



2021 SUSTAINABILITY REPORT

Committed to effective environmental, social and governance management.

FOR FISCAL YEAR 2021 | [PATENERGY.COM](https://www.patenergy.com)



2021

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MESSAGE FROM OUR CEO

I am pleased to share with you Patterson-UTI's 2021 sustainability report. While industry conditions improved in 2021 compared to 2020, we continued to navigate the impact of the COVID-19 pandemic on our business, our employees and the communities where we operate. We are proud of our people and their resiliency and performance throughout the year.

We were pleased to announce the acquisition of Pioneer Energy Services, a transaction that was completed on October 1, 2021. Through this acquisition, we acquired additional drilling rigs that are capable of substituting cleaner-burning natural gas for diesel, which helps reduce emissions in our operations. This increased our overall ability to offer our customers equipment and technology that utilizes alternative power sources. The acquisition also expanded our geographic footprint into the international markets, specifically Colombia.

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:** 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 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.
- **Diversity, Inclusion and Respect:** We are committed to workplace diversity and to fostering a culture of inclusion and respect.
- **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 shareholders, 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. Workplace diversity is important to us, and we value a respectful and supportive culture for our employees. 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 year's sustainability report helps to highlight some of these efforts.

We welcome your feedback.

Thank you,

Andy Hendricks
President & Chief Executive Officer

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ABOUT THIS REPORT

Patterson-UTL is 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. These include our Superior QC business, which provides software and services used to improve the accuracy of directional and horizontal wellbores, wellbore quality, and on-bottom ROP (rate of penetration), and our Current Power business, which provides in-house electrical engineering, control system automation and installation services to the energy and marine industries.

We had approximately 5,000 full-time employees as of December 2021.

The information throughout this report generally applies to Patterson-UTL Energy, Inc. on a company-wide basis; 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.

Unless otherwise noted or as the context otherwise requires, the quantitative disclosures presented in this report are for the fiscal year ended December 31, 2021, and the narrative disclosures presented in this report are current as of December 31, 2021.

Our sustainability report is intended to address what we view as our material environmental, social and governance (ESG) 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 an ESG consultancy to benchmark our disclosure against that of our peers. 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) and Task Force on Climate-Related Financial Disclosures (TCFD). Mapping of these disclosures can be located beginning on page 44 of this report. We have also included disclosures on additional topics not covered by SASB and TCFD in response to stakeholder feedback.

We welcome feedback on this report. Comments may be submitted to us via email at sustainabilityreport@patenergy.com.

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





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 reducing waste materials.



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AIR QUALITY, GREENHOUSE GAS EMISSIONS REDUCTION AND ENERGY EFFICIENCY

We are committed to reducing emissions in all facets of our operations and utilizing innovative fuel product solutions whenever possible and 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 making these investments, and have made provisions in our 2022 capital expenditure budget to support these efforts.

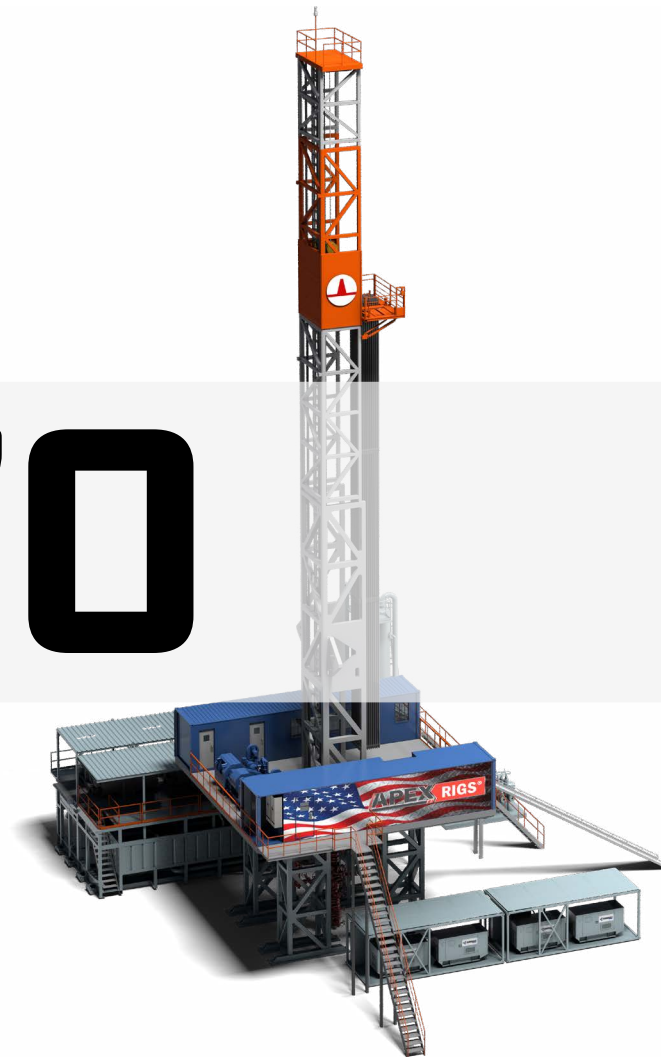


We currently have more than 70 rigs (including rigs acquired from Pioneer Energy Services) capable of operating with alternative power sources such as High-Line power from the electric grid, dual-fuel or natural gas-powered engines, or our proprietary EcoCell™ lithium battery hybrid energy management system.

