



# SUSTAINABILITY REPORT



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Our vision is to advance our leadership position in drilling and completion services through teamwork, technology, and innovation, in order to safely and responsibly help provide the world with oil and gas for the products that make peoples' lives better, in a sustainable and profitable manner.

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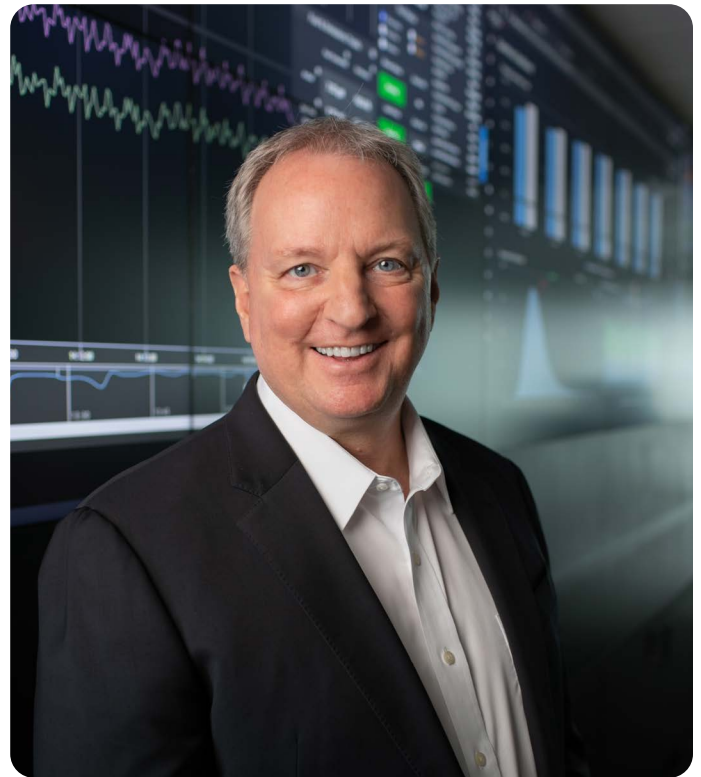
# Message From Our CEO

2023 was an exciting year for Patterson-UTI, as NexTier Completion Solutions and Ultrerra Drilling Technologies became part of our Patterson-UTI portfolio of businesses. Through these transactions, we will continue to build on serving all of our stakeholders as an industry leading drilling and completion services company.

**“We remain focused on investing in our people and in new technologies and continuing to operate responsibly, in order to help our customers efficiently produce the oil and gas that the world needs.”**

We will also continue to effectively manage our sustainability-related programs for the long-term benefit of our shareholders, employees, customers.

As part of this commitment to sustainability, we aim to minimize our environmental impact in the communities in which we work and live, while providing services for our customers in a safe and responsible manner. We invest extensively in the safety, health, development and well-being of our people, who, through the diversity of their backgrounds, experiences and talents, are our greatest strength. We promote a respectful and supportive culture in which our employees feel valued and their contributions are recognized. We maintain a rigorous focus on ethics and integrity at every level of our operations, a practice on which all of our success depends.



Our employees and our Company have taken significant steps to positively impact sustainability-related issues, while delivering value to our customers. As a company, we remain focused on our priorities of maintaining a safe and positive work environment for our employees, providing high quality services and products to our customers, being a good steward of capital for our shareholders, and respecting the environment. We welcome your feedback.

Thank you,

A handwritten signature in black ink, appearing to read "A. Hendricks". The signature is stylized and fluid.

Andy Hendricks  
President & Chief Executive Officer (CEO)  
December 2024

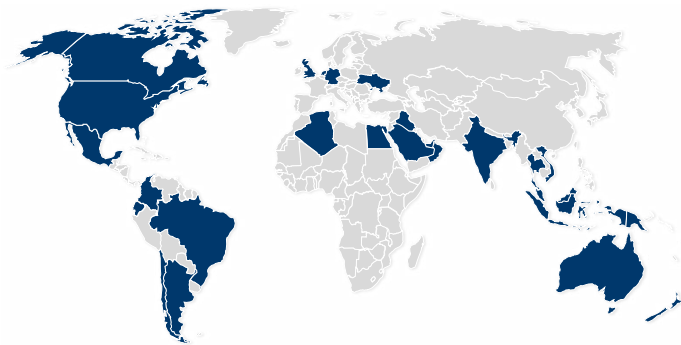
# About This Report

Patterson-UTI is a Houston, Texas-based leading provider of drilling products and drilling and completion services to oil and natural gas exploration and production companies in the United States and other select countries. We also have a number of “asset-light” businesses, including wellbore placement. We also certify and re-certify equipment for drilling contractors, and we provide electrical controls and automation to the energy, marine and mining industries.

We had approximately 10,000 full-time employees as of January 2024.

The information throughout this report generally applies to Patterson-UTI Energy, Inc. on a company-wide basis; however, in some instances, we share details that relate to a specific business. In particular, the practices of our contract drilling business and/or our Completion Services business, our two largest businesses, are highlighted where appropriate.

Unless otherwise noted or as the context otherwise requires, the quantitative disclosures presented in this report are for the fiscal year ended December 31, 2023, and the narrative disclosures presented in this report were current as of December 31, 2023. Additionally, given the continued integration of systems and processes across Patterson-UTI, NexTier and Ulterra, the information reported is intended to include all three entities unless specifically stated otherwise.



Our sustainability report is intended to address what we view as material environmental, social and governance sustainability-related issues. In assessing the material topics to address in our sustainability report, we considered feedback from internal and external stakeholders, including customers, investors, trade associations and industry groups, and engaged with external sustainability resources for feedback and benchmarking purposes. In particular, we considered recent feedback regarding various disclosure frameworks and elected to align our disclosures following the frameworks set forth by the Sustainability Accounting Standards Board (SASB) (Oil & Gas – Exploration and Production) and Task Force on Climate-Related Financial Disclosures (TCFD). Mapping of these disclosures can be located beginning on page 54 of this report. We have also included disclosures on additional topics not covered by SASB and TCFD in response to stakeholder feedback.

## FEEDBACK

**We welcome feedback on our policies and this report. Comments may be submitted to us via email at [sustainabilityreport@patenergy.com](mailto:sustainabilityreport@patenergy.com)**



*Please see the “Disclaimer” section for additional important information regarding this report.*

# Our Core Values

Our Company's culture is built on our core values, and we are proud to conduct our business in line with those values.



## **SAFETY AND ENVIRONMENT**

The safety of our employees and the protection of our environment is a cornerstone, and we are committed to providing a safe, incident-free work environment for all.



## **OPERATIONAL EXCELLENCE**

We partner with our customers and take purposeful initiative to achieve their goals, through delivering high-quality performance, value-added services and products with a focus on innovative technology and solutions in all aspects of our work.



## **HONESTY AND INTEGRITY**

We will act with honesty and integrity in everything we do - building trust in our relationships.



## **DIVERSITY, INCLUSION AND RESPECT**

We are committed to diversity in recruiting, opportunity and leadership and to fostering a culture of inclusion and respect.



## **DEVELOPMENT OF OUR PEOPLE**

We are committed to support the growth, development and career advancement of every employee.



## **PROFITABLE BUSINESS AND FINANCIAL STABILITY**

We are committed to delivering best-in-class profitability and maintaining financial strength.

# Year In Review

## Emissions Reduction Technology Milestones:

Through working with our E&P customers, we are committed to reducing emissions in all facets of our operations and utilizing innovative fuel product solutions whenever possible. We believe that our capabilities to operate with alternative power sources help differentiate our Company.

[Read More Here](#)

## Paid Parental Leave:

In 2024, we launched a Parental Leave program for eligible employees that provides paid parental leave for employees to care for and bond with their child immediately following a birth or adoption.

[Read More Here](#)



## PTEN Cares WHOlives:

We help provide access to clean water in villages in Kenya by supporting WHOlives through financial contributions and our drilling technology expertise.

[Read More Here](#)

## Alternative Fuel Solutions:

We continue to increase our use of clean-burning natural gas in our operations across Drilling and Completion Services.

[Read More Here](#)

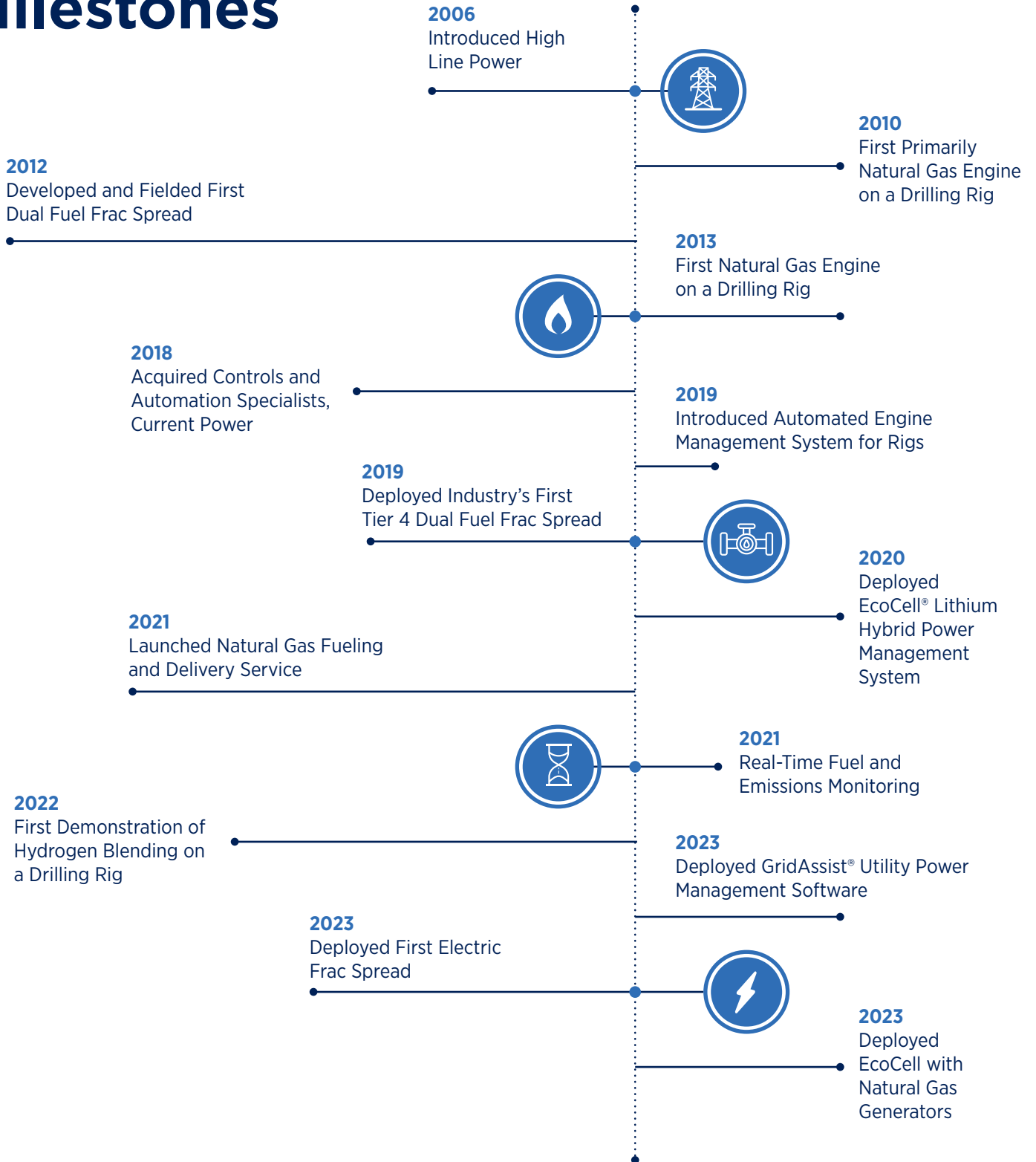
## PTEN Go:

We launched a company-wide intranet to increase communication, collaboration, and engagement across our organization.

[Read More Here](#)



# Emissions Reduction Technology Milestones





# Environmental





# Environmental

We are committed to a clean and healthy environment for all. It is our goal to minimize our environmental impact in the communities in which we work and live, while providing services for our customers in a safe and responsible manner. We are pursuing initiatives to make improvements in air quality, emissions, energy usage, water quality, land usage, chemicals management and waste material reduction.



## AIR QUALITY, GREENHOUSE GAS EMISSIONS REDUCTION AND ENERGY EFFICIENCY

We are committed to working with our E&P customers to reduce emissions and maintain a strong environmental performance in all facets of our operations, including the use of innovative fuel product solutions whenever possible. We believe that our capabilities to operate with alternative power sources help differentiate our Company. For many years, we have invested in the deployment of lower-emissions engines and technology in the oilfield, and demand for these emission-reducing engines and technology has increased in recent years. As a service provider, we are dependent on the needs and demands of our customers when determining the composition of our fleet. To help our customers satisfy their own fuel reduction and emissions reduction goals, as well as reduce fuel usage and emissions from our own operations, we plan to continue investing capital to support these efforts. In 2023, 66% of our operating rigs were equipped with alternative power sources such as high-line power from the electric grid, dual fuel or natural gas-powered engines, or our proprietary EcoCell lithium battery hybrid energy management system. We also launched our first electric frac spread in 2023 within our Completion Services business, and we have one of the largest deployed fleets

of emissions reducing CAT 351 2E DGBTM Tier 4 engines in the market.

In the short-term, we work to meet customer demands by offering our existing lower-emissions and alternative fuel equipment, such as dual fuel equipment and rich-burn natural gas engines (in place of traditional diesel-only equipment). In the long-term, we will endeavor to meet these demands by continuing our development of innovative, lower-emissions technology (such as continuing to expand natural gas fueling service and our electric frac spreads, battery power hybrid energy management systems and technology enabling the use of utility electrical power in our operations) and redesigning our equipment to maximize efficiency (such as through the development of emission-reducing automation, remote operations and control systems and energy management software).

Our operations include the use of natural gas engines, dual-fuel equipment, and various emissions reduction systems. We utilize equipment that runs on a variety of fuels to improve efficiency and reduce environmental impact. An increasing portion of our contract drilling fleet uses natural gas-only engines and dual fuel engines, and an increasing portion of our pressure pumping fleet uses dual fuel engines.

**INNOVATIVE SOLUTIONS TO POWER OPERATIONS**

From natural gas to lithium batteries to natural gas compression or delivery, Patterson-UTI provides sustainable solutions.

We have a family of environmentally friendly technologies, designed to reduce emissions and fuel consumption and improve sustainability performance.

