



2023 ESG

# **ENVIRONMENTAL SOCIAL GOVERNANCE**

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2023 ESG

## ENVIRONMENTAL SOCIAL GOVERNANCE



**Sandy Esslemont**

President and Chief Executive Officer  
Parker Wellbore

## A Message from our CEO

I am delighted to present Parker Wellbore's 2023 Environmental, Social, and Governance (ESG) Report, a comprehensive overview of our efforts as a company to embody sustainable development and corporate responsibility. This report provides an in-depth look at our initiatives, accomplishments, and ongoing endeavors in key ESG areas and serves as a testament to the strides we have made and the challenges we have overcome since we issued our inaugural 2021 ESG report.

As the energy industry continues to evolve, we remain committed to our core values of trust, ownership, collaboration, innovation, and tenacity. These values enhance and drive our ESG initiatives, along with the essential ESG principles of environmental stewardship, social responsibility, and transparent governance. We strive to balance the needs of all our stakeholders—our employees, our customers, our investors, our partners, and the communities and environments that we operate within—because we want to maintain Parker Wellbore's reputation as a trusted corporate citizen that can deliver innovative technologies and energy solutions safely and sustainably.

From introducing new metrics to better track our carbon footprint to engaging employees and communities around the globe in philanthropic activities, 2023 was a substantial year for our ESG journey. Among other activities, we saw improvements in our safety performance as well as our hiring and onboarding programs, and we took additional strides to set ourselves up for success in 2024 with our Corporate Social Responsibility Committee. Several of our major ESG goals reached the closeout stage in 2023, demonstrating Parker Wellbore's proactive and collaborative approach to integrating our ESG initiatives throughout our global operations.

Our dedication to continual improvement and operational excellence means that we will continue to refine and bolster our sustainability programs. As our 2023 report will illustrate, we have already made tremendous progress since our initial ESG report, and I look forward to reaching next year's milestones.

# About Us

Parker Wellbore (PW) helps energy companies accomplish their subsurface access needs and goals, efficiently, reliably, and safely. Our global team supports energy companies with innovative land and offshore drilling services; premium rental tools and well construction services; and advanced operations and management support. Founded in 1934, Parker helps customers manage their costs and mitigate their risks, to optimize operational performance and reduce GHG emissions.

Parker's drilling services team operates a diverse fleet of land and offshore barge rigs and manages customer-owned rigs. The team consistently delivers safe, efficient, cost-effective operations, which are guided by Parker Wellbore's API Q2-compliant Integrated Management System and Operational Discipline best practices developed from experience spanning 90 years. These practices have allowed Parker to become a trusted partner to global energy producers, with the expertise and flexibility to help overcome the most rigorous wellbore challenges.

Parker's rental services team has provided premium rental tools and well construction/intervention services to the energy industry since 1978. The global team supports customer operations through an extensive portfolio of proprietary high-performance products, specialty services, and equipment rental. With a results-driven focus, supported by the highest standards in quality, safety, and environmental stewardship, Specifically, Parker Wellbore's rental services team provides tubular running services, fishing and reentry services machine shop services, downhole premium tubulars and surface pressure control equipment rental.

## Vision, Mission, and Values

### > VISION

Parker Wellbore will be the global partner of choice for minimizing risk and optimizing performance in wellbore construction.

### > MISSION

Every day, Parker Wellbore partners with customers to sustainably and safely construct the most cost-effective wellbores to benefit all our stakeholders.

### > VALUES

**Trust:** Stand up and act with integrity, do the right thing, and keep commitments.

**Collaboration:** Align toward shared goals, trust each other, and serve the best interest of all.

**Ownership:** Embody operational discipline, take safety personally, and own the solution.

**Innovation:** Think big, see the possibilities, and engineer solutions.

**Tenacity:** Never settle, push the limits, and seize the moment.

# ESG Report Overview

Parker Wellbore's third ESG Report provides a comprehensive overview of our sustainability initiatives, performance metrics, and strategic goals. We aim to demonstrate our dedication to sustainable growth, ethical conduct, and stakeholder engagement through transparent disclosure and robust data capture and analysis. From reducing our environmental footprint and promoting employee well-being to fostering inclusive communities and enhancing governance practices, Parker remains steadfast in our pursuit of sustainable development. We invite you to explore this report to learn more about our ongoing efforts to create a positive impact on society and the environment while delivering long-term value to our stakeholders.

Similar to the data-driven format established in the 2022 ESG Report, you will notice in the pages ahead a focus on tables, figures, and graphs outlining our progress. We are following guidance from various leading standards, frameworks, and industry organizations, including, but not limited to:

- International Association of Drilling Contractors (IADC);
- American Petroleum Institute (API);
- Global Reporting Initiative (GRI);
- Sustainability Accounting Standard Board (SASB); and
- Task Force on Climate-Related Financial Disclosures (TCFD).



Parker Wellbore is committed to the United Nations Sustainable Development Goals (SDGs), and we will reference this measure multiple times throughout our report. We structure our goals, tracking, and reporting to continually improve in the areas that have the biggest impact on our communities, environment, and people.

## Materiality Assessment

Our inaugural ESG Report laid out the materiality assessment we established with our Board of Directors, executive management, leaders, employees, key customers, investors, and other stakeholders. We continued to use this assessment in 2023 in order to consistently measure progress toward our goals. As we achieved these goals in 2023, we intend to update this limited assessment over the next year by performing a more comprehensive double materiality assessment to reflect global security, environment, and governance changes.

The ten topics below guide our sustainability initiatives and the topics we will cover in this report:

- Environmental & Regulatory Compliance
- Ecological Footprint
- GHG Emissions
- Occupational Health & Safety
- Workforce Diversity & Inclusion
- Gender Equality & Women in the Workplace
- Ethics and Integrity
- Enterprise Risk Management
- Cybersecurity
- Supply Chain Integrity (Human Rights)

## Key successes in 2023 include:

- Participated in our first Carbon Disclosure Project (CDP) Survey to evaluate the maturity of our climate change assessment and risk mitigation protocols.
- Transitioned from a centralized Energy Transition group to localized support embedded within our operations teams at the local level to better serve our customers with Geothermal, Carbon Capture, and Well Abandonment operations.
- Parker barge Rig 51 drilled the first investigative Carbon Capture & Storage (CCS) well in the United States Gulf of Mexico shallow water market.
- The global Parker Total Recordable Incident Rate (TRIR) dropped from 0.58 in 2022 to 0.38 in 2023. Additionally, the Lost Time Incident Rate (LTIR) dropped from 0.17 in 2022 to 0.10 in 2023. The 2023 full-year rates for IADC TRIR and LTIR were 0.51 and 0.15, respectively.
- The global Health, Safety, Security & Environment (HSSE) team initiated a pilot program for visual Artificial Intelligence (AI) monitoring to supplement human performance deficiencies at two of our locations to help ensure our employees and contractors stay safe on the job.
- Improved recruiting and onboarding KPIs related to hiring velocity, time to hire, and average processing time.
- Established a global Corporate Social Responsibility (CSR) Committee for promoting, evaluating, and administering direct donations and charitable sponsorships in support of the communities in which we live and work.

## 2023 Goals Update

Our initial ESG Report set out six main ESG goals to guide us as we developed and executed our sustainability programs. These goals align with our materiality assessment and the United Nations SDGs. While there is always more work to do, we made significant progress in 2022 and 2023. The following infographic provides a brief overview of performance toward these goals, while the subsequent sections will provide more detail, each highlighted by the relevant ESG Goal icon.



### Improved Fuel Tracking

#### 2022 Goal

Track rig engine diesel consumption on active Parker-owned assets, including real-time data measurement technology and digital architecture for fuel usage at the wellsite

#### Closeout

- Digital fuel tracking implemented for all PW rigs
- Project to digitize drilling morning reports was completed

**COMPLETE**



### Gender Diversity

#### 2022 Goal

Track gender diversity in U.S. operations and develop a method for doing so at other locations starting in 2023. Put actionable plans in place to improve gender diversity throughout the company

#### Closeout

- Continuing to set a targets and monitor progress of femial representation in indentified talent and successor populations for future leadership roles

**COMPLETE**



### Human Rights

#### 2022 Goal

Require human rights commitments in contracts with new suppliers; inform existing suppliers of human rights expectations and begin adding relevant contract provisions as contracts are amended or renewed

#### Closeout

- Human rights language is included in the Supplier Add process
- We received 44 signed acknowledgments or commitments, with more forthcoming

**COMPLETE**



### Local Hiring and Community-Based Activities

#### 2022 Goal

Measure and promote local hiring and community-based activities that help build up communities where we work

#### Closeout

- Established Corporate Social Responsibility (CSR) Committee for charitable donations
- Developed digital dashboards for reporting employee demographics

**COMPLETE**



### Local Suppliers

#### 2022 Goal

Measure and improve spending with local suppliers

#### Closeout

- Developed and implemented digital dashboards to visualize our global and local spending in 2023

**COMPLETE**



### Lower Carbon Emissions Technology

#### 2022 Goal

Identify technology to lower carbon emissions in our operations.

