

2019

Sustainability Report

COMMITTED TO EFFECTIVE ENVIRONMENTAL,
SOCIAL AND GOVERNANCE MANAGEMENT



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Message from Andy Hendricks

I am pleased to share with you Patterson-UTI's inaugural sustainability report.

At Patterson-UTI, our corporate culture is built on our core values, and we are proud to conduct our business in line with those values. Our core values are:

- **Safety and Environment:** We believe that the safety of our employees and the protection of our environment is a cornerstone
- **Operational Excellence:** We deliver high-quality, value-added services and focus on innovative solutions in all aspects of our work
- **Honesty and Integrity:** We will act with honesty and integrity in everything we do
- **Respectful Workplace:** We are committed to providing a working environment that is inclusive, respectful, and supportive
- **Development of our People:** We are committed to the growth and development of every employee
- **Profitable Business:** We are committed to delivering superior returns

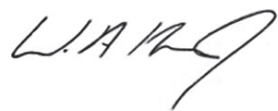
Consistent with these core values, we are committed to effective environmental, social and governance (ESG) management for the long-term benefit of our business, employees and communities.

As part of this commitment to ESG management, 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 and well-being of our people, who are our most important asset and our greatest strength. 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 ESG issues while delivering value to our customers. I am proud of the initiatives we have pursued, and I hope that this inaugural sustainability report helps to highlight some of these efforts.

We welcome your feedback.