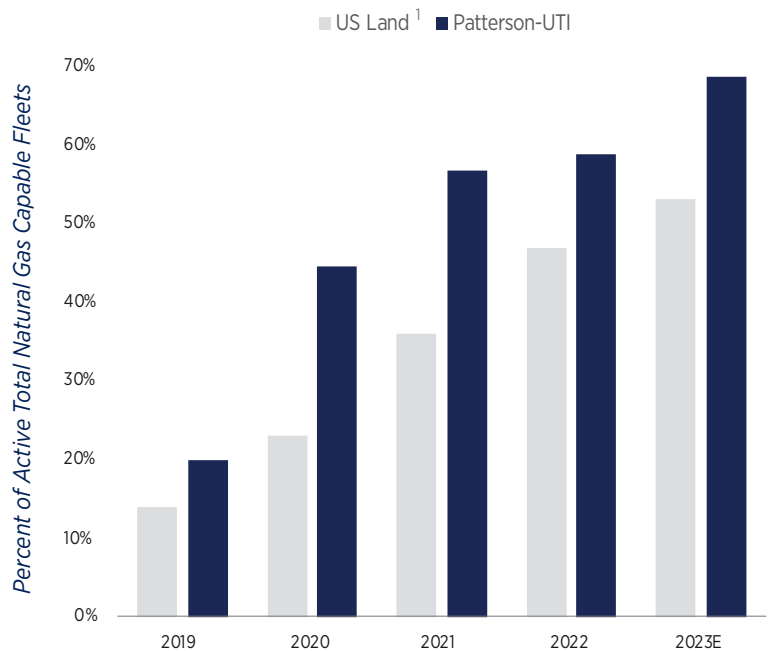


- 100% Natural Gas Generators on Drilling Rigs
- Electric Fleet Additions
- Natural Gas Delivery and Handling Solution
- Dual Fuel Frac Spreads and Drilling Rigs
- EcoCell Battery Energy Storage
- High-Line Power
- GridAssist Utility Power Management Software
- Automated Engine Management Software
- Natural Gas Compression and Delivery

**NATURAL GAS-ENABLED TO LOWER COST AND LOWER CARBON**

Our Emerald™ Electric Fleet is able to transition to lower cost, lower carbon fuels at the wellsite.

- More than 70% of NexTier’s fleet can be powered by natural gas
- Natural gas-powered fleets can lower annual fuel costs by more than \$15 million per fleet<sup>2</sup>
- Natural gas lowers CO2 emissions by 30% compared to diesel<sup>2</sup>



Sources: <sup>1</sup>NEX Internal Estimates, <sup>2</sup>U.S. Energy Information Administration

## EMISSIONS REDUCTION PROGRAMS AND INNOVATIONS

### DUAL FUEL ENGINES

With dual fuel engines, we can offer pressure pumping and contract drilling services with a fuel mixture of up to 70% natural gas. Substitution of cleaner-burning natural gas in place of diesel fuel is significantly better from an environmental perspective, as natural gas generates less carbon monoxide than diesel fuel, as well as less nitrogen oxide (NOx), enabling our engines to burn cleaner and reduce greenhouse gas emissions, which improves air quality.

Within our Completion Services business, more than 70% of our pressure pumping spreads are currently dual fuel capable. Our contract drilling business maintains approximately 69 dual fuel rig power systems.

### ENERGY CONSUMPTION

#### NATURAL GAS ENGINES

We were the first contract driller to use Waukesha natural gas engines on a drilling rig. The rich-burn natural gas engines, which do not require the use of diesel fuel, allow our drilling rigs to run 100% on natural gas. The substitution of natural gas in place of diesel fuel results in a variety of environmental benefits, including emissions reduction.

These natural gas systems have the ability to utilize the local natural gas infrastructure that is often available in our working areas, reducing the need for diesel fuel transportation and consumption. These dedicated natural gas engines are also equipped with a three-way catalyst to significantly reduce NOx emissions.

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**Third-party field tests on dedicated natural gas drilling rigs have shown emissions of NOx as low as 0.01 g/hp-hr. Our contract drilling business has 15 dedicated natural gas rig power systems, 11 of which were in operation at the end of 2023.**

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### GENASSIST® LOAD-DEPENDENT STARTING AND STOPPING

Our contract drilling business has developed rig automation systems with Load-Dependent Starting and Stopping, which we refer to as GenAssist. GenAssist allows for automatic shut-down of engines when they have been running at low load levels for extended periods of time, and automatic start-up of additional engines when the power capacity levels of engines that are currently operating are exceeded. This feature reduces the amount of time that our engines run at inefficient power levels, thus reducing unnecessary emissions.

*\*Based on Q2 2024 Actual Results*

### GRIDASSIST UTILITY POWER MANAGEMENT SYSTEM

Our contract drilling business deployed our newest proprietary power solution in 2023, designed to enable rigs to utilize utility power in locations where the available utility power is insufficient to support all rig operations. GridAssist prioritizes power consumption from the utility grid and supports demand above the utility limit by leveraging battery energy storage and additional generators if necessary. Our customers can modify the utility import limit on each location as the utility requirements differ. By enabling our customers to use clean power from the grid, GridAssist can drastically reduce generator runtime or completely eliminate the need for generators, resulting in significant reductions in fuel consumption and emissions.

### ECOCELL ENERGY STORAGE SYSTEM

Our contract drilling business utilizes lithium battery technology in our rig fleet through our proprietary EcoCell technology. EcoCell is an energy management system for drilling rigs that uses lithium batteries to store and dispense energy for use in drilling operations. This system stores energy in lithium batteries at times when demand from operations is lower than the rig's generator capacity and provides supplemental power back to the rig when demand exceeds the rig's generator capacity. This functionality allows us to maintain a steady and optimized load on the rig's generators, keeping these generators running in the most efficient range where they produce the lowest emissions levels and best fuel economy. EcoCell has demonstrated the ability to reduce rig fuel consumption by more than 20%, thereby reducing both fuel costs and emissions.



A new zero-generator mode was released in 2023 that enables further reductions in fuel consumption and emissions. This new feature will shut down all generators during low power demand operations and use only battery power, reducing overall generator runtime. This is just one example of many new features as part of the continuous development process to maximize the performance of the product.

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**At the end of 2023, EcoCell was deployed at 11 of our drilling rigs, with additional units added in 2024.**

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**UTILITY ELECTRIC OR HIGH-LINE POWER FOR DRILLING RIGS**

# SUBSTATIONS

**We are continuing to increase and have invested in additional substations to cover anticipated growth in demand.**



Through our Current Power business within Drilling Services, we provide in-house electrical engineering, control system automation and installation services to connect drilling rigs to utility electrical lines. This capability enables our customers to use utility power, instead of natural gas or diesel fuel, to power their drilling operations. we also offer utility power equipment and services for use in industry outside of Patterson-UTI's drilling rigs.

Using utility power is an optimal power solution on our drilling rigs as it minimizes emission impacts at the wellsite. We have used this technology to connect rigs to utility power in the Permian and Mid-Con basins and expect the use of utility power to continue to increase due to customer demand.

**LOW CARBON VENTURES**

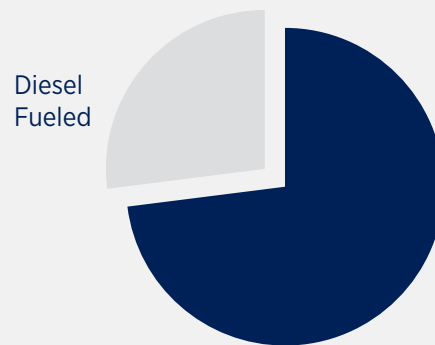
We continue to evaluate methods of expanding our existing businesses into offerings that include alternative energy sources and operate with reduced emissions, while continuing to focus on high quality performance for our customers. For example, our Drilling Products business partners with our customers to provide drill bits for geothermal related projects.

Our Vice President of Low Carbon Ventures oversees these opportunities and future investments, including technologies in carbon capture and sequestration.

**AUTOMATION AND REMOTE OPERATION SYSTEMS**

Our businesses have developed, and continue to develop, advanced automation and remote operation systems and software. These systems and software allow for increasing automation and remote monitoring of wellsite operations. Many of the locations at which we provide operations are located a long distance from our and our customers' facilities, resulting in a need for significant vehicular travel. By improving automation and remote operation capabilities, we can reduce unnecessary vehicular travel to the wellsite by our personnel, thus reducing carbon emissions. The increased use of automation systems and remote monitoring can also reduce the number of personnel at the wellsite, which generally leads to fewer safety incidents. Our remote operations and real time data centers provide digital intelligence with in-house expertise to optimize job planning, improve efficiency, assist with reporting, and enhance environmental performance. Additionally, expertise through artificial intelligence reduces operational costs, and can minimize on-site wait time and reduce the number of vehicles on the road. These digital centers also help with equipment health monitoring and maintenance.

## Leading provider of diesel-alternative solutions



# >70%

Natural Gas, Utility (Grid), GenAssist and/or Battery Storage System Capable

**80% of our completion services fleet is natural gas capable.**

#### TIER 4 FRACTURING SPREADS

We design our drilling and pressure pumping fleets to be 100% compliant with all current EPA air emissions requirements. Additionally, we are sensitive to and supportive of customer climate and emissions-related targets, scenarios and goals. Our Tier 4 compliant engines reduce harmful exhaust gases from diesel powered equipment, and the use of these engines results in significant reductions in emissions (PM and NOx) relative to previous-generation engines.

Our pressure pumping business helps to meet our customers' GHG emission goals by utilizing our dual fuel and Tier 4 compliant fracturing spreads.



#### ADDITIONAL FUEL REDUCTION EFFORTS

We are also able to reduce fuel consumption at the wellsite through our Hibernate™ warm-start system, which gives us the power to turn off pump engines when they are not needed. When the next stage is ready, the crew can remotely restart multiple pump engines from the data van.

Hibernate is compatible with both full-diesel and dual fuel fleets, and makes frac sites cleaner, quieter, and more efficient. By eliminating nonproductive engine idling, we accomplish:

- Reduced fuel usage and related emissions
- Decreased load and journey volume
- Decreased equipment wear and required maintenance
- Reduced crew members' exposure to heavy machinery
- Removed excess noise pollution to improve on-site safety and communication

#### PARTICULATES (DUST) CONTROL

Our pressure pumping business actively works with its service partners to develop, test and implement new technologies to reduce particulates and dust emissions on location. We currently operate with a combination of active (ventilation systems) and passive (tenting and limiting flow) technologies that significantly reduce dust concentrations. We routinely monitor technologies in use to measure the amount of reduction attained and continually work to reduce emissions and exposures.



**~2,000,000 HHP\***  
Deployed gas solutions



**101,000\***  
Powered homes per day equivalent



**>130\***  
Owned CNG Trailers



**~76,000,000\***  
Annualized diesel gallons displaced

**REMOTE MEASUREMENT WHILE DRILLING**

We continue to commercialize our remote measurement-while-drilling (MWD) services within our directional drilling business. In 2023, our remote MWD services executed services on approximately 180 well sites during the year. Our remote MWD services typically result in a 50% reduction of our MWD personnel at the well site, and in certain instances, have enabled us to perform services without any MWD personnel at the well site.

The reduction of personnel at the well site results in reduced overall emissions, including the removal of vehicles from the roadways and decrease of the overall miles traveled.

**OTHER EMISSIONS REDUCTION EFFORTS**

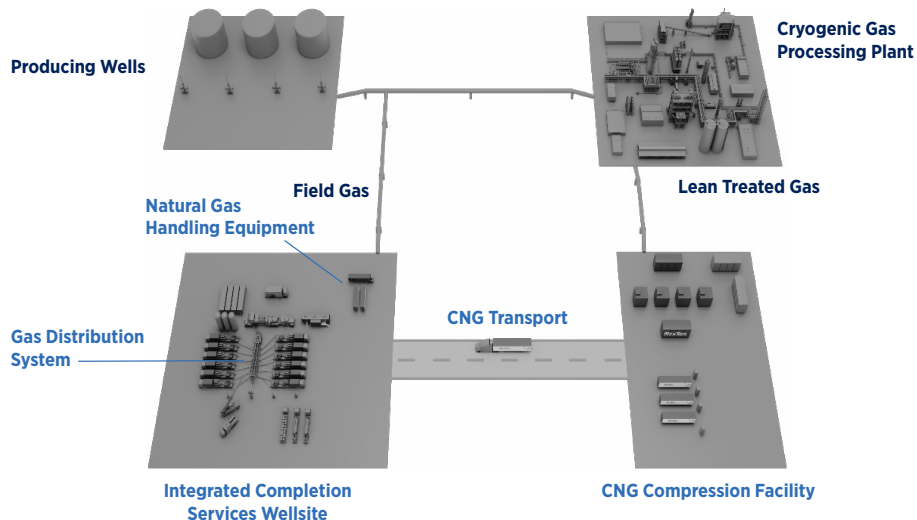
**NATURAL GAS FUELING AND DELIVERY BUSINESS**

Our natural gas fueling business helps to maximize diesel displacement by helping customers utilize as much of their

in-field produced gas as possible, based on availability. When in-field produced gas is not available, we provide compressed natural gas (CNG).

**Our natural gas fueling business displaced over 55 million gallons of diesel in 2023, an increase of 162% over the prior year.**

We have also invested and committed capital to expand our field gas treatment capabilities and technologies to be deployed in the coming years, equipping our customers to consume even more of their in-field produced gas, which saves costs and reduces delivered truck loads of CNG to the wellsite.



## ENERGY EFFICIENCY

### EFFICIENT USE OF ENERGY

We seek to employ energy efficient technologies and reduce energy usage throughout our facilities. Completed and ongoing initiatives include:

- Installing LED lighting on all new and refurbished drilling rigs
- Upgrading lighting in warehouses and shops, including LED lighting
- Converting to LED on all light repair replacements
- Installing motion detection systems that automatically turn off lighting when not in use
- Ongoing review and consolidation of our facility footprint

### ENERGY CONSUMPTION

FUEL CONSUMPTION (OFF-ROAD)	2023 (in gigajoules, rounded)
<b>DIESEL (1)</b>	
Contract Drilling, estimated (2)	13,589,000
Pressure Pumping, estimated (3)	21,584,000
<b>FUEL CONSUMPTION (ON-ROAD) (4)</b>	
Diesel	746,000
Gasoline	286,000
<b>ELECTRICITY CONSUMPTION, ESTIMATED (5)</b>	139,000

1. We present off-road fuel consumption for our contract drilling and pressure pumping businesses, as those are our two largest businesses (Drilling and Completion Services constituted approximately 95% of our 2023 revenues), and we believe that the off-road consumption of fuel by these two businesses comprises substantially all of our consolidated off-road fuel consumption.
2. Off-road fuel consumed by our equipment during drilling activities is purchased and controlled by our customers, and they do not provide us the actual levels of fuel consumption (nor the type of fuel used). Accordingly, the fuel data above is based on estimates, which were derived by measuring engine loads and power output for a subset of our drilling operations, calculating related fuel consumption based on published engine parameters, and extrapolating that data to cover the entirety of our annual drilling operations. We have deployed technology that allows us to more frequently and precisely calculate fuel consumption.
3. Off-road fuel consumed by our equipment during pressure pumping is usually purchased and controlled by our customers, in which case they do not provide us the actual levels of fuel consumption (nor the type of fuel used). Accordingly, the fuel data above is based on estimates, which were derived by measuring engine loads for all active engines during the year and calculating fuel consumption based on published engine parameters. As mentioned above under the Vehicle and Engine Idle Time Monitoring section, we have deployed technology that allows us to more frequently and precisely calculate fuel consumption.
4. Total consumption for all company-owned, on-road vehicles.
5. Electricity consumption data is an estimate of the total electricity usage at our company-owned or leased facilities. We currently have the ability to track actual electricity usage at approximately 95% of our facilities. Accordingly, our total usage presented above includes actual usage data for those tracked facilities, and estimated electricity usage for the remaining facilities. We continue to expand our electricity usage tracking to cover all of our facilities.