#### Closeout

- Conducted fuel additive trial in UAE machine shop and realized 10% fuel savings
- Future drilling ops field trial for fuel additive planned for 2024

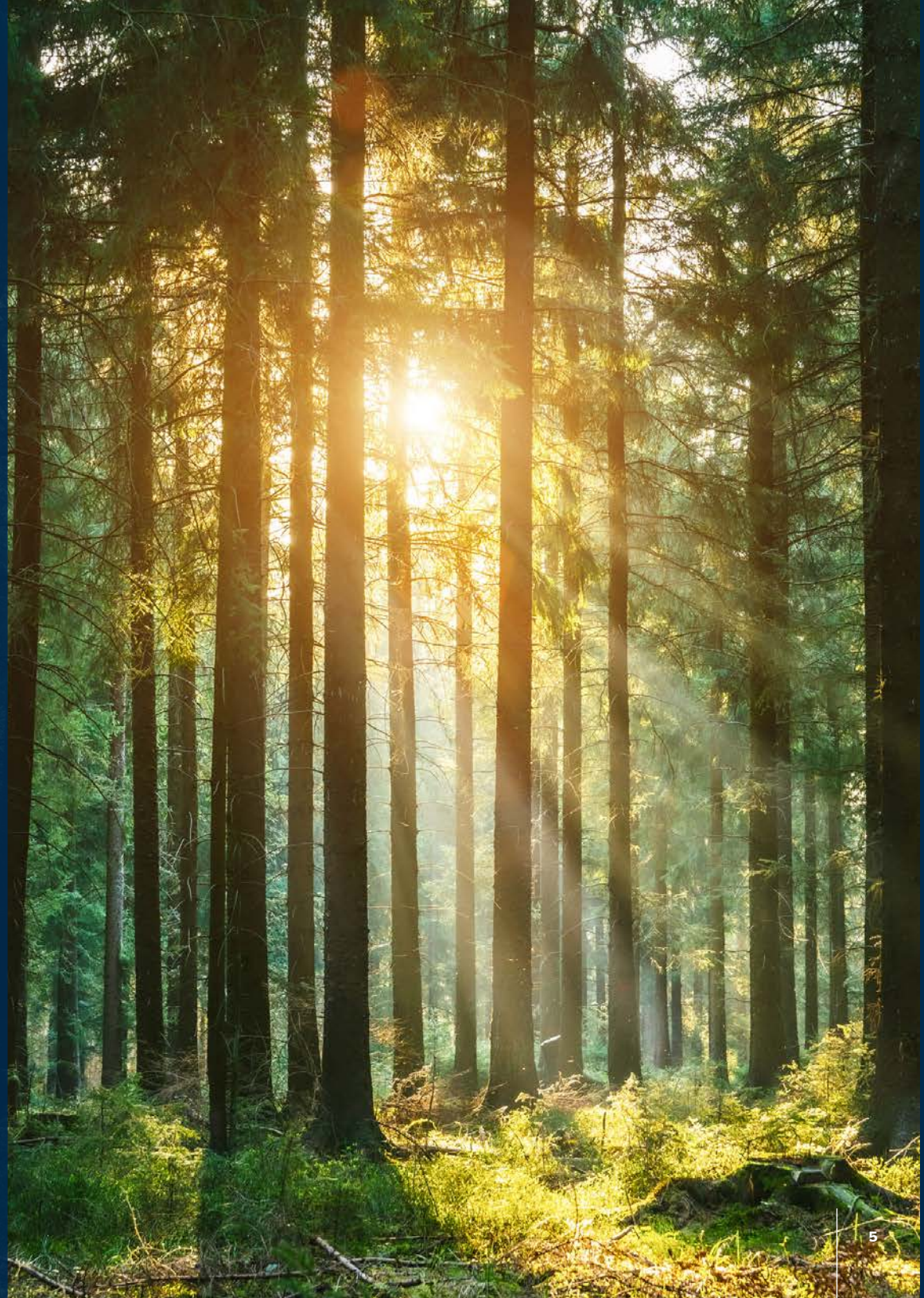
**EVERGREEN**





# ENVIRONMENTAL

Parker Wellbore recognizes our responsibility for sustainable development to ensure we meet the current and long-term environmental needs of communities and locations in which we work and serve. The goals and initiatives we set align with the environmental components of the United Nations SDGs.





# Greenhouse Gas Emissions

In alignment with our commitment to United Nations SDG #13 on Climate Action, Parker Wellbore is driven by our efforts and performance regarding greenhouse gas emissions. Recognizing the need to address climate change, we have implemented strategies to better measure our carbon footprint across our operations for the purpose of identifying reduction opportunities. This section provides an overview of our emissions profile and our ongoing dedication to fostering a low-carbon future. Our target is to systematically work toward the goals of the Paris Climate Agreement.

Table 1 provides a breakdown of Parker's emissions between Scope 1 and 2 categories. Our data collection, calculations, and reporting align with guidance from the Greenhouse Gas (GHG) Protocol. Our goal in the next few years is to take the final step and report our Scope 3 emissions.

| GLOBAL EMISSIONS                       | 2020                        |                             |                              |                               | 2021                        |                             |                              |                               | 2022                        |                             |                              |                               | 2023                        |                             |                              |                               |
|--|-----------------------------|-----------------------------|------------------------------|-------------------------------|-----------------------------|-----------------------------|------------------------------|-------------------------------|-----------------------------|-----------------------------|------------------------------|-------------------------------|-----------------------------|-----------------------------|------------------------------|-------------------------------|
|  | CO <sub>2</sub><br>(tonnes) | CH <sub>4</sub><br>(tonnes) | N <sub>2</sub> O<br>(tonnes) | CO <sub>2</sub> e<br>(tonnes) | CO <sub>2</sub><br>(tonnes) | CH <sub>4</sub><br>(tonnes) | N <sub>2</sub> O<br>(tonnes) | CO <sub>2</sub> e<br>(tonnes) | CO <sub>2</sub><br>(tonnes) | CH <sub>4</sub><br>(tonnes) | N <sub>2</sub> O<br>(tonnes) | CO <sub>2</sub> e<br>(tonnes) | CO <sub>2</sub><br>(tonnes) | CH <sub>4</sub><br>(tonnes) | N <sub>2</sub> O<br>(tonnes) | CO <sub>2</sub> e<br>(tonnes) |
| <b>Scope 1 Emissions</b>               | 6,228.16                    | 1.04                        | 0.25                         | 26,327.57                     | 24,907.71                   | 0.99                        | 0.25                         | 25,007.37                     | 28,858.32                   | 1.13                        | 0.30                         | 28,977.13                     | 61,035.72                   | 2.33                        | 0.56                         | 61,262.09                     |
| <b>Scope 1 - Stationary Combustion</b> | 24,135.56                   | 0.98                        | 0.20                         | 24,218.38                     | 22,068.42                   | 0.90                        | 0.18                         | 22,144.15                     | 24,483.27                   | 0.99                        | 0.20                         | 24,567.28                     | 53,954.68                   | 2.19                        | 0.44                         | 54,139.83                     |
| <b>Scope 1 - Mobile Combustion</b>     | 2,092.60                    | 0.07                        | 0.05                         | 2,109.19                      | 2,839.29                    | 0.09                        | 0.07                         | 2,863.22                      | 4,375.06                    | 0.14                        | 0.11                         | 4,409.85                      | 7,081.04                    | 0.14                        | 0.13                         | 7,122.25                      |
| <b>Scope 2 Emissions</b>               | 6,117.91                    | 0.33                        | 0.05                         | 6,141.73                      | 5,359.12                    | 0.29                        | 0.05                         | 5,380.18                      | 5,859.73                    | 0.34                        | 0.05                         | 5,883.69                      | 5,923.90                    | 0.31                        | 0.05                         | 5,946.26                      |
| <b>Total Emissions</b>                 | 32,346.0                    | 1.37                        | 0.30                         | 32,469.31                     | 30,266.83                   | 1.28                        | 0.30                         | 30,387.56                     | 34,718.05                   | 1.46                        | 0.36                         | 34,860.83                     | 66,959.62                   | 2.64                        | 0.61                         | 67,208.34                     |

## Notes on emissions data:

- Materially increased rig activity in 2023 versus 2022 led to a spike in fuel consumption and associated emissions. Parker Rigs 55, 77, 165, 256, 258, 269, 272, and 273 started up or increased operation hours compared to 2022.
- The main engines on Rig 272 in Alaska were upgraded in 2023 to meet EPA Tier IV requirements for Particulate Matter (PM), Nitrogen Oxides (NOX), Carbon Monoxide (CO), and Hydrocarbons (HC). The material reduction of these types of emissions aligns with our strategy for reducing our environmental footprint working in Alaska's environmentally sensitive areas. Rig 272 (and sister Rig 273) have the on-rig equipment necessary to utilize high-line power while working on customer locations with electricity infrastructure in place to further reduce Scope 1 emissions.
- Total emissions for 2020 through 2022 in this report have increased versus the total emissions reported in our 2022 ESG report. This is due to previously excluding various rig operations from our reporting scope but later validating that these particular operations fall within the boundary of our control and should, therefore, be reported in our figures.
- We expect minor adjustments to past data as we refine and improve our processes. However, we are developing internal controls for our emissions data tracking and reporting in preparation for planned third-party assurance checks in the near future.