70

In the short-term, we work to meet customer demands by offering our existing lower-emissions and alternative fuel equipment available to them, 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 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 emission 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.



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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 percent 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 pressure pumping business, a number of our spreads are currently dual-fuel capable.

Our contract drilling business maintains approximately **69 dual-fuel rig power systems**.

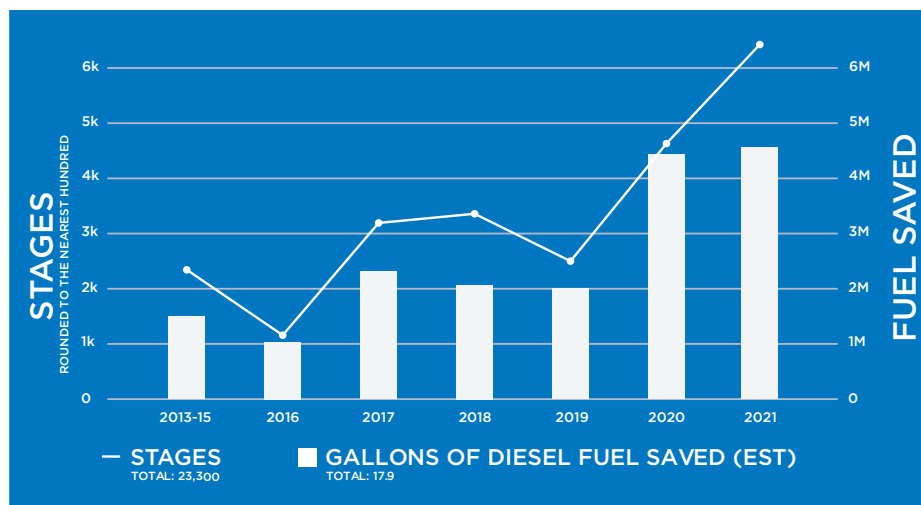
PRACTICAL INNOVATIONS EASE FRACTURING

Universal's President, Akshay Sagar, remarks on the industry's success at streamlining completions and improving well economics in the latest issue of Frac Facts in The American Oil and Gas Reporter. Read the full article [here](#).



ESTIMATED DIESEL FUEL REDUCTION FROM USE OF DUAL- FUEL ENGINES BY PRESSURE PUMPING BUSINESS

Between 2013 and 2021, our pressure pumping business completed more than 23,000 stages with dual-fuel engines, resulting in total savings of approximately 17.9 million gallons of diesel fuel.



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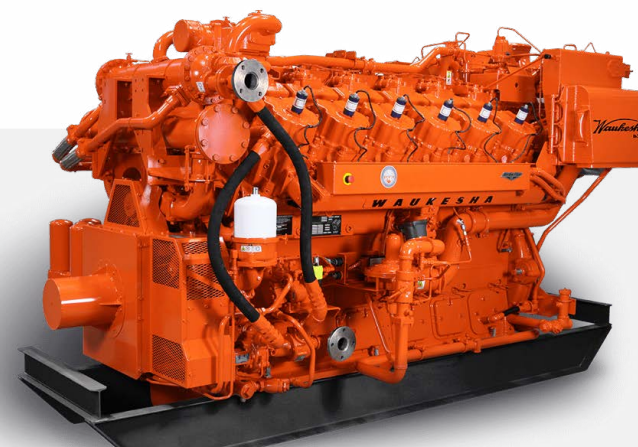
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NATURAL GAS ENGINES

We were the first contract driller to use Waukesha natural gas engines on a drilling rig.



NATURAL GAS ENGINES

We were the first contract driller to use Waukesha natural gas engines on a drilling rig. Our rich-burn natural gas engines, which do not require the use of diesel fuel, allow our drilling rigs to run on 100% 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.

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 11 dedicated natural gas rig power systems.

GENASSIST™ LOAD-DEPENDENT STARTING AND STOPPING

Our contract drilling business has recently developed rig control 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. GenAssist™ has been deployed on 8 of our drilling rigs, and we expect to increase deployment based on customer feedback.

100%

Our rich-burn natural gas engines, which do not require the use of diesel fuel, allow our drilling rigs to run on 100% natural gas.

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ECOCELL™ OPTIMIZING EFFICIENCY AND REDUCING THE CARBON FOOTPRINT



ECOCELL™ ENERGY STORAGE SYSTEM

Our contract drilling business is expanding the use of 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.

EcoCell™ is currently deployed at 6 of our drilling rigs, (an increase of 5 from 2020), and we plan to continue adding EcoCell™ units to our fleet in the coming years.

UTILITY ELECTRIC OR HIGH-LINE POWER FOR DRILLING RIGS

Through our Current Power business, 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. Using utility power is an optimal power solution on our drilling rigs as it minimizes emission impacts at the wellsite. We have recently 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.

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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.

One example of these efforts is our recent commercialization of our remote measurement-while-drilling (MWD) services. We provided remote MWD services on approximately 115 well sites during 2021.

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.

LOW CARBON VENTURES - GEOTHERMAL

We recently invested in a geothermal company whose mission is to create a more sustainable future by making geothermal energy commercially viable anywhere. This investment, and our pursuit of future geothermal and other alternative energy opportunities, will allow us to utilize our drilling and completion expertise and the talent of our people to advance geothermal and other low carbon technologies. We will 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. We recently hired a Vice President of Low Carbon Ventures to oversee these opportunities and investments.



Patterson-UTI Announces Strategic Investment in Geothermal Technology Company, Criterion Energy Partners.

