



ESG | ENVIRONMENTAL SOCIAL
2022 | GOVERNANCE

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A Message from our CEO

ESG | ENVIRONMENTAL SOCIAL 2022 | GOVERNANCE



Sandy Esslemont

President and Chief Executive Officer
Parker Wellbore

I am pleased to introduce Parker Wellbore's latest Environmental, Social, and Governance (ESG) report, which outlines our ongoing commitment to sustainable and responsible practices. For almost 90 years, we have provided innovative, reliable, and efficient solutions to our customers in the most complex and dynamic environments around the globe. Through our ESG initiatives, we strive to create a positive impact on all of our stakeholders, including our employees, customers, communities, and the environment.

This report continues our ESG journey and we're excited to show not only our ongoing progress, but more importantly where we plan to go in the future. Over the past year, we have made great strides in emissions reporting and safety performance. We continue to evaluate our social and governance frameworks, ensuring that our operations align with the highest ethical standards and that we foster a culture of diversity, equity, and inclusion. Looking forward, we are digitizing and automating our ESG tracking and reporting tools so our leaders and organization can drive improvements based on key ESG performance indicators.

As a preferred oilfield service provider, we recognize our industry's unique challenges to balance economic growth, environmental stewardship, and social considerations. At Parker Wellbore, we pride ourselves in addressing those challenges through innovative solutions while continuing to create value for our stakeholders.

Although we have participated in the Energy Transition space for over 40 years, we officially formed our Energy Transition business segment in May 2022. This dedicated business segment allows us to harness the power of our core competencies in well construction to address key Energy Transition targets in Geothermal, Carbon Capture, and Well Abandonment. Parker Wellbore's Energy Transition team is working collaboratively with our customers and developing strategic alliances to develop these new energy opportunities that offer the potential to facilitate this evolution from traditional hydrocarbons to clean energy.

Our ESG initiatives provide a solid foundation for our sustainable growth and long-term success. We are proud of our achievements to date, while recognizing there are always areas for improvement. Creating, monitoring and publishing key ESG performance metrics is an important step in that evolution where trust is built through transparency and accountability. I want to take this opportunity to thank our employees, customers, partners, and other stakeholders for their ongoing support and collaboration. We look forward to working together to create a better future for all.

About Us

Parker Wellbore helps energy companies accomplish their drilling and production goals efficiently, reliably, and safely. Our global team supports integrated energy companies with innovative land and offshore drilling services, premium rental tools and well services, and advanced operations and management support. Founded in 1934, Parker Wellbore helps customers manage their costs and mitigate their risks to achieve their operational goals in a safe and efficient manner. With experience in both harsh-environment regions and complex drilling situations, you can trust Parker Wellbore to get the job done.

We are powering the energy transition by providing advanced wellbore solutions for carbon capture and storage, geothermal, and well abandonment in markets all over the world.

Our focus is on long-term sustainable solutions for both traditional hydrocarbons and capitalizing on our 40+ years of geothermal experience along with emerging technologies like carbon capture off the US Gulf Coast.

Our drilling services team help customers optimize their operation with a diverse fleet of land and offshore barge rigs and by operating 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 nearly 90 years. These practices have allowed Parker Wellbore to become a trusted partner to energy producers, with the expertise and flexibility to help overcome the most rigorous wellbore construction and well abandonment challenges.

Parker Wellbore's rental services team has been providing premium rental tools and well services to the energy industry since 1978. The global team supports customer operations – wherever they are – through an extensive portfolio of high-performance products, specialty services and equipment rental. With a results-driven focus, supported by the highest standards in quality, safety, and environmental stewardship, Parker Wellbore's rental services team is in place to provide tubular running services; fishing and reentry services; machine shop services; and downhole, tubular and pressure control equipment rental.



Parker Wellbore Rig 272 is specifically designed to address the many environmental and operating challenges of working on Alaska's North Slope. This rig has the ability to run off highline power when available and EPA Tier IV compliant engines when operating remote.

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, we partner 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.

Materiality Assessment

The 2021 Parker ESG Report laid out the materiality assessment we established with our board members, executive management, leaders, employees, key customers, investors, and other stakeholders. We are continuing with this same materiality outlook in 2022 to show consistent progress toward our goals. In 2023, we will update our 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)

ESG Report Overview

Our 2022 ESG Report is our second sustainability report, and we could not be prouder of the steps we have taken in our ESG journey. Like most companies, we established our sustainability ethos in Year 1. We have spent the past year honing our data across all ESG disciplines to track key metrics better and report meaningful progress to our stakeholders. We are developing and implementing digital dashboards to monitor key performance indicators to drive ESG improvement across the board.

In the pages ahead, you will notice more 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).

In 2023, we look forward to participating in our first Carbon Disclosure Project (CDP) Survey and expanding our emissions tracking to include Scope 3 emissions.

Parker Wellbore is committed to the United Nations Sustainable Development Goals (SDGs), and we'll reference this 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.



