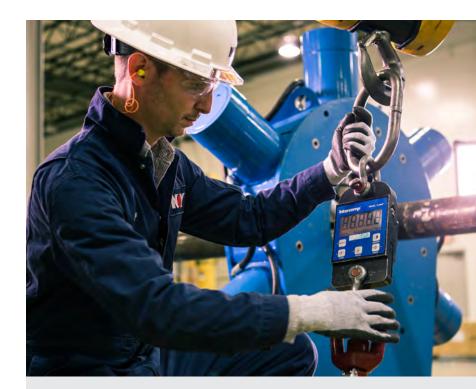
Driven by our loss prevention team, the "Make It Shine" campaign in the middle east has enhanced staff engagement and ownership in creating a safer work environment. Focusing on a continuous improvement process, the Make It Shine campaign includes daily team standup meetings, monthly HSE meetings, monthly team performance reviews, and employee recognition. By encouraging staff to consider safety in everything they do, this initiative has built a grassroots effort in identifying new, creative initiatives and improvement mechanisms. These are recognized publicly and presented to all employees each month.

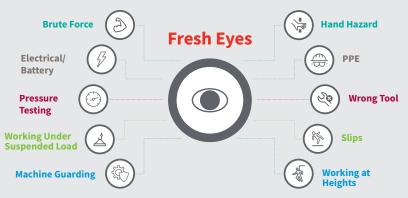
#### Hand Hazards Hunt

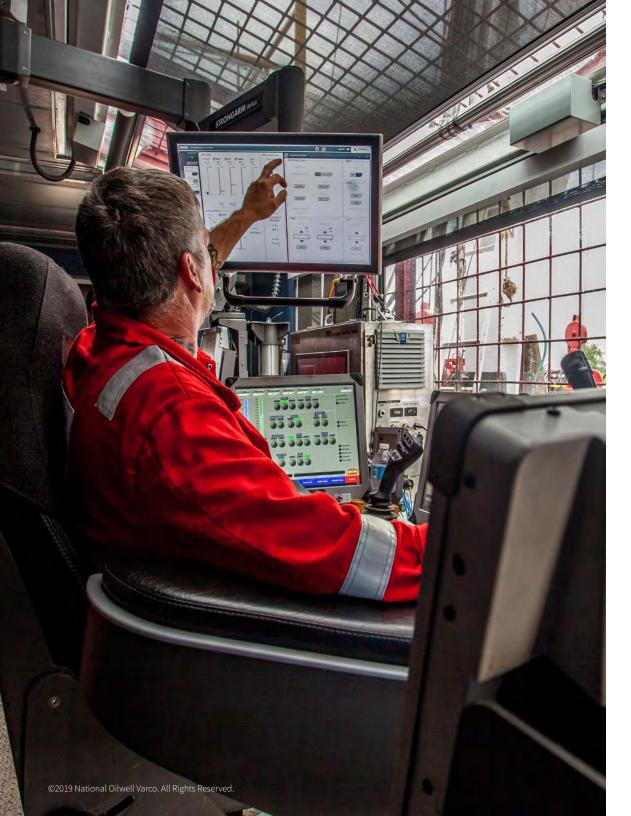
As of January 2018, more than 25% of total recordable employee injuries at NOV involved hands and fingers. The Hand Hazard Hunt Initiative was established to raise awareness of the potential for work-related finger and hand injuries and reduce the frequency of occurrence. Conducted in facilities, this initiative proactively identifies threats to hand safety in work areas and eliminate identified hazards through modifying task executions. Last year alone, 88 Hand Hazard Hunts were conducted across NOV—resulting in applied improvements throughout our business units.

### **Fresh Eyes**

Our "Fresh Eyes" program is an enchantment to hazard identification methods. This program brings in non-HSE personnel to perform a safety walk-through of a facility, other than their own, thereby bringing "fresh eyes" and new perspectives to hazard identification.







### Safety-Focused Technologies

Bringing our customers improved safety performance through better equipment and technologies has been a strategic cornerstone of NOV for decades.

While developing new products, we are focused on creating separation between people and moving parts. By incorporating safety-conscious designs into our cutting-edge equipment, we provide customers with solutions that take hands off moving equipment, freeing up operators to focus on other areas during production and creating a safer work environment.

### **Safety-Focused Technologies**

#### Otis-Axelson<sup>™</sup> Hydraulic Self-Contained Safety System

Our Otis-Axelson Hydraulic Self-Contained Safety System is a highly reliable single shutdown valve or single surface safety valve (SSV) controller designed specifically for remote locations where external power sources are not available. To increase safe operation, the standard system features a high- and low-pressure shutdown function, a high-temperature shutdown function (fusible element), and an emergency shutdown function. Control of the subsurface safety valve is an optional feature available with all models. By design, this system is completely self-contained and only requires that the operator manually pump up the hydraulic system to put the safety system in service, opening the valve and arming the Otis-Axelson high-flow ESP hydraulic pressure sensors.