[READ THE PRESS RELEASE HERE](#)

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ECOSTART™ ENGINE IDLE MANAGEMENT SYSTEM

Our pressure pumping business has recently developed a proprietary engine idle management system for use with our fracturing fleet of equipment called EcoStart™. EcoStart™ differs from other idle management systems because it can be integrated into our pump control systems, which allows it to monitor our pumping operations and automatically shut off engines in between fracturing stages, and then automatically restart the engines immediately prior to operations re-commencing. In total, EcoStart™ can eliminate approximately 70% of the engine idle time during conventional operations, resulting in reduced fuel consumption and emissions. Furthermore, EcoStart™ extends the lifespan of the lubricating oil, which translates into fewer oil changes per year.



OTHER EMISSIONS REDUCTION EFFORTS

Tier 4 Fracturing Spreads

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 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.

22% of our active pressure pumping fleet is made up of Tier 4 engines, and 23.4% of our active non-road pressure pumping equipment is made up of Tier 4 engines.

22% of our active fleet is made up of Tier 4 engines

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.

ENERGY EFFICIENCY

VEHICLE AND ENGINE IDLE TIME MONITORING

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

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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.
- 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

	2021 (in gigajoules, rounded)
Fuel Consumption (Off-Road)	
Diesel (1)	
Contract Drilling, estimated (2)	6,989,000
Pressure Pumping, estimated (3)	3,648,000
Fuel Consumption (On-Road) (4)	
Diesel	106,000
Gasoline	102,000
Electricity Consumption, estimated (5)	60,000

1. We present off-road fuel consumption for our contract drilling and pressure pumping businesses, as those are our two largest businesses (together constituting approximately 88% of our 2021 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 are working to expand our use of data-gathering sensors to improve the quality of our reported fuel consumption data.
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. We are working to expand our use of data-gathering sensors to improve the quality of our reported fuel consumption data.
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 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 are working to expand our electricity usage tracking to cover all of our facilities.

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To accomplish these goals, our Health, Safety and Environment (HSE) professionals, under the oversight of the leaders of our businesses, and in turn, our executive management, including our chief executive officer, 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

ENVIRONMENTAL MANAGEMENT

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 implement 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.



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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 Health, Safety and Environment (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 drilling and pressure pumping locations, 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 pressure pumping 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 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 rig site environmental checklists to identify any potential exposure to waterways, and we inspect the containment and best management practices in place to protect these waterways.



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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 three reportable spills in 2021. Each spill was remediated, and any environment impact was insignificant.

**SPOTLIGHT ON ENVIRONMENTAL
PROTECTION TRAINING**
IN 2021, 3,000 PATTERSON-UTI EMPLOYEES
ATTENDED SPILL PREVENTION CONTROL AND
COUNTERMEASURE (SPCC) TRAINING

3,000

Employees Attended SPCC Training

WASH BAY RECYCLING AND DISCHARGES

To reduce water consumption and impact to the environment, we installed 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 total water usage in 2021 at our Company-owned or leased facilities was approximately 56 thousand cubic meters. We currently have the ability to track actual metered water usage at 95% of our facilities. Accordingly, our estimated total water usage includes actual usage data for those tracked facilities, and estimated water usage for the remaining 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.

MAXIMIZING RECYCLED WATER USE

Our pressure pumping business utilizes laboratory equipment to analyze the characteristics of recycled water. In particular, our lab technicians 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 in wellsite 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.

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HABITAT AND BIODIVERSITY IMPACTS

Where operations may have a substantial 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.

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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 each 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 2021, we used 31.1 million cubic meters of hydraulic fracturing fluid in our pressure pumping 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-UTL jobsites to all personnel, which includes:

- Safety Data Sheets (SDS) for Patterson-UTL 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

We also have chemical recycling initiatives 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.



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



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HEALTH, SAFETY AND INCIDENT RISK MANAGEMENT

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

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.

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 equipment (PPE) and training for their tasks. Our HSE professionals, under the oversight of the leaders of our businesses, and in turn, our executive management, including our chief executive officer, have developed 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. We prioritize safety and carefully monitor our health and safety performance. Our executive management and Board of Directors regularly review and discuss 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 based on the type of audit. Corrective actions are implemented for any 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.

SAFETY PERFORMANCE

Because our operations are onshore and primarily in the United States, we measure our safety performance against that of our industry peers who have similar geographical operations.



We believe our **Total Recordable Incident Rate** (TRIR) is among the best in our industry, and our contract drilling TRIR in 2021 was 30% better than the average TRIR for other U.S. onshore contract drillers, as reported to the International Association of Drilling Contractors (IADC). We had zero employee or contractor fatalities in 2020 and 2021. In 2021, our employees worked a total of 10,656,002 hours.

ONGOING SAFETY TRAINING

At Patterson-UTI, 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.

TOTAL 2021 EMPLOYEE TRAINING HOURS: 63,000

9

Average training hours (all types) per employee in 2021

142

Number of distinct health, safety and emergency response courses offered in 2021

25,000

Total number of enrollments in health, safety and emergency response training courses in 2021

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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	2021 Attendance
Employee Safety Orientation (ESO) for New Employees	>1,200
Rig Fundamentals	>800
Well Operations Training	>600
Cold Weather Operations Training	>2,400
Hot Weather Operations Training	>2,800

Where appropriate, we require contractors to undergo orientation sessions, including safety orientation, prior to working on our jobsites.