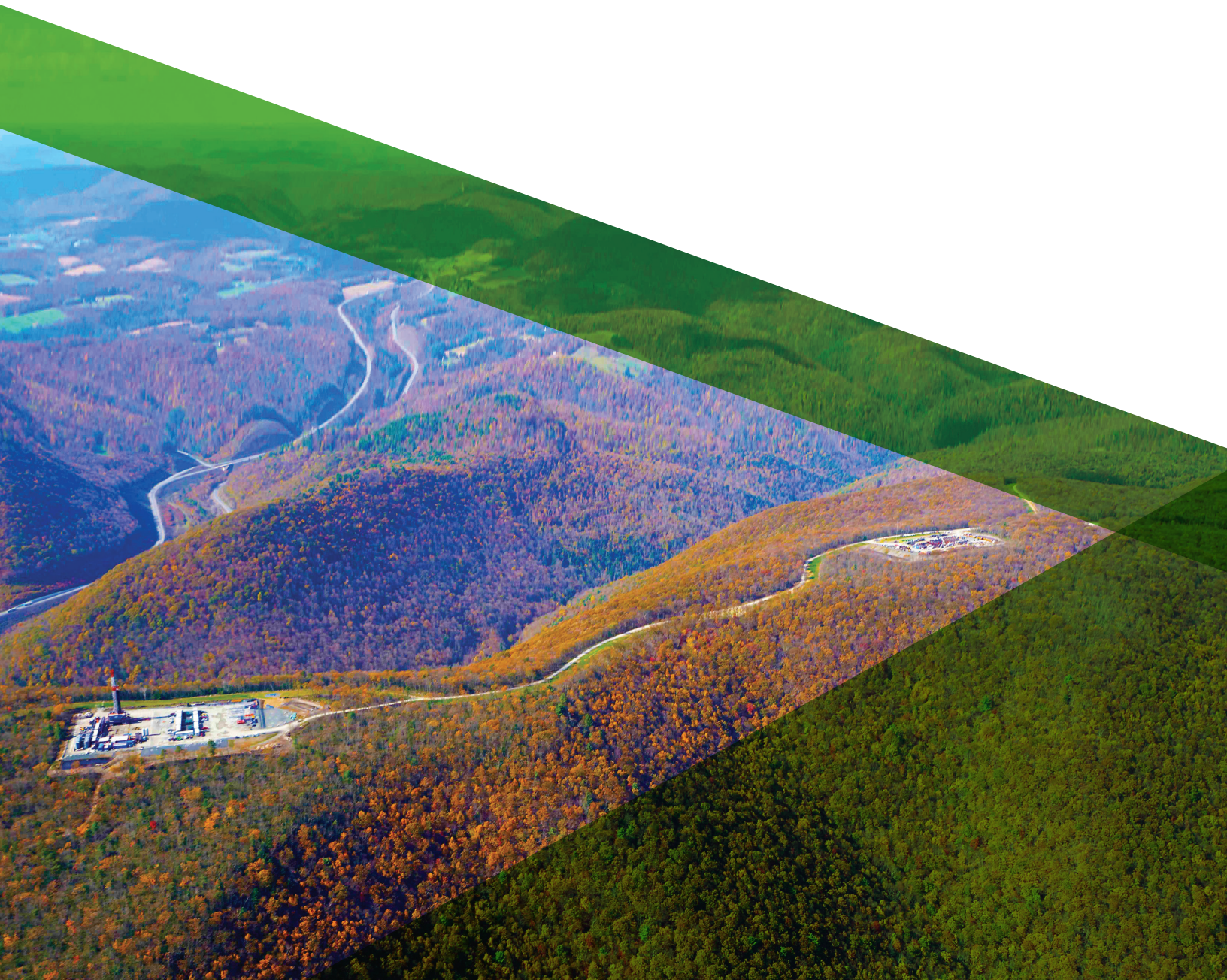
Thank you,



Andy Hendricks

President & Chief Executive Officer

About Patterson-UTI Energy



We are a Houston, Texas-based oilfield services company that primarily owns and operates one of the largest fleets of land-based drilling rigs in the United States and a large fleet of pressure pumping equipment. We also have a number of “lighter-asset” businesses with a heavy technology focus and a smaller footprint, such as our Superior QC business, which provides data analytics and technical services to increase the accuracy of wellbore placement.

These pages summarize 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. The information throughout this report generally applies to Patterson-UTI Energy, Inc. company-wide; however, in some instances, we share details that relate to a specific business unit. In particular, the practices of our contract drilling business and/or our pressure pumping business, our two largest businesses, are highlighted where appropriate. The information presented in this report is current as of August 2019.



Environmental



We are committed to a clean and healthy environment. 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, water quality, land usage, use of energy and reducing waste materials.

Air Quality and Greenhouse Gas Emissions

We are committed to reducing emissions in all facets of our operations and utilizing innovative fuel product solutions whenever possible. For many years, we have focused on the deployment of engine air emission technology in the oilfield. We have been a leader in the use of Natural Gas Engines, Bi-fuel Equipment, and various emission reduction systems, including Selective Catalytic Reduction technology.

Our culture is to cause 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.

We utilize equipment that runs on a variety of fuels to improve efficiency and reduce environmental impact. When possible, our contract drilling operations routinely use natural gas-only engines and bi-fuel engines, and our pressure pumping operations employ bi-fuel engines.

BI-FUEL ENGINES

With bi-fuel engines, we can offer pressure pumping and contract drilling services with a fuel mixture of up to 70 percent natural gas. Natural gas as fuel is significantly cleaner from an environmental perspective as it generates less carbon monoxide than diesel fuel, as well as less nitrogen oxide (NOx). Utilizing high percentages of natural gas instead of diesel enables our

engines to burn cleaner, reduce emissions and improve air quality. Within our pressure pumping business, five of our spreads are currently bi-fuel capable. Our contract drilling business maintains approximately 60 dual fuel rig power systems. Our bi-fuel engines' operational successes have been recognized in an article in E&P Magazine, an industry publication.

NATURAL GAS ENGINES

Our natural gas engines, which do not require the use of diesel fuel, allow our drilling rigs to run 100 percent on natural gas. These systems can utilize the local natural gas infrastructure already available in our working areas, reducing the need for diesel fuel transportation and consumption. Additionally, these dedicated natural gas engines are equipped with a three-way catalyst to significantly reduce NOx emissions. Our contract drilling business has over 10 dedicated natural gas rig power systems.

OTHER EMISSION REDUCTION EFFORTS

Our drilling rig fleet can be equipped with additional emissions control technologies to meet specific emissions requirements necessary to operate in certain locations. For example, our rigs can be equipped with Selective Catalytic Reduction technology, which is an advanced emissions control technology that injects a liquid reductant agent through a special catalyst into the exhaust stream of a diesel engine. Selective Catalytic Reduction technology is a means of converting NOx into nitrogen and water, ultimately reducing NOx emissions.