Key successes in 2022 include:

- Established our Energy Transition group within Parker Wellbore to actively seek out and develop opportunities to help our customers with Geothermal, Carbon Capture, and Well Abandonment operations.
- Expanded our emissions tracking and reporting from a small segment of Scope 1 to a broader overview of Scope 1 and 2 emissions.
- Implemented the International Association of Oil & Gas Producers (IOGP) Life-Saving Rules and Leadership Engagement oversight to help drive our Total Recordable Incident Rate (TRIR) in 2021 from 0.86 to 0.58 in 2022.
- Deployed In-Vehicle Monitoring Systems (IVMS) across our US fleet to improve driving performance and emissions tracking.
- Increased diversity and nationalization tracking across all levels of the organization to help our workforce resemble the local communities we serve.

2022 Goals Update

In 2021, we set forth six main ESG goals to guide us through the short to long term as we develop our sustainability programs. These goals align with our materiality assessment and the United Nations SDG's. Although we will always have more work to do, we made significant progress in 2022. The following infographic provides a brief overview of performance towards these goals, while the subsequent sections will provide more detail, highlighted by the ESG Goal icon.



Improved Fuel Tracking

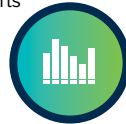
2022 Goal

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

ONGOING

2022 Performance

- Three rigs received and installed hardware
- Implementation of software for tracking and visualization is ongoing
- Project to digitize morning reports was started



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

COMPLETE

2022 Performance

- Through our established global employee demographic tracking, we set a major target to improve female representation in Identified Talent and Successor populations as a basis for future increased female representation in leadership roles



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

COMPLETE

2022 Performance

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



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

ONGOING

2022 Performance

- Parker has local nationalization rates of 90% or greater for 10 out of 19 countries in operation
- Indonesia started operations in 2022 and should surpass 90% in 2023



Local Suppliers

2022 Goal

Measure and improve spending with local suppliers

ONGOING

2022 Performance

- Parker Supply Chain has started tracking and measuring the data in 2022.
- We are implementing digital solutions for automating and visualizing our spending in 2023



Lower Carbon Emissions Technology

2022 Goal

Identify technology to lower carbon emissions in our operations.

ONGOING

2022 Performance

- Install Tier IV generator sets in Alaska
- Research and short-list fuel additives
- Catalytic Reduction and Diesel Particulate Filters in the USO market



Environmental

Parker Wellbore recognizes the necessity for sustainable development to ensure we meet the current needs of the environment without compromising the needs of future generations.

The goals and initiatives we set align with the environmental components of the United Nations SDG's.



Environmental Compliance

Environmental compliance is crucial for oilfield service providers like Parker Wellbore to ensure that our operations align with 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 associated operations:

1. **Permits and licenses:**

Assist our clients in obtaining all necessary permits and licenses from the relevant regulatory authorities for wellbore construction and abandonment activities. These permits may include environmental impact assessments, water usage permits, air emissions permits, and waste disposal permits.

2. **Spill prevention and response:**

Develop and implement robust spill prevention and response measures outlined in Parker's IMS to minimize the risk of accidental releases of hazardous materials. This includes proper storage and handling of chemicals, regular equipment inspections, and the availability of spill response kits on site. Create contingency plans to address potential spills and train personnel on proper response procedures.

3. **Waste management:**

Assist our customers in developing a comprehensive waste management plan that addresses the proper handling, storage, transportation, and disposal of wellbore construction-related waste materials. Different types of waste generated during wellbore construction and abandonment operations may include drill cuttings, drilling muds, produced water, and other potentially hazardous substances. Ensure that waste is managed per applicable regulations, such as recycling or properly disposing of hazardous waste.

4. **Emissions control:**

Implement measures to minimize air emissions from wellbore construction and abandonment activities operations. This may involve using emission control technologies, such as engines upgraded to Tier IV compliance, to reduce pollutants released into the atmosphere. Monitor and report emissions regularly, and comply with the regulatory authorities air quality standards and reporting requirements.

5. **Water management:**

Assist our customers with implementing practices to conserve water resources and protect water quality during wellbore construction and abandonment operations. This may include using closed-loop drilling systems, implementing erosion and sediment control measures, and managing stormwater runoff. Comply with regulations related to water usage, discharge limits, and protection of water bodies.

6. **Habitat and wildlife protection:**

Work with our clients to identify and assess potential impacts on local habitats and wildlife. Implement measures to minimize disturbances, protect sensitive areas, and mitigate impacts on wildlife during wellbore construction and abandonment activities.

7. **Monitoring and reporting:**

Regularly monitor environmental parameters, such as air quality, water quality, and noise levels, to ensure compliance with regulations. Maintain accurate records of monitoring data, inspections, and maintenance activities. Submit timely and accurate reports to regulatory agencies as required.

8. **Training and awareness:**

Provide training to Parker personnel on environmental compliance requirements and best practices outlined in our IMS. Foster a culture of environmental responsibility and awareness among employees, contractors, and subcontractors.

Greenhouse Gas Emissions

We view climate change as one of the largest existential threats to our operations in the near and long-term future. Here are a few examples among many of how climate change could affect Parker:

- Warming global temperatures reduces the winter season for our Alaskan operations and could impact our ability to move people and rigs.
- Rising seas could limit our ability to move our barge rigs for shallow water operations.
- Stronger storms near our coastal operations could put our people and assets in harm's way and can shut down work for unplanned periods.
- Falling water levels in the Caspian Sea challenge future drilling access for Kazakhstan's energy security.