#### **BRANDT FREEFLOW System**

Our BRANDT<sup>™</sup> FREEFLOW<sup>™</sup> system is the most ideal drill cuttings transfer solution for improved safety and efficiency at the rigsite. Along with minimizing the number of dangerous crane lifts of heavy cuttings boxes on the rig floor, it also allows for the safe, hands-free transfer of drill cuttings waste from offshore rigs to supply boats. On most rigs, limited space for equipment is always a safety issue, but the FREEFLOW system is capable of storing and transporting drilled cuttings from below the shakers to almost anywhere on the rig. This vastly improves safety as well as housekeeping on the rig.

#### **NOVOS Reflexive Drilling System**

NOVOS is the industry's only reflexive drilling system. With it, drillers can automate repetitive drilling activities giving them greater focus on consistent process execution and safety. For operators, this means optimizing their drilling programs. The reflexive drilling system is designed to perform a series of actions when prompted, just as human reflex responds when acted upon by a specific stimulus. The NOVOS reflexive drilling system is easily scalable and can augment existing people and processes for greater control, consistency, and enhanced performance, or expand all the way to full closed-loop automation. The result is greater consistency with every driller, regardless of individual experience level able to achieve the same improved performance time and time again.



In 2018, our NOVOS reflexive drilling system won a Spotlight on New Technology Award from the Offshore Technology Conference.



### **Safety-Focused Technologies**

#### **Multi-Machine Control**

The Multi-Machine Control (MMC) concept allows an operator to control a suite of fully automated drilling rig equipment as if it were one machine, with each aspect of the pipe handling process moving in a coordinated fashion. MMC aims to address the need for increased safety offshore as processes become more and more complex. The system accomplishes these objectives by automating the repetitive and time-consuming processes of tripping tubulars, stand building, and making connections. Recently upgraded to be more user-friendly, especially during troubleshooting, MMC is now seeing increased interest from operators looking to increase the level of automation in their operations while delivering safer, smarter, and faster wells. NOV offers onsite training and support to build confidence in using the system and help the crew overcome the challenges of changing very traditional drilling workflow models, while continued improvements in user interface (UI) and technology functionality ensure MMC is relevant to each deployment.

#### **Collision Avoidance Systems for Cranes**

Our collision avoidance systems for offshore and maritime applications provide critical safety and operational benefits. The Anti-Collision System (ACS) monitors the position of cranes and drilling machines on the drill floor and prevents their collision based on sensors and operator commands. This system will prevent downtime and safety hazards by deflecting all the possible near accidents that could occur on the drill floor. The Virtual Wall System allows the operator to create a virtual barrier around their crane system, thus preventing impacts with fixed structures.

### **Dynamic Optimum Routing System (DORS)**

DORS is a fluid routing system that optimizes fluid transfer to assist rig personnel in planning and executing bulk and drilling fluid operational processes. The system prevents incorrect routing and avoids interferences between ongoing operations, leveraging material and process knowledge to reduce the risk of costly cross-contamination. Operations can easily be monitored and controlled through a simple, intuitive user interface.

In the event of an equipment failure, the DORS system finds an alternate route to bypass the problem and maintain the requested operation. Doing so helps maximize plant uptime by swiftly identifying operational errors and automatically rerouting the fluid without disrupting other operations. All drilling fluid-related materials on a rig, including HSE and chemical datasheets, can be uploaded, and the user defines which materials are and are not compatible. DORS keeps track of what equipment has been contaminated with which chemical(s), and a digitalized, simplified pit content overview puts information at the user's fingertips in real time.



## **Diversity in Our Workplace**

Every day, our success depends on the thousands of individuals worldwide that make up NOV. Our responsibility, and our promise, is to support employee growth and champion our collective drive. By increasing organizational awareness and promoting diversity, we maintain an inclusive culture, which is part of our core values. Through training and education, NOV empowers our leaders and managers to foster a diverse and inclusive workforce with respect to recruitment, job changes, compensation, employee relations, and recognition—all within cultural and legal requirements globally. To assist in promoting these concepts the following principles are employed:

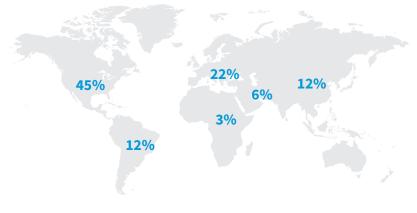
**Value and belonging:** Promoting a diverse and inclusive culture by cultivating an environment in which employees feel connected to each other, valued for their unique contributions, accepted within the culture, and that they can be their authentic selves in the workplace without fear of reprisal.

**Safety and openness:** Creating a safe and open atmosphere in which our leaders are willing to receive constructive feedback, and employees feel comfortable speaking openly and challenging standard methods of operating.

**Empowerment and growth:** Providing empowering opportunities that allow for growth by giving employees autonomy, embracing change, providing stretch opportunities, and rewarding employees for learning new skills.