Additionally, when operating in sensitive areas, where possible, we have occasionally used power from local

electric utility grids in place of hydrocarbon fuels to eliminate engine emissions and noise.

AIR EMISSIONS REDUCTION EFFORTS BY TYPE

Sulfur Oxides (SOx)

Our contract drilling business mandates the use of strictly Ultra Low Sulphur Diesel (ULSD) fuel.

Nitrogen Oxides (NOx)

Third-party field tests on dedicated natural gas drilling rigs have shown emissions of NOx as low as 0.01 g/hp-hr.

Particulates (dust)

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

GHG EMISSIONS REDUCTION EFFORTS BY TYPE

Tier 4 Spreads

Tier 4 engines reduce harmful exhaust gases from diesel powered equipment. Our Tier 4 engines are compliant with Tier 4 emissions standards, and the use of these engines results in significant reductions in emissions relative to previous-generation engines. We design our drilling and pressure pumping fleets to be 100 percent compliant with all current EPA air emissions requirements. Additionally, we are sensitive to and supportive of customer targets and goals. Our pressure pumping business routinely utilizes dual fuel and Tier 4 compliant spreads, which help meet our customers' GHG emission goals. Our pressure pumping business has two Tier 4 fleets and more than 70 Tier 4 tractors.

Control Systems

We manufacture and sell control systems for electric pressure pumping fleets, which reduce emissions from production operations.

Paint booth emissions

To further reduce emissions, our pressure pumping business standardized the paint used on its equipment and now applies high solids paint with lower VOC emissions.

Marcellus Shale Energy and Environment Laboratory (MSEEL) Initiative

We proudly participate in public-private projects to find innovative solutions to lower impact extraction methods. Patterson-UTI was contracted to drill a well as part of a collaboration between West Virginia University, Ohio State University, the Department of Energy and others. The goal of this initiative is to provide a long-term field site to develop and validate new knowledge and technology, improve recovery efficiency and minimize environmental implications of unconventional resource development.

Water Quality

We work with our customers to 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.

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

WASH BAY RECYCLING AND DISCHARGES

In our pressure pumping business, to reduce consumption and impact to the environment, we installed recycling systems on our wash bays in two districts.

In our pressure pumping 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 created and utilize a rig site environmental checklist to identify any potential exposure to waterways, and we inspect the containment and best management practices in place to protect these waterways.

Maximizing Recycled Water Use

Our pressure pumping business utilizes laboratory equipment to analyze the characteristics of recycled water. In particular, our labs test different friction reducers to maximize recycled water usage. We then formulate a solution that is designed to optimize friction reducer performance, so as to minimize the use of fresh water.

Land Use

At Patterson-UTI, we work hand in hand with our customers to minimize environmental impacts. We have processes, long-term initiatives and fluid containment policies in place to minimize our footprint when setting up drilling and pressure pumping equipment at well sites.

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 implement improvements that increase our

sustainability and reduce our environmental impact. We regularly audit and review our HSE performance in all of our businesses.

SPILL PREVENTION CONTROL AND COUNTERMEASURE

Our contract drilling business has created Spill Prevention Control and Countermeasure (SPCC) plans and adopted industry best practices to prevent and mitigate releases even if not required by law. We require SPCC plans to be in place at every drilling location. These plans are designed to prevent spills 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 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.

Nearly all of our pressure pumping business's spreads 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.

SPILL REPORTING AND RESPONSE

Our contract drilling business designs its spill containment policies to meet or exceed all state requirements relating to spill containment in the states in which we operate. 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.

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. All locations have spill kits and employees trained to respond to spills. We routinely inspect spill kits and perform drills to ensure prompt and efficient responses.

