



Risk Management Policy

People, property, earning capacity and reputation are key determinants of SLB's future. Their development, preservation and security are essential for growth and long-term survival. SLB seeks to protect and preserve both its tangible and intangible assets from loss or damage that could materially affect its ability to fulfill its commitments and discharge its responsibilities to its customers, employees, shareholders, and the communities in which it operates. SLB also seeks to assume, and manage, risk associated with strategic business opportunities that may leverage its domain knowledge and its intellectual, technical and financial capital.

Effective implementation of the risk management process improves the quality of decision-making in the face of uncertainties. The risk management process in SLB requires managers to:

- Identify and assess risk and opportunities associated with SLB's business activities;
- Identify and use appropriate risk management tools, training and techniques that facilitate and enhance the quality of decision-making;
- Select and implement cost-effective risk control measures to avoid or reduce undesired exposures to loss or unwanted volatility
- Implement appropriate risk financing and risk transfer strategies [including, but not limited to insurance] to offset the financial effects of any losses or unwanted volatility, so that the lowest sustainable cost of risk is obtained over the long term.

Commitments to acquire new businesses; to allocate resources to geographically or politically challenging zones; to launch new business activities; or to accept atypical or onerous contractual terms and conditions must be supported by reasoned and reportable risk and reward analyses - to support the appropriate management approval process.

GeoUnit Managers and Product Line Presidents have the primary responsibility and accountability for identifying and assessing operational risk. Evaluation of risk control options is performed in close liaison with the business support functions, notably, HSE, Risk Management, and Legal & Contract Management. The Risk & Insurance Management Function and the Finance Function have the shared responsibility for designing, proposing and maintaining appropriate risk financing & risk transfer strategies.

At the corporate level, the Executive Risk Committee (ERC) is appointed by the Chairman and Chief Executive Officer and reports to the Chairman and Board of Directors of SLB. The ERC is responsible for the Risk Management organization and ensuring that appropriate risk mapping, business continuity, crisis management and emergency response processes are in place and actively maintained.

A handwritten signature in blue ink, appearing to read 'Olivier Le Peuch', is positioned above the printed name.

Olivier Le Peuch

Chief Executive Officer, Schlumberger Limited

For further information regarding this policy:
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