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 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. Our employees, contractors, and anyone else on our work locations are empowered to call a Time Out For Safety (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 tools we use to identify risks and communicate those risks through safety alerts and bulletins.

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PERMISSION TO WORK

Our Permission to Work program is a formal system of control for all contract drilling and pressure pumping 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 (for example, "hot work" jobs involving welding, cutting, etc.) 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 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, 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-UTI 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
- Temperature monitoring on location



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INCIDENT REVIEW AND COMPREHENSIVE INCIDENT MANAGEMENT SYSTEM (IMS)

In our contract drilling and pressure pumping businesses, our policies require that any incident, including any near hit, is reported to the manager on location and recorded and tracked into 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, as well as identifying opportunities for communication of lessons learned.

IMS PROGRAM ENABLES CORRECTIVE ACTION



CLOUD-BASED MANAGEMENT AND 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 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.

Our contract drilling employees have the opportunity to take ownership of Patterson-UTI 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. During 2021, we received approximately 60 Policy Improvement Requests; each one was reviewed and addressed as needed.

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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 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.

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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 policies setting forth frequency and type of emergency response drills.

MANAGEMENT OF CHANGE

Our Management of Change policy provides a managed systemic approach designed to ensure, to the extent possible, that safety, health, 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 procedure changes be proposed, reviewed and approved before implementation to reduce the potential for risks resulting from such changes.

COVID-19 RESPONSE

In response to the COVID-19 pandemic, we implemented, and continue to implement, safety protocols at our offices, facilities and worksites. These protocols include allowing many of our office-based employees to work from home, while implementing additional safety measures for employees continuing on-site work.



**Community Support During the COVID-19
Pandemic**

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 the United States, with a focus on employing local content 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 Vice President of Diversity and ESG 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 Vice President of Diversity and ESG, in coordination with our Vice Presidents of Human Resources for Patterson-UTI's respective businesses, meets with our leaders to review, discuss and monitor our actions regarding diversity and inclusion, which includes reviewing and monitoring information regarding

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hiring, promotions, and the 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 37.5% female and 25% racially diverse.

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, 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 diversity, inclusion and respect, how to avoid unconscious bias, and key Company policies.

DIVERSITY, INCLUSION AND RESPECT

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



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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 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. We also engaged a third party to assist with our diversity recruitment efforts. The Company has also enjoyed longstanding relationships with various military and veteran organizations, which complement our hiring efforts geared towards current and former members of the United States Military. These relationships include regular contact with several military bases near where we operate, such as Fort Hood and Fort Campbell. The Company is also a member of ALLY, an organization that works with member energy companies to promote diversity, attract talent and build a strong and inclusive culture.

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.



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DEVELOPMENT OF OUR PEOPLE

Developing our people is one of our core values. We are committed to the growth and development of every employee.

COMPENSATION, HEALTH AND BENEFITS

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

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. In 2021, we rolled out 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.

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). Our EAP provides confidential counseling to help employees with mental health, wellness and other personal issues. Our 401(k) program features a savings plan with matching contributions by the Company.

Our people are our most important asset, 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.

The purpose of this program is to see to it that every

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.

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.



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EMPLOYEE ENGAGEMENT

Due to the ongoing COVID-19 pandemic, the Company adjusted and revised existing initiatives and programs to maintain continuity of employee engagement. For example, the Company offered training relating to virtual communications technology, converted many of its training programs into virtual offerings and implemented virtual onboarding as needed for the training of new hires.

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

Some examples of actions taken by the Company based on feedback received include the creation of a course called "The Art of Communication" that provides the tools and tips to help leaders have more meaningful and effective communications with others. The Company also created a training program to assist with skills needed to conduct efficient and constructive meetings.

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.

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.

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PTEN PATH AND OTHER RELATED TRAINING PROGRAMS

PTEN Path is the organization's talent development program for field-based employees, providing them with tools, knowledge, skills and abilities needed to successfully work on and progress through various positions within our businesses.

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:

PERFORMANCE DRILLING TRAINING

We also developed a new training course for employees of the drilling business in positions that share responsibility for supervising work at the jobsite.

The new training course provides additional knowledge and skills for employees to proactively diagnose and manage issues that may occur during drilling activity called Performance Drilling.

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We also offer the following learning and development programs:

New Employee Orientation (NEO):

All new hires are required to attend the NEO class.

New Hire Onboarding Classes:

These classes provide new employees with an overview of Patterson-UTI and introduce them to our organization, our core value of safety, key policies and our safety management system.

N2I Hands-On Station Training:

This training teaches New to Industry (N2I) rig employees the fundamental competencies needed to work on a rig.

Rig On-the-Job Training:

Rig 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.

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.



LEADERSHIP SERIES TRAINING

Leadership training for new to middle level managers and people of influence.

Frontline Leadership:

Frontline Leadership is a class designed to teach leadership content to employees who are working in their first official leadership role.

Art of Communication:

Teaches effective oral and written communication skills and conflict resolution.

High Impact Meetings:

Teaches leaders and people of influence how to conduct effective meetings.

Introduction to Successful Rig Management:

The class is designed to teach new leaders in the drilling business how to Lead and Manage our People, Managing the Business of the Rig, Maintaining our Equipment through Asset Integrity, Customer Focus through Supply Chain and Working Incident Free / Root Cause Analysis.

Service Supervisor Development Program:

The class is designed to teach new field leaders in the pressure pumping business Professionalism and Leadership, Operational Management Systems, HSE, Preparing, Planning and Mobilization, Pre-Job Testing, Execution at the Wellsite, Demobilization, and Equipment and Preventative Maintenance.