SPOTLIGHT ON TRAINING

Course Name	2019 Attendance	YTD 2019
Spill Prevention Control and Countermeasure (SPCC)	>7,700	>4,300

Efficient Use of Energy

We strive to maximize fuel efficiency and have increased fuel efficiency through the upgrade of our drilling rig fleet. Our super-spec APEX® rig design uses AC power control systems to significantly improve energy efficiency compared to previous generations of drilling rigs. This increased efficiency results in a decrease in our operations' use of diesel and natural gas fuels.

In 2018, our pressure pumping business completed 3,358 stages with dual fuel engines, resulting in total savings of 2,090,762 gallons of diesel fuel. Please see "Air Quality and Greenhouse Gas Emissions" for more detail on our dual fuel engines.

ESTIMATED DIESEL FUEL REDUCTION FROM USE OF DUAL-FUEL ENGINES (IN GALLONS)

Year	Stages	Gallons of Diesel Fuel Saved
2018	3358	2,090,762
2017	3179	2,296,770
2016	1,129	1,099,833
2013-2015	2324	1,549,465
Total	9,990	7,036,830

FUEL CONSUMPTION AND VEHICLE IDLE TIME

In our pressure pumping business, we monitor the idling times of a variety of vehicles to reduce emissions and fuel usage. Approximately 800 vehicles are currently monitored in this program.

ECOCCELL™ ENERGY STORAGE SYSTEM

Our contract drilling business is developing EcoCell™, an energy storage system for drilling rigs that is used to manage power generation and demand to achieve improved fuel economy and emissions levels. Emissions levels for power generation equipment on drilling rigs can vary widely depending on how they are operated. EcoCell™ is designed to keep equipment running in the most efficient range where it produces the lowest emissions. When supply does not match demand, EcoCell™ will charge or discharge from its battery to maintain constant power generation levels. Additional generation equipment is automatically shut down when the battery approaches a full charge and is automatically started up when the battery charge is depleted. EcoCell™ is currently in place at one of our drilling rigs, and we expect to increase deployment of this technology based on customer demand.

LOAD-DEPENDENT STARTING AND STOPPING

Our contract drilling business is also developing rig control systems with Load-Dependent Starting and Stopping, a feature that allows for automatic shut-down of engines when they have been running at low load levels for extended periods of time. This feature reduces the amount of time that our engines run at inefficient power levels, thus reducing unnecessary emissions.

FACILITY ENERGY EFFICIENCY

We seek to employ energy efficient technologies throughout our facilities. Some examples include:

- Installing LED lighting on all new and refurbished drilling rigs.
- Converting one of our manufacturing facilities from diesel generators to utility power. As a

result, this facility now emits zero emissions from power generation on site.

Waste

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.

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 business approves and verifies 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.

Additionally, our pressure pumping business maintains a process for products management designed 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. Our pressure pumping business uses waste brokers to find appropriate recycling and disposal methods for materials identified.

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.

To do so, our contract drilling business has created a comprehensive Environmental Management System (EMS) including:

- Rig Site Environmental Checklist
- Scheduled training and drills
- Spill Prevention Control and Countermeasure (SPCC) Plans
- Storm Water Pollution Prevention Plans (SWPPP)
- Proper containment guidelines
- Incident reporting guidelines
- Fluid Transfer Policies and Checklists
- Spill Response
- Hazard Communication (HAZCOM)
- Waste Management

Social



At Patterson-UTI, our people are our most important asset and our greatest strength. We are committed to their safety, health and well-being and to the protection of the environment in which they work and live.

Health and Safety

Our goal is to provide an incident-free work environment. It takes everyone at the jobsite working together as a team to establish safe work practices and achieve this goal.



Safety and Environment

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

Our managers and supervisors are accountable for the safety of our people and committed to ensuring that they have safe working equipment, required personal protection and training for their tasks. We designed the Patterson-UTI Health, Safety and Environment management systems to document the policies, standards and procedures by which we conduct our business in order to achieve these objectives.

HEALTH, SAFETY AND ENVIRONMENT INCIDENT REVIEW

In our pressure pumping business, we review incidents to facilitate consistency regarding assignment of severity, reporting/recording practices and assignment of corrective actions, as well as to identify opportunities for communication of lessons learned.