We are taking steps to better align with United Nations SDG #13 on Climate Action, including building our emissions tracking program to understand our carbon footprint better. Our target is to work toward the goals of the Paris Climate Agreement systematically. Parker wants to play its part to limit the global temperature increase in this century to 1.5 degrees Celsius above preindustrial levels.

In 2022, Parker Wellbore expanded the tracking and reporting of emissions from a limited subset of Scope 1 emissions to include a much wider array of metrics across Scope 1 and 2 (Table 1). Our data collection, calculations, and reporting align with guidance from the Greenhouse Gas Protocol.

	2021	2022
Scope 1 – Direct (Stationary Combustion)	Main drilling rig engines	Main drilling rig engines Heater & boilers Hydraulic power units
Scope 1 – Direct (Mobile Combustion)	Excluded	On road vehicles Non road vehicles & equipment
Scope 2 – Indirect (Purchased Electricity)	Excluded	Electricity for offices, machine shops, and operations facilities
Scope 3 – Indirect (Upstream)	Excluded	Excluded
Scope 3 – Indirect (Downstream)	Excluded	Excluded

Table 1: Comparison of emissions tracking and reporting for 2021 and 2022



YEAR	ASSET TYPE	2021 REPORT					2022 REPORT				
		FUEL USAGE (gallons)	CO ₂ (tonnes)	CH ₄ (tonnes)	N ₂ O (tonnes)	CO ₂ e (tonnes)	FUEL USAGE (gallons)	CO ₂ (tonnes)	CH ₄ (tonnes)	N ₂ O (tonnes)	CO ₂ e (tonnes)
2018	Owned Assets	2,537,606	25,652.91	1.04	0.21	25,740.77	--	--	--	--	--
	O&M Contracts	1,209,410	12,226.04	.50	0.10	12,267.92	--	--	--	--	--
2019	Owned Assets	2,537,606	25,652.91	1.04	0.31	25,740.77	--	--	--	--	--
	O&M Contracts	3,749,473	37,903.79	1.54	0.10	38,033.61	--	--	--	--	--
2020	Owned Assets	1,176,457	11,892.92	0.48	0.10	11,933.65	2,581,466	32,235.91	1.41	0.34	32,371.18
	O&M Contracts	803,224	8,119.87	0.33	0.07	8,147.68	663,824	6,775.31	0.27	0.05	6,789.56
2021	Owned Assets	--	--	--	--	--	2,451,003	30,123.84	1.33	0.35	30,259.94
	O&M Contracts	--	--	--	--	--	--	--	--	--	--
2022	Owned Assets	--	--	--	--	--	2,854,109	34,563.09	1.52	0.41	34,723.63
	O&M Contracts	--	--	--	--	--	--	--	--	--	--

Table 2: Comparison of reported emissions for 2021 and 2022

As we started to expand our scope of emissions tracking and reporting, we realized our emissions reported in the 2021 ESG Report would not match the values in this current report. Table 2 compares our limited scope emissions reported in our inaugural ESG Report with the wider emissions reported for this 2022 report. In particular, you can see in 2020 the growth in total emissions due to an increased inventory of carbon emission producers being tracked. The values in this 2022 report reflect our total carbon footprint for Scope 1 and 2, providing us with a better baseline to start driving year-over-year reductions. Our goal in the next two years is to take the final step and report our Scope 3 emissions.

YEAR	2020 REPORT				2021 REPORT				2022 REPORT			
	CO ₂ (tonnes)	CH ₄ (tonnes)	N ₂ O (tonnes)	CO ₂ e (tonnes)	CO ₂ (tonnes)	CH ₄ (tonnes)	N ₂ O (tonnes)	CO ₂ e (tonnes)	CO ₂ (tonnes)	CH ₄ (tonnes)	N ₂ O (tonnes)	CO ₂ e (tonnes)
Scope 1 Emissions	26,225.65	1.09	0.28	26,337.53	24,853.82	1.04	0.30	24,969.21	28,788.23	1.19	0.36	28,925.15
Scope 1 - Stationary Combustion	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
Scope 1 - Mobile Combustion	2,090.09	0.11	0.09	2,119.15	2,785.39	0.15	0.12	2,825.05	4,304.97	0.20	0.16	4,357.87
Scope 2 Emissions	6,010.27	0.32	0.05	6,033.65	5,270.03	0.29	0.05	5,290.73	5,774.85	0.33	0.05	5,798.48
Total Emissions	32,235.91	1.41	0.34	32,371.18	30,123.84	1.33	0.35	30,259.94	34,563.09	1.52	0.41	34,723.63
Total Man-Hours	4,966,881				4,863,120				5,868,442			
Emissions per Man-Hour (kg/hr)	6.52				6.22				5.92			
Revenue (\$mm)	\$308.31				\$315.20				\$461.23			
Emissions per \$mm of Revenue (T/\$mm)	105.00				96.00				75.28			

Table 3: Parker Total Emissions and Associated Intensity Factors

Table 3 provides a breakdown of Parker's emissions between Scope 1 and 2 categories and the associated intensity factors. As our operations ramped up after the COVID-19 slowdown, our emissions intensity based on man-hours and revenue has decreased year-over-year since 2020. We will continue developing and implementing strategies for reducing our total emissions and emission intensity.