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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.

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.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

We integrate public comments and official guidance from regulatory and enforcement agencies in formulating our policies, including our environmental management, health and safety, human rights and other policies. We are members of industry groups (such as the International Association of Drilling Contractors (IADC) where we are recognized as an ESG leader through our presence on the ESG subcommittee) and the Energy Workforce and Technology Council (EWTC) and attend roundtables where stakeholder issues are discussed and consider peer company best practices. We also take into account employee feedback and suggestions on our policies.

We respect the people in communities where we operate and are receptive to their concerns. Our customers, as leasehold owners, are primarily responsible for addressing community feedback regarding operations on their land. We participate in 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.



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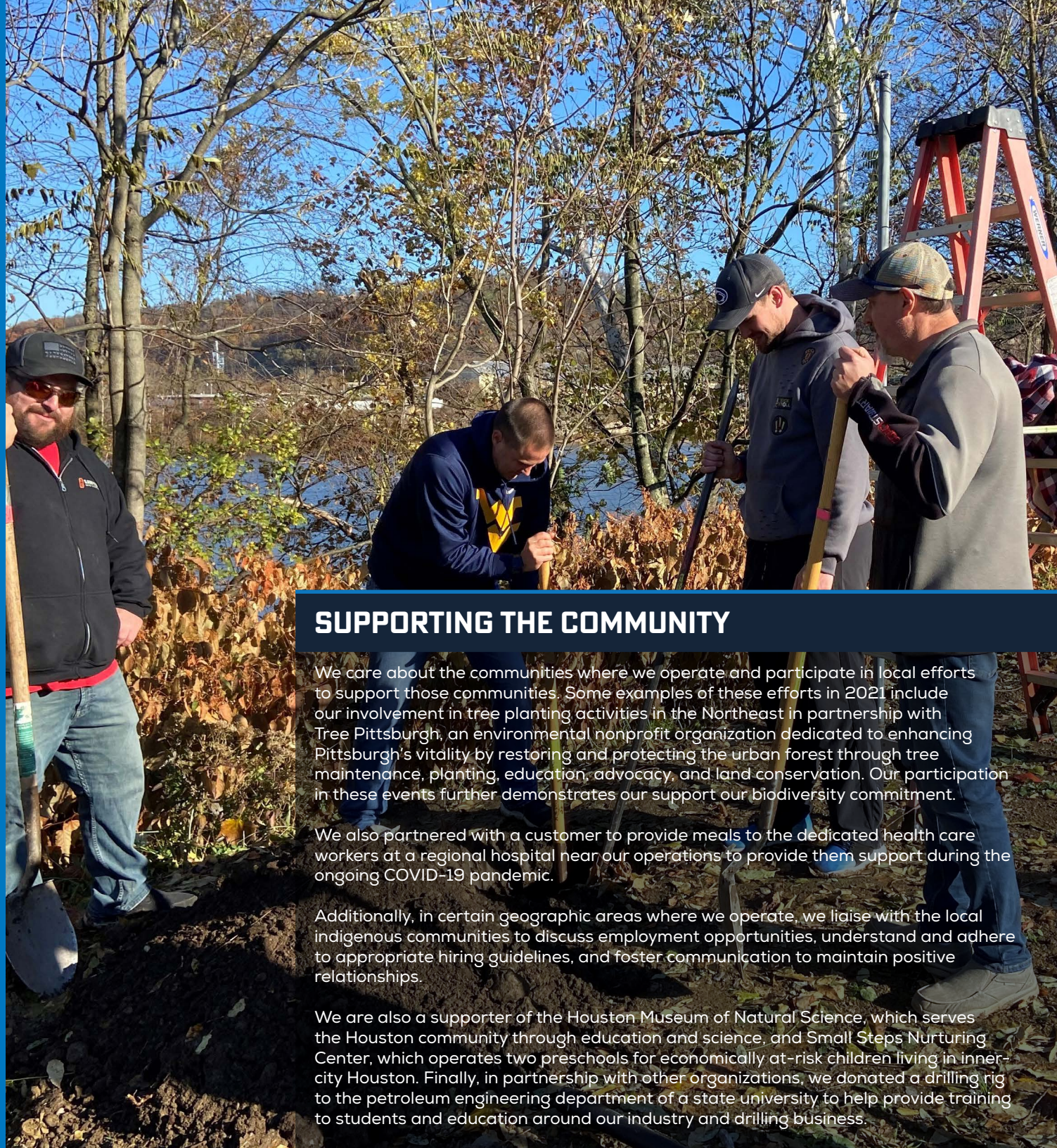
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SUPPORTING THE COMMUNITY

We care about the communities where we operate and participate in local efforts to support those communities. Some examples of these efforts in 2021 include our involvement in tree planting activities in the Northeast in partnership with Tree Pittsburgh, an environmental nonprofit organization dedicated to enhancing Pittsburgh's vitality by restoring and protecting the urban forest through tree maintenance, planting, education, advocacy, and land conservation. Our participation in these events further demonstrates our support our biodiversity commitment.

We also partnered with a customer to provide meals to the dedicated health care workers at a regional hospital near our operations to provide them support during the ongoing COVID-19 pandemic.

Additionally, in certain geographic areas where we operate, we liaise with the local indigenous communities to discuss employment opportunities, understand and adhere to appropriate hiring guidelines, and foster communication to maintain positive relationships.