# Energy Transition

## Business Strategy

Parker Wellbore remains committed to providing wellbore construction solutions across evolving energy markets. Over the past year, we have made significant strides to advance our strategic initiatives around lower carbon business solutions, demonstrating our dedication to the energy transition.

We are focused on leveraging our position, capabilities, and expertise in three key markets: Carbon Capture & Storage (CCS), Geothermal, and Well Abandonment. Technology and innovation remain central to our strategy, enabling us to effectively address customer challenges. Through strategic partnerships, mergers & acquisitions (M&A), and technology development, we aim to expand our portfolio of services and products to support the energy transition.

Parker also made significant changes to its organizational structure in 2023, transitioning responsibilities to grow these key low carbon solutions to our hemisphere organizations. This realignment has enhanced our responsiveness to regional demands, driving efficiency and effectiveness in delivering solutions to customers in these markets. Parker remains dedicated to driving positive change across the energy landscape.

## Geothermal

Parker Wellbore has been actively involved in geothermal wellbore construction operations in the Asia-Pacific region since the 1970s. Recently, we expanded our services in the region by acquiring a drilling rig currently used to drill geothermal wells to provide geothermal energy to the Indonesian market. We are also providing technical support to develop geothermal assets for another customer and expect continued growth in this important market in the future. While our commitment to geothermal projects in the Asia Pacific region remains firm, we're also actively exploring opportunities and partnerships globally to provide this low carbon energy source and deliver returns for our shareholders.

## Carbon Capture & Storage (CCS)

Parker Wellbore is focused on CCS projects within the U.S. Gulf Coast region, leveraging the unique positioning of our best-in-class barge rig fleet. The U.S. Gulf Coast region, with many significant CO2 emission sources, offers the essential workforce, infrastructure, and geological conditions conducive to CCS projects. We were actively involved in a landmark CCS project in the region, where one of our barge rigs recently completed the initial CO2 storage test well. To date, Parker is the only service provider in the region to drill a CCS well with a barge rig and we see numerous profitable opportunities to do the same in the near future.

We also offer other wellbore construction services for CCS projects in the Gulf Coast region, including our innovative tubular running services and technologies. While our primary focus remains on the U.S. Gulf Coast, we continue exploring opportunities in other markets where CCS projects align with our strategic objectives.

## Plug & Abandonment (P&A)

Parker Wellbore primarily supports the well abandonment market in the North Sea, Middle East, and Gulf of Mexico. In the North Sea region, we currently support well abandonment through our Surface & Tubular (S&T) and Pressure Control Equipment (PCE) services. In the Gulf of Mexico, we successfully manufactured a customer-designed pulling unit and completed a significant P&A project with a major operator. We also continue to offer and execute well abandonment services with our premier barge rig fleet in the inland waters of the Gulf of Mexico.

In the Middle East, our premium well intervention services support well abandonment activities in the UAE.

Through strategic partnerships, utilization of existing assets and expertise, and M&A activities, Parker is focused on expanding its existing P&A service offering to accelerate growth and address our customers' needs in the market.

# Environmental Compliance

Environmental compliance is crucial for energy service providers like Parker Wellbore to ensure that our operations align with the latest regulatory requirements and minimize our impact on the environment. Here are some key considerations for environmental compliance we address in our Integrated Management System (IMS) and carry out in our daily operations:

- Permits and licenses
- Spill prevention and response
- Waste management
- Water management
- Emissions control
- Habitat and wildlife protection
- Monitoring and reporting
- Training and awareness

## Technology



Technology at Parker Wellbore played a pivotal role in spearheading initiatives aimed at reducing emissions across our operations. Harnessing innovation and leveraging cutting-edge technology, our team focused on developing and implementing sustainable solutions to mitigate our environmental impact. Here's a closer look at some of the key technology-oriented contributions:

- **Remote Viewing for Tubular Running Service (TRS) Operations:** In Alaska, we successfully piloted this functionality on several jobs for Rig 272 and the Innovation Rig in the challenging North Slope environment in 2023. Our remote viewing technology enables multiple parties (clients, thread representatives, and Parker) to remotely view casing running operations. A new generation of cloud-based platforms with integrated data streaming and dashboards was developed in the last quarter of 2023 and will be trialed in Alaska in 2024. These advancements will improve connection integrity, reduce Personnel on Board (POB), cut travel costs, thereby minimizing our carbon footprint.
- **Virtual Global Support via Wearable Headsets:** This technology was initially rolled out to Parker locations in Louisiana, Alaska, the UAE, Saudi Arabia, and Mexico in 2023. It provides remote support for rig equipment surveys, troubleshooting, maintenance, and Factory Acceptance Tests at vendor sites. The five field applications in 2023 reduced carbon emissions by 35,000 pounds, improved safety by reducing 35 personnel days of POB, and cut travel costs by approximately \$40,000. We plan to conduct a global rollout in 2024, including US Offshore and Canada and would expect material cost savings improvement and GHG reductions.
- **Conditional-Based Monitoring (CBM):** In 2023, four CBM sensor units were deployed on Rig 272 to continuously monitor the top drive, centrifuge, and mud pumps. Initial field results are promising, showing the potential to detect early symptoms of equipment failure. Integrating CBM with the maintenance program is expected to mitigate non-productive time (NPT), improve equipment efficiency, and reduce carbon emissions.
- **Vehicle Monitoring:** Utilizing an in-vehicle monitoring system for Parker's fleet offers numerous benefits, enhancing both operational efficiency and safety across the nearly 3.5million miles driven in 2023. This technology allows for real-time tracking of vehicles, optimizing route planning, and reducing fuel consumption, which leads to cost savings and improved environmental impact. Additionally, it provides detailed insights into our driver behavior, enabling targeted feedback to reduce risky driving practices and minimize incident rates.

## Service Delivery

In Parker Wellbore's commitment to environmental stewardship, our focus on Service Delivery remains dedicated to enhancing operational practices worldwide. Our aim is to optimize efficiency while minimizing environmental impact, particularly in the realm of greenhouse gas (GHG) emissions.

Operating under a framework of continual improvement, we employ a multifaceted strategy focusing on monitoring and materially reducing emissions associated with wellbore construction and abandonment operations. Throughout 2023, Parker prioritized the enhancement of fuel usage monitoring and collection processes, resulting in heightened accuracy and the optimization of power generation assets for maximum efficiency.



In Q4 of 2023, Parker implemented real-time data collection on all relevant engines to quantify emissions per drilling operation. This data-driven approach facilitates informed decision-making, further refining our drilling performance and minimizing our environmental footprint.

Building upon the groundwork laid in 2022 and the first half of 2023, Parker dedicated resources to design and implement innovative emissions reduction solutions. These included enhancements to exhaust-side components and the integration of upstream engine management systems.

Looking ahead to 2024 and beyond, the Service Delivery team remains steadfast in its pursuit of rig-based emissions reduction by focusing on the continued implementation of technology-enhanced processes to improve service quality. Additionally, we are committed to exploring and testing equipment that holds the potential to greatly reduce GHG emissions at drill sites, marking yet another step forward in our journey toward environmental sustainability.



# SOCIAL

At Parker Wellbore, we understand that our employees and the communities in which we work are our most precious resources. Therefore, our top priority is to ensure their health, safety, and development. We align our social programs with the relevant United Nations Sustainable Development Goals (SDGs).





# Occupational Health & Safety

Parker Wellbore's HSSE team is relentless in its pursuit of advancing us toward our goal of zero harm in all our operations. In 2023, several new processes were implemented to improve our HSSE performance and protect our most valuable asset—our people.

Throughout 2023, Parker leaders significantly increased engagement with our crews before and during operations. As a result of utilizing our Leadership Engagement digital application to drive overall engagement, we have realized a material reduction in safety incidents during 2023—demonstrating Parker's commitment to developing and continually improving effective controls for all our operations.