Energy Transition

Business Strategy

Parker Wellbore is prepared to meet the challenge of transitioning energy markets. Our strategy is to power the energy transition by providing advanced wellbore solutions for carbon capture & storage, geothermal and well abandonment in markets where we have unique advantages. Technology and innovation are central to our strategy and key to a successful transformation. We have multiple pathways to meet our energy transition strategy through our wellbore construction expertise, M&A, and strategic partnerships. Using our international experience and expertise at the wellbore, we power the energy transition with solutions for customers who are demanding green power, renewable energy, or deep emissions reduction.

Our energy transition strategy is vital to translate ambition into action. Parker's nearly 90-year history has cumulated a vast array of experiences that we use for our customers' benefit. We deploy dynamic teams that exercise operational discipline and maintain a problem-solving mindset. Through our GeoMarket structure, Parker Wellbore has the ability to deliver for customers seeking energy transition services through proven execution.

Geothermal

Geothermal energy is the most reliable baseload source of renewable energy in the world, and is an energy source that Parker has expertise in. Parker has drilled geothermal wells since the 1970s. As a result, we have developed a strong understanding of the unique challenges faced in geothermal operations. In particular, the Asia-Pacific Ring of Fire is a geographic area central to our energy transition strategy, and we plan to expand our geothermal drilling footprint in Asia as part of our strategy. For geothermal projects, we have created customized rig solutions to meet even the toughest environmental requirements for some of the world's largest energy companies around the globe.

Carbon Capture & Storage (CCS)

To stop the rise in global temperatures, efforts to transition to renewables are not happening fast enough. In order to remove more carbon from the atmosphere than we emit each year, it is essential to capture and store CO₂.

We partner with customers interested in capturing point-source industrial CO₂ emissions. We are one of the few companies in North America with barge rigs in inventory and available to operate today. Our energy transition strategy for CCS is to continue being the barge rig market leader for CCS operations along the Gulf Coast for point-source industrial emissions. Our CCS focus is in shallow waters serving customers requiring barge assets in the US Gulf Coast to capture and store CO₂.

Plug & Abandonment (P&A)

P&A leads to the efficient abandonment of late-life wells to limit the risk of hydrocarbon leakage to the environment. Approximately 25% of all wellbores exhibit sustained casing pressure, which often indicates the potential for methane leakage. Methane is more than 25 times as potent as carbon dioxide at trapping atmospheric heat. Cement is pumped into the well to isolate leaks when plugging a well. To minimize risk in decommissioning oil and gas assets, Parker brings field experience to the project management of end-of-life wells.

In addition, new innovations allow for the potential of repurposing idle and mature oil and gas wells for geothermal power and heat applications. Parker is the repurposing execution partner of choice in deploying technology to create a renewable energy source from old hydrocarbon wells. We have teams available to execute projects designed for the conversion of oil and gas wells to geothermal as a source for direct use.

Energy Transition Technology

Our energy transition strategy is technology focused. We provide our customers with technology options in the drilling process and offer advanced technology solutions to limit their emissions. Parker has the operational capabilities to deploy technologies that reduce emissions. Technology is necessary to decarbonize hard-to-abate sectors and to remove CO₂ from the atmosphere. In short, advancements in technology are essential to address climate change. Reducing emissions requires converting equipment that runs on hydrocarbons to using renewable sources. It also means being more efficient and optimizing performance. Better energy performance is a key enabler to a lower related carbon footprint.

Technology

Parker Wellbore's Technology team is responsible for developing and evolving intellectual property. The Technology team also creates and oversees the Technology Development Roadmap specific to operational and business needs. It also advocates for and utilizes approved capital to make the technology investments necessary to help Parker reach its overall business objectives.



We do this by developing strategies to increase revenues while ensuring appropriate return on capital metrics. With P&L responsibility for R&D, new product development, sustaining engineering of existing products, and manufacturing, we can take an idea from concept to commercialization through its life cycle.

One of the six main ESG goals established in 2021 was to improve methods to track diesel consumption at the well sites. To push fuel data tracking beyond bookkeeping, the Parker Technology team and Real-Time Operations Center (RTOC) initiated a cloud-based Automated Digital Analytic Platform (ADAPT®) to build an all-inclusive modern data platform. We are streaming fuel consumption data directly from the generator sets to the ADAPT and integrating it with the daily drilling operation data at two barge rigs in US Offshore and one land rig in Mexico. This not only monitors the fuel consumption but also, more importantly, quantifies the fuel consumption for each drilling operation. Then ML/AI extracts insights to quantify rig limits fuel per footage drilled (FPF) and further optimizes performance by lowering carbon-intensive activities.



➤ Tony Sherman, Superintendent Operations, demonstrating remote support via RealWear during the ONS (Offshore Northern Seas) 2022 conference.



Besides auto-track of fuel data, Parker is exploring the feasibility of using Hydrogen Fuel Cells at rig sites. It produces only water when hydrogen burns and holds enormous potential as a part of a net-zero solution. However, there are several challenges, including costs, infrastructure, storage issues, and safety. The use of hydrogen will increase steadily in the coming decades, and many companies and countries have started planning and allocating budgets for an inevitable hydrogen economy.