We are also a supporter of the Houston Museum of Natural Science, which serves the Houston community through education and science, and Small Steps Nurturing Center, which operates two preschools for economically at-risk children living in inner-city Houston. Finally, in partnership with other organizations, we donated a drilling rig to the petroleum engineering department of a state university to help provide training to students and education around our industry and drilling business.



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.



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GOVERNANCE AND OVERSIGHT

BOARD OVERSIGHT OF CLIMATE AND OTHER RISKS

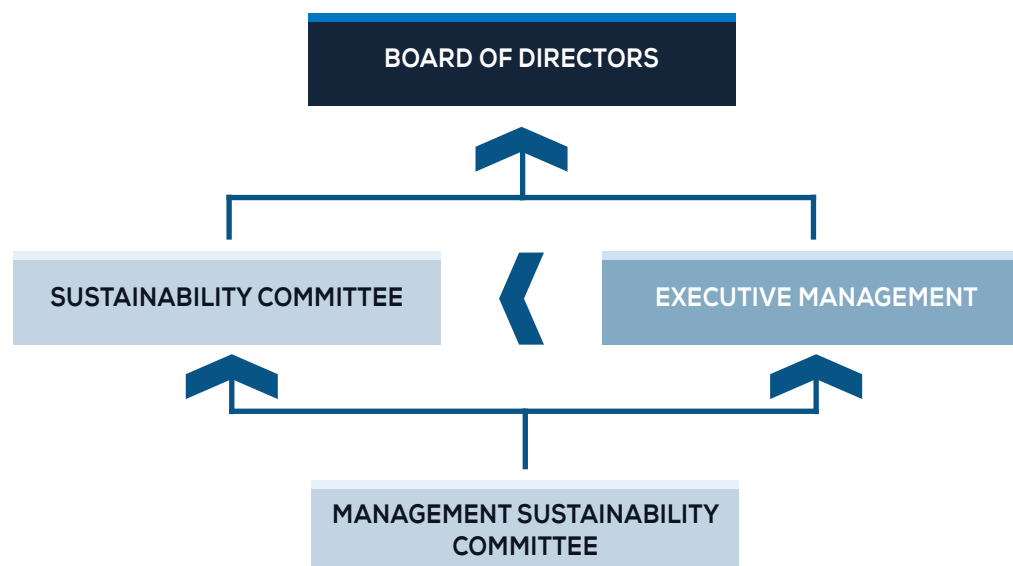
There are two Board committees responsible for oversight of sustainability issues and climate-related risks and opportunities. The Sustainability Committee, formed in 2021, oversees sustainability topics, including climate-related risks and opportunities as well as other environmental and social topics. The Nominating and Corporate Governance Committee of the Board maintains oversight of governance matters. All of the members of both committees are independent directors. The Sustainability Committee and Nominating and Corporate Governance Committee Chairs communicate regularly with management regarding our sustainability progress and performance, including monthly 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. 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, and directors keep up to date on the latest trends and information relating to climate-related risks. The Board routinely addresses matters relating to corporate responsibility, governance and sustainability at Board and committee meetings.

*THE PATTERSON-UTI BOARD OF
DIRECTORS MET 11 TIMES IN 2021.*

REPORTING STRUCTURE FOR CLIMATE-RELATED RISKS



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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 and with legal and regulatory requirements.

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 Compensation Committee considers ESG matters in its setting of executive compensation. Since 2017, a percentage of the payout under our executives' cash incentive plan has been linked to the Company's performance against target 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. In 2020, the Compensation Committee increased the proportion of our executives' cash incentive plan linked to the Health, Safety and Environment KPI to 20%. The 2021 Health, Safety and Environment KPI included metrics related to safety incident rates, environmental incidents, audits and training.

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 committees, 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.

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 37.5% female and 25% 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 environmental, social and governance (ESG) 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.

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.

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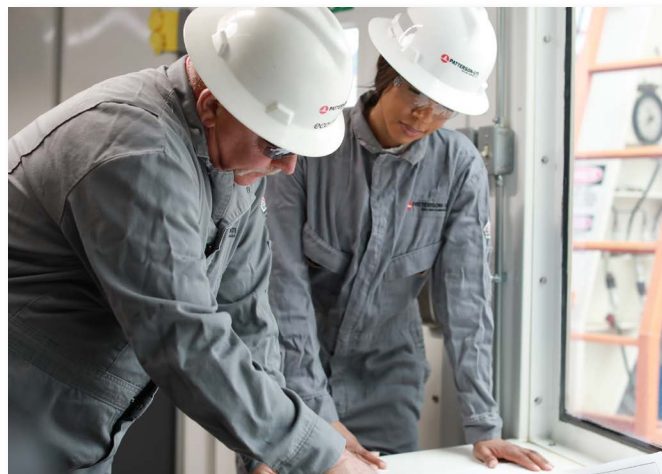
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MANAGEMENT SUSTAINABILITY COMMITTEE

We have a Management Sustainability Committee, which includes representatives from our major business units. This committee provides advice, counsel and recommendations to senior leadership for the creation, development and implementation of our sustainability initiatives and external and internal sustainability communications, including the preparation of this report.

The Management Sustainability Committee is composed of the Chief Executive Officer, General Counsel, the VP of Diversity and ESG, the head of our marketing group, the head of our investor relations group, and other management, legal, health, safety and environment and technical personnel across the Company.