**Respect and equality:** Endorsing a foundation of an inclusive culture whereby individuals feel they are treated fairly and are respected by others. Our statement on human rights reflects our support for this principle.

### **Distribution of Workforce**



% Employee distribution by region

Number of Countries	65
Total Number of Employees	37,726
Local and Native Employees	99.6%
Female Employees*	15.1%

\*The value accounts for all employees including contingent workers.

## **Employee Benefits**

#### **Employee Wellness**

To promote personal health improvement, NOV offers wellness programs. In the U.S., we offer wellness incentives to our U.S. based employees and their medically enrolled dependents through "Choose Well-Being Program."

In 2018, employees participated in biometric health screenings, earning them incentives and helping them to keep track of their health statistics, including: blood pressure, cholesterol, glucose, and other key markers. To provide easier access to wellness services, we also offer our employees a mobile health tracker.

Outside of the U.S., NOV actively promotes our employees' wellbeing by providing access to various wellbeing programs. In most regions, we have implemented employee education programs regarding smoking cessation, healthy eating, and the impact of alcohol and drug abuse which have been well received by employees. In countries such as the UK and Brazil, NOV has negotiated lower gym membership prices for our employees to encourage activity and promote fitness. Our employees have access to on-site health checks and screening in many countries including China, Indonesia, Singapore, UAE and UK. These health checks include cholesterol levels and BMI measurement, blood pressure check, and vision care. NOV also offers an employee assistance program through our medical providers in the UAE and the UK as well as financial wellbeing clinics in Brazil and the UK. The financial wellbeing clinics were established to educate and support employees on how to manage their finances and ultimately alleviate stress caused by financial worries, therefore positively impacting mental wellbeing.



### **Employee Benefits**

#### **Employee Education and Growth**

By investing in opportunities for employee education, we strengthen employees' potential from within while, improving their work experience. From interactive group sessions to online training opportunities, we offer a variety of programs to our employees.

We are encouraged by the high participation rate in our leadership development programs in 2018, which engage employees at multiple levels of the organization. Some programs include:

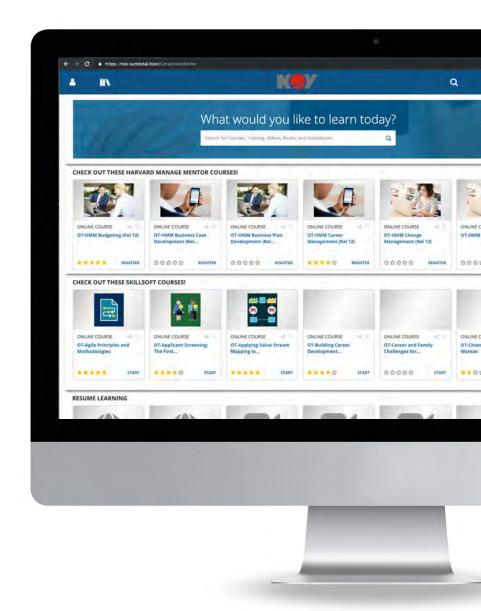
**Powering Excellence:** This program is designed for our current and potential senior leaders and focuses on exercising business acumen to make key decisions in rigorous business simulations. By participating in the program, our senior leaders improve awareness and integration of customer perspectives and priorities while refining abilities to foster an innovative environment and bolster our entrepreneurial culture at NOV.

**Supervisor Training and Resources (STAR)** is a mandatory course for all new employees in leadership. This course covers labor law, hiring process, policy review and harassment.

**iLead** is an initiative for all levels of management that provides alignment and awareness on how to be a more intentional, people-focused leader. iLead helps our leaders cultivate the competencies that make them more impactful in their organizational and employee development strategies.

**ELEVATE** is a talent initiative that provides practical development to the future leaders of our organization. This exclusive, year-long program provides a carefully chosen group of individuals from each business unit with a unique opportunity to develop their skills, broaden their perspective, and demonstrate their talents.

We invest in education partnerships as well as building in-house content to provide broad access to learning materials. As an example, our public speaking groups, the inNOVators and RS Speakers, are members of Toastmasters International, a nonprofit organization with a mission to help people become more confident and comfortable in front of an audience. Through our partnership with Harvard Business School's ManageMentor® program, our employees have access to a state-of-the art, online learning and collaboration tool from one of the country's most respected voices in business.



### **Employee Benefits**

#### **Employee Technical Education**

**Technical Training** are dedicated training centers based in Houston, Singapore, Dubai, Norway, UK, and South America delivering a variety of blended technical training for our employees, including instructor led training, hands-on, and e - learning, all delivered within our classroom environments, state of the art simulators, or utilizing our PLC and Hydraulics labs.

**Discipline Skill Levels** is designed to level and develop our employees' technical knowledge in the following categories: Mechanical, Electrical, PLC, Hydraulic, MUX, Amphion, and NOVOS. Candidates attend a comprehensive instructor-led, hands-on training courses, followed by a proctored checkout exam at each level.