## ENVIRONMENTAL MANAGEMENT

We are committed to a clean, healthy and sustainable environment. It is our goal to minimize our environmental impact in the communities in which we work and live, while servicing our customers in a safe and responsible manner. Our culture is to enable all of our employees to operate in a manner that is safe and protective of the environment. Industrial hygiene and environmental protection specialists monitor our performance and use industry best practices to continually implement improvements that increase our sustainability and reduce our environmental impact.

To accomplish these goals, we have implemented a comprehensive Environmental Management System (EMS) that includes hundreds of proprietary environmental protection - and safety-related policies that are relevant and tailored to our industry, such as:

- Scheduled training and drills
- Spill Prevention Control and Countermeasure (SPCC) Plans
- Storm Water Pollution Prevention Plans (SWPPP)
- Proper spill containment guidelines
- Rig Site environmental checklist
- Incident reporting guidelines
- Fluid Transfer Policies and Checklists
- Spill Response
- Hazard Communication (HAZCOM)
- Waste Management
- Permit closure and environmental exit completion for shuttered facilities
- Secondary containment procedures
- Chemical minimization

## AUDITS AND IMPROVEMENTS

Throughout our organization, we have a shared responsibility to operate in a manner that is safe and protective of the environment. Through monitoring and the use of industry best practices, we continually seek improvements that increase our sustainability and reduce our environmental impact.

We regularly audit and review our HSE performance in all of our businesses. The timing and frequency of these audits is generally set by an established audit calendar, which is based on the type of audit. Corrective actions, when appropriate, are implemented for non-conformities

identified during the audit.

Best practices discovered during these audits are shared among our operations teams, HSE professionals, and technical services group so that they can be learned and implemented across our organization.

## ENVIRONMENTAL MANAGEMENT POLICY

Check out our full policy statement [here](https://www.patenergy.com), or go to [patenergy.com](https://www.patenergy.com) for more.



## WATER AND ECOLOGICAL IMPACTS

At Patterson-UTI, we work hand in hand with our customers to minimize environmental impacts and ensure industry best practices when performing our operations. We strive to conduct our drilling and completion activities in a manner that protects the quality of ground and surface water and to minimize, to the extent within our operational control, water usage.

We require all employees to operate in a manner that is safe and protective of the environment. Our operations are monitored by HSE professionals with specialties in safety, industrial hygiene and environmental protection who utilize industry best practices to continually monitor and reduce our environmental impact.

## SPILL PREVENTION, RESPONSE AND REPORTING

We have created Spill Prevention Control and Countermeasure (SPCC) plans and adopted industry best practices to prevent and mitigate releases and spills of oil and other effluents and have placed these SPCC plans at our job sites, as required. These plans are designed to prevent spills of oil and other effluents from reaching any navigable waters and to inform employees of the proper way to handle oil-based materials, inspect for leaks, respond appropriately to incidents and report spills.

Our contract drilling and completion services businesses have developed their spill containment policies to meet or exceed all state requirements relating to spill containment in the states in which we operate. In our completion services business, we and our customers use additional spill containment and matting to prevent or mitigate releases in areas where there is a greater potential for stakeholder impact due to environmental releases. In our contract drilling business, at all new well locations, we utilize rig site environmental checklists to identify potential exposure to waterways, and we inspect the containment and best management practices in place to protect these waterways.

We also have engineered solutions that mitigate potential spills; for example, our newer drilling rig designs integrate advanced environmental spill control into the drill floor. This spill control consists of secondary containment that is integrated into the drill floor to prevent the leakage of drilling fluid, rainwater and other fluids into the ground. Nearly all of the fracturing spreads in our pressure pumping business use a fueling system that provides fuel directly from a fuel storage cell to the pump trucks to minimize on-site manual fueling activity and reduce spills. We utilize containment to minimize incidental release impacts to the environment.

Our drilling crews routinely conduct spill drills on location according to an established drill calendar. These drills include a spill scenario, where crews simulate control and response of the spill as well as procedures for notification of management. All locations have spill kits, which are routinely inspected, and employees trained to respond to spills.

We recognize the importance of safely and efficiently transferring fluids at our jobsites. We set guidelines for the responsible transfer and handling of hydrocarbons, including controlled fluid transfer policies. In our contract drilling business, the inspection and audit process at our jobsites includes an environmental assessment for any non-conformities as outlined in our Environmental Management System. Any spill, regardless of size or quantity, is required to be reported internally and investigated. In our pressure pumping business, we adhere to an incident management program that requires all releases from primary containment to be reported. Reporting on spills and investigating each incident gives our organization a better understanding of why a spill may have occurred and how to reduce the risk of a similar incident occurring in the

future. Across our businesses, we had 6 reportable spills in 2023. Each spill was remediated, and any environment impact was insignificant.

### SPOTLIGHT ON ENVIRONMENTAL PROTECTION TRAINING

**In 2023, more than 5,000 employees attended Spill Prevention Control and Countermeasure (SPCC) training.**

### WASH BAY RECYCLING AND DISCHARGES

To reduce water consumption and impact to the environment, we currently have recycling systems on our wash bays in five of our facilities where we maintain heavy equipment.

### WATER CONSUMPTION

We seek to minimize, to the extent within our operational control, our water usage. Our estimated water usage in 2023 across the legacy Patterson-UTI facilities\* that are leased or owned was approximately 52,000 cubic meters, which is inclusive of 100% of the legacy Patterson-UTI facilities. Accordingly, our estimated total water usage includes actual usage data for those tracked facilities. We are working to expand our water usage tracking to cover all of our facilities. Water used at well sites in activities such as drilling and pressure pumping is purchased and controlled by our customers, and is, therefore, outside of our reporting scope. This control over water consumption by our customers is a key limiting factor in our ability to reduce water consumption in our operations.

We have fluid containment policies and other processes and long-term initiatives in place to minimize our environmental footprint when setting up drilling and pressure pumping equipment at well sites.

### MAXIMIZING RECYCLED WATER USE

Our completion services business uses technology to analyze the characteristics of recycled water for processes in pressure pumping operations.

*\*Water usage at NexTier and Ulterra facilities was not tracked.*

## HABITAT AND BIODIVERSITY IMPACTS

Where operations may have an impact on local animal and plant populations, we partner with our customers to create a plan to address this impact prior to the commencement of operations. While many of these impacts are outside of our operational control, we work with our customers to comply with their biodiversity and other policies related to the protection of local wildlife. Many of our areas of operation have substantial wildlife populations, especially during particular months of the year. To mitigate the impacts to wildlife, we have trained employees on best practices for avoiding wildlife vehicle collisions. Additionally, when operating in sensitive areas, where possible, we have used power from local electric utility grids in place of hydrocarbon fuels to eliminate engine emissions and reduce noise. Our EcoCell technology allows

us to eliminate one of the diesel generators on a rig, which can reduce emissions and noise in sensitive areas. We have also consolidated facilities where possible to centralize operations, which reduces our overall footprint.

## WASTE AND CHEMICALS MANAGEMENT

Our facilities and operations use a variety of initiatives to minimize waste materials, such as recycling of paper materials or sending metal-based materials for reprocessing and re-use. In this effort, we reduce physical waste and improve the quality of the environment in which we work. In our policies, we clearly and concisely outline waste identification and disposal methods.

## Saving Nature Project: Colombia Cloud Forest Wildlife Corridor Restoration

We supported Saving Nature's reforestation project along a wildlife corridor in the Andean Cloud Forest of Colombia, which also provides benefits to the local community through employment opportunities paying well above minimum wage.

The project will create an 8,000-hectare nature reserve from degraded cattle pasture, and connect two existing protected areas to create a large swath of contiguous habitat to enable species vulnerable to climate change to migrate upslope including:

- Amphibian and Reptile Species: 14 species of Data Deficient, Near Threatened, and Threatened amphibians and reptiles
- Bird Species: 13 threatened (critically endangered and vulnerable) and 7 near threatened bird species
- New species discovery within the project area:
  - Seven Orchid Species
  - Nine Frog Species
  - Six Lizard Species
  - Olinguito (First carnivore species discovered in the American Continents since 1978.)

## WASTE MANAGEMENT POLICIES

Under our policies for non-hazardous, hazardous and universal waste generated at jobsites, waste streams are handled, labeled, managed, accumulated, inspected and disposed of in accordance with applicable state and federal regulations, as well as best management practices. Our waste management policies also include procedures for handling new and/or unknown waste streams according to state and federal regulations.

## WASTE MINIMIZATION STRATEGIES

We promote waste minimization strategies including recycle and re-use, maintaining the condition of materials, equipment and storage containers, as well as inventory management. Additionally, we adhere to a scheduled maintenance program that is tailored to each type of equipment to reduce unnecessary waste and increase the overall life cycle of our equipment.

Our manufacturing operations use certified waste disposal services for disposal of manufacturing by-products. Our contract drilling and pressure pumping businesses approve and verify vendors for the storage, transport, and disposal of used lubricants at relevant locations and require these vendors to comply with all relevant lubricant disposal regulations.

Additionally, we continue to increase the use of electronic management systems and documentation, which reduces waste relative to paper-based systems. Our electronic management systems include thousands of pages of documentation, portions of which would otherwise have to be printed out for use, and re-printed upon any revision, on every Company drilling rig, fracturing spread, facility and office. We estimate that our use of electronic management systems has saved hundreds of thousands of pages of paper.

Our pressure pumping business maintains a process for product management that was developed to minimize waste generation. Products that are not used are first re-marketed. If we are unable to find a buyer for the product, we attempt to find a recycling provider. If no buyer or recycler is found, the material is properly disposed of according to applicable regulations, utilizing waste brokers to find appropriate recycling and disposal methods for materials identified.

## CHEMICALS MANAGEMENT

While we do not develop or manufacture chemicals, we utilize a variety of chemicals in our drilling and pressure pumping operations. Most of this chemical usage is dictated and often purchased by our customers. During 2023, we used 168,586,222 cubic meters of hydraulic fracturing fluid in our completion services operations. This amount includes water, proppant and chemical additives.

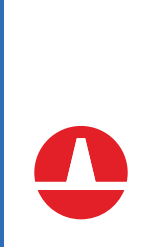
Our management system contains a variety of chemical management policies, including policies regarding storage, labeling, HAZCOM (discussed below), transportation, and training. Our supply chain group tests the majority of the chemicals that we purchase using our internal laboratory testing capabilities to ensure that these chemicals meet our needs.

To mitigate chemical risks, we have a comprehensive HAZCOM program in place to classify and relate health information of all chemicals and products used at Patterson-UTI jobsites to all personnel, which includes:

- Safety Data Sheets (SDS) for Patterson-UTI purchased chemicals available in an online database at all our jobsites
- Guidelines to ensure proper container labeling using the Globally Harmonized System (GHS)
- Employee training for all personnel on potentially hazardous chemicals in the workplace

Chemical recycling initiatives are in place whereby a number of our chemical suppliers agree to provide chemicals (for example, lubricants) for use and, once the chemical usage is complete, take away the waste for recycling.

**Our Drilling Products segment partners with a third party to provide recycled minerals and materials which are distributed across a variety of industries, including healthcare, energy, construction, automotive, aerospace, technology, agriculture and defense.**



# Social



# Social

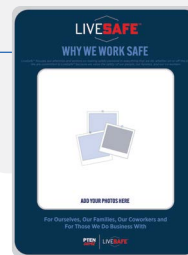
At Patterson-UTI, we are committed to caring for our employees and their safety, health and well-being and to the protection of the environment in which we work and live. We are also committed to prioritizing workplace diversity and fostering a culture where employees feel valued, included and respected.

## HEALTH, SAFETY AND INCIDENT RISK MANAGEMENT

Our goal is to establish a culture that prioritizes safety and to implement health, safety, and environment (HSE) requirements, including risk management expectations, that support an incident-free work environment. It takes everyone at the jobsite working together as an interdependent team and adhering to these safe work practices to achieve our goal of being incident-free.



Consistent with our core value around safety and environment and in support of our overall HSE policies, we launched LiveSafe™ across all of our businesses. LiveSafe focuses our attention and actions on making safety personal in everything that we do, whether on or off the job. We are committed to LiveSafe because we value the safety of our people, our families, and our co-workers.



## • Safety and Environment

The safety and well-being of our employees and the protection of our environment is a cornerstone, and we are committed to providing a safe, incident-free work environment for all.

As stated in our HSE Policy Statement which applies across our Company and at all facilities and locations, our managers and supervisors are accountable for the safety of our people and are committed to ensuring that they have functional equipment, required personal protection equipment (PPE) and training for their tasks. We have developed Health, Safety and Environment management systems to establish the policies, standards, and procedural requirements by which we conduct our business in order to achieve these objectives. We prioritize health, safety, and environmental control and carefully monitor our performance and adherence to established management system requirements. Our executive management and Board of Directors regularly review and discuss, on at least a quarterly basis, our safety results and trends at the beginning of each regular Board meeting.

We regularly audit and review our HSE performance in all of our businesses. The timing and frequency of these audits is set by an established audit calendar, which is developed considering the type of audit and required frequency. Corrective actions are identified and implemented for any non-conformities observed during the audit. Best practices discovered during these audits and other assurance activities are aggregated and disseminated to our operations teams, HSE professionals, and technical services group so they can be reviewed and implemented across our organization.