To strengthen Parker's monthly HSSE report, we introduced a new key performance indicator (KPI), the High Potential (HiPo) event line. The HiPo event line represents the number of events with the potential severity of a disabling injury or fatality. The inclusion of this KPI allows our HSSE team to evaluate both these incidents and the controls in place at the time of such an event. Once added to the twelve-month rolling Total Recordable Incident Rate (TRIR) and Lost Time Incident Rate (LTIR) chart, the HiPo event line had an immediate impact; it aided the swift identification of events that could have been significantly more serious, absent adequate controls. After identifying this trend, operations leadership was able to communicate our HSSE observations of HiPo events through a global stand-down and mandate a course correction that enabled a strong finish of Q3 and Q4 in 2023.

Additionally, to further support our crews and prioritize their safety, Parker implemented a pilot project using Visual Artificial Intelligence (AI) to supplement human performance deficiencies. We launched this pilot project in Q1'2024 at two of our sites, where this AI system provides our crews with 24/7 active control mechanisms to intervene when at-risk conditions or behaviors are identified in critical risk areas. Moving forward, upon successful completion of these pilot projects, we foresee implementing Visual AI at all our operating locations.

In conjunction with our zero-harm initiatives, we made great progress in 2023 in overhauling our HSSE Management governance documentation, which was rolled out and implemented in Q1 of 2024. The new HSSE governance documents employ a user-friendly interface with accessible instructions and requirements to improve the end-user experience and encourage compliance. The integration of this tool provides standardized processes and more predictable outcomes during work execution.

Along with these automated systems and tools, the physical security of our people and assets remains an essential focus of HSSE continual improvement. During 2023, we eliminated inefficiencies in the transfer of sensitive and secure data, which helped facilitate the security of our personnel. Parker has taken a proactive posture to ensure robust prevention and mitigation efforts when responding to global security threats.

Our dedication to the well-being of our people means we will never settle for 'good enough'. HSSE excellence without compromise is the standard to which we adhere daily.

The HSSE department can only achieve the above results with commitment and investment from our Executive Leadership Team (ELT). Due to their unwavering support, Parker has received global recognition from a major energy company for excellence in our work and HSSE performance. In 2023, Parker Rig 269 in Bangladesh received four of the five awards in operational excellence awarded globally by Chevron.

## Celebrate Successes: Bangladesh R269



Chevron has presented Parker Wellbore with 4x Outstanding Operational Excellence Awards!

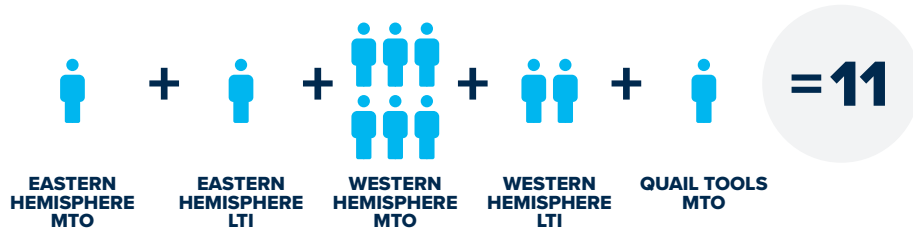
Since the start of our Bangladesh project in 2023, Chevron awarded 5 global outstanding operational excellence awards with R269 earning 4.

Chevron stated “**...this is a notable achievement as they have never known a single rig win so many global awards...**”



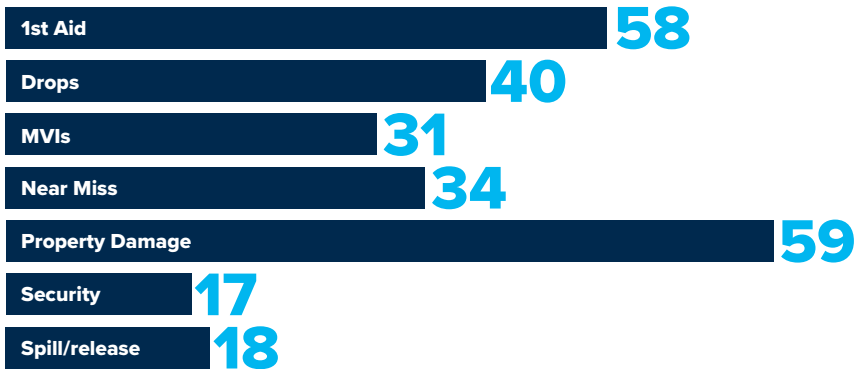
# HSSE Performance

**11 of our co-workers** did not go home the same way they came to work



| 2021                  | 2022                  | 2023                  |
|-----------------------|-----------------------|-----------------------|
| TRIR 0.86   LTIR 0.33 | TRIR 0.58   LITR 0.17 | TRIR 0.38   LITR 0.10 |

## 2023 Incidents Parker Wellbore

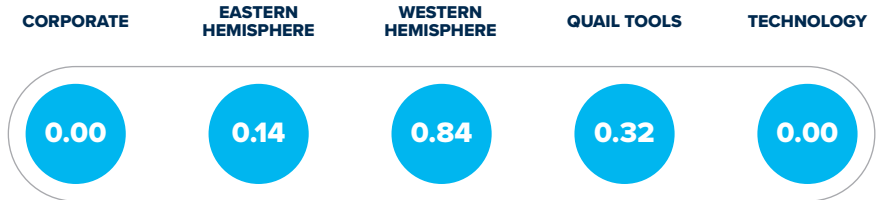


### HSSE DEFINITIONS

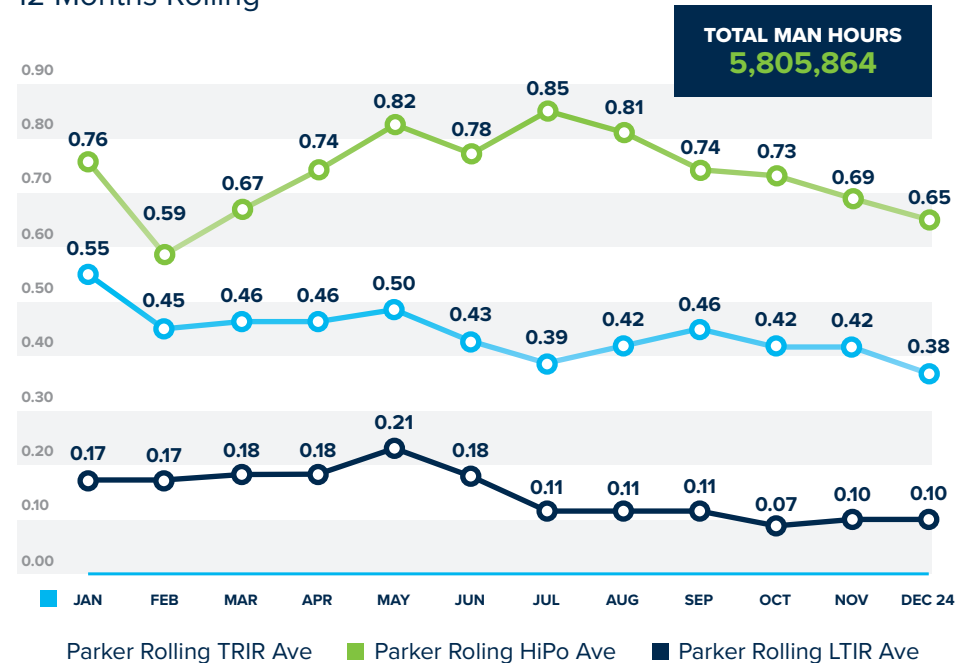
**MTO:** Medical Treatment Only  
**RWC:** Restricted Work Case  
**LTI:** Lost Time Incident

**TRIR:** Total Recordable Incident Rate  
**LTIR:** Lost Time Incident Rate  
**HiPo:** High Potential Event Line

## Parker Wellbore 12 Month Rolling TRIR



## Parker Wellbore TRIR, HiPo & LTIR 12 Months Rolling



**Parker Wellbore TRIR 0.38 - LTIR 0.10**  
**(OSHA 2022 TRIR 0.80 / IADC 2023 4Q TRIR 0.57)**

# Workforce Demographics and Goals

Parker Wellbore is founded on our strong belief in valuing a highly diverse employee base, including our global workforce's cultural and linguistic capabilities.



In 2023, Parker expanded its operations from 19 to 20 countries, adding drilling operations, tubular running and fishing services, and tubular rentals in Bangladesh. Our overall international workforce represents 61 nationalities, and our senior leadership ranks are comprised of 20 nationalities. We focus on training, developing, and retaining local leaders and specialists for optimal effectiveness and efficiency in our operations. One of Parker's six main ESG goals established in 2021 includes measuring and promoting local hiring.



Another of Parker's six main ESG goals related to workplace demographics includes increasing gender diversity across our locations, disciplines, and leadership levels. We track several related KPIs to help us understand how we are progressing.