**Competency Management System (CMS)** is the process of assessing and recording evidence to make sure employees are knowledgeable enough to perform their job according to a defined set of technical standards on our tools and processes. The CMS is externally accredited by the International Association of Drilling Contractors and the Scottish Qualification Authority.

**Fluids and Drilling courses** are conducted by our in-house training team and are available to our employees and customers such as: operators, technicians, sales and fluid advisors. Provided courses are Fluid Fundamentals 101, 201, and 301.

**Blinn College Skill and Safety classes** are technical and safety classes provided to NOV Grand Prideco employees, financed by the \$820,365 grant that Texas Workforce Commission presented to Blinn College and NOV Grant Prideco. The grant will train 395 workers, and the Texas Workforce Commission estimates a \$4.3 million economic impact on the local community.



### **Community Investment**

By investing in communities where we live and work, we create meaningful and positive impacts in the places we call home. Community investment for NOV includes the provision of volunteer hours, and donations to non-profit organizations that benefit or bring awareness to our core focus areas of Science, Technology, Engineering, and Math (S.T.E.M.), Human Health, and Social Services. In addition to community investments, sponsorships provide the opportunity for NOV to participate in events that positively impact the community and build brand awareness.

We are proud of our many employees who volunteer in their communities, and NOV supports their efforts with corporate philanthropic donations. In 2018, NOV contributed more than \$2 million to charities in the Greater Houston area alone. NOV offered paid time off to our employees who volunteer in their communities, as well as corporate matching opportunities for employee monetary donations. To recognize exceptional NOV volunteers, prime reserved parking spaces are awarded for seasonal use.

Together, we make a difference in our communities. A selection of our 2018 community impact stories are highlighted on the following pages. For more information on our community investment initiatives, visit **nov.com/community**.

In 2018, NOV contributed more than \$2 million to various charities in the Greater Houston Area.



### **Community Investment**

#### **United Way**

United Way advances the common good by creating opportunities for all. Their focus is on education, income, and health—the building blocks for quality of life and a strong community. In 2018, in Houston and Canada, NOV and its employees raised \$824,038 for the United Way and the local organizations that they support to help make our communities better and improve the lives of our neighbors.

Eighty-five special events were hosted in the U.S. throughout the campaign, and NOV employees spent time volunteering and fundraising as teams, learning more about the United Way, and getting to know their fellow employees.

In October of 2018, another successful NOV United Way campaign took place in Alberta, Canada. Through pledge card donations, fundraising events, and a company match donation program, employees in Edmonton and Calgary raised a combined total of \$164,894 for this worthy cause. It is through the generosity of our amazing employees that we are able to help provide services to meet our neighbors' most basic needs.



### Total Raised by NOV Offices in Edmonton and Calgary

\$164,894



### **Community Investment**

#### STEM

Our company's success is dependent upon purposeful innovation, which is why we invest in STEM education. At NOV, we feel the global economic future depends on an educated workforce, and by investing in these disciplines, we are able to help promote and improve skills that are critical to developing a more sustainable world.

As part of their **Developing the Young Workforce program**, NOV Kintore hosted 35 senior students from the Kemnay Academy in Aberdeenshire, UK, for an educational and interactive facility visit. During the visit, NOV's Continuous Improvement Engineers presented to the students, offering descriptions of their key roles in the business and educating students on the operations at Kintore. The students left with an understanding of the multiple career paths available to them within a large oil and gas organization.

The **National Merit Scholarship Program** is committed to identifying and honoring academically talented high school students and assisting them in pursuing higher education. In 2018, NOV presented four scholarships to four NOV employee dependents who qualified as National Merit Scholars.

NOV employees led a **Boy Scouts of America: STEM Scouts program** at Westwood Elementary in Houston, reaching students who may not normally be exposed to STEM in their extracurricular environment. The year-long program included weekly lab sessions where NOV employees led hands-on STEM activities including bridge building, robot programming, electrical circuit design, and bubble making.

NOV's involvement in the **Spring Branch Independent School District mentorship program** was recognized with the "Good Neighbor" award in 2018. NOV represented the largest number of volunteers for the school district, and our employees mentored elementary, middle, and high school students. 2018 was our fifth year as part of the mentoring program, with the program growing to six schools in the district. The mentoring experience has provided valuable and rewarding experiences for both the mentor and the mentee.



### **Community Investment**

#### **Human Health**

Every day, we take responsibility for each other and our future, knowing that health and wellbeing contribute to a higher quality of life. We also look for opportunities to benefit healthrelated charities in our communities.

In 2004, a group of NOV employees hosted the first annual **Derricks & Diamonds** charity softball tournament, benefiting Texas Children's Hospital and the Snowdrop Foundation. In 2018, NOV raised a total of over \$500,000 for the two organizations. We also assisted the Snowdrop Foundation with a grant application that added \$20,000 to their scholarship fund for the next 4 years.