**SAFETY PERFORMANCE**

Due to our operations being primarily onshore and focused in the United States, we measure our safety performance against that of our industry peers who have similar geographical operational footprints. One of the many metrics that we track is our Total Recordable Incident Rate (TRIR). In 2023, our employees worked a total of 20,937,765 man hours.\*

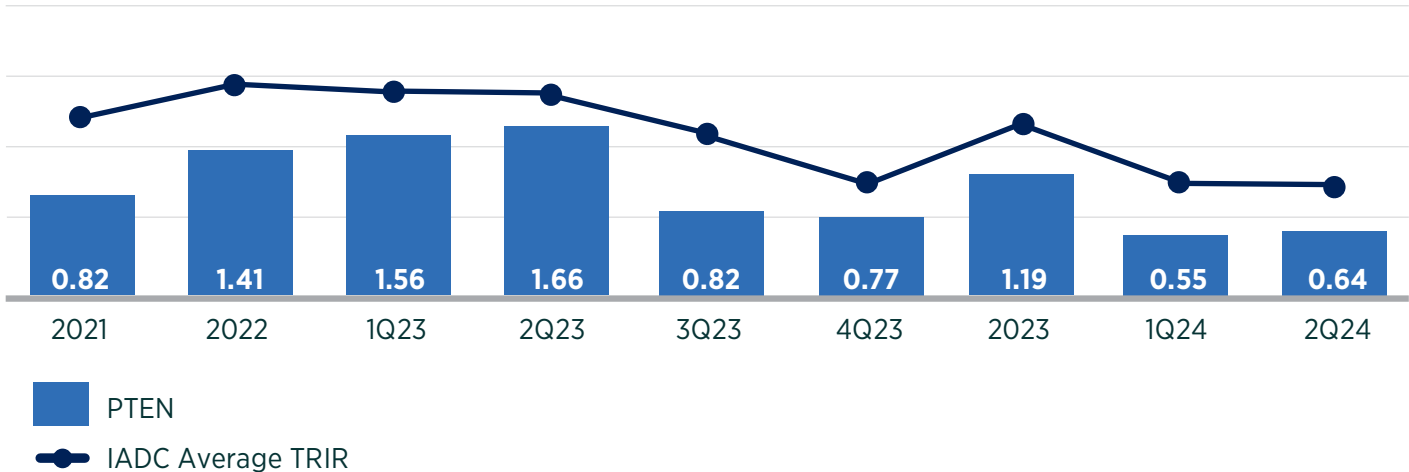
**HSE POLICY**

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**Check out our full policy statement here, or go to [patenergy.com](https://patenergy.com) for more.**



*\*This total reflects man hours for all legacy Patterson-UTI entities for 2023 and includes NextTier and Ulterra man hours beginning in Sept. 2023.*



**Ongoing Safety Training**

At Patterson-UTI, we prioritize investment in training our employees to be knowledgeable about and responsible for the safe execution of their actions in order to protect themselves, their team members and others. Learning is a core focus and continuous development is a key tenet of our training. Our training programs, both classroom and on-the-job, give our people a clear path for success right from the start. We coach and we mentor. Continuous learning is our way of life.

## 2023 Training Data

<b>Legacy Patterson-UTI Training Completion</b>	<b>Total</b>
Number of courses taught	150
Number of training completions	34,902
Number of unique employees trained	18,375
Average training hours per attendee	8.08
Average training hours per unique employee trained	5.23
<b>Completion Services Training Completion</b>	
Number of instructor led courses taught	1,099
Number of eLearnings completions	135,337
Number of employees completing online training	13,584
Number of employees completing optional courses	1,395
Average eLearning training hours per employee	8.9
<b>Legacy Patterson-UTI Courses</b>	
LiveSafe	4,786
Well Control Certification - Drillers and Supervisors	601
Leadership	700
U.S. Code of Business Conduct and Ethics	5,947
Diversity, Inclusion and Respect for Non-Managers	4,275
Diversity, Inclusion and Respect for Managers	1,640
Cybersecurity	2,167
Global Anticorruption	210
<b>Completion Services Courses</b>	
Professional/Leadership	961
Tech Training	999
HSE Training	3,129
<b>Drilling Products Courses</b>	
Preventing Workplace Harassment	231
Code of Conduct	236
Tech Training	1,764
HSE Training	835



**RISK MANAGEMENT****STOP WORK AUTHORITY**

Stop work authority is focused on stopping the job before something is able to escalate and can no longer be controlled, potentially resulting in a significant incident or injury. When stop work authority is utilized, a conversation is held with involved personnel to talk about why it was called, what has changed, and what needs to be modified so work can safely resume.

All of our businesses empower employees with stop work authority. We believe there is no job worth performing if it cannot be performed safely. Safety meetings and briefings are tools we use to identify risks and communicate those risks through safety alerts and bulletins.

**Our employees, contractors, and anyone else on our work locations are empowered to stop work to address a safety concern.**

**PRE-JOB ASSESSMENTS**

Our Permission to Work program is a formal system of control for all contract drilling operations, focusing on controlling critical and potentially hazardous operations and outlines the requirements for the Jobsite Manager's permission to control the job rather than a permit. Each job task is categorized based on a risk assessment associated with the expected scope of work, hazard associated with the job and the appropriate amount of supervision required.



Our Jobsite Manager then verifies the work is ready to begin and gives permission for the job to start by signing the certificate. After completion of the work, the Jobsite Manager must conduct a post job examination of the worksite, close the operation by signing the certificate and conduct a post job review.

Similarly, our Completion Services business follows its PAUSE process, which includes pre-job checklists and job safety analyses before beginning a job. Completing the PAUSE process and hazard assessment is the responsibility of the Jobsite Manager to help ensure incident free operations and is required to be completed prior to engaging in any task.

The goal of these programs is to help us to control the outcome of each job in a safe, efficient manner. Additionally, our system dictates that an appropriate level of risk assessment be completed prior to performing any operation, and dynamic risk assessment be conducted throughout the operation.

**EMPLOYEE SAFETY ORIENTATION**

We require all field-based employees to take Employee Safety Orientation (ESO). Courses include content on Behavior-Based Safety, Hazard Awareness, Safe Systems of Work, Permission to Work, Time Out for Safety, Energy Isolation, HAZCOM, Material Handling, etc.



### ISO CERTIFICATIONS

Our Drilling Products business maintains several ISO certifications from manufacturing and repair operations across several facilities, including ISO 9001, ISO 14001, and ISO 45001 depending on the facility and the work performed.

### DRIVING SAFETY

2023 marks the Completion Services business's first full year with Samsara fleet monitoring systems with great results. Utilizing the advanced driver assistance system technology coupled with internal management processes, allows a proactive approach to our employees and others on the ride. Samsara offers real time warnings to drivers and gives the Company behavioral reports that monitor driving behaviors, such as speeding, quick turns and accelerations as well as alerting the appropriate leadership and support parties for performance management.

### MAINTAINING OUR STANDARDS

In our drilling and Completion Services businesses, we routinely evaluate contractors to ensure they meet both Patterson-UTI and our customers' HSE requirements. In our evaluation process, we review and evaluate contractors prior to hire based on HSE performance statistics, selected HSE policies and procedures, questionnaires, and third-party evaluation systems. This evaluation process assists us in screening contractors and maintaining our standards. We monitor existing contractors' safety performance in assessing whether to continue contractor relationships.

### INDUSTRIAL HYGIENE MANAGEMENT POLICY

We understand the importance of occupational health, as our employees work in many different environments and conditions. We assess these conditions with industrial hygiene management policies that include: respiratory protection, hearing protection, HAZCOM, climate and environmental condition risk mitigation and industrial hygiene monitoring.

We perform industrial hygiene monitoring to identify, evaluate, and document potential exposure to biological, chemical, and physical hazards at Patterson-UTI jobsites and facilities, which includes:

- Workplace hazard assessments conducted at each yard, shop and rig location
- Crew houses monitored and inspected on a periodic basis
- Periodic occupational exposure monitoring
- Temperature monitoring on location

### INCIDENT REVIEW AND COMPREHENSIVE INCIDENT MANAGEMENT SYSTEM (IMS)

In our Drilling and Completion Services businesses, our policies require that any incident, including any near hit, is reported to the manager on location and recorded and tracked in our Incident Management System (IMS). The incident is then reviewed and classified based on its actual and potential severity. The purpose of the IMS program is to establish the requirements for how work-related incidents and near hits are reported, investigated, corrected, recorded, and communicated. The IMS program also helps enable assignment of corrective actions and preventative actions, as well as identifying opportunities for communication of lessons learned.

## CLOUD-BASED MANAGEMENT, FEEDBACK SYSTEM, AND DIGITALIZATION

We expect our Drilling Services employees to actively participate in crafting our processes and procedures, and we encourage everyone to approach their supervisor with suggestions for improvement and, in our contract drilling business, to use our readily available computer-based feedback system. Our cloud-based Management System houses the policies, procedures, and standards that define the Company's expectations and requirements related to safety and operational processes. The Management System also includes technical standards, forms, inspections, audits and other supporting documentation for daily operations.

Our employees have the opportunity to provide direct feedback and suggestions using our Policy Improvement Request (PIR) process. If there is a need for clarification, revision, or the expansion of existing processes, employees can submit their requests through this online system.

## CORNERSTONES FOR LIFE

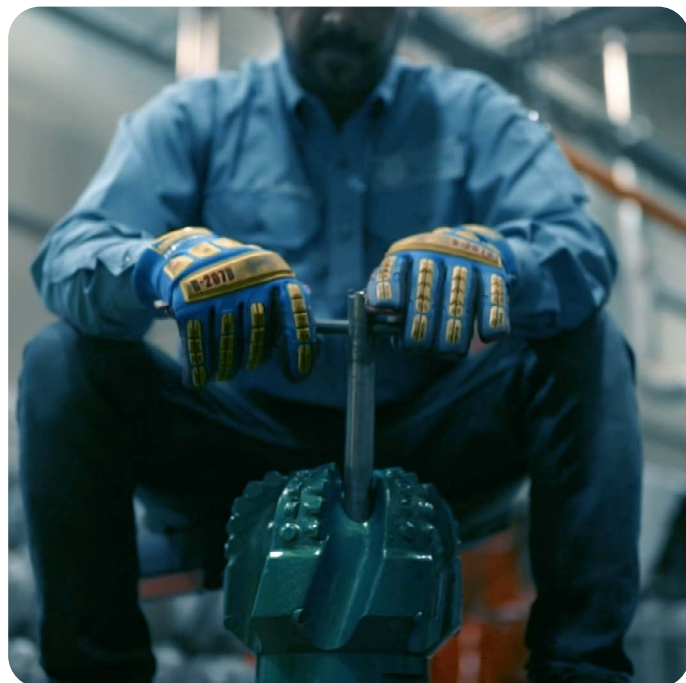
The "Cornerstone for Life" rules provide our employees with extra focus on potentially high-risk activities where we believe failure to follow rules could lead to a much higher probability of serious injury or fatality.

Cornerstones for Life are tailored for our Drilling Services and Completion Services businesses to highlight critical safety expectations at all jobsites. Patterson-UTI employees, contractors and visitors are required to adhere to these rules. Some examples of Cornerstones for Life in our businesses include:

- Utilize our permission to work process without fail
- Follow our fall protection policy
- Properly isolate energy to equipment / lockout tagout when appropriate
- Follow appropriate management of change protocols.
- Take appropriate precautions when working around overhead power lines
- Ensure that appropriately sized tubular handling equipment is utilized
- Follow our safe driving and fit for duty policies

## EMERGENCY PLANNING AND RESPONSE

We have policies and procedures in place to address emergency planning and emergency response. For example, our locations regularly have onsite safety drills, including severe weather and well control drills. Our cloud-based Management System contains policies covering safety and emergency response topics, including detailing requirements for conducting drills, including frequency and type of emergency response drills. We have also developed enhanced communication abilities with employees to be able to promptly alert employees regarding severe weather events or other potential crises through our Company's intranet(s) and in some instances, texting or notification capabilities.



## MANAGEMENT OF CHANGE

Our Management of Change policy provides a managed systematic approach designed to ensure, to the extent possible, that health, safety, and environmental risks are identified, understood, communicated, controlled, and approved prior to implementing certain changes to our operating procedures and policies. The policy requires that certain operating procedural changes be reviewed and approved before implementation to reduce the potential for risks resulting from such changes.

## DIVERSITY, INCLUSION AND RESPECT

At Patterson-UTI, we believe that a commitment to diversity and inclusion for all is foundational and extends beyond what is required by various federal, state and local laws. We actively foster an inclusive culture where our employees are supported, valued and respected. We are proud of our workforce, where all employees can contribute to the success of the Company, drawing upon their unique backgrounds, perspectives and life experiences.

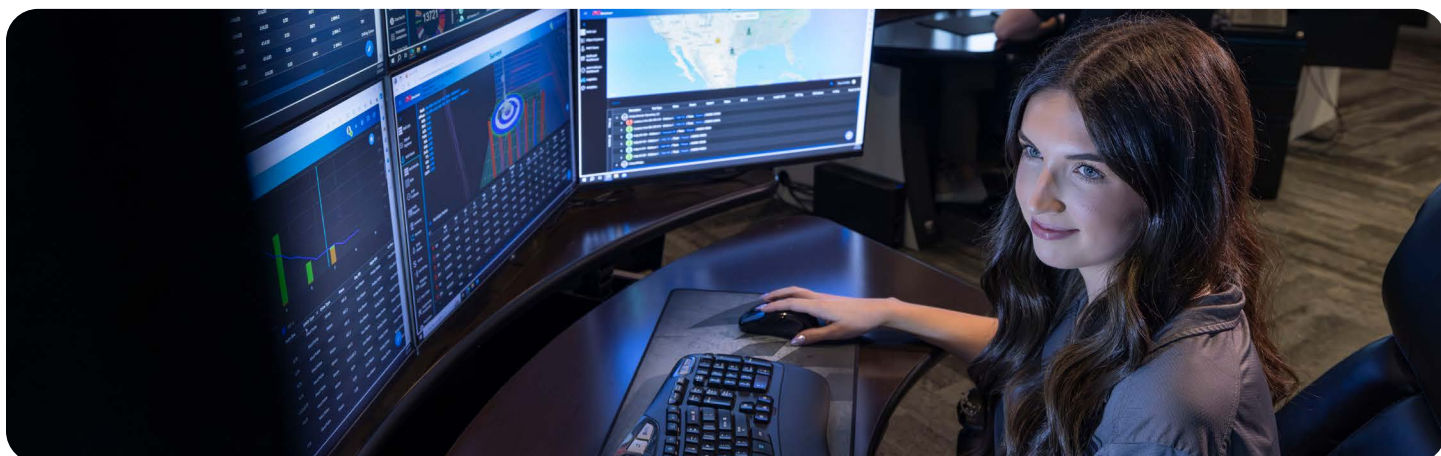
We recognize that a diverse workforce is imperative in order to remain competitive and to meet our customers' expectations. The blend of our employees' different talents, cultures and skills enables us to better develop and implement cutting edge technology, utilize collaborative problem solving and foster innovation. We believe the diversity of our people makes our Company stronger and enables us to pursue even greater results for the Company and the customers for whom we work.