Condition-based monitoring (CBM) can detect machine failures ahead of time and thereby reduce the Non-Productive Time (NPT) or rig equipment issues and decrease carbon emission. Currently, Parker Wellbore is testing two types of CBM technologies. In Mexico, we monitor the chemical profile of engine oil to interpret generator sets' operating conditions in real time. The other CBM trial is vibration-based monitoring. The system continually reads the vibration and internal temperature trend, counts shocks, and uses an ultrasonic microphone to detect early-phase bearing defects. The data will continually stream to the cloud platform and send out smart alarms if defects are detected. The ML/AI module can predict the residual life and optimize our maintenance schedule with more data and events collected.

Remote operation support is another technology Parker is evaluating to reduce Personnel on Board (POB), minimize travel, gain efficiency, and reduce emissions. The Technology team conducted a Virtual Global Support (VGS) project to assess different wearable headsets and software platforms.

The goal of VGS is to integrate the mixed reality headsets with rig operations in three areas:

1. Remote viewing provides advisory assistance from the office to the field technicians;
2. Workflow automation digitalizes checklists and instructions into the headset like a hands-free YouTube®; and
3. Dashboards and KPIs optimize operation steps and promote multiskilling among our workforce.

Service Delivery

The Service Delivery group, part of Parker Wellbore's Global Operations Team, strives to continually improve operational practices and overall efficiencies across global operations. By setting asset maintenance and management standards, training and competency requirements, and providing technical guidance and solutions to our internal and external customer's, we increase the consistency and effectiveness of their day-to-day activities. By providing execution guidance, through an agile process, we are able to increase resource utilization while minimizing our operational environmental footprint.



Parker's Service Delivery group utilizes a three-pronged approach when addressing the environmental impact of emissions resulting directly from wellbore construction and abandonment operations:

1. Monitor > 2. Reduce > 3. Eliminate

In particular to drilling operations, Parker is working to move away from manual fuel monitoring by deploying a fuel tracking system to automatically monitor, aggregate, and analyze the fuel consumption of each rig site engine. By integrating fuel consumption data with drilling operations data, Parker can quantify the emissions for each drilling operation and further optimize drilling performance. This capital-efficient investment accelerates the digital transformation and jump-starts Parker's emission monitoring and reduction initiative. Parker is actively implementing emissions reduction solutions upstream and downstream of power generation equipment by utilizing exhaust side components (Selective Catalytic Reduction, Diesel Particulate Filter, etc.) and upstream engine management systems. These solutions reduce GHG emissions by either reducing fuel consumption (increased engine efficiency) or utilizing active emissions control technology. Parker's strategy for eliminating rig site emissions involves the use of high line (grid) power including advanced switchgear technology, and developing key alliances to help bring the latest hydrogen fuel cell technology to market.

In addition, Parker's planned maintenance program uses preventive and predictive maintenance activities and conditioned-based monitoring to ensure the assets owned or operated by Parker are properly maintained. Evaluating maintenance needs based on equipment operating parameters optimizes the maintenance performed on assets to control costs, meet customers' requirements, and ensure personnel and environmental safety. Maintenance activities are strategically scheduled to minimize disruption and take advantage of planned downtime, reducing the environmental impact.



Social

At Parker Wellbore, we recognize our people and the people of the communities we serve are our most valuable asset. Their health, safety, and development is our top priority, and we align our Social programs with the related United Nations SDG's.



Occupational Health & Safety

Nothing has greater importance at Parker Wellbore than the health and safety of our employees and the protection of the environment in which we work. Safety remains the center point of our values, and we maintain our commitment to zero harm and injury-free operations.

As an organization, we recognize that crew safety is the individual's responsibility; therefore, we continue to emphasize the employee's requirement to immediately report any violation of laws, regulations, policies, customer requirements, accidents, or unsafe working conditions to the appropriate personnel.

Our Enterprise Health, Safety, Security, and Environment (HSSE) effort is supported by a globally dispersed HSSE team and our Integrated Management System (IMS) to ensure we protect our employees, customers, suppliers, community, and the environment. We continually evaluate our HSSE IMS components to increase end-user focus, simplify content, and improve effectiveness to safely deliver reliable products and services to our customers every time.

Implementing the IOGP Life-Saving Rules (LSRs) aids in our pursuit to operationalize reliable controls that protect the well-being of our teams. In addition, our Leadership Engagement digital application focuses on the LSRs while leaders conduct onsite interactions to ensure the proper controls are in place while performing work. Additionally, we continue to prevent and eliminate dropped objects by driving leadership engagement in working locations through recording and tracking the interactions via the app.

Parker's global security posture remains focused on the threats that exist globally; we have assessed systems and services to ensure the adequacy of the methods used to maintain the security of our employees. We have achieved this by identifying the best-in-class systems and service providers that meet our needs.

These systems and service providers include mass communication, travel, assets, and personnel security with real-time monitoring. In addition, security training for employees, security information for travelers, and coordination and communication with clients to create a comprehensive security strategy for alignment to include crisis and emergency management response.