**Susan G. Komen Race for a Cure** is the world's largest fundraising event for the fight against breast cancer, and we were honored to serve as an official sponsor of the 2018 Houston race. Last year, we contributed \$20,000 to help create awareness, celebrate survivors, and remember those who have battled breast cancer. Team NOV was the second largest team in the race, with around 250 people raising an additional \$12,500 to help research, prevent, and ultimately find a cure for breast cancer.

2018 marked the fourth year of Team NOV's participation in the **Enbridge Ride to Conquer Cancer**. Team NOV had 41 riders who participated in the 2-day, 200+ km cycling journey through the foothills of the Rocky Mountains. Together, the team raised an impressive \$210,000.

NOV AlMansoori Services, located in Abu Dhabi, held their annual Blood Donation Drive in March, 2018. Conducted in partnership with **SEHA**, **Abu Dhabi's Health Ministry**, the blood drive was championed by AlMansoori Services staff, who are proud to serve their community and save lives by donating blood.

The **Center for Hearing and Speech** helps Houston-area children gain listening, speaking, and literacy skills. In 2018, NOV donated \$20,000 towards helping the organization improve children's quality of life.



# **Community Investment**

### **Social Services**

We pride ourselves on being a good neighbor and creating lasting differences through volunteerism and charitable giving. By partnering with local charitable organizations each year, we help those in the community who need it most and improve the quality of life in each of those regions. In 2018, we had the privilege of working alongside organizations, such as:

Employees at our Montrose facility in the United Kingdom ran a Christmas toy collection drive for the **Angus Toy Appeal**, a local charity supporting children living in poverty. NOV employees collected toys and gifts for local children throughout November and December of 2018, and their enthusiasm and generosity ensured a happy holiday for children who may not have received a present that holiday season.

In Peru, NOV partnered with **Angelitos de Cristal** and the **Instituto Nacional de Salud – Hospital del Niño** to support children affected by epidermolysis bullosa, a genetic disease that causes extreme fragility of the skin. The hospital collects plastic bottle caps as a fundraising initiative, and proceeds from the initiative are used to acquire supplies and bandages. Championed by the HR Department at NOV Peru, employees donated caps to "uncap many smiles" for the children supported by Angelitos de Cristal.

NOV is a proud sponsor of the **TORO Takes the Bull out of Bullying** campaign, championed by the **Houston Texans**. The campaign educates elementary students on bullying and how to end bullying in their schools. In 2018, NOV contributed \$250,000 toward bringing the campaign to 25 Houston-area schools. The NOV campaign kicked off at Blackshear Elementary and we continue to support the school by being the corporate sponsor of their Operation Love event.

In Brazil, NOV provided support to the local Imboassica school and psychiatric hospital during December of 2018. NOV employees treated children from the local Imboassica school, situated in a small village adjacent to the NOV Macae facility, to a Christmas party. NOV employees also supported staff at the local psychiatric hospital by donating their time to care for the 90 patients. Recognizing their kindness, NOV Macae donated food parcels to the dedicated hospital employees to help them celebrate Christmas.

**Impact a Hero** provides immediate and ongoing support (in the form of opportunities and resources) for our severely wounded, post-9/11 combat veterans, their families, and caregivers. In 2018, NOV raised \$98,500 to support this organization through our annual clay shoot.



### **Governance and Ethics**

NOV is a company with a commitment to integrity and business ethics across many countries and cultures. Those commitments are reflected in our Code of Conduct ("the Code"), which defines how we ensure that our assets remain strong and our dealings are fair. It helps us keep our workplace safe and respectful, while promoting communications that are honest and transparent.

### **Board of Directors**

Along with providing oversight and guidance, our Board of Directors supports our long-term strategies while helping to manage corporate risk. All Board Members are nominated for a 1-year term that expires at the annual meeting, or when their successors are elected and qualified. All of the nominees were elected as directors at the 2018 Annual Meeting.

The Board of Directors appoints committees to help carry out its duties. The Board of Directors has the following standing committees: Audit, Compensation, and Nominating/ Corporate Governance. Last year, the Board of Directors met four times, and the committees met a total of 13 times. As an employee of the Company, Mr. Williams does not serve on any committee.

The Board of Directors monitors the trends, issues and concerns pertaining to corporate citizenship, governance and sustainability and is committed to advancing the Company's ESG goals and initiatives.