## Diversity and Inclusion (D&I)

In our commitment to fostering a culture of excellence and accountability, Parker Wellbore recognizes the fundamental importance of diversity and inclusion within our organization. We understand that embracing diversity not only enriches our workplace culture but also drives innovation, fosters creativity, and ultimately enhances our operational effectiveness. As we navigate the complexities of the energy industry, we are dedicated to cultivating an environment where individuals from all backgrounds feel valued, respected, and empowered to contribute their unique perspectives.

The following two tables summarize our local national and female populations within Parker Wellbore from when we started to report this data in 2022.

|                | 2022      |                 |        |        | 2023      |                 |        |        |
|----------------|-----------|-----------------|--------|--------|-----------|-----------------|--------|--------|
|                | Workforce | Local Nationals | Female | Non-US | Workforce | Local Nationals | Female | Non-US |
| All            | 2,041     | 77%             | 12%    | 63%    | 2,268     | 76%             | 12%    | 62%    |
| Senior Leaders | 91        | 67%             | 21%    | 43%    | 89        | 69%             | 19%    | 42%    |

| Localization and Gender by Country |           |                |                |                |          |                |
|------------------------------------|-----------|----------------|----------------|----------------|----------|----------------|
| Countries                          | Workforce |                | Localization % |                | Female % |                |
|                                    | All       | Senior Leaders | All            | Senior Leaders | All      | Senior Leaders |
| United States                      | 916       | 62             | 92%            | 81%            | 12%      | 21%            |
| United Arab Emirates               | 282       | 8              | 2%             | 0%             | 11%      | 25%            |
| Saudi Arabia                       | 216       | 1              | 53%            | 0%             | 0%       | 0%             |
| Canada                             | 178       | 4              | 100%           | 100%           | 12%      | 25%            |
| India                              | 151       | 1              | 100%           | 100%           | 11%      | 0%             |
| Mexico                             | 146       | 2              | 96%            | 0%             | 16%      | 0%             |
| Colombia                           | 70        | 1              | 100%           | 100%           | 27%      | 0%             |
| Norway                             | 65        | 1              | 100%           | 100%           | 12%      | 0%             |
| Kazakhstan                         | 58        | 1              | 53%            | 0%             | 17%      | 0%             |
| United Kingdom                     | 53        | 5              | 91%            | 80%            | 15%      | 20%            |
| Indonesia                          | 45        | 1              | 98%            | 0%             | 13%      | 0%             |
| Bangladesh                         | 34        | 0              | 0%             | N/A            | 0%       | N/A            |
| Guatemala                          | 19        | 0              | 0%             | N/A            | 0%       | N/A            |
| Trinidad and Tobago                | 16        | 0              | 100%           | N/A            | 31%      | N/A            |
| Netherlands                        | 8         | 1              | 88%            | 0%             | 38%      | 0%             |
| Iraq                               | 7         | 1              | 71%            | 0%             | 0%       | 0%             |
| Malaysia                           | 1         | 0              | 100%           | N/A            | 100%     | N/A            |
| Nigeria                            | 1         | 0              | 100%           | N/A            | 0%       | N/A            |
| Papua New Guinea                   | 1         | 0              | 100%           | N/A            | 100%     | N/A            |
| Ukraine                            | 1         | 0              | 100%           | N/A            | 100%     | N/A            |
| Total                              | 2,268     | 89             | 76%            | 69%            | 12%      | 19%            |



# Pillars of Global Success

Parker Wellbore's employees are our greatest strength, so we focus heavily on recruitment, retention, talent identification, development, engagement, and career planning. The Parker Global Human Resources (HR) team had an important year with significant improvements in our recruitment and talent optimization efforts along with updating our global job catalog to better reflect the current business environment.

## Recruitment

Companies in the oilfield services market have historically had high turnover rates due to the near-constant fluctuation in operational days tied to operator demand and the price of oil. The Parker recruitment team had a highly successful year in terms of global recruitment. We hired and onboarded 793 new employees (35% of our workforce) and 325 contingent workers to meet the demands of our organization for quality skilled labor.

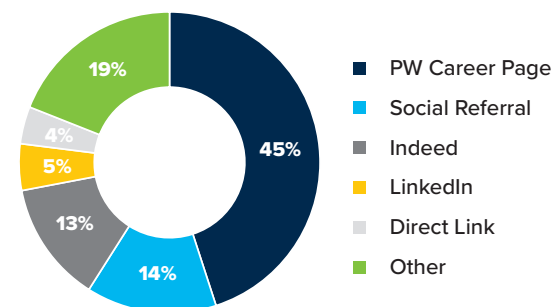
Through our Smart Recruiters talent acquisition system, analysis of recruiting key performance indicators showed improvements year over year:

- **Hiring Velocity** – The percentage of positions filled prior to the target start date was 55% in 2023 compared to 39% in 2022.
- **Time to Hire** – The number of days it takes from job posting to the initiation of medical and security checks for identified candidates was 46 days, 4 days quicker than in 2022, and within our target window of 50 days.
- **Average Processing Time** – The time it takes an average application to go from application to hire in 2023 improved dramatically; down to 60 days from 97 days in 2022.
- Analysis of conversion rates at various stages of recruitment showed an improved application review process. With the improved quality of the applicants, the percentage of interviews to offer acceptance improved from 77% the prior year to 82% in 2023.

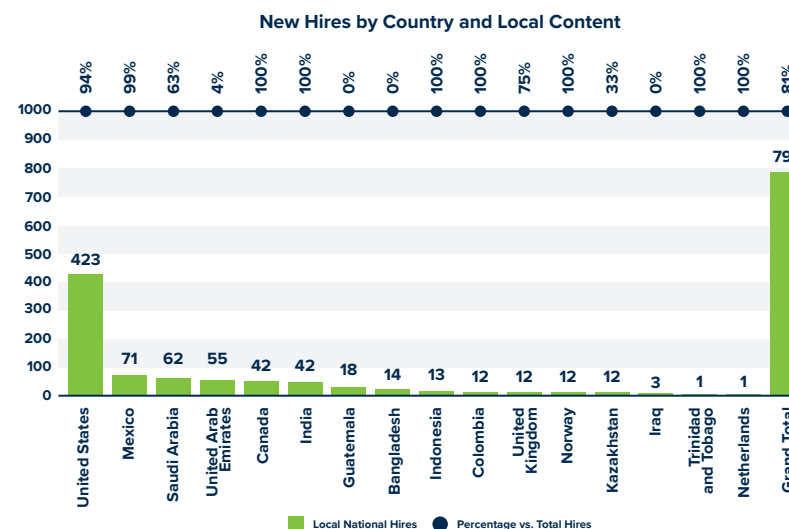
## Hiring Key Performance Indicators

|                         | 2021     | 2022    | 2023    |
|-------------------------|----------|---------|---------|
| Hiring Velocity         | 27%      | 39%     | 55%     |
| Time to Hire            | 90 days  | 50 days | 46 days |
| Average Processing Time | 131 days | 97 days | 60 days |

The majority of candidate applications came through our website career portal, job aggregators, job boards (Indeed and LinkedIn), and employee or social referrals. We also continued working with recruitment and job posting vendors and platforms to reach out to a diverse pool of candidates. Through our collaboration with Mitrastech-CITRA, the Office of Federal Contract Compliance Programs compliant recruiter, we posted openings on more than 80 job boards and platforms targeting minority groups.



In line with our workforce localization philosophy, we continually track the percentage of local hires in the countries where we operate. As stated previously, our global nationalization rate in 2023 was 76%, and when we recruited to fill positions around the globe, 81% of new hires were from the local population. The following graph illustrates our local hiring by country.



## Talent Management

In 2023, we restructured our Global Operations organization to better serve the needs of our customers and capitalize on our internal expertise. As a result of the reorganization, several senior positions were consolidated and we updated our talent review and succession planning. Our talent review process is based on annual performance and leadership potential of our employees.

- In 2023, our leadership identified 152 high-potential employees compared to 139 in 2022.
- Although we increased the total number of high-potential employees in 2023, the percentage of females in this talent pool dropped from 22% in 2022 to 18% in 2023. This is a trend we will continue to monitor but anticipate reversing as the percentage of female-to-male successors continues to grow (see below).
- The number of senior leaders in the global organization talent pool has increased from 29% to 34%.

### Talent Review in Numbers

|                          | 2022 | 2023 |
|--------------------------|------|------|
| <b>Identified Talent</b> | 139  | 152  |
| <b>Females</b>           | 22%  | 18%  |
| <b>Senior Leaders</b>    | 29%  | 34%  |

Our critical KPIs for succession planning improved in 2023 compared to 2022. We identified that the pipeline for critical functions is on track and that the key focus should be directed at accelerating high-potential employee readiness and emphasizing mobility for certain global roles.