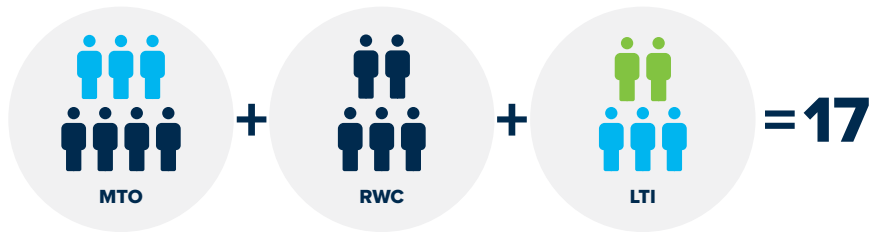
Parker Wellbore is committed to providing the resources and support needed to achieve our HSSE goals and objectives. This commitment is demonstrated in the example of HSSE Manager Kevin Daigle and the effort to improve driver safety performance at Quail Tools, a wholly-owned subsidiary of Parker Wellbore.

Kevin joined the Quail Tools team as the HSSE Manager in June 2021 with a 22-year oil & gas health and safety background. Amongst many accomplishments, Kevin was instrumental in implementing In-Vehicle Monitoring System (IVMS) in the most extensive fleet within Parker Wellbore, which consists of 88 vehicles across the United States. With focus directed toward following proper distances, the Quail Tools team has reduced their vehicle "following too closely events" by 82% since its implementation in April 2022. In addition, the IVMS and Parker management support is making a huge impact."

"IVMS is helping our team members be more conscious of their driving habits and make better decisions on the road. Since the implementation, the severity of the incidents has been significantly lower than we have ever experienced, substantially reducing Parker's risk and liability. Quail Tools' incident rate has dropped substantially, with only six (6) minor traffic incidents in 2022.

HSSE Performance

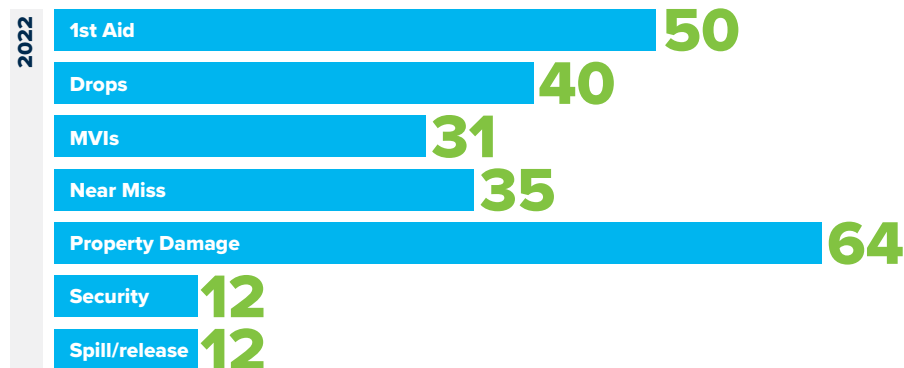
17 of our co-workers did not go home the same way they came to work



2021 TRIR 0.86 LTIR 0.33	2022 TRIR 0.58 LTIR 0.17	MEAP	NAM	LATAM
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2022 Incidents

Parker Wellbore



HSSE DEFINITIONS

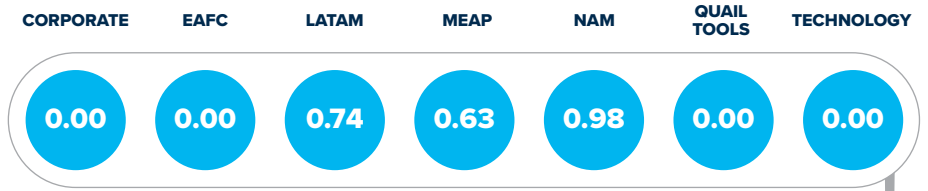
MTO: Medical Treatment Only
RWC: Restricted Work Case
LTI: Lost Time Incident
TRIR: Total Recordable Incident Rate
LTIR: Lost Time Incident Rate

Parker Wellbore Geomarket Definitions

EAFC: Europe, Africa, and CIS
LATAM: Latin America
MEAP: Middle East and Asia Pacific
NAM: North America