22%

To get to know our Board members, visit http://investors.nov.com/corporate-governance/board-of-directors







GRI Index

**Clay Williams** Chairman, President and Chief Executive Officer | 2013 - Present Appointed Chairman in 2014

Greg L. Armstrong Lead Director | 2005 - Present

Marcela E. Donadio Director | 2014 - Present







Ben A. Guill Director | 1999 - Present

James T. "Jim" Hackett Director | 2016 - Present

**David D. Harrison** Director | 2003 - Present



Eric L. Mattson Director | 2005 - Present







William R. Thomas Director | 2015 - Present

78%

# Valuable, Productive Assets

#### **Provide Quality Products and Services**

NOV provides exceptional value to our customers and business partners, delivering safe, high-quality products and services. We follow established internal control procedures and quality controls, in addition to all laws and regulations related to safety and quality. To confidently warrant our products and services, we seek to hold our suppliers accountable to our same high standards, and we only work with suppliers that assure the quality of the products and services they provide.

#### Build and Maintain Honest Relationships with Suppliers, Service Providers, and Subcontractors

We treat our suppliers, service providers, and subcontractors equitably. In return, we expect them to follow the principles outlined in our Code when working with us and our subsidiaries. When sourcing, we pursue on our honest, fair, and transparent selection process for all parties involved.

#### Safeguard All Confidential Information

We take the protection of our sensitive data seriously. This includes our technology, our research and product knowledge, and our daily operations confidential information, including: financial data, personal information, and sensitive data that cannot be publicly disclosed. Company information is confidential and competitively sensitive unless publicly released through appropriate channels.

#### **Protect Intellectual Property**

The intellectual property that results from our research and development helps us to meet customer needs and expand our business. We work diligently to protect our Company's intellectual property rights, including our patents, copyrights, brands, trademarks, trade secrets, and confidential and/or proprietary information. Similarly, we respect the valid intellectual property rights of others.



## **Fair Dealings**

#### **Compete Fairly**

At NOV, we engage in vigorous yet fair competition and comply with all competition laws, in jurisdictions where we do business. We prohibit any behavior that prevents lawful competition, abuses a market position, or involves any unlawful interaction with competitors that could harm our customers.

#### **Conduct Business with Integrity**

We are committed to conducting business ethically. We absolutely prohibit bribery or corruption in any business sector, and with any individuals or companies. We require our employees compliance with all anti-corruption and anti-bribery laws, and we require the same level of integrity from our suppliers, agents, and business partners.

#### **Recognize and Manage Conflicts of Interest**

At NOV, we ensure that our business actions and decisions support our Company's interests. We are careful to avoid conflicts of interest. Our conflict of interest policy promotes transparency.

#### **Comply with International Trade Regulations**

As a provider of products and services to countries all over the world, we require compliance with trade restrictions that apply to our international trading activities. NOV and its subsidiaries comply with all laws and regulations governing the import and export of products, services, software, and technical data. NOV maintains a robust compliance program. As regulations may change quickly in response to current events, we actively track and respond to changes necessary to promote compliance.

#### **Comply with Conflict Minerals Rules**

NOV is committed to complying with the U.S. Conflict Minerals rules promulgated by the Securities and Exchange Commission ("SEC"). We expect our suppliers to conduct their own required supply chain inquiries and to assist us in the required due diligence. For more information, please see our Form SD reports at www.nov.com/secfilings, and our Conflict Minerals Policy at www.nov.com/conflictmineralpolicy.



# Safe and Respectful Workplace

#### **Foster Acceptance**

We count on the diverse backgrounds and experiences of every one of our employees to help us thrive in a global, ever-changing environment. We prohibit all forms of unlawful discrimination and harassment in our workplace.

#### **Respect One Another**

At NOV, we insist on respectful treatment in all of our interactions with coworkers, customers, and business partners. Unlawful harassment is not tolerated, no matter where we conduct business.

#### **Prohibit Retaliation**

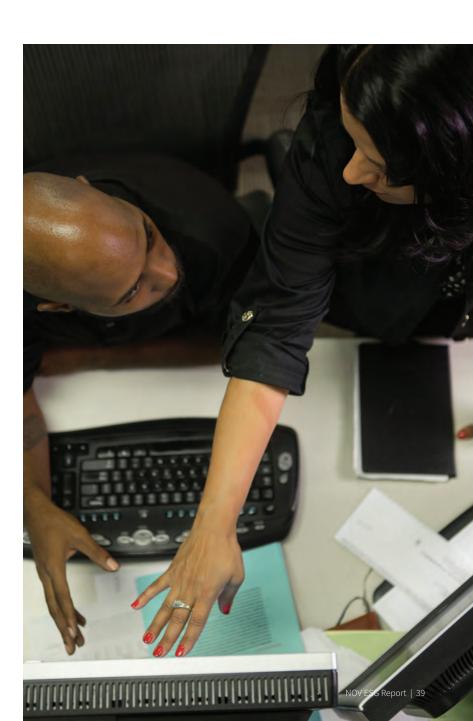
NOV employees are encouraged to report any instances of unlawful discrimination, harassment, or retaliation. We prohibit unlawful reprisal or retaliation against an employee who in good faith reports alleged incidents of discrimination or harassment, or who cooperates in an investigation of any such report.

#### **Respect Privacy Rights**

We respect the personal privacy rights of our employees by using, maintaining, and transferring personal data in accordance with applicable data privacy laws.