- The number of people identified for succession and development increased from 267 to 280.
- The percentage of female successors increased from 17% to 22%.
- The number of total successors identified for senior positions increased from 83% in the prior year to 87% in 2023. 48% of these successors were female in 2023 compared to 38% the previous year.

## Succession Planning in Numbers

|  | 2022 | 2023 |
|--|------|------|
| <b>Identified Successors</b>                   | 267  | 280  |
| <b>Female Successors</b>                       | 17%  | 22%  |
| <b>Senior Positions with Successors</b>        | 83%  | 87%  |
| <b>Senior Positions with Female Successors</b> | 38%  | 48%  |

Parker's current Performance and Development Review (PDR) process started in 2015 and has evolved through continual improvement to better meet the needs of our workforce. This process is integral to our success by enabling our organization to maintain high-performance standards, enhance employee engagement and satisfaction, support ongoing innovation and adaptation, and strategically manage talent for long-term success. The annual PDR cycle is a key component of our talent review process.

## Training and Development

The majority of our training is organized through our global Technical Training team and includes such topics as compliance, technical certifications, HSSE, and client- or country-specific regulations and requirements. Additionally, our global HR Talent Optimization team and local HR teams organized training and workshops on transferable leadership skills, company policies and procedures, and other non-technical subjects.

Parker Wellbore uses a leading online education platform to supplement our employee development by providing our employees access to a vast library of technical and non-technical courses, videos, books, and other learning materials. The usage of this platform continues to grow with increased awareness of available content. The Talent Optimization team also launched several leadership training initiatives, which we plan to expand in 2024 to wider audiences:

| Training Name                 | Training Type                       | Target Audience                      |
|-------------------------------|-------------------------------------|--------------------------------------|
| MasterPass                    | Virtual Sessions and Online Modules | Sales and Business Development teams |
| Leadership Coaching           | Virtual Sessions                    | Nominated by the Executive team      |
| Project Management Essentials | Blended Online Learning             | Team Leaders and Managers            |
| Operational Leadership        | Classroom Session                   | Operation Supervisors                |
| Leadership Engagement Series  | Classroom Session                   | Corporate Office Team Leaders        |

The tables below summarize key statistics for the training provided in 2023 at Parker Wellbore:

| Training Categories                | Employee Groups |                        |                    |                |               |
|------------------------------------|-----------------|------------------------|--------------------|----------------|---------------|
|                                    | Contractor      | Individual Contributor | Jr.-Mid Leadership | Sr. Leadership | Total         |
| Behavioral/Leadership              | 0.0%            | 0.2%                   | 0.3%               | 0.4%           | 0.9%          |
| Core Training                      | 0.4%            | 8.5%                   | 1.6%               | 0.2%           | 10.7%         |
| Field Access Training              | 2.0%            | 19.9%                  | 2.6%               | 0.1%           | 24.5%         |
| Functional (Standardized Training) | 0.2%            | 16.7%                  | 11.7%              | 2.6%           | 31.3%         |
| Regulatory/Client Training         | 0.4%            | 9.1%                   | 1.9%               | 0.1%           | 11.5%         |
| Technical (Local Training)         | 0.2%            | 18.2%                  | 2.5%               | 0.1%           | 21.1%         |
| <b>Total</b>                       | <b>3.3%</b>     | <b>72.7%</b>           | <b>20.7%</b>       | <b>3.4%</b>    | <b>100.0%</b> |

| 2023 Training Summary           |        |
|---------------------------------|--------|
| Training Courses                | 466    |
| Employees Trained               | 2,579  |
| Total Completions               | 44,222 |
| Average Completions per Trainee | 17     |

**Note:** The values in the preceding table show the percentage breakdown by employee group and training category. As an example, Individual Contributors completing Field Access Training courses make up 19.9% of all training completed across all the employee groups.

## Commitment to Work-Life Balance and Employee Well-being

### Work-Life Balance

Parker Wellbore moved its Houston corporate office in 2021 and immediately implemented a hybrid work-from-home (WFH) policy for Parker employees. The flexibility of a hybrid schedule helps Parker employees manage personal responsibilities more effectively, improving overall satisfaction and well-being. Implementing a hybrid WFH schedule has brought numerous benefits, balancing the advantages of remote work with those of in-office presence, including:

- **Reduced Commute Time:** Saving time on commuting allows employees to start their workday earlier or have more time for personal activities, leading to better work-life balance.
- **Reduced Carbon Footprint:** Fewer commutes mean lower emissions, contributing to Parker's sustainability goals for reducing emissions.
- **Stress Reduction:** Lower stress levels by avoiding daily commutes and having more control over work environments can improve overall employee health.
- **Technology Integration:** Leveraging collaboration tools for both in-office and remote work streamlines communication and project management, enhancing overall team productivity.
- **Preparedness for Disruptions:** A hybrid model ensures that Parker operations can continue smoothly in the event of unexpected disruptions, such as extreme weather or public health crises.

### Corporate Social Responsibility (CSR) Committee

At Parker Wellbore, we are committed to making a meaningful and lasting difference in the communities in which we work and serve. Our corporate philanthropic mission is to enhance the well-being of individuals, communities, and the environment by leveraging our resources, expertise, and influence. In August 2023, Parker created a global Corporate Social Responsibility (CSR) Committee with the purpose of advancing philanthropic endeavors and social responsibility. The committee spent the second half of 2023 developing its charter and processes in preparation for 2024. We look forward to showing the results of our work in the next ESG Report.

Responsibilities of the CSR Committee include:

- Identify and Support Philanthropic Opportunities
- Recommend Funding Allocation
- Engage Employees
- Monitor Impact
- Provide Transparency and Reporting
- Adapt to Changing Needs



## Employee and Community Engagement

At Parker Wellbore, we strongly believe in the importance of giving back to the communities where we live and work and supporting our employees. Building on our strong tradition of community engagement and employee work-life balance, our teams from 12 countries participated in more than 60 community and employee engagement activities.

- Our corporate office in Houston partnered with Kid's Meals to decorate and pack 6,300 meals for children from disadvantaged communities. In addition, our corporate team participated in the MS150 Bicycle Ride, raising \$23,000 for the National Multiple Sclerosis Society.
- Through seven different initiatives, our Canadian office donated 70 coats for children from needy families and prepared and donated food for more than 40 children at the Boys and Girls Club of St John's. We also made donations to Christmas and Food Aid Centers and sponsored two senior couples and one family over the Christmas holidays.
- In Kazakhstan, our employees sponsored school supplies for six children from underprivileged families.
- Our United Kingdom (UK) team participated in the Five Businesses Football Tournament, raising £13,000 for Scottish-based charities.
- Our United Arab Emirates (UAE) employees, in collaboration with the local city administration, planted 80 trees in Abu Dhabi and prepared and distributed food to families in need.
- Emphasizing health and employee well-being, the India team also held numerous team-building activities and a healthy vision campaign for 79 employees.
- In support of traditional Mexican artisans, we purchased local products for our Global Operations Summit, held in Riviera Maya. Our Mexico organization also participated in several charitable events, such as landscaping beautification, basketball and football tournaments, and Father's Day Cup decorating.
- In Trinidad, our employees volunteered to paint and refurnish a local primary school, provided a workshop on healthy eating to the students, donated manure and seeds, and helped children with planting. They also donated clothing to needy children in the community.
- In Colombia, our team spent a day in the village outside of our Villavicencio facility, providing donations and making presents during the holiday season to ensure children in the community had gifts for Christmas.
- Besides supporting our communities, Parker Wellbore employees across the globe celebrated Ramadan, Christmas, New Years, National Independence Days, and other holiday parties and dinners, as well as team building and leadership engagement events, all in an effort to bring people together.

## Here is a summary of some of the major initiatives by country:

| Initiatives                                 | Canada    | Colombia | India     | Indonesia | Kazakhstan | Mexico   | Norway   | Saudia Arabia | Trinidad & Tobago | UAE      | UK       | USA       | Total     |
|---|-----------|----------|-----------|-----------|------------|----------|----------|---------------|-------------------|----------|----------|-----------|-----------|
| Community Engagement - Donation/Sponsorship | 7         | 1        |           |           | 1          | 1        |          |               | 3                 | 1        | 1        | 2         | 17        |
| Community Engagement - Volunteering         |           |          |           |           |            |          |          | 1             |                   |          |          | 2         | 3         |
| Employee Engagement - Celebrations          | 3         | 3        | 2         | 2         | 1          | 4        |          | 1             |                   |          |          | 4         | 20        |
| Employee Engagement - Leadership Visit      |           |          | 2         | 1         |            |          |          |               |                   |          | 1        | 1         | 5         |
| Employee Engagement - Teambuilding          |           |          | 3         |           |            | 2        | 1        |               |                   | 2        |          | 1         | 9         |
| Employee Wellbeing                          | 1         | 1        | 2         |           |            |          |          |               |                   | 1        |          |           | 5         |
| Green Initiatives                           |           |          | 1         | 1         |            | 2        |          |               |                   | 1        |          | 1         | 6         |
| Process / Facility Improvement              |           |          | 1         |           |            |          |          |               |                   |          |          | 2         | 3         |
| <b>Total</b>                                | <b>11</b> | <b>5</b> | <b>11</b> | <b>4</b>  | <b>2</b>   | <b>9</b> | <b>1</b> | <b>2</b>      | <b>3</b>          | <b>5</b> | <b>2</b> | <b>13</b> | <b>68</b> |

## Employee Recognition

Recognizing our people for extraordinary contributions to the business is an important tenet of our philosophy. Through our Vision Awards recognition programs, we highlight employees for delivering cost savings and identifying revenue-generating initiatives. In 2023, we awarded 96 individual Vision Awards for proposals that resulted in more than \$257,000 in cost savings and more than \$110,000 in revenue generation. The total amount of the awards was more than \$54,000. Five of the 96 Vision Awards supported ESG initiatives covering emissions monitoring and reduction, governance and compliance, and environmental services.