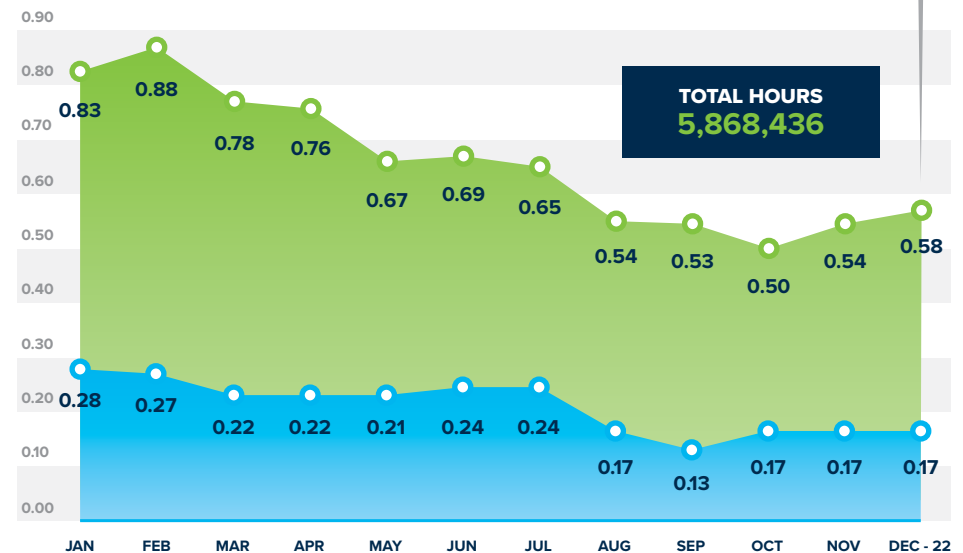
GeoMarket 12 Months Rolling TRIR Value

December 2022



Parker Wellbore TRIR & LTIR

12 Months Rolling



Parker Wellbore TRIR 0.58 - LTIR 0.17

OSHA 2020 TRIR 1.30

IADC 2022 3Q TRIR 0.67

Diversity, Equity, and Inclusion (DE&I)

Parker Wellbore is a nearly 90-year-old international enterprise with a globally diverse workforce. Parker resides in 19 countries in North and South America, Europe, and Asia / Middle East. Parker employees speak over thirty languages and represent 58 nationalities. Parker’s Leadership has been proactively developing a diverse pool of leaders and employees across these various locations. One of the pillars of Parker’s global Talent Strategy has been localizing its international locations’ leadership and staff.



We focus on training, developing, and retaining local leaders and specialists for optimal effectiveness and efficiency in our operations. For example, at the end of 2022, 77% of our global workforce employees were local Nationals, while 67% of Parker’s senior Leadership is comprised of local nationals. This means Canadians, Mexicans, Colombians, Norwegians, Kazakhs, Dutch, Saudis, Emiratis, Indians, Iraqis, and Indonesians, among other nationalities, manage and staff our locations globally.

Our success is founded in our strong belief in valuing a highly diverse employee base, which includes cultural and linguistic leverage of our global workforce, comprised of 58 different nationalities, of which 20 are represented among the senior leadership ranks.



Workforce Demographics and Goals



The oil and gas industry has historically been male-dominated, and it was even more evident in oilfield service companies. One of Parker’s six main ESG goals includes increasing female representation across our locations, disciplines, and leadership levels. This extends to increasing female representation in the local workforce.

We track several key performance indicators that help us understand how we are doing in terms of gender diversity:

- Percentage of female employees in Parker (can be subdivided by country, business segment, etc.)
- Percentage of female employees in Supervisory roles and above (this population is part of annual 9-box performance vs. potential matrix analysis)
- Percentage of female employees in our Senior Leadership population
- Percentage of female employees in Identified Talent Population
- Percentage of female employees in Succession to one of the Senior Leader roles

Utilizing these indicators, we strive for greater female representation in Identified Talent and Successor populations as a basis for future increased female representation in leadership roles. Parker also advertises open positions on hundreds of job sites, many of which are specifically targeting women and other workforce diversity pools. Other initiatives include marketing campaigns featuring female employee stories and images of working at Parker.

	Workforce	Local Nationals	Female	Non-US
All	2041	77.3%	12.1%	62.5%
Senior Leaders	91	67.0%	20.9%	42.9%

By Country of Work (All vs Senior Leaders)

ALL					
Countries	Female	Male	Female %	Male %	Grand Total
United States	106	703	13.1%	86.9%	809
United Arab Emirates	24	260	8.5%	91.5%	284
Saudi Arabia	1	178	0.6%	99.4%	179
Mexico	23	134	14.6%	85.4%	157
Canada	18	138	11.5%	88.5%	156
India	13	115	10.2%	89.8%	128
Colombia	19	53	26.4%	73.6%	72
Norway	10	55	15.4%	84.6%	65
Kazakhstan	10	49	16.9%	83.1%	59
United Kingdom	6	43	12.2%	87.8%	49
Indonesia	5	34	12.8%	87.2%	39
Trinidad and Tobago	5	10	33.3%	66.7%	15
Iraq		10	0.0%	100.0%	10
Netherlands	3	6	33.3%	66.7%	9
Ukraine	2	2	50.0%	50.0%	4
Malaysia	1	1	50.0%	50.0%	2
Kuwait		2	0.0%	100.0%	2
Nigeria		1	0.0%	100.0%	1
Papua New Guinea	1		100.0%	0.0%	1
Grand Total	247	1794	12.1%	87.9%	2041

SENIOR LEADERS					
Countries	Female	Male	Female %	Male %	Grand Total
United States	16	46	25.8%	74.2%	62
United Arab Emirates	1	7	12.5%	87.5%	8
Canada	1	3	25.0%	75.0%	4
United Kingdom		3	0.0%	100.0%	3
Kazakhstan	1	2	33.3%	66.7%	3
Colombia		2	0.0%	100.0%	2
Indonesia		2	0.0%	100.0%	2
Netherlands		2	0.0%	100.0%	2
India		1	0.0%	100.0%	1
Iraq		1	0.0%	100.0%	1
Saudi Arabia		1	0.0%	100.0%	1
Norway		1	0.0%	100.0%	1
Mexico		1	0.0%	100.0%	1
Grand Total	19	72	20.9%	79.1%	91