#### **Dispute Resolution**

We are committed to building positive employee relations, encouraging open communication, and respecting the rights and dignity of others. In support, we have created our Employee Dispute Resolution Program, available to our full-time and part-time United States employees in the NOV family of companies.



## **Honest and Transparent Communications**

#### **Prohibit Insider Trading**

Insider trading is illegal under U.S. laws, as well as the laws of other countries in which we do business. Our employees are trusted with material, nonpublic information about our operations and the operations of other companies, and our prohibitions against insider trading apply any time we learn inside information about NOV.

#### **Transparent Financial Books and Records**

Our books and records form the basis for our earning statements, financial reports, and other public disclosures as well as guide our Company's business actions and decisions. We ensure that our financial entries give an honest picture of the results of our operations and our financial position by complying with our Company's policies and all applicable laws, rules and regulations that govern our financial accounting and reporting.

#### Manage Records Responsibly

We follow applicable statutory, regulatory, and contractual requirements governing management and retention of Company documents, as well as how and when to appropriately discard them.

#### **Communicate Company Information Responsibly**

We understand the critical need to communicate accurately and transparently about NOV's operations and to provide consistent and truthful material information to the public concerning our business. To ensure this happens, we have established channels for responding to outside inquiries, including selecting staff within our Company to speak on NOV's behalf.

#### **Cooperate with Internal Investigations**

Our Company's Risk Mitigation Team is tasked to investigate, as necessary, possible violations of our Code, in cooperation with appropriate departments and under the direction of the General Counsel and the Chief Compliance Officer. Our employees are required to fully cooperate with any investigation conducted pursuant to our Code or any Company policy. Failure to cooperate fully with an investigation will be considered a violation of our Code and may result in discipline under our Code, including possible termination.

#### **Responsible Use of Social Media**

At NOV, we promote responsible and appropriate use of social media, whether for business or personal use. We are careful to protect confidential information and to demonstrate professionalism and courtesy in all of our communications.



# **Commitment to the Community**

#### **Practice Fair Employment**

At NOV, we abide by applicable laws concerning Human Trafficking and applicable employment laws in all operations and facilities. We do not permit the use of child, forced, indentured, or involuntary labor, and we promote the health and safety of every employee. In addition, NOV complies with fair wage and hour laws in all operations. We will not knowingly conduct business with, and will take appropriate and remedial measures including termination of business dealings with any supplier or other business partner who violates these standards.

#### **Engage Appropriately in Political Causes**

At NOV, we fully support employee involvement in the political process. However, we comply with all legal restrictions regarding what we may contribute or promise to elected officials and their staff.

We do not contribute to any campaign for elected officials, or any political action committees.

We specifically require organizations in which we are members, who do support political donations, to segregate and exclude our fundings from such activities.



# **Partial List of Memberships**

Our company culture extends well beyond the walls of the workplace. In addition to investing their time and effort in local communities, NOV employees also act as responsible industry leaders by living our values across an incredible group of professional organizations, which includes but is not limited to the following:

American Petroleum Institute (API) Society of Petroleum Engineers (SPE) International Association of Drilling Contractors (IADC) Petroleum Equipment & Services Association (PESA) American Association of Petroleum Geologists (AAPG) International Association of Directional Drilling (IADD) American Association of Drilling Engineers (AADE) Intervention & Coiled Tubing Association (ICoTA) Association of Well Head Equipment Manufacturers (AWHEM) American Society of Mechanical Engineers (ASME) National Association of Corrosion Engineers (NACE) Geothermal Association of Kenya (GAK) Nigerian Society of Engineers (NSE) German Scientific Society for Petroleum, Natural Gas and Coal (DGMK) German Geothermal Association (BVG) Illuminating Engineering Society (IES) American Public Works Association (AWPA) Institute of Transportation Engineers (ITE) Women's Wireless Leadership Forum (WWLF) Wireless Infrastructure Association (WIA) Project Management Institute (PMI)



### General Disclosures

102-1	Name of the organization	National Oilwell Varco	
102-2	Activities, brands, products and services		NOV 10 - K
102-3	Location of headquarters	Houston, TX	
102-4	Location of operations	65 countries	NOV 10 - K
102-5	Ownership and legal form		NOV 10 - K
102-6	Markets served		NOV 10 - K
102-7	Scale of the organization		NOV 10 - K
102-8	Information on employees and other workers	37.7K employees*	NOV 10 - K
102-11	Precautionary Principle or approach	10	
102-13	Membership of associations	42	
102-14	Statement from senior decision-maker	4	
102-15	Key impacts, risks and opportunities	4	
102-16	Values, principles, standards, and norms of behavior	5	Code of Conduct
102-17	Mechanisms for advice and concerns about ethics	38,40	Conduct-Ethics
102-18	Governance structure	36	NOV Proxy
102-19	Delegating authority		NOV Proxy
102-20	Executive level responsible for economic, environmental, and social topics		NOV Proxy
102-21	Consulting stakeholders on economic, environmental, and social topics		NOV Proxy
102-22	Composition of the highest governance body and its committees	36	NOV Proxy
102-23	Chair of the highest governance body	36	NOV Proxy
102-24	Nominating and selecting the highest governance body	36	NOV Proxy
102-25	Conflicts of interest	38	Code of Conduct
102-26	Role of highest governance body in setting purpose, values and strategy		NOV Proxy
102-27	Collective knowledge of highest governance body		NOV Proxy

\*The value accounts for all employees including contingent workers.