ONGOING ASSESSMENT OF RISK POTENTIAL

When assessing risks, all identified hazards are eliminated, if possible. For hazards that cannot be eliminated, our goal is to reduce them as low as reasonably practicable (ALARP) utilizing the hierarchy

of controls (Engineering, Administrative, Personal Protective Equipment).

Our employees intentionally and continually assess risk potential to control the expected safe outcome of each task and, prior to performing any job, are instructed in every policy to complete an appropriate level of risk assessment. We expect employees to conduct dynamic risk assessment throughout the job and to exercise the authority to call a Time Out for Safety (TOFS) if identified risks are not mitigated.

STOP WORK AUTHORITY

The safety of our employees and others is our highest priority. At any point, our drilling employees are empowered to call a TOFS. A TOFS is used when:

- An identified risk cannot be mitigated.
- An unsafe act or condition is observed.
- Anyone is uncertain, concerned or confused about instructions for a job.

Our pressure pumping business empowers employees with a similar stop work authority. We believe there is no job worth performing if it cannot be performed safely. Safety meetings and “Energy Circle” briefings are also tools we use to identify risks.

PERMISSION TO WORK

Our Permission to Work program is a formal system of control for all contract drilling jobsite operations. Our system focuses on 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. For example, we pre-categorize critical jobs

utilizing a color code system that illustrates the severity of the activities, while defining the appropriate level of supervision. 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. The goal of this system is to help us to control the outcome of each job in a safe, efficient manner.

MAINTAINING OUR STANDARDS

In our contract drilling and pressure pumping businesses, we routinely evaluate contractors to ensure they have the ability to meet both Patterson-UTL and our customers' HSE requirements. In our evaluation process, we review and evaluate contractors prior to hire based on HSE statistics and selected HSE policies and procedures. We are currently in the process of upgrading our evaluation system to more efficiently maintain our standards.

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, hazard communication (HAZCOM), weather risk mitigation and industrial hygiene monitoring.

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

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

COMPREHENSIVE INCIDENT MANAGEMENT SYSTEM (IMS)

In our contract drilling business, our policy requires that any incident, including any near hit, is reported to the Jobsite Manager on location and recorded and tracked into 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. We have a similar process in our pressure pumping business.

CLOUD-BASED FEEDBACK SYSTEM

We expect our 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 contract drilling business's cloud-based Management System houses the policies, procedures and standards that define the Company's expectations concerning safety and operational processes. The Management System also includes technical standards, forms, inspections, audits and other supporting documentation for daily operations. Employees have the opportunity to take ownership of Patterson-UTL policies and procedures by providing direct feedback and/or suggestions using our Policy Improvement Request (PIR) system. If there is a need for clarification or the expansion of existing processes, employees can submit their requests. Since this program started, we have received over 700 Policy Improvement Requests, averaging approximately 100 per year.

ONGOING SAFETY TRAINING

At Patterson-UTL, we invest in training our employees to be responsible for the safety of their own actions in order to protect themselves, their team members and

others. Learning is a core focus. 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.

As such, 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, Hazard Communication (HAZCOM), Material Handling, etc.

SPOTLIGHT ON EMPLOYEE SAFETY TRAINING COURSES

Course Name	2018 Attendance	YTD 2019 Attendance
Employee Safety Orientation (ESO) for New Employees	>3,700	>400
Rig Fundamentals*	>2,700	>300
Well Control for Drillers*	>400	>100
Well Control for Supervisors*	>600	>300
Cold Weather Training (eLearning)	>5,300	>400
Hot Weather Training (eLearning)	>6,700	>4,500

*Applies to contract drilling business.

Our goal is for 100 percent of relevant personnel to be trained on HAZCOM. This comprehensive HAZCOM program is in place to classify and relate health information of all chemicals and products used at Patterson-UTI jobsites to all personnel and 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.

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 contract drilling and pressure pumping businesses to highlight safety expectations at all jobsites. Patterson-UTI employees, contractors and visitors are required to adhere to these rules. Some examples of our Cornerstones for Life include:

- Utilize our Permission to Work process without fail.
- Follow our Fall Protection Policy.
- Properly isolate energy to equipment when appropriate.
- Follow appropriate Management of Change protocols.
- Take appropriate precautions when working around overhead power lines.
- Wear seatbelts when operating a Company vehicle or forklift.
- Ensure that appropriately sized Tubular Handling Equipment is utilized.