INFORMATION SECURITY RISKS

Our Audit Committee is responsible for overseeing information security 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.

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, 2021.

POLICY AND LEGAL RISKS

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 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.

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EMPLOYEES COMPLETED SECURITY AWARENESS
TRAINING IN 2021

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Our business depends on the level of activity in the oil and natural gas industry, and many of the above policy proposals, if implemented, could negatively impact our customers' ability and willingness to develop their oil and natural gas reserves, which could decrease demand for our services.

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 pressure pumping 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™ and EcoStart™, and 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. We have also invested in a geothermal company, which will allow us to utilize our existing equipment and technologies to advance geothermal and other low carbon technologies.

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, geothermal, 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.

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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 onshore in the United States (and now expanded to onshore in Colombia through the acquisition of Pioneer Energy Services) and 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.



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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). Our 2022 budget specifically allocated \$25 million in spending for sustainable solutions and other emission reducing equipment such as the ongoing deployment of our EcoCell™ system and natural gas engines. We are also pursuing opportunities related to renewable energy sources, such as geothermal and other low carbon offerings. 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 ESG 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.”

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Some benefits, if our strategy of managing these climate risks is successful, may include reduced exposure to greenhouse gas emissions, including potential taxes on such emissions; reduced operating expenses due to efficiency gains and cost reductions from new technology; and reputational benefits and an enhanced competitive position, which may increase demand for our goods and services. We may also see safety benefits, as our increased use of automation systems and remote monitoring can reduce the number of personnel at the wellsite.

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 Scope 1 and Scope 2 greenhouse gas (GHG) emissions and participate in discussions regarding the best methods for tracking and reporting of Scope 1 and Scope 2 GHG emissions with industry groups.

Many of our customers have developed detailed scenario analyses, including under a 2°C or lower scenario, in connection with their own climate risk assessments and in developing their own climate-related strategies. Because the methods in which we provide our operations and services are largely dictated by the needs of our customers, our best near-term opportunity to mitigate climate change risk is to primarily focus on working with our customers in the implementation of their climate-related strategies. Similarly, we aim to meet the needs of our customers in reaching their own climate targets.

In a scenario where global warming is limited to well below 2°C, consistent with a global aspiration of net zero greenhouse gas emissions by 2050, there is a potential for significant adverse impacts to the oil and gas industry in the United States. To make our business compatible with this type of long-term scenario, as

CLIMATE STRATEGY CASE STUDY - CURRENT POWER ACQUISITION

In 2018, we identified a technology opportunity for our drilling business and acquired Current Power, a provider of electric controls and automation. Our Current Power team has worked with our drilling business on a variety of emissions-reduction technology projects, including our EcoCell™ technology and our technology enabling the use of utility electrical power in our drilling operations. As a result, this acquisition has helped us to expand our lower-emissions offerings to meet increasing customer demand for these services. Additionally, the Current Power business has broadened our customer base beyond the oil and gas industry into other sectors, such as marine and industrial micro-grid.



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discussed above, we continue to develop lower-emissions operations and services. We also evaluate opportunities to expand beyond our core businesses of contract drilling and pressure pumping. One example of this opportunity for expansion is through our electrical engineering business in such sectors such as marine and industrial micro-grid. Marine products are now growing to be the largest portion of this business, and Current Power is in the process of completing the delivery and installation of the full electrical controls for the propulsion system of a new cruise ship. The Current Power team also has experience in products for micro-grid controls in various applications, and we expect demand in this sector to continue to grow alongside the expanding renewables and smart-grid electrical systems 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, such as our entry into the Colombian market through the acquisition of Pioneer Energy Services, may help to insulate our business from the risks associated with operating solely in the United States.

ETHICS

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 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

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

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

HONESTY AND INTEGRITY

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

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.

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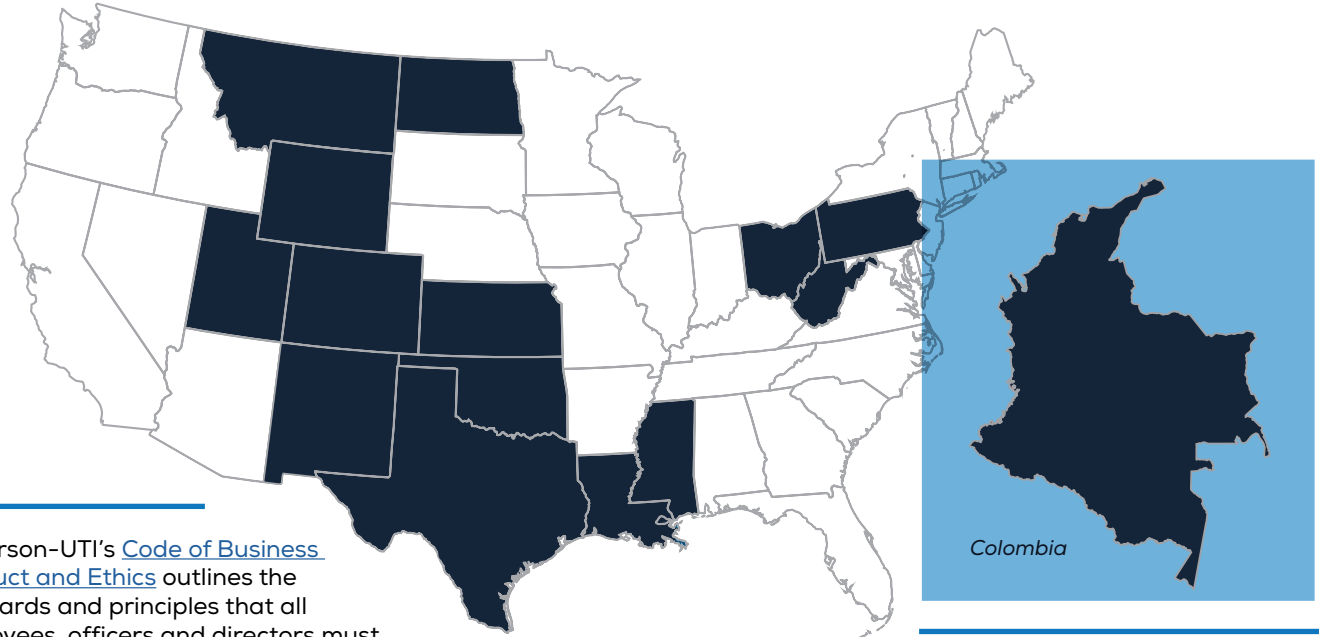
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AREAS WHERE WE EARNED MEANINGFUL REVENUE OR MARKETING OUR SERVICES IN 2021