As part of our diversity and inclusion efforts, we recruit candidates from across different geographies, with a focus on employing those who live in the communities near where we operate. We partner with state and local workforce commissions to ensure potential candidates from a variety of backgrounds and experiences are aware of open positions. We also utilize the services of a leading third-party provider of diversity recruitment to help advertise our positions to various organizations. Please see "Talent Recruitment, Retention and Development" for additional detail regarding our recruitment initiatives.

Our leaders remain focused and committed to a diverse workplace and culture of inclusion and respect, and they drive accountability for promoting and maintaining that commitment throughout our Company. Additionally, our Senior Vice President of Sustainability, Diversity and Culture partners with other Company leaders to ensure that our businesses are each doing their part to adhere to Company policies, programs and initiatives that promote our diverse workplace and our culture of inclusion and respect. For example, our Senior Vice President of Sustainability, Diversity and Culture, in coordination with our Vice Presidents of Human Resources for Patterson-UTI's respective businesses, shares information and meets with our leaders to review, discuss and monitor our actions regarding diversity and inclusion, which includes reviewing and monitoring information regarding the hiring, promotion, and retention of employees.

At the Board of Director level, as part of the director nomination process, our Nominating and Corporate Governance Committee, in evaluating a candidate for nomination to be a director, considers, among other things, diversity in professional background, experience, expertise and perspective (including age, gender and ethnicity). The composition of our Board of Directors is 45% female and 18% racially diverse.





## WORKFORCE DEMOGRAPHICS

### Age Demographics (U.S.)

Age Range	Percentage of Workforce
<30 Years Old	23%
30-50 Years Old	64%
>50 Years Old	13%

### Gender Demographics (U.S.)

Gender	
Male	93%
Female	7%
Non-Operational Roles	
Male	64%
Female	36%

### Race/Ethnicity Demographics (U.S.)

Ethnicity	
American Indian or Alaska Native (Not Hispanic or Latino)	1%
Asian (Not Hispanic or Latino)	2%
Black or African American (Not Hispanic or Latino)	8%
Hispanic or Latino	36%
Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)	<1%
Two or More Races (Not Hispanic or Latino)	1%
White (Not Hispanic or Latino)	51%

### Race/Ethnicity Demographics (Permian Region-Largest Operating Area)

Ethnicity	
American Indian or Alaska Native (Not Hispanic or Latino)	1%
Asian (Not Hispanic or Latino)	1%
Black or African American (Not Hispanic or Latino)	9%
Hispanic or Latino	49%
Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)	<1%
Two or More Races (Not Hispanic or Latino)	1%
White (Not Hispanic or Latino)	38%

*Workforce demographics are effective November 2024. They reflect our Drilling Services and Completion Services segments, which are comprised primarily of field-based roles that operate heavy equipment at job sites.*

# Diversity, Inclusion and Respect

We are committed to workplace diversity and fostering a culture of inclusion and respect.

## EQUAL EMPLOYMENT OPPORTUNITY

Patterson-UTI's Code of Business Conduct and Ethics and Equal Employment Opportunity and Anti-Harassment Policy prohibit discrimination or harassment of any type and afford equal employment opportunities to all employees and applicants, without regard to age, race, sex, pregnancy, color, religion, national origin, disability, marital status, covered veteran status, genetic information, sexual orientation, gender identity or any other characteristic protected under state, federal or local law.

## ANONYMOUS HOTLINE AND OTHER REPORTING PROCEDURES

We expect and encourage employees to report concerns, and we provide several avenues through which they can do so: a supervisor or manager, Human Resources or our anonymous hotline (referred to as the "SHARP Hotline") by phone or web submission. Our anonymous SHARP Hotline is administered by a third party. We have structures in place to process whistleblower reports, and we take each complaint seriously, investigate it and take appropriate disciplinary action as needed. Our Human Resources professionals receive robust investigation training, which includes education around employment laws and best practices for conducting neutral and objective investigations. Our employees are also required to provide a work environment free from any form of retaliation for those that report a workplace concern.

## Diversity, Inclusion and Respectful Workplace Education & Training Programs

Each employee is expected to demonstrate a shared commitment to Patterson-UTI's values regarding diversity and inclusion, as well as mutual respect for all co-workers, vendors, customers, third parties, and business partners. The Company expects our employees to treat all individuals with whom they interact on behalf of the Company with common courtesy, civility and professionalism. In return, each employee should expect to be treated the same way.



To that end, Patterson-UTI requires all of our employees to complete training programs on an annual basis regarding our core values, Code of Business Conduct and Ethics and our commitment to a respectful workplace for all. Supervisors and managers are required to complete enhanced respectful workplace training to ensure that they understand our expectations for them regarding their obligations to promote a work environment where all employees feel included, valued and respected. These training programs set expectations for the behavior of our employees that go beyond what is necessary for compliance with applicable laws and policies; they are designed to share information regarding the importance of an inclusive and respectful workplace, and key Company policies.



**TALENT RECRUITMENT, RETENTION AND DEVELOPMENT**

Developing our people is one of our core values. We are committed to the growth and development of every employee. To that end, we have established a culture of learning and talent development delivered in the form of classroom-based instruction, eLearning and on-the-job training.

Our people are our greatest strength, and the development of our employees is key to the long-term success of our Company. Our training is centered around four principles:

- Lead and manage our people
- Manage the business to achieve our goals
- Efficiently and proficiently operate and maintain our equipment
- Partner with our customer to achieve both our goals

Our training and talent development programs include opportunities for employees to advance in their professional careers through intensive, multi-day classroom training programs in numerous skills and competencies as well as management training programs. These programs are geared to providing our employees with opportunities to advance throughout our Company. Some examples of these training programs include skills-based training for new hires to help familiarize them with the technical components of the role prior to arriving at the jobsite, as well as leadership training for those who may be new to a position where they are directing the work of employees or supervising employees.

We are committed to recruiting, hiring and retaining the highest caliber talent for our business by utilizing outreach initiatives and partnerships with a diverse group of organizations, industry associations and networks. As mentioned above, we share job openings with state and local workforce commissions in communities where we operate to assist with hiring local content and to ensure those interested in applying for a position with the Company are aware of the career opportunities.



**INTERNSHIPS**

**We launched a company-wide internship program to promote and develop our future workforce.**





We also engaged a third party to assist with our diversity recruitment efforts. The Company maintains relationships with military organizations and military transition programs to recruit veterans exiting the US military. We also engage with key universities and trade schools to ensure that we are evaluating talent across many different educational institutions and levels.

With the increase in automated and remote operations, the Company also maintains a college recruiting program that is focused on the recruitment of engineering, engineering technology and computer science graduates. The Company’s recruiting program has helped attract a diverse group of candidates for opportunities with the Company.

**FLIPPING THE BARREL SUPPORT**

We support Flipping the Barrel, which hosts an empowering podcast and other events that are designed to share female perspectives in the energy industry through stories of successful individuals and offer career advice.

**PTEN CARES CULTURE**

**COMPENSATION, HEALTH AND BENEFITS**

We are committed to providing employees with compensation that encourages them to perform their jobs safely and efficiently for the benefit of our customers. Many of our positions do not require education beyond high school or a GED, while providing competitive compensation.

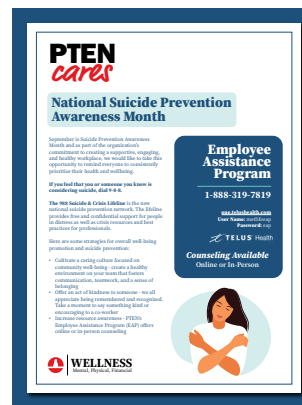
Our compensation levels exceed any federal or state minimum wage, as well as the national salary average provided by the US Census Bureau.

Our health and benefits program provides for extensive preventative care and is designed to improve our employees’ fitness for work, personal safety on the job and overall well-being. We have a Remote Work Policy that permits certain employees to work from home if the job allows for work to be performed remotely. This policy also reduces the commuting time spent by employees on the road, resulting in a lower carbon footprint. Additionally, many of our operational jobs are on a rotational schedule.

We provide benefits including comprehensive medical, dental, vision, disability and life insurance plans. Our offerings to employees also include voluntary life and accidental death and dismemberment policies, voluntary hospital indemnity, voluntary accident insurance, and an employee assistance program (EAP). We frequently host webinars and provide materials to remind employees of these programs.

**We also launched a new paid parental leave policy that provides eligible employees with paid time off for the birth or adoption of a child. This benefit is available to the birthing and non-birthing parent.**

We promote overall wellness with our employees through our PTEN Cares program that reminds employees of the importance of taking care of each other and remaining aware of how important overall health and wellness is to each employee and their families.





**PERFORMANCE REVIEWS**

As part of our ongoing efforts to develop the skills and talents of our workforce, the Company has an annual performance appraisal process for most salaried full-time employees. This performance review provides an opportunity for the employee to conduct a self-assessment, and for the supervisor or manager to provide feedback

and/or communicate opportunities for improvement.

These performance reviews are based on core competencies established by the Company, which include areas of technical/substantive performance as well as teamwork, communication and support for the Company's commitment to diversity and inclusion.



**CAREER DEVELOPMENT TOOLKIT**

Equips employees to guide their own career development and advancement opportunities.



**IMPACT AWARDS**

Our completion services business recognizes and celebrates our employees through a variety of Impact Awards focusing on Community, Safety, Quality, and Business Impact.



**PARENTAL LEAVE**

Provides eligible employees with paid time off for the birth or adoption of a child.



**401(k)**

Our 401(k) program features a savings plan with matching contributions by the Company which increased in 2024.



**PTEN GO**

A company-wide intranet to increase communication, collaboration, and engagement across our organization.

**EMPLOYEE ENGAGEMENT**

To promote an open feedback culture, the Company periodically holds employee engagement sessions, which can take the form of small group sessions or larger town hall meetings. These sessions are conducted virtually at times. The feedback from these events is reviewed by business management and Human Resources for further action.

In addition, managers participates in field-based audits. These audits contain questions to verify our employees' awareness and understanding of the Company's policies, procedures and expectations. During these audits we engage our employees to determine their overall well-being, their perspective on issues regarding the development and advancement of their career path and any other concerns they may want to share.

Some examples of actions taken by the Company include our Next Level Leadership training program, which helps equip leaders and future leaders in our organization with enhanced skills around such topics as business acumen and emotional intelligence.

We launched our PTEN Cares Make a Difference Moments that encourage employees at all levels to find specific ways to connect with co-workers by engaging with them, welcoming new team members, seeking ways to support each other in their daily tasks and providing other important reminders.

Finally, the Company utilizes the services of a third party to conduct exit interviews with employees who voluntarily leave the Company. The Company reviews this information to get a better understanding of the reasons that employees depart the Company and whether there are adjustments to be made to improve talent retention.

## PTEN Path and Other Related Training Programs

PTEN Path is a clear and concise operational focused competency and development program providing our employees the training needed to move through the organization. An objective set of criteria is required to be mastered by the employee to qualify for the next progression step. Mastery is confirmed by a technical trainer, manager, or other qualified leader within the Company. Once qualified, the employee is then eligible for promotion to the next progression step as openings become available. This program ensures a steady flow of qualified employees for each position, employees are trained and qualified for their future position before they are promoted.

From an employee who is new to the industry, to one in a supervisory position, PTEN Path provides employees with a clear career path. As employees progress through the program, they complete classroom-based training (which includes instructor-led and self-paced E-Learnings), mentor-guided on the job training and specialized training with industry professionals for advanced skills practices. Throughout the process, employees are evaluated by their trainers, mentors and supervisors.

We also offer the following learning and development programs:

### DRILLING SERVICES

Performance Drilling

Rig Managers Training

Rig Equipment Training:

\*Floorhand

\*Motors

\*Derricks

MWD Field Specialist

GOTEC Remote Ops

Motor Shop Technician

### COMPLETION SERVICES

Equipment Operator Development Program (EODP):

Mechanics

Electronic Technician

Field Engineering

**LEADERSHIP SERIES TRAINING**



**Frontline Leadership:**

This course is designed to teach leadership content to employees who are working in their first official leadership role.

**Art of Communication:**

This course teaches effective oral and written communication skills and conflict resolution.

**High Impact Meetings:**

This course teaches leaders and people of influence how to conduct effective meetings.

**Introduction to Successful Rig Management:**

This course is designed to teach new leaders in the drilling business how to lead and manage our people, manage the business of the rig, maintain our equipment through asset integrity, ensure customer focus through supply chain, work incident free, and conduct root cause analysis.

**Essential Skills for New Leaders:**

This course is a series of webinars providing instruction for new leaders in the organization. Topics include how to transition to leadership, performance management for new leaders, essential HR and employment law information and other relevant subjects.

**Supervisory Training:**

This course is a series of webinars providing instruction for new leaders in the organization. Topics include how to transition to leadership, performance management for new leaders, essential HR and employment law information and other relevant subjects.

**HUMAN RIGHTS**

Patterson-UTI respects and values human rights. As detailed in our Human Rights Policy, we aim to treat all human beings with honesty, fairness and dignity in all aspects of doing business. We are committed to compliance with all applicable employment, labor, and human rights laws of the countries in which we operate. The Human Rights Policy also addresses child labor, forced labor and human trafficking and establishes that our global vendors and suppliers are expected to share our commitment to respecting the human rights and dignity of all individuals.

Our Equal Employment Opportunity and Anti-Harassment Policy prohibits discrimination or harassment of any type and affords equal employment opportunities to all employees and applicants, without regard to age, race, sex, pregnancy, color, religion, national origin, disability, marital status, covered veteran status, genetic information, sexual orientation, gender identity or any other characteristic protected under state, federal or local law.

We have a Conflict Minerals Policy that outlines our commitment to responsible sourcing of materials for our products.

Our Code of Business Conduct and Ethics outlines the standards and principles that all employees, officers and directors must follow when working with co-workers, vendors, customers or other third parties. The policy addresses conflicts of interest, confidentiality, fair dealing with others, proper use of Company assets, compliance with laws (including anti-money laundering laws, anti-trust laws, anti-boycott regulations, and global trade laws), insider trading, keeping of books and records, zero tolerance for discrimination and harassment in the work environment, as well as reporting of violations.