## 2023 Vision Awards

|                   |           |
|-------------------|-----------|
| Awards            | 96        |
| Total Payments    | \$54,250  |
| Revenue Generated | \$110,000 |
| Cost Savings      | \$257,500 |



# GOVERNANCE

At Parker Wellbore, we prioritize strong corporate governance to guide and secure all aspects of our business. Our commitment to best-in-class business ethics, integrity, and compliance with laws and regulations is integral to advancing our financial and ESG performance. Our business practices and activities align with the Governance-related components of the United Nations Sustainable Development Goals (SDGs).



# Commitment to Integrity

We are committed to achieving greater sustainability while conducting business with integrity. To maintain our reputation for ethical business conduct, we regularly communicate and reinforce this commitment. We are excited to show improvements to our enterprise compliance program in the following sections as part of our ongoing efforts toward continual improvement made in 2023.

## Continual Improvement

We are determined to uphold the highest standards to ensure a safer and more responsible future for all. Continuing the momentum from our achievements in 2022, where we focused on refining training, updating policies and procedures, and taking proactive measures to address risks, we enhanced and strengthened our Compliance program in 2023, and are dedicated to continuing such efforts going forward. Our commitment to continual improvement means seeking fresh ways to enhance our compliance efforts based on lessons learned and drawing on progress we've already made.

## In-Person and Online Training

The Parker Business Integrity & Compliance department collaborated with the Legal department to continue conducting in-person compliance awareness training across the globe. Additionally, we partnered with a renowned training provider to deliver a diverse array of computer-based training modules featuring contemporary topics and engaging visuals. With the support of the Human Resources department, we successfully launched two customized Code of Conduct courses for new hires and all other employees in November 2023, achieving an impressive and record-breaking 93% completion rate for the Annual Code of Conduct course on a global scale. Setting our sights higher, we aim to surpass this achievement with an elevated target for online training completion in 2024.

## Listening to Our Employees

We illustrated our commitment to refining procedures by utilizing valuable feedback received during in-person training sessions, specifically regarding the Entertainment, Travel, Gifts & Donations (ETGD) process. In response, we further tailored the ETGD tool to align more closely with Parker's risk profile and employee needs. Bolstered by cross-functional collaboration and clear commitment at the highest levels, we experienced a nearly 300% increase in ETGD reports in 2023 compared to 2022. This surge not only reflects improved compliance among employees but also signifies a substantial reduction in our exposure to potential bribery and corruption risks associated with ETGD activities.

## Hotline Reporting

The assurance of a safe and confidential reporting mechanism remains paramount to our ethos. Parker's independently operated hotline, accessible 24/7, 365 days a year, and in multiple languages, provides a secure method for both internal and external stakeholders to confidentially report concerns. Ensuring widespread accessibility, we prominently display information regarding the hotline internally via posters, screensavers, and the Intranet, as well as externally via our public website and the Parker Wellbore Code of Conduct. The Business Integrity & Compliance department works in tandem with internal stakeholders to conduct thorough and timely investigations, again underscoring our solid commitment to transparency and accountability.

# Enterprise Risk Management

Parker Wellbore's Enterprise Risk Management (ERM) program was established to identify, assess, and mitigate risks to our business and five-year strategic plan. The foundation of ERM is the internal stakeholders who complete risk assessments to identify and evaluate emerging risks, including ESG, on a continual basis. Our leadership team oversees the implementation of the controls and initiatives aimed at addressing these key risks.

Emerging climate risks and energy transition initiatives present opportunities for Parker to create long-term value. We are strategically positioned worldwide with existing assets and competencies to construct wells for geothermal power generation and carbon capture and storage, as well as complete plug and abandonment services on existing wells.



# Cybersecurity

As Parker Wellbore continues to embrace digital technologies and expand its operations, safeguarding our people, processes, and technologies against evolving cyber threats remains a priority. Our commitment to cybersecurity is reflected in our annual ESG reports, and this year's report underscores our proactive efforts to minimize risks and enhance our cybersecurity posture.

Parker Wellbore's cybersecurity strategy revolves around four pillars - Governance, Security, Resilience, and Vigilance. These pillars form the foundation of our risk-based approach, allowing us to adapt to dynamic cybersecurity threats, evolving processes, and emerging technologies. A prioritized roadmap guides our continual improvement efforts in cybersecurity practices.

Recognizing that our information systems and data are valuable assets, Parker Wellbore emphasizes cybersecurity awareness starting from employee onboarding. All employees and contractors are mandated to review our Code of Conduct, cybersecurity, and technology policies, accompanied by initial cybersecurity training. Annual training, tracked through our Learning Management System, ensures a sustained level of awareness.

In 2023, we held several meetings with the Executive Leadership Team and Audit Committee as they hold a pivotal role in overseeing our cybersecurity program. These meetings allowed us to gather feedback on governance and provide updates on key risks, mitigation strategies, and progress. This approach ensures a robust system of checks and balances, facilitating informed decision-making and accountability.

In an era where digital transformation is at the forefront, Parker remains committed to upholding the highest cybersecurity standards. Through governance, adherence to industry frameworks, and continual employee training, we are confident in our ability to navigate the ever-evolving cybersecurity landscape, ensuring the security and resilience of our operations.



# Supply Chain Integrity

Parker Wellbore's Supply Chain Management (SCM) team is a driving force for procedural compliance and continual improvement within our organization. The integrity, efficiency, and optimization of our corporate supply chain continues to represent Parker's commitment to effective governance and safeguarding of our systems.

## Compliance and Continual Improvement

Parker SCM has identified five goals for effective compliance and continual improvement:

- Ensure a lean and nimble global supply chain organization using consistent standards in our Integrated Management System (IMS).
- Control the procurement of equipment and materials meeting our quality standards by properly managing all transactions.
- Continually monitor and improve supplier and freight forwarder performance.
- Maintain logistical compliance with all applicable laws, including export classifications and controls, the U.S. Foreign Corrupt Practices Act (FCPA), the U.K. Bribery Act, and similar laws in our other jurisdictions. To further this goal, Parker requires human rights commitments in contracts with new and existing suppliers.
- Collaborate closely with external and internal customers to mitigate the risk of non-conformities.

During 2023, we reorganized the global supply chain group to better integrate corporate-level subject matter experts and embed new SCM leadership positions in the Eastern and Western Hemisphere regional leadership teams. This reorganization allows our SCM team to develop plans and initiatives for each country where Parker operates, with a major focus on improving spending with local suppliers.

## Integrity and Efficiency through Automation

Throughout 2023, Parker SCM team made significant progress in integrating and streamlining systems using automation.

Our digital system allows Parker to holistically evaluate suppliers using external references, third-party screening software, and input from the Business Integrity & Compliance and Treasury departments. As part of Parker's SCM due diligence to ensure transparency within our supply chain, this system mitigates the risk of bribery and corruption and confirms that our suppliers abide by human rights, labor laws and regulations.

Parker's SCM automation and continual improvement efforts have led to the following successes in 2023:

- Successful expansion of the corporate electronic supplier addition process by implementing the automated software in five countries in the Middle East. These efforts will continue in 2024 with the remaining four Eastern Hemisphere countries as well as expansion into our Latin America operations.
- Continued digitization activities for our global supply chain dashboard, including identifying KPIs to measure and track supply chain performance within our procurement, logistics, and supplier performance metrics.
- Completion of company ESG goal to visualize spending in both Eastern and Western Hemispheres from our ERP systems within our global supply chain dashboard.