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.

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.

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.

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INDUSTRY INITIATIVES

We participate in certain trade organizations, such as the International Association of Drilling Contractors (IADC) and the Energy Workforce and Technology Council (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. We have also held leadership positions within the IADC. We are a member of the IADC and EWTC ESG Workgroups which regularly meet to discuss sustainability best practices in the contract drilling, pressure pumping 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.



Andy Hendricks named 2021 IADC Contractor of the Year

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.

ONGOING EMPLOYEE TRAINING

>2,700

Fundamentals of Our Respectful Workplace -
Non-Managers

>900

Diversity, Inclusion and Respect for Managers

>3,500

Code of Business Conduct and Ethics

Approximately .005% of our consolidated worldwide 2021 revenue was generated from the countries identified by Transparency International as having the 20 lowest rankings in its 2021 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 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.

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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	12
Emissions Reduction Services & Fuels Management	Discussion of strategy or plans to address air emissions-related risks, opportunities, and impacts	EM-SV-110a.2	6-12, 36-41
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	11
Water Management Services	(1) Total volume of fresh water handled in operations, (2) percentage recycled	EM-SV-140a.1	15
Water Management Services	Discussion of strategy or plans to address water consumption and disposal-related risks, opportunities, and impacts	EM-SV-140a.2	14-15
Chemicals Management	Volume of hydraulic fracturing fluid used, percentage hazardous	EM-SV-150a.1	17
Chemicals Management	Discussion of strategy or plans to address chemical-related risks, opportunities, and impacts	EM-SV-150a.1	16-17
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	14-17
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	19-20
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	19-24
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	43
Business Ethics & Payments Transparency	Description of the management system for prevention of corruption and bribery throughout the value chain	EM-SV-510a.2	41-43
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	35-38, 43
Critical Incident Risk Management	Description of management systems used to identify and mitigate catastrophic and tail-end risks	EM-SV-540a.1	22-24, 38-41
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	19

(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.

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TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD INDEX)

RECOMMENDED DISCLOSURE	INFO. LOCATION (PG)
<i>Governance</i> Disclose the organization's governance around climate-related risks and opportunities.	
a) Describe the board's oversight of climate-related risks and opportunities.	34
b) Describe management's role in assessing and managing climate-related risks and opportunities.	35-40
<i>Strategy</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.	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	36-38
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	36-41
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. (1)	40-41
<i>Risk Management</i> Disclose how the organization identifies, assesses, and manages climate-related risks.	
a) Describe the organization's processes for identifying and assessing climate-related risks.	35-38
b) Describe the organization's process for managing climate-related risks.	35-40
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	35-40
<i>Metrics and Targets</i> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	40-41
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks. (1)	40-41
c) Describe the targets used by the organization to manage climate-related risks, and opportunities and performance against targets. (1)	40-41

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

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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; adverse oil and natural gas industry conditions; including as a result of economic repercussions from the COVID-19 pandemic; global economic conditions; volatility in customer spending and in oil and natural gas prices that could adversely affect demand for our services and their associated effect on rates; excess availability of land drilling rigs, pressure pumping and directional drilling equipment, including as a result of reactivation, improvement or construction; competition and demand for our services; strength and financial resources of competitors; utilization, margins and planned capital expenditures; liabilities from operational risks for which we do 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; synergies, costs and financial and operating impacts of acquisitions; the ultimate timing, outcome and results of integrating the operations of Pioneer Energy Services into Patterson-UTI; the effects of the acquisition on Patterson-UTI, including Patterson-UTI’s future financial condition, results of operations, strategy and plans; potential adverse reactions or changes to business relationships resulting from the acquisition; the failure to realize expected synergies and other benefits from the acquisition; difficulty in building and deploying new equipment; governmental regulation; 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; weather; operating costs; expansion and development trends of the oil and natural gas industry; ability to obtain insurance coverage on commercially

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reasonable terms; financial flexibility; interest rate volatility; adverse credit and equity market conditions; availability of capital and the ability to repay indebtedness when due; stock price volatility; and compliance with covenants under our 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 March 31, 2022, 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.

Our acquisition of Pioneer Energy Services was completed in the fourth quarter of 2021. Unless otherwise noted or as the context otherwise requires, the quantitative and narrative disclosures in this report do not account for assets and operations acquired from Pioneer Energy Services.