**COMMUNITY AND STAKEHOLDER ENGAGEMENT**

We are members of industry groups, such as the International Association of Drilling Contractors (IADC), where we are recognized as an sustainability leader through our engagement with the ESG subcommittee, and Energy Workforce and Technology Council (EWTC), where we also participate in various subcommittees. With both of these organizations, we attend roundtables where stakeholder issues are discussed and consider peer company best practices.

We respect the people in communities where we operate and are receptive to their concerns. Our customers, as leasehold owners, are primarily responsible for engaging with the local community and addressing community feedback regarding operations on their land. While our customers are primarily responsible for taking the necessary steps to engage with local communities where operations occur, we participate in these community discussions alongside our customers when appropriate. As discussed in “Talent Recruitment, Retention and Development,” we seek to hire workers in the communities near where we operate. We also prioritize procurement of services and materials from local suppliers in our areas of operations where practicable. Procurement from local suppliers helps to support local communities and economic development in the communities where we operate.

**FEEDBACK**

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**We welcome feedback on our policies and this report. Comments may be submitted to us via email at [sustainabilityreport@patenergy.com](mailto:sustainabilityreport@patenergy.com)**



**CELEBRATING WOMEN IN ENERGY**

**ENERGY WORKFORCE AND TECHNOLOGY COUNCIL**



Courtney Brownie, VP of Finance and Commercial for our natural gas fueling and delivery business within our Completion Services business, was named one of the 25 Influential Women in Energy for 2024 by Hart Energy and the Oil and Gas Investor.

Keith Chometsky, President of our directional drilling business, and Courtney Brownie were appointed to the EWTC Advisory Board.

This program honors professional women who have excelled in every oil and gas industry sector, including exploration and production, acquisitions and divestitures, oilfield services, midstream, finance, ESG and the energy transition.



**ORBIE AWARD - UMAR FAROOQ**

Umar Farooq, Senior VP of IT, was named the 2024 National ORBIE Large Enterprise winner.

For over 25 years, the ORBIE Awards have recognized technology executives for outstanding leadership. The ORBIE Awards is the premier technology executive recognition program in the country, honoring chief information officers and chief information security officers who demonstrated excellence in technology leadership.



The Dallas Business Journal recognized Maria Mejia, Executive Vice President for our Drilling Products business, as a Women in Business honoree at the Women in Business Awards.

# Supporting the Community

We care about the communities where we operate and participate in local efforts to support those communities. We are thankful to be able to give back to these organizations and communities in a meaningful way.



## THE HAY CENTER

In addition to financial support, Patterson-UTI's current involvement includes participation in mock interview sessions for the HAY Center youth who are preparing to enter the workforce.



## SKY HIGH FOR KIDS

We contributed to Sky High for Kids, whose primary mission is to bring communities together to provide comfort, fund research and save lives of those fighting pediatric cancer and other life-threatening conditions.



## WHOLIVES

We partner with this organization that is committed to bringing clean water to developing communities in a self-sustainable process. This year, our employees embarked on a transformative journey to Kenya to serve with [WHOlives](#).





**PINK THE BASIN**

For the eighth year, our Drilling Products business and customers rallied together to support Pink the Basin, raising awareness for breast cancer and the importance of mammograms.

**GREAT PLACES TO WORK AWARD**

Recently, The Dallas Morning News and Medium Giant announced our Drilling Products business was among the Top 55 Medium Workplaces in the Dallas-Fort Worth (DFW) area.

**FLAGS FOR FALLEN VETS**

Our employees and their families volunteered with Flags for Fallen Vets at the Houston National Cemetery. Flags For Fallen Vets is a non-profit mission established for the purpose of ensuring an American Flag is placed on every veteran’s grave site at each national cemetery in the country for Memorial Day.



**PTEN CARES COMPANY-WIDE FOOD DRIVE**

In the spirit of caring and giving back, the Company completed the PTEN Cares Food Drive. Donations were made to organizations across all of our operating regions. Collectively, we donated to multiple different local organizations providing food to those in need. A few of these organizations are:

- HAY Center - Houston, TX
- Angel Reach - Houston, TX
- First Baptist Church - Pearsall, TX
- Houston Food Bank - Houston, TX
- Tarrant Area Food Bank - Fort Worth, TX
- Scurry County Food Cupboard - Snyder, TX
- Regional Food Bank of Oklahoma - Oklahoma City, OK



# Governance





# Governance

The Board of Directors and its committees exercise oversight and engage in monitoring key corporate risks, including climate-related and governance risks. As such, the composition of the Board of Directors is reviewed to ensure that the Board is composed of individuals with diverse skill sets and who are experienced and knowledgeable with respect to the oil and gas industry.

## GOVERNANCE AND OVERSIGHT

### BOARD OVERSIGHT OF CLIMATE AND OTHER RISKS

There are two Board committees responsible for oversight of sustainability issues and climate-related risks and opportunities.

The [Sustainability Committee](#) oversees sustainability risks and opportunities, including climate-change related matters, as well as the sustainability report and other sustainability-related disclosures, sustainability-related strategy, policies and practices, health, safety and environmental protection policies and related risks, human and workplace rights and policies, including diversity and inclusion policies and human capital management.

The [Nominating and Corporate Governance Committee](#) of the Board maintains oversight of governance-related sustainability issues. All of the members of both committees are independent directors. The Sustainability Committee Chair communicates regularly with management regarding our sustainability progress and performance, including quarterly updates on assessments of our sustainability performance.

In addition, the full Board communicates regularly with management as part of its oversight of risk management for the Company, including the oversight of material risks, including transition risks relating to climate change and sustainability performance. Examples of climate-related risks that management discusses with the Board include, among other things, evolving market demand for lower-emission services and technology, capital investment decisions relating to the development of lower-emissions technology and the purchase of lower-emissions equipment, strategic decisions relating to climate risk, including current and forecasted macroeconomic responses to climate change risk, investor feedback on climate risks and our sustainability practices, and policy and regulatory developments related to climate change.

These types of risks are discussed by the Board and management at the regularly quarterly Board meetings, and also between regular meetings outside of the formal Board meeting context.

The Board also reviews communications from, and engages with, shareholders and other stakeholders in response to their climate-related and other inquiries. Directors keep up to date on the latest trends and information relating to climate-related risks, including through continuing director education courses. The Board routinely addresses matters relating to corporate responsibility, governance and sustainability at Board and committee meetings.

**OTHER BOARD COMMITTEES**

Our [Audit Committee](#) oversees management’s execution of Patterson-UTI’s accounting and financial reporting process, including review of the financial reports and other financial information provided by Patterson-UTI to the public and government and regulatory bodies, Patterson-UTI’s system of internal accounting, Patterson-UTI’s financial controls, and the annual independent audit of Patterson-UTI’s financial statements and internal control over financial reporting. The Audit Committee also oversees compliance with Patterson-UTI’s codes of conduct and ethics, compliance with legal and regulatory requirements (such as SEC disclosures in SEC reports and financial statements), and cybersecurity risk.

Among other things, our [Compensation Committee](#) sets and administers the policies that govern the compensation of executive officers of Patterson-UTI and meets on a regular basis to consider executive compensation matters and to review how Patterson-UTI’s plans and policies work in practice.

The Patterson-UTI Board of Directors met 11 times in 2023.



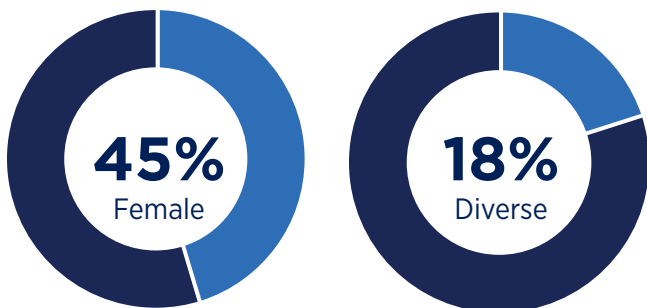
**REPORTING STRUCTURE FOR CLIMATE RELATED RISKS**

The Compensation Committee considers sustainability-related matters in determining executive compensation. Since 2017, a percentage of the payout under our executives’ cash incentive plan has been linked to the Company’s performance against targets on a Health, Safety and Environment key performance indicator (KPI). This Health, Safety and Environment KPI includes, among other things, targets for safety and environmental performance, as the Compensation Committee views these topics as crucial to the well-being of the Company’s employees and to the Company’s risk management. The 2023 Health, Safety and Environment KPI included metrics related to safety incident rates, environmental incidents, audits and training.

## DIRECTOR SKILLS AND EXPERIENCE

SKILLS AND EXPERIENCE	Beyer	Cepak	Drummond	Halverson	Hendricks	Huff	Jaime	Judah	Nelson	Robertson	Stewart
<b>Accounting and Finance</b> Understanding of finance and public company financial reporting		•	•	•	•	•		•	•	•	•
<b>Corporate Finance/Capital Markets</b> Corporate finance, capital markets and/or merger and acquisition experience		•	•	•	•	•			•	•	•
<b>Corporate Governance</b> Corporate governance principles and process	•	•	•	•	•	•		•	•	•	•
<b>Environmental and Safety</b> Safety and environmental regulations	•	•	•	•	•		•	•	•	•	•
<b>Global</b> Management and/or work experience with businesses operating outside of the United States	•		•	•	•	•	•	•		•	•
<b>Human Resource Management</b> Human resource management and/or work experience							•	•		•	
<b>Independent</b> Satisfies the independence requirements of Nasdaq and the Securities and Exchange Commission	•	•	•	•		•	•	•	•	•	•
<b>Industry and Operations</b> Operational and management experience in the oil and gas industry	•	•	•	•	•	•	•	•	•	•	•
<b>Leadership</b> Business and strategic management experience from service in a leadership position, such as a CEO, COO, CFO or other senior leadership position of a significant operating unit	•	•	•	•	•	•	•	•		•	•
<b>Legal Background</b> Practiced law and/or has law degree						•		•			
<b>Prior Board Experience</b> Service on public company boards	•	•	•			•		•	•	•	•
<b>Risk Oversight</b> Understanding significant risks facing companies	•	•	•	•	•	•	•	•	•	•	•
<b>Technology</b> Developing and investing in new technologies	•		•	•	•	•	•	•		•	•

In addition to its role as one of our governing bodies, the Nominating and Corporate Governance Committee, among other things, identifies individuals qualified to become Board members, recommends for selection by the Board director nominees for the annual meetings of stockholders, recommends nominees for Board committee composition, reviews Patterson-UTI's Code of Business Conduct and Corporate Governance Guidelines, develops and continually makes recommendations with respect to the best corporate governance principles and oversees the annual review of the Board and management and executive succession planning.



## The Patterson-UTI Board is 45% female and 18% racially diverse.

Each of these committees is comprised entirely of independent directors. As part of the director nomination process, our Nominating and Corporate Governance Committee, in evaluating a candidate for nomination to be a director, considers, among other things, diversity in professional background, experience, expertise and perspective (including age, gender and ethnicity). The composition of our Board of Directors is 45% female and 18% racially diverse. The Board's diversity is reflective of its commitment to promoting a diverse and inclusive work environment for all.

### MANAGEMENT'S ROLE IN RISK ASSESSMENT AND MANAGEMENT

Our senior-level management is responsible for identifying corporate risks, including climate-related risks and opportunities, assessing the potential level of impact to the business, and discussing this risk assessment with the Board on at least a quarterly basis. We believe that climate risks are inherently business risks, and our assessment of these climate-related transition and physical risks is integrated into our business risk assessment process.

Risks and opportunities are identified through discussions with stakeholders, including customers, investors, trade associations and industry groups; engagement with sustainability-related groups; and our own business risk assessments, as well as regular monitoring of legal, regulatory and policy changes with the potential to affect the industry as well as our Company specifically.

## Average Board Tenure Five Years

Our senior management and representatives from our business units regularly communicate with the Board on risk management matters. For example, the Board and senior management regularly discuss safety matters, sustainability issues, climate-related risks, information security risks and other risks that are important to our business. The key environmental and climate-change risks identified and monitored through our most recent risk mapping process were (i) Policy and Legal Risks, (ii) Market/Technology Risks, (iii) Reputational Risks, and (iv) Physical Risks. These climate-related transition and physical risks are discussed in more detail in "Climate-Related Risks and Opportunities" below.

## MANAGEMENT OF SUSTAINABILITY MATTERS

### Senior Vice President of Sustainability, Diversity and Culture

We continue to evaluate and evolve our Company in matters regarding sustainability, and recently expanded the role of our former Vice President of Diversity and ESG to a Senior Vice President of Sustainability, Diversity and Culture. This position continues to report directly to the CEO. Pursuant to the direction of the CEO and other members of the leadership team, and under the oversight of the Sustainability Committee of the Board, the Senior Vice President of Sustainability, Diversity and Culture provides direction and pursues a consistent approach across the business segments to sustainability-related initiatives and objectives.

The Senior Vice President of Sustainability, Diversity and Culture routinely meets with the Company's leaders and other employees, including from the marketing and sales, technology, health, safety and environment, investor relations, legal, and operations departments to discuss the development and implementation of the Company's sustainability initiatives, evaluate internal and external sustainability-related communications, and formulate advice, counsel and recommendations to senior leadership regarding sustainability efforts at the Company, including efforts around employee and community engagement.

The Senior Vice President of Sustainability, Diversity and Culture and other members of leadership routinely engage with the members of the Sustainability Committee of the Board to provide updates around sustainability-related policies and performance, including but not limited to, environmental risks and opportunities, social responsibility and impacts, employee, contractor and community health and safety, and activities related to stakeholder engagement and community investment.

## INFORMATION SECURITY AND CYBERSECURITY RISKS

We have implemented and maintain a cybersecurity program that is aligned with the National Institute of Standards and Technology (NIST) Framework and reasonably designed to protect our information and to assess, identify, and manage risks from cybersecurity threats that may result in material adverse effects on the confidentiality, integrity, and availability of our information systems.

The Company also monitors systems and practices regarding the use of artificial intelligence to enhance business objectives but also to ensure proper governance and oversight. These efforts are led by the Senior Vice President of Information Technology with input from key stakeholders across the business.

Our Audit Committee is responsible for overseeing information security and cybersecurity risk. Senior leadership communicates with the Audit Committee at least quarterly regarding information security risk and formally reports to the entire Board on information security risk at least annually. We continue to improve our cybersecurity practices through industry standard security frameworks and leading practices, including risk assessments/remediations, software and services, continuous systems monitoring, incident response plans, phishing simulations, employee training and communication programs, among other measures.

**We have a robust information security training program through which all employees with a company-issued email receive annual cyber awareness training. In addition, at least annually, the Company performs monthly phishing simulations, with remediation training required as necessary.**

Our net expenses incurred from information security breaches over the last three years, relative to total revenue, were immaterial, and we had zero net expenses incurred from information security breach penalties and settlements over the last three years.