## ESG Index References (SASB, GRI, etc.)

We regularly and intentionally review and analyze Parker Wellbore's ESG strategy, commitments, and targets. In this report, we have disclosed the ESG topics that are important to us. To maintain transparency, openness, and disclosure, we have evaluated and examined numerous ESG and sustainability reporting frameworks, in addition to the UN SDGs. Our ESG priorities and goals are determined through our engagement with key stakeholders and are influenced by these standards, frameworks, and assessments.

| ESG AREA   | TOPICAL SUMMARY:<br>BRIEF SUBJECT-MATTER OVERVIEW   | LOCATION IN REPORT                                      |
|--|---|---|
| <b>GHG Emissions</b>                             | Discussion on diesel fuel consumed through rig activity at the well site on rigs in service that are Parker-owned assets with emissions data for GHGs and CO2 equivalent in metric tonnes.  | Environmental—Greenhouse gas emissions, Page 6 and 8.   |
| <b>Environmental &amp; Regulatory Compliance</b> | Discussion of corporate positions related to government regulations and/or policies that address environmental and social factors affecting the industry.   | Environmental—Environmental Compliance, Page 7.         |
| <b>Affordable and Clean Energy</b>               | UN SDG 7.1 Enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency, and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology. | Environmental—Geothermal, Page 7.                       |
| <b>Occupational Health &amp; Safety</b>          | Discussion on health, safety, security, training, and emergency for full-time employees.  | Social—Occupational Health and Safety, Pages 10 and 11. |
|  | Description of IMS (management systems) used to integrate a culture of safety throughout the  | Social—D&I, page 15.                                    |
| <b>Workforce Diversity &amp; Inclusion</b>       | Description of the organization's D&I activities and talent management.   | Page 12   |
| <b>Decent Work and Economic Growth</b>           | UN SDG 8.5. Achieve full and productive employment and decent work for all men and women, including young people and persons with disabilities, and equal pay for work of equal value.  | Social—Workplace practices, Page 12.                    |



| ESG AREA                          | TOPICAL SUMMARY:<br>BRIEF SUBJECT-MATTER OVERVIEW  | LOCATION IN REPORT                            |
|-----------------------------------|--|---|
| <b>Ethics</b>                     | Discussion on the company's Code of Conduct and policies related to anti-bribery and anticorruption, including a programmatic approach toward compliance and business integrity. Meeting the standard under Global Reporting Initiative (GRI) 102-16 | Governance—Business Integrity, Page 18.       |
| <b>Enterprise Risk Management</b> | Description of risk management practices.  | Governance—Managing Enterprise Risk, Page 18. |
| <b>Cybersecurity</b>              | Description of activities in connection with cybersecurity.  | Governance—Cybersecurity program, Page 19.    |
| <b>Supply Chain Integrity</b>     | Description of the process for new suppliers assessed using social criteria as identified in the supply chain.   | Governance—Supply Chain Integrity, Page 20.   |
|                                   | Description of organizational commitment to human rights.  | Governance—Supply Chain Integrity, Page 20.   |

# Forward-looking Statement

This communication on sustainability and all communications in connection with the Parker Wellbore 2023 ESG Report (the “Report”) contains forward-looking statements. All statements in this Report and contained in this communication other than historical information are forward-looking statements that involve known and unknown risks and relate to future events, our future financial performance, or our projected business results. You can identify these forward-looking statements by the use of forward-looking words such as “expects,” “may,” “will,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates,” or the negative version of those words or other comparable words. These forward-looking statements represent Parker’s expectations or beliefs concerning future events, and it is possible that the results described in this report will not be achieved. These forward-looking statements are subject to risks, uncertainties, and other factors, many of which are outside of Parker’s control, that could cause actual results to differ materially from the results discussed in the forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements as a prediction of actual results. Any forward-looking statement speaks only as of the date on which it is made, and, except as required by law, Parker does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. New factors emerge from time to time, and it is not possible for Parker to predict all such factors. When considering these forward-looking statements, you should keep in mind risk factors and other cautionary statements, which could cause our actual results to differ materially from those contained in any forward-looking statement. All rights expressly reserved.

## General Disclaimer – Applicable to Every Page in this Report

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The additional disclaimers below are in addition to the general disclaimer above.

## Breakdown of Measurements.

In this Report, you may see ton, tonnes, or metric tonnes. To keep things simple, these terms are used interchangeably in this report. The functional unit of tons versus tonnes and the final unit of measurement for GHG emissions is metric tonnes of carbon dioxide equivalent (MT CO<sub>2</sub>e). In the United States, however, many use the imperial system and another word for ton is “US ton” or “short ton.” Metric ton is the same as tonnes. We serve customers globally, so we often have to convert from tons to tonnes, and they are indeed, two different units of measurement (1 US ton to 0.907185 metric ton, which is calculated by dividing the mass value by 1.102). You might see carbon dioxide reported in this report, without other greenhouse gases, which is just the carbon itself.

## Materiality Assessment and Statements using the word “Material”—Page 3 and beyond

ESG materiality per the Global Reporting Initiative definition is not meant to correspond to the SEC definition of materiality.

## GHGs and Emissions—Page 6

We recognize that the oil and gas industry needs to establish organizational and operational boundaries for well activities on US and non-US operations for reporting consistency. This will enable improved reporting of direct and indirect emissions. On page 6, we highlight increased emissions in 2021 and 2022 versus those reported in our 2022 ESG Report due to changing classification of operational control.

Carbon dioxide is our most significant source of GHGs; therefore, we put emphasis on where the most emissions occur.

## Additional Disclaimer on GHG Baseline (also referred as the “Emissions Baseline”)—Page 6

The emissions presented are based on Parker’s assumptions and percentage calculations regarding previous activity levels including gasoline, diesel, natural gas, and electricity consumption. These assumptions were based on Parker’s own internal estimates of emissions. There is no assurance that Parker’s internal estimates are correct and/or that an independent analysis would achieve similar results. Actual results could differ materially. Our history with tracking, measuring, and calculating emissions is limited; therefore these estimates should not be relied on by others. In addition, past performance is not a reliable indicator of future results.

## Methodologies for Calculations Used in the GHG and Emissions Baseline—Page 6

Parker Wellbore utilized the Greenhouse Gas (GHG) Protocol methodology for accounting and reporting of Scope 1 and 2 emissions related to Parker activities.

- Parker used a centralized data gathering approach as defined by GHG Protocol, whereby Parker sites gather and report activity data up to the Corporate Level. The calculation of emissions is done at the Corporate Level and reported internally and externally.
- Parker applied the Stationary Combustion Guidance from the GHG Protocol to calculate emissions from stationary equipment such as main rig engines, boilers, heaters, hydraulic power units, and other stationary equipment.
- Parker applied the Mobile Combustion Guidance from the GHG Protocol to calculate emissions from mobile equipment such as Parker-owned vehicles, forklifts, and other non-road equipment.
- Parker employed Scope 1 emissions factors from the Environmental Protection Agency (EPA) when calculating direct emissions based on activity data.
- Parker applied the GHG Protocol Scope 2 Guidance for determining non-direct emissions associated with electricity consumption within our business.
- Parker employed a combination of Scope 2 emissions factors from the Environmental Protection Agency (EPA) and the International Energy Agency (IEA) when calculating non-direct emissions based on activity data.

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Our history with an ESG index and using ESG for metrics is limited, and our representations are not a reliable indicator of current or future results and should not be relied upon for any reason. Parker's ESG index contains metrics that are estimates based on our assumptions. There has been no internal audit or external audit of these assumptions, calculations and/or our results.

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ESG metrics are currently voluntary in the United States. However, ESG data is requested by our customers, stakeholders, and employees. For disclosure purposes, please be advised that in creating Parker's 2023 ESG Report, in addition to the UN SDGs, we reviewed key sustainability reporting frameworks as we developed this report: International Association of Drilling Contractors (IADC) ESG Reporting Guidance, the Task Force on Climate-Related Financial Disclosures (TCFD) framework, industry-specific standards from the Sustainability Accounting Standards Board (SASB), the Global Reporting Initiative (GRI) Standards, and the GHG Protocol Standard. These standards and reporting bodies were assessed in addition to other standard frameworks that were reviewed. In our first ESG Report (January 2022 for the year 2021), we determined that we would be informed by these standards and frameworks and not map precisely to any specific framework. While there is no harmonization among all the various reporting bodies, we were guided by them and attempted to create metrics relevant to our business and industry. We will continue to revisit and reassess our goals frequently, and we intend to continue to consider how best to map our progress against specific designated frameworks in the future to develop our sustainability strategy further.





#### **CORPORATE OFFICE**

2103 City West Blvd, Suite 400  
Houston, TX 77042-2835

**+1 281.406.2000**

**[www.parkerwellbore.com](http://www.parkerwellbore.com)**

#### **ETHICS HOTLINE**

To report ethics or compliance issues, contact  
our Ethics Hotline (operated by NAVEX Global)  
online at:

**[parkerwellbore.ethicspoint.com](http://parkerwellbore.ethicspoint.com)**