HEALTH AND BENEFITS

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.

Diversity and Inclusion

At Patterson-UTI, we are committed to fostering a work environment where all people feel 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. In return, Patterson-UTI embraces its diversity of people, thoughts and talents, and combines these strengths to pursue extraordinary results for the Company, our employees, and our stockholders.

We understand that in today's dynamic marketplace, a diverse workforce is imperative in order to remain competitive and to meet our customers' ever-changing needs and expectations. The blend of our employees' different backgrounds, cultures, skills and experiences enables us to develop and implement cutting edge technology, utilize collaborative problem solving and foster innovation. We are committed to the recruitment and retention of candidates from all different backgrounds and ethnicities, including current and former members of the United States military.

Our leaders are responsible for promoting and maintaining Patterson-UTI's commitment to a diverse and inclusive workplace. To ensure we are adhering to this commitment at all levels of the organization, our Vice President of Diversity & Compliance, in coordination with our Vice Presidents of Human Resources for Patterson-UTI's respective businesses, meets periodically with our business leaders to review and discuss our efforts regarding diversity and inclusion, which may include reviewing information regarding hiring, promotions, and the retention of employees.

A RESPECTFUL WORKPLACE FOR ALL

Patterson-UTI's Equal Employment Opportunity and Anti-Harassment Policy ("Policy") prohibits discrimination or harassment of any type and affords equal employment opportunities to all employees and applicants, without regard to age, race, sex, 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.

Respectful Workplace



We are committed to providing a working environment for all employees that is inclusive, respectful, and supportive.

This Policy also sets forth reporting procedures for raising workplace concerns. We expect and encourage employees to report concerns and 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. We take each complaint seriously, investigate it and take appropriate disciplinary action as needed. All of our Human Resources professionals receive robust investigation training from a third-party expert, which includes education around employment laws and best practices for conducting neutral and objective investigations. We are also committed to providing a work environment free from any form of retaliation for those that report a workplace concern.

Each employee is expected to share Patterson-UTI's commitment to mutual respect for all co-workers, vendors, customers, third parties, and business partners by demonstrating common courtesy, civility and professionalism. In return, each employee should expect to be treated the same way.

Patterson-UTI also requires all of its employees to complete training on an annual basis regarding its commitment to a respectful workplace for all. Supervisors and managers are required to complete additional respectful workplace training each year to ensure that they understand our expectations for them regarding their obligations to promote a work environment where all employees feel valued and respected.

Talent Management

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 delivered in the form of classroom-based instruction, eLearning and on-the-job training. 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. We offer our workforce the opportunity 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.



Development of our People

We are committed to the growth and development of every employee.

Our people are our most important asset, and the development of our employees is key to the long-term success of our Company. Training in our contract drilling business 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.

The purpose of this policy is to see to it that every contract drilling business employee has access to quality training and development both internally and externally to ensure operational excellence, personal and professional growth and an incident-free workplace.

EMPLOYEE ENGAGEMENT

We periodically hold employee engagement sessions, which can take the form of small group sessions or larger town halls. The feedback from these events is reviewed by business management and Human Resources for further action.

For example, after reviewing the feedback received during an employee focus group session, we developed a new course, The Art of Communication Workshop, which provides the tools and tips to help leaders have more meaningful and effective communications with others.

In addition, management 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.

PTEN PATH

PTEN Path, a development program, provides employees with the tools, knowledge, skills and abilities needed to successfully work on and progress through the various positions on the drilling rig. PTEN Path is currently being used for our contract drilling employees, and we expect to expand this program to our pressure pumping employees. From an employee who is new to the industry, to one in a supervisory position, PTEN Path provides employees with a clear career Path within Patterson-UTI. 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 rig technologies and drilling practices. Throughout the process, employees are evaluated by their mentors and supervisors to ensure their proficiency.