## CLIMATE-RELATED RISKS AND OPPORTUNITIES

We have categorized our key environmental and climate-related risks into the following areas: (i) Policy and Legal Risks, (ii) Market/Technology Risks, (iii) Reputational Risks, and (iv) Physical Risks. The following is a summary of these climate-related transition and physical risks. For a more detailed discussion of these risks, please see the “Risk Factors” section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

### POLICY AND LEGAL RISK

Policy and legal risks that we have identified include, but are not limited to, legislation, regulations or other measures relating to emissions, our products and services, and the oil and gas industry generally. We monitor and evaluate how to manage risk related to the actions and proposed actions of local, state, regional, national and international regulatory bodies on greenhouse gas emissions and climate change issues. Proposed actions include, but are not limited to, the imposition of cap-and-trade programs, carbon taxes, GHG reporting and tracking programs, attestation requirements and regulations that directly limit GHG emissions from certain sources, and prohibitions on, or increased regulation of, drilling and pressure pumping activities. Continued efforts by governments and non-governmental organizations to reduce GHG emissions appear likely, and additional legislation, regulation or other measures that control or limit GHG emissions or otherwise seek to address climate change could adversely affect our business.

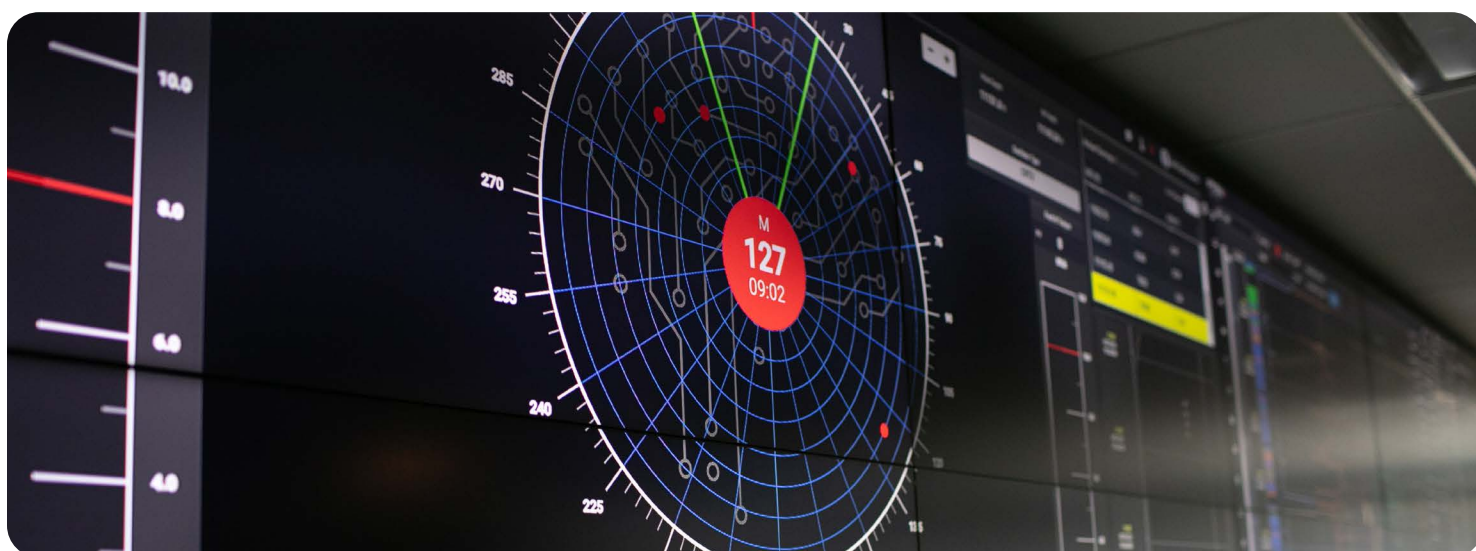
To address these risks, we work with our customers on mutually beneficial solutions to support their climate and emissions-related targets, scenarios and goals through our provision of lower-emissions equipment, technology and software solutions that increase efficiency and reduce emissions in our and our customers’ operations. If we can enable lower-emissions operations by our customers, we can help to reduce our customers’ exposure to the adverse effects of potential climate-related regulation, and thus maintain demand for our services.

Please see “Environmental – Air Quality, Greenhouse Gas Emissions and Energy Usage” for additional detail regarding these efforts.

In addition to the impact on our customers described above, climate-driven restrictions and increased regulations on our drilling and completion services operations could limit or delay our operational activities, increase our operating costs and result in additional regulatory burdens, which could make it more difficult to perform our services and increase our costs of compliance and doing business.

To address these risks, we continue to monitor and assess any new policies, legislation or regulations in the areas where we operate to determine the impact of GHG emissions and climate change on our operations and take appropriate actions, where necessary.





## MARKET AND TECHNOLOGY RISKS

Market and technology risks that we have identified include the potential substitution of traditional oil and gas services and products with lower-emissions options, as well as potential costs to transition to lower-emissions technology. These risks are driven by market demand, as our customers attempt to satisfy their own climate targets, scenarios and goals and respond to regulatory and stakeholder requirements for lower-emissions operations.

Legacy oil and gas assets and technology may be made obsolete due to shifting market preferences, and we may need to continue to develop assets and technology to satisfy demand for lower-emissions operations and services. To the extent any existing assets and technology are made obsolete, we may face write-downs and early retirements of assets.

We address this risk by developing new products, software and services, such as EcoCell battery storage and natural gas compression and delivery, and by creating mutually beneficial solutions with our customers to meet growing demand to increase efficiency and reduce emissions generated by their operations.

These developments may result in a need to increase our capital expenditures, reallocate capital and increase research and development expenditures.

Another market risk we have identified is that fuel conservation measures, alternative fuel requirements and increasing consumer demand for alternatives to oil and natural gas could reduce demand for oil and natural gas. The increased competitiveness of alternative energy sources (such as wind, solar, tidal, and biofuels) could reduce demand for oil and natural gas, and therefore for our services.

## REPUTATIONAL RISKS

Reputational risks that we have identified are primarily related to concerns about the oil and gas sector due to the increasing weight put on climate change issues by regulatory bodies, the investment community, and others. The lending and investment practices of institutional lenders and investors have been the subject of intensive lobbying efforts in recent years, oftentimes public in nature, not to provide funding for oil and natural gas producers. Limitation of investment in and financing for oil and natural gas could result in the restriction, delay, or cancellation of drilling and completion programs or development of production activities.

In addition, an increasing number of our customers consider sustainability factors in awarding work. If we are unable to successfully continue our sustainability enhancement efforts, we may lose customers, our stock price may be negatively impacted, our reputation may be negatively affected, and it may be more difficult for us to effectively compete.

If the reputation of our industry generally, or our Company specifically, is impacted by climate change concerns, this could result in a reduction in capital availability and/or an increased cost of capital, both for us and our customers, and may reduce demand for our services and have an adverse effect on our business. While we have a limited impact on the overall reputation of our industry, we seek to address our Company-level reputational risks through our continuing development of lower-emissions equipment, technology and software solutions, as well as related marketing outreach efforts to promote our efforts.

## PHYSICAL RISKS

Increasing concentrations of GHGs in the Earth's atmosphere could trigger significant physical effects from climate change, such as increased frequency and severity of storms, floods and other climatic events, which could have an adverse effect on our operations.

Our facilities are primarily onshore in the United States and in other select countries that are generally not located in low-lying areas that are subject to physical risks for climate change such as flooding and rising sea levels. However, our operations are subject to other physical risks, including, for example, the potential risk of increased heat stress on our personnel and equipment should temperatures rise due to climate impacts. To address this risk, our management system includes policies relating to safety, including procedures for hot weather work.





Should temperatures rise, there is a potential for these procedures to be used more often, and increased stress to be put on our equipment, both of which may result in increases in our operating and capital expenses. If climate change leads to more extreme weather, we could also experience negative weather impacts to our facilities and jobsites.

Water used in our operations is purchased and controlled by our customers. However, if water shortages become acute in our areas of operation due to climate change or regulatory impacts, such shortages (and related restrictions on water use) could negatively impact our ability to perform services, and customers' demand for our services, in such areas.

### RISK MANAGEMENT

As discussed above, our senior-level management is responsible for identifying corporate risks, including climate-related risks and opportunities, assessing the potential level of impact to the business, and discussing this risk assessment with the Board on at least a quarterly basis.

Risk assessment communications with the Board involve senior-level management's preparation and presentation to the Board of a risk mapping exercise, which categorizes identified risks, including climate change-related risks, according to their probability and severity. The purpose of these regular risk assessments is to identify those risks that have the potential to significantly affect our business over the short-, medium- and longer term and to discuss appropriate mitigation and oversight measures, including prioritization of risk management and allocation of responsibility for the management of a particular risk.

### MANAGEMENT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

We work to mitigate climate-related and other risks, to the extent we are reasonably able to do so. Mitigation of risk can take many forms, but we primarily mitigate and address these transition risks by providing, and continuing to develop, lower-emissions equipment, technology and software solutions. We prioritize management of climate risks, as with other corporate risks, based on the likelihood of occurrence weighted against severity.

While we are subject to the climate-related risks listed above, we believe that we may benefit from certain climate-related opportunities. We believe we currently have a leadership position in equipment, technology and software solutions that puts us at a competitive advantage as customer demand shifts to lower-emissions operations and services. For example, we have increased our usage of alternative fuel equipment (such as using rich-burn natural gas engines in place of traditional diesel-only equipment), are continuing our development of innovative, lower-emissions technology (such as battery power hybrid energy management systems and technology enabling the use of utility electrical power in our operations) and are redesigning our own equipment to maximize efficiency (such as through the development of emission-reducing automation, remote operations and control systems).

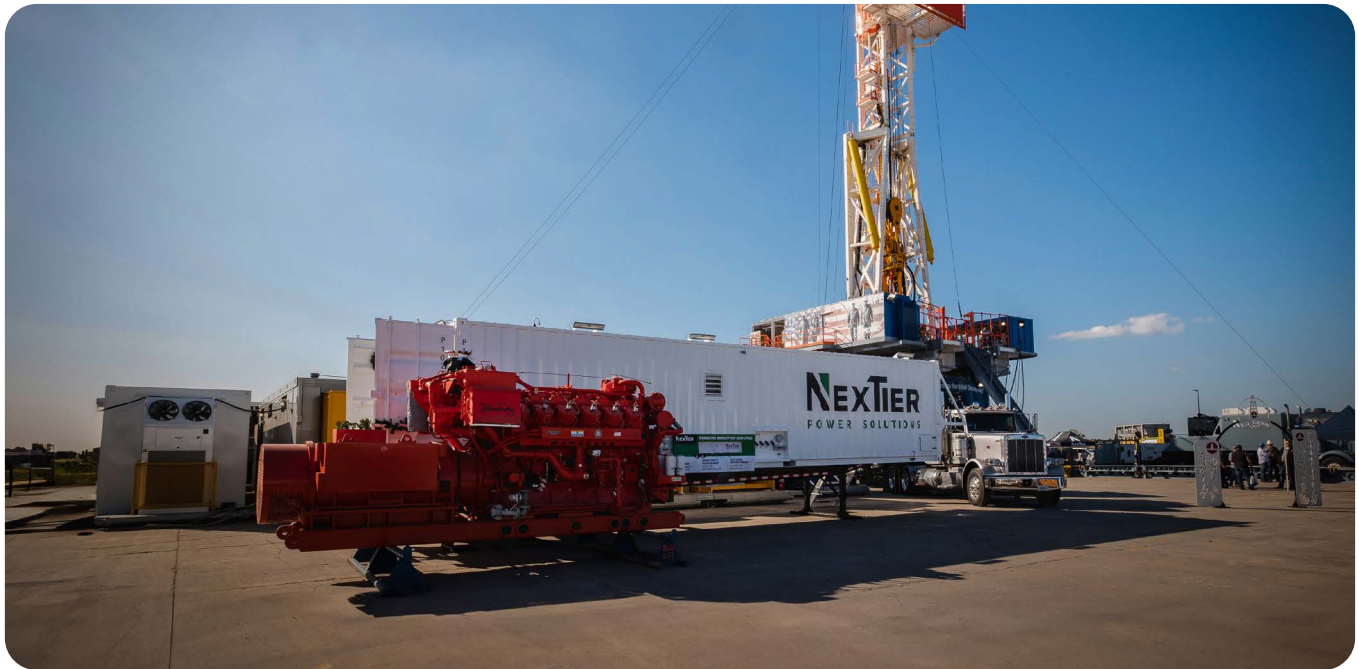
We will continue to invest capital in sustainable solutions and other emission reducing equipment such as the ongoing deployment of natural gas engines. We are also pursuing opportunities related to renewable energy sources, such as electric fleets and other alternative power solutions. We utilize equipment that runs on a variety of fuels to improve efficiency and reduce environmental impact. Please see "Environmental – Air Quality, Greenhouse Gas Emissions and Energy Usage" above.

We plan to continue our development of alternative fuels and lower-emissions solutions. This strategy could result in increased capital expenditures or allocation of funds to research and development, as well as the formation of strategic partnerships with companies that can assist our customers in meeting their climate and sustainability-related goals.

**Our internal policies and procedures, combined with our audit and training programs described above, also help us manage risks.**

**For example, we have created a comprehensive Environmental Management System (EMS) including hundreds of proprietary environmental protection and safety-related policies, as discussed above in "Environment – Environmental Management."**





### METRICS, SCENARIOS AND TARGETS

We consider a variety of metrics to assess our performance with regard to climate risks and opportunities. For example, we track our diesel fuel savings from the use of our alternative fuels technologies in order to demonstrate to customers and other stakeholders the fuel savings and emissions reduction that result from using our services. We internally track the amount of research and development and capital expenditures spent on developing, building and deploying the technology and equipment behind our lower-emissions operations and services.

We continue to explore models for tracking and reporting of emissions from our operations and participate in discussions regarding best methods for tracking and reporting of GHG emissions with industry.

We also continue to evaluate opportunities from time to time to provide our services outside of the United States, as diversification of geographical opportunities may help to insulate our business from the risks associated with operating solely in the United States.

# Ethics

## OUR CODE OF ETHICS

Upholding honesty and integrity at every level is critical to our success. We each have a responsibility to act professionally, understand the Company Code of Business Conduct and Ethics, policies and applicable laws, promptly report concerns and share Patterson-UTI's commitment of mutual respect by demonstrating courtesy and civility.

Patterson-UTI policy prohibits bribery, including offering, giving, receiving, or agreeing to a request for or offer of a bribe. This prohibition applies whether the bribe or offer of a bribe is being made by or to a Patterson-UTI employee or someone outside the Company on behalf of the employee or the Company.