### General Disclosures

102-28	Evaluating the highest governance body's performance		NOV Proxy
102-29	Identifying and managing economic, environmental, and social impacts		NOV Proxy
102-31	Review of economic, environmental, and social topics		NOV Proxy
102-32	Highest governance body's role in sustainability reporting	36	
102-33	Communicating critical concerns		Conduct-Ethics
102-35	Remuneration policies		NOV Proxy
102-36	Process for determining remuneration		NOV Proxy
102-37	Stakeholders' involvement in remuneration		NOV Proxy
102-38	Annual total compensation ratio		NOV Proxy
102-40	List of stakeholder groups	5	NOV 10 - K
102-41	Collective bargaining agreements		NOV 10 - K
102-45	Entities included in the consolidated financial statement		NOV 10 - K
102-46	Defining report content and topic boundaries	3	
102-47	List of material topics	3	
102-48	Restatements of information	NA - Baseline	
102-49	Changes in reporting	NA - Baseline	
102-50	Reporting period	3   2018	
102-51	Date of most recent report	NA - Baseline	
102-52	Reporting cycle	3   Annual	
102-53	Contact point for questions regarding the report	3   Sustainability@NOV.com	1
102-54	Claims of reporting in accordance with the GRI Standards	3	
102-55	GRI content index	43	
103-1	Explanation of the material topic and its Boundary	6, 19, 35	
103-2	The management approach and its components	6, 19, 35	
103-3	Evaluation of the management approach	6, 19, 35	

### **Economic Performance**

201-1	Direct economic value generated and distributed		NOV 10 - K
201-3	Defined benefit plan obligations and other retirement plans		NOV 10 - K
202-2	Proportion of senior management hired from the local community	26	
203-1	Infrastructure investments and services supported		NOV 10 - K
203-2	Significant indirect economic impacts		NOV 10 - K
205-2	Communication and training about anti-corruption policies and procedures	38	ACAB Policy

### **Environmental Performance**

301-1	Materials used by weight or volume	16   227,641 Tons
301-2	Recycled input materials used	16   163,000 Lbs (Texas)
302-1	Energy consumption within the organization	12   1.99M MWH
302-4	Reduction of energy consumption	13
302-5	Reductions in energy requirements of products and services	7-9
303-2	Management of water discharge-related impacts	14
303-5	Water consumption	14   1.5M Gallons
304-1	Operational sites owned, leased, managed in, or adjacent to, protected	
	areas and areas of high biodiversity value outside protected areas	10
304-2	Significant impacts of activities, products, and services on biodiversity	18
305-1	Direct (Scope 1) GHG emissions	12   1.01M Metric Tons CO <sub>2</sub> e
305-2	Energy indirect (Scope 2) GHG emissions	12   0.32M Metric Tons CO <sub>2</sub> e
305-5	Reduction of GHG emissions	12 - 13
306-3	Significant spills	11
306-5	Water bodies affected by water discharges and/or runoff	9,18

### Social Performance

401-2	Benefits provided to full-time employees that are not provided to		
	temporary or part-time employees		NOV 10 - K
403-1	Occupational health and safety management system	20	
403-2	Hazard identification, risk assessment, and incident investigation	20	
403-3	Occupational health services	20	
403-4	Worker participation, consultation, and communication on		
	occupational health and safety	20	
403-5	Worker training on occupational health and safety	21-22	
403-6	Promotion of worker health	27	
403-7	Prevention and mitigation of occupational health and		
	safety impacts directly linked by business relationships	20	Code of Conduct
403-8	Workers covered by an occupational health and safety management system	20	
403-9	Work-related injuries	20	
403-10	Work-related ill health	20	
404-1	Average hours of training per year per employee	21	
404-2	Programs for upgrading employee skills and transition assistance programs	28-29	
405-1	Diversity of governance bodies and employees	26,36	
408-1	Operations and suppliers at significant risk for incidents of child labor		Code of Conduct
409-1	Operations and suppliers at significant risk for incidents of forced or		
	compulsory labor		Code of Conduct
412-1	Operations that have been subject to human rights reviews or impact assessments		Code of Conduct
412-2	Employee training on human rights policies or procedures		Code of Conduct
415-1	Political contributions	41	Conduct-Ethics
416-1	Assessment of the health and safety impacts of product and service categories	23-25	