PTEN Path Completions

Position	Date training launched	Total in 2018	YTD Total in 2019
Floorhand	October 2018	>900	>900
Motorhand	February 2019		>600
Derrickhand	May 2019		>400
Driller	August 2019	-	-

We also offer the following learning and development programs:

- **New Employee Orientation (NEO):** All new hires are required to attend the NEO class. In 2018, over 4,100 employees attended, and over 400 attended YTD as of the second quarter of 2019.
- **New hire onboarding classes:** These classes provide new employees with an overview of Patterson-UTL and introduce them to our core value of safety.
- **N2I hands-on station training:** This training teaches New to Industry (N2I) employees the fundamental competencies needed to work on a rig.
- **Rig on-the-job training:** Employees are assigned to a rig to work as an extra member of the crew. A qualified rig employee will be assigned to train, mentor and verify that the new employee can safely and effectively perform the required job tasks.
- **Teaching and mentoring:** Employees are taught how to complete each task using the training checklists and policies provided. We use the See One, Do One, Teach One method of training.
- **Supervisory training:** Our employees are trained and developed in various skills and competencies and provided further leadership and management skills training in order to be able to progress within our organization.
- **Frontline leadership:** Frontline Leadership is a class designed to teach leadership content to employees who are working in their first official leadership role. Over 500 employees took advantage of this course in 2018 and over 300 had attended YTD as of the second quarter of 2019.
- **Introduction to successful rig management:** Employees in supervisory positions attend this highly interactive three-day course. Leaders of the Company from a variety of areas discuss with our employees:
 - How to Lead and Manage our People
 - Managing the Business of the Rig
 - Maintaining our Equipment through Asset Integrity
 - Customer Focus through Supply Chain
 - Working Incident Free – Root Cause Analysis

Human Rights

Patterson-UTI respects and values human rights. 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.

HUMAN RIGHTS POLICIES

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, 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.

STAKEHOLDER ENGAGEMENT

We integrate public comments and official guidance from regulatory and enforcement agencies in formulating our policies. We are members of industry groups (such as International Association of Drilling Contractors (IADC)) and attend roundtables where stakeholder issues are discussed and consider peer company practices. We also take into account employee feedback and suggestions on our policies.



Governance



The Board of Directors and their committees perform all corporate oversight and governance. As such, the make-up of the Board of Directors is reviewed to ensure that the Board is composed of individuals with diverse skill sets in the areas of general business and the oil and gas industry in order to best serve our stockholders.

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 Ethics and Business Conduct, policies and applicable laws, promptly report concerns and share Patterson-UTI's commitment of mutual respect by demonstrating courtesy and civility.



Honesty and Integrity

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

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 antibribery 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 clients 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 antibribery 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 anticorruption and antibribery compliance efforts. We periodically monitor and conduct testing and review of our policy 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 this policy.

STAKEHOLDER ENGAGEMENT

We integrate public comments and official guidance from regulatory and enforcement agencies in formulating our policies. We are members of industry groups (such as the IADC) and attend roundtables where stakeholder issues are discussed. We also take into consideration peer company practices as well as employee feedback and suggestions on our policies.

Our related 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

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.

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, 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 Ethics and Business Conduct, 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 judgement and following applicable laws. We strive to treat everyone with fairness and respect. Not because it's the law, but because it's the right thing to do.

Our code applies to all directors, officers and employees of Patterson-UTI and its affiliates. Business partners and joint venture 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.

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.

We are committed to the continuous improvement of anticorruption and antibribery compliance efforts. We monitor and conduct periodic testing and review of this Policy 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, as needed, all policies and procedures that are necessary to effectively implement this Policy.

ONGOING EMPLOYEE TRAINING

Course name	2018 Attendance	YTD 2019 Attendance
Fundamentals of a Respectful Workplace for Managers	>2,200	>1,100
Fundamentals of a Respectful Workplace for Non-Managers	>5,700	>3,000
Code of Business Conduct and Ethics	>4,600	>4,400

We encourage employees to report a concern or ask a question through a supervisor, manager, HR representative or the SHARP Hotline and to speak up if they think something is wrong. That's how we get better and safer and grow as a Company.

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.