It is our policy to comply with all relevant anticorruption and anti-bribery laws and rules, including, but not limited to, the FCPA, the U.K. Bribery Act and any laws enacted pursuant to the OECD Convention. Violation of our policy subjects personnel to disciplinary action, up to and including termination.

### RESPONSIBILITY AND ACCOUNTABILITY

Our management evaluates risk in our business and to our Company to ensure that plans are in place to minimize and manage risks to our Company, to customers and to individuals. Our Board of Directors evaluates its role in risk oversight on an ongoing basis.

Recognizing the serious risks posed by corruption in international business transactions, and the seriousness with which governments around the world are enforcing anti-bribery laws, as directed by the Board of Directors, we implement policies and procedures to prevent the Company and its employees from being involved in any bribery and corruption. Involvement in corrupt business activities, and sometimes only the perception of such involvement, can have serious consequences for Patterson-UTI, its employees and business partners.

We are committed to the continuous improvement of our anticorruption and anti-bribery compliance efforts. We periodically monitor and conduct testing and review of our anticorruption and anti-bribery policies and related business processes to assess their suitability, adequacy and effectiveness. Patterson-UTI addresses weaknesses and implements improvements as appropriate. We issue, implement and revise all policies and procedures necessary to effectively implement these policies.

## Honesty and Integrity

**We will act with honesty and integrity in everything we do.**

Through our Vendor Guidelines, we also set forth expectations of our vendors, suppliers and their subcontractors, and these guidelines are intended to complement our Code of Business Conduct and Ethics. Our related formal policies include:

**GLOBAL ANTICORRUPTION POLICY | GIFTS AND ENTERTAINMENT FOR GOVERNMENT OFFICIALS  
INTERNATIONAL DUE DILIGENCE | PROHIBITION ON CORRUPTION | ANTITRUST COMPLIANCE  
CONFLICTS OF INTEREST, INCLUDING GIFTS AND ENTERTAINMENT | VENDOR GUIDELINES**

We understand that corruption risks can be introduced through our supply chain, particularly in connection with suppliers operating in high-risk locations or those functions that may have a reputation for questionable business practices. Our procurement practices are conducted in a transparent manner that ensures services are procured in a fair, economical and open process. Whenever possible, our suppliers and service providers are selected competitively and on the basis of clear and uniform criteria.

zero tolerance for discrimination and harassment in the work environment, as well as reporting of violations.

Our dedicated Global Anticorruption Policy prohibits all forms of bribery, addresses training and provides the requirements for careful due diligence of potential partners and intermediaries.

Patterson-UTI does not tolerate any retaliation against an employee who in good faith asks questions, makes a report of actions that may be inconsistent with our Code of Business Conduct and Ethics, policies or laws or regulations or who assists in an investigation of suspected wrongdoing.

At Patterson-UTI, ethical behavior means always acting with integrity and doing the right thing. That means using good judgment and following applicable laws. We strive to treat everyone with fairness and respect. We do so not because it is the law, but because it is the right thing to do.

Our code applies to all directors, officers and employees of Patterson-UTI and its affiliates. Business partners are an extension of Patterson-UTI and can have an impact on our good name. For this reason, they are expected to act consistently with our code.

Each of us plays a critical role in safeguarding the reputation of the Company. All Patterson-UTI employees are responsible for speaking up anytime they become aware of potential violation of our code, policies or laws.

We encourage a supportive environment where people are free to ask questions and raise concerns. We listen and respond. We strive for an atmosphere based on mutual respect and free of discrimination, harassment and retaliation.

**We launched an updated global anticorruption training required annually for certain employees based on duties of their job.**

Patterson-UTI's Code of Business Conduct and Ethics outlines the standards and principles that all employees, officers and directors must follow when working with co-workers, vendors, customers or other third parties. The policy addresses conflicts of interest, confidentiality, fair dealing with others, proper use of Company assets, compliance with laws (including anti-money laundering laws, anti-trust laws, anti-boycott regulations, and global trade laws), insider trading, keeping of books and records,



### POLITICAL CONTRIBUTIONS

We have a policy prohibiting the contribution of Company funds to political parties or organizations or to candidates for any public office or to influence the general public, or segments thereof, with respect to public elections or referenda.

### INDUSTRY INITIATIVES

We participate in certain trade organizations, such as the IADC and the EWTC, with purposes that include enhancement of the public image of and continued education about the industry, collaboration on issues that affect the industry and the development of industry best practices and standards, as well as development of industry talent. We have also held leadership positions within the IADC and the EWTC. We are a member of various subcommittees of both organizations which regularly meet to discuss practices in the contract drilling, completion services and other related industries. Many of the trade organizations also engage in legislative or political activity related to matters that affect the industry as a whole and not a specific company. We, as one of many members in various trade associations, do not direct the legislative activities of any trade organization of which we are a member.

### ANTIBRIBERY TRAINING

Our anticorruption training program includes antibribery training for all employees with responsibilities that include finance, accounting, keeping of Patterson-UTI books and records, international markets and international travel. All employees with international responsibilities acting on Patterson-UTI's behalf or interacting with government officials on a regular basis or those with significant managerial responsibilities participate in more specific

antibribery training at least annually. The Company's Anticorruption Policy is available on its external website.

Less than 0.05% of our consolidated worldwide 2023 revenue was generated from the countries identified by Transparency International as having the 20 lowest rankings in its 2023 Corruption Perception Index.

We encourage employees to report a concern or ask a question through a supervisor, manager, HR representative or the anonymous SHARP Hotline and to speak up if they think something is wrong. Our anonymous SHARP Hotline is administered by a third party. We view the SHARP Hotline as a key risk management tool for the Company, as the anonymous reporting provided by this hotline helps to ensure that employee concerns are investigated and addressed as promptly as possible.

## SHARP

Secure Hotline for Asking and Reporting at Patterson-UTI



The SHARP Hotline is available 24/7, online or by phone, for employees and others to report concerns, anonymously if preferred.

Please see our [SHARP page](#) for more information about our secure reporting hotline.

# Reporting Frameworks Indices

## SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

TOPIC	ACCOUNTING METRIC	CODE	INFO. LOCATION (PG)
Emissions Reduction Services & Fuels Management	Total fuel consumed, percentage renewable, percentage used in: (1) on-road equipment and vehicles and (2) off-road equipment	EM-SV-110a.1	16
Emissions Reduction Services & Fuels Management	Discussion of strategy or plans to address air emissions-related risks, opportunities, and impacts	EM-SV-110a.2	9-16, 46-49
Emissions Reduction Services & Fuels Management	Percentage of engines in service that meet Tier 4 compliance for non-road diesel engine emissions	EM-SV-110a.3	14
Water Management Services	(1) Total volume of fresh water handled in operations, (2) percentage recycled	EM-SV-140a.1	18
Water Management Services	Discussion of strategy or plans to address water consumption and disposal-related risks, opportunities, and impacts	EM-SV-140a.2	17-18
Chemicals Management	Volume of hydraulic fracturing fluid used, percentage hazardous	EM-SV-150a.1	20
Chemicals Management	Discussion of strategy or plans to address chemical-related risks, opportunities, and impacts	EM-SV-150a.2	19-20
Ecological Impact Management	Average disturbed acreage per (1) oil and (2) gas well site	EM-SV-160a.1	NA
Ecological Impact Management	Discussion of strategy or plan to address risks and opportunities related to ecological impacts from core activities	EM-SV-160a.2	17-20
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), (4) total vehicle incident rate (TVIR), and (5) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	EM-SV-320a.1	23
Workforce Health & Safety	Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle	EM-SV-320a.2	22-27
Business Ethics & Payments Transparency	Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	EM-SV-510a.1	53
Business Ethics & Payments Transparency	Description of the management system for prevention of corruption and bribery throughout the value chain	EM-SV-510a.2	51-53
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	EM-SV-530a.1	53
Critical Incident Risk Management	Description of management systems used to identify and mitigate catastrophic and tail-end risks	EM-SV-540a.1	22-27, 44-49
Activity(2)	Number of active rig sites	EM-SV-000.A	NA
Activity(2)	Number of active well sites	EM-SV-000.B	NA
Activity(2)	Total amount of drilling performed	EM-SV-000.C	NA
Activity	Total number of hours worked by all employees	EM-SV-000.D	23

(1) Management of disturbed acreage per oil and gas wellsite is outside of our operational control, and average disturbed acreage was therefore deemed not applicable.

(2) Number of active rigsites, number of active wellsites, and total amount of drilling performed are outside of our operational control, and therefore have been omitted.

# Task Force on Climate-Related Financial Disclosures

## TCFD INDEX

RECOMMENDED DISCLOSURE	INFORMATION LOCATION (Page)
<b>Governance</b> <i>Disclose the organization's governance around climate-related risks and opportunities.</i>	
a) Describe the board's oversight of climate-related risks and opportunities.	41-45
b) Describe management's role in assessing and managing climate-related risks and opportunities.	44
<b>Strategy</b> <i>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.</i>	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	46-51
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	46-51
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. (1)	51
<b>Risk Management</b> <i>Disclose how the organization identifies, assesses, and manages climate-related risks.</i>	
a) Describe the organization's processes for identifying and assessing climate-related risks.	46-51
b) Describe the organization's process for managing climate-related risks.	46-51
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	46-51
<b>Metrics and Targets</b> <i>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</i>	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	50
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks. (1)	50
c) Describe the targets used by the organization to manage climate-related risks, and opportunities and performance against targets. (1)	50

(1) We expect to provide certain disclosures fully aligned with the TCFD recommendations in future sustainability reports.

# Disclaimer

This report, as well as other statements we make, contain “forward-looking statements” within the meaning of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, as amended. These “forward-looking statements” involve risk and uncertainty. These forward-looking statements include, without limitation, statements relating to: **our plans, goals and strategies with respect to sustainability and environmental matters; improvements in operating procedures and technology, and potential benefits to us therefrom; our efforts to enable our customers to achieve their own ESG goals; revenue and cost expectations; financing of operations; oil and natural gas prices; source and sufficiency of funds required for building new equipment and upgrading existing equipment; demand for our services; competition; government regulation; and other matters.** Our forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts and often use words such as “aim,” “anticipate,” “believe,” “budgeted,” “commit,” “continue,” “could,” “estimate,” “expect,” “goal,” “intend,” “may,” “plan,” “predict,” “potential,” “project,” “pursue,” “should,” “strategy,” “target,” “will,” or “would,” or the negative thereof and other words and expressions of similar meaning. The forward-looking statements are based on certain assumptions and analyses we make in light of our experience and our perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate in the circumstances. Forward-looking statements are aspirational and not guarantees or promises that goals or targets will be met.

Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to have been correct. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from actual future results expressed or implied by the forward-looking statements. These risks and uncertainties include those set forth under “Risk Factors” contained in Part II, Item 1A of our most recent Annual Report on Form 10-K as well as, among others, risks and uncertainties relating to: **our inability to reduce our environmental impact and emissions; our inability to perform at desired ESG standards; our inability to develop and deliver equipment, technology and software solutions to enable our customers to achieve their own ESG goals; our inability to realize intended benefits from our ESG strategies and initiatives;** the successful integration and expected benefits of the recently completed NexTier merger and Ulterra acquisition on our financial condition, results of operations, strategy and plans and our ability to realize those benefits; synergies, costs and financial and operating impacts of acquisitions, including the NexTier merger and the Ulterra acquisition; the successful integration of NexTier and Ulterra operations and the future financial and operating results of the combined company; the combined company’s plans, objectives, expectations and intentions with respect to future operations and services; adverse oil and natural gas industry conditions; global economic conditions, including inflationary pressures and risks of economic downturns or recessions in the United States and elsewhere; volatility in customer spending and in oil and natural gas prices that could adversely affect demand for Patterson-UTI’s services and their associated effect on rates; excess availability of land drilling rigs, completion services and drilling equipment, including as a result of reactivation, improvement or construction; competition and demand for Patterson-UTI’s services; the impact of the ongoing Ukraine/Russia and Middle East conflicts and instability in other international regions; strength and financial resources of competitors; utilization, margins and planned capital expenditures; ability to obtain insurance coverage on commercially reasonable terms and liabilities from operational risks for which Patterson-UTI does not have and receive full indemnification or insurance; operating hazards attendant to the oil and natural gas business; failure by customers to pay or satisfy their contractual obligations (particularly with respect to fixed-term contracts); the ability to realize backlog; specialization of methods, equipment and services and new technologies, including the ability to develop and obtain satisfactory returns from new technology; the ability to retain management and field personnel; loss of key customers; shortages, delays in delivery, and interruptions in supply, of equipment and materials; cybersecurity events; difficulty in building and deploying new equipment; governmental regulation, including climate legislation, regulation and other related risks; environmental, social and governance practices, including the perception thereof; environmental risks and ability to satisfy future environmental costs; technology-related disputes; legal proceedings and actions by governmental or other regulatory agencies; the ability to effectively identify and enter new markets; public health crises, pandemics and epidemics; weather; operating costs; expansion and development trends of the oil and natural gas industry; financial flexibility, including availability of capital and the ability to repay indebtedness when due; adverse credit and equity market conditions; our return of capital to stockholders, including timing and amounts of dividends and share repurchases; stock price volatility; and compliance with covenants under Patterson-UTI’s debt agreements; and other risks and uncertainties detailed from time to time in our filings with the U.S. Securities and Exchange Commission (“SEC”). The forward-looking statements in this report speak only as of Dec. 18, 2024, and we undertake no obligation to publicly update or revise any forward-looking statement.

This report includes disclosures following the frameworks of the Sustainability Accounting Standards Board Standards and Task Force on Climate-Related Financial Disclosure Recommendations. In our use of certain terms from these frameworks, we are not endorsing or adopting such terms or the definitions thereof as used in one or more of the frameworks. We are not obligating ourselves to use such terms in the ways defined by or used in the frameworks, and we make no representation or warranty as to any such use or definition in the frameworks. For example, with respect to the use of the terms “material” and “materiality” as applied to sustainability issues, we believe that individual companies are best suited to determine what information is “material” under the long-standing U.S. Supreme Court definition of that term and whether to disclose this information in SEC filings.

This report summarizes the performance of Patterson-UTI Energy, Inc. and its consolidated subsidiaries (collectively referred to as “Patterson-UTI,” the “Company,” “us,” “we,” “our” and like terms) in the areas of environmental stewardship, health and safety in the workplace and community and corporate governance. Patterson-UTI Energy, Inc. conducts its business operations through its wholly-owned subsidiaries and has no employees or independent operations. This report does not cover the practices of our vendors, contractors or others unless otherwise noted herein.