By Business Segment (All vs Senior Leaders)

ALL					
Business Segments	Female	Male	Female %	Male %	Grand Total
Business Development	4	7	36.4%	63.6%	11
CAO	23	14	62.2%	37.8%	37
CEO	1	2	33.3%	66.7%	3
CFO	26	34	43.3%	56.7%	60
GeoMarket - EAFC	30	156	16.1%	83.9%	186
GeoMarket - LATAM	47	200	19.0%	81.0%	247
GeoMarket - MEAP	39	588	6.2%	93.8%	627
GeoMarket - NAM	25	520	4.6%	95.4%	545
Global Operations Support	2	26	7.1%	92.9%	28
Human Resources	17	12	58.6%	41.4%	29
Quail Tools	31	215	12.6%	87.4%	246
Technology	2	20	9.1%	90.9%	22
Grand Total	247	1794	12.1%	87.9%	2041

SENIOR LEADERS					
Business Segments	Female	Male	Female %	Male %	Grand Total
Business Development	1	4	20.0%	80.0%	5
CAO	6	4	60.0%	40.0%	10
CEO		2	0.0%	100.0%	2
CFO	4	6	40.0%	60.0%	10
GeoMarket - EAFC		8	0.0%	100.0%	8
GeoMarket - LATAM	2	6	25.0%	75.0%	8
GeoMarket - MEAP	2	11	15.4%	84.6%	13
GeoMarket - NAM	2	12	14.3%	85.7%	14
Global Operations Support		7	0.0%	100.0%	7
Human Resources	2	2	50.0%	50.0%	4
Quail Tools		7	0.0%	100.0%	7
Technology		3	0.0%	100.0%	3
Grand Total	19	72	20.9%	79.1%	91

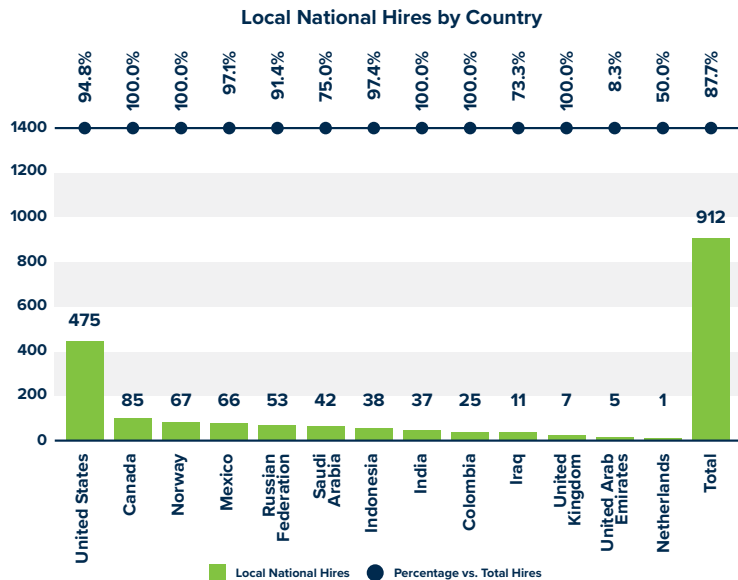
Pillars of Global Success

Parker’s employees are our greatest strength, so we focus heavily on recruitment, retention, talent identification, development, engagement, and career planning.

Attention to Recruitment and Retention



2022 was a very active year for Parker’s recruitment teams, including support for entering new markets and increasing business opportunities resulting in significant hiring and movement of employees. Over 1,000 new employees joined the Parker team in 2022 with 46% being US nationals and 54% of other nationalities. We also ramped up operations in Indonesia, acquired machine shops in Norway, formed a new global product line group, and were awarded several new contracts. Parker is dedicated to the philosophy of localization of our workforce, with 88% of our 2022 new hires being local nationals.



Our recruitment team partners with more than a thousand recruitment and job posting vendors, outlets, and platforms, including minority and non-traditional workforce hiring platforms, such as CIRCA to post, advertise, and source candidates. Internally Parker awards employees for referring talented candidates, which resulted in 50 successful hires, and monetary rewards totaling \$25,000 as part of our Employee Referral Program.

Talent Management

We emphasize talent identification and career planning each year. Leadership reviews employee performance, potential, and progression through our annual talent review and succession cycle.

In the 2022 talent review, our Leadership identified 139 high potential employees based on their performance and leadership potential. Of this figure, 30 (22%) were female, and 70 (50%) were non-US Nationals. The Succession Planning Process reviewed professional and leadership positions, focusing on critical jobs to determine succession plans. As a result, 97 critical positions were analyzed for successor availability and readiness. Based on the identified critical positions, internal successors were identified for 84 of those 97 positions. Of this figure, nearly a third are female professionals.

Talent Review Figures:

	Unique Successors
Total	139
Female	22%
Non-US	50%

Succession Planning Numbers (Senior Leadership):

	Position Holders	Unique Successors
Total	97	118
Female	23%	21%
Non-US	40%	54%
	Job	Position
Identified Sr. Leader	49	97
Has Successor	88%	87%
Has Female Successor	53%	32%
Has non-US Successor	61%	62%

Training and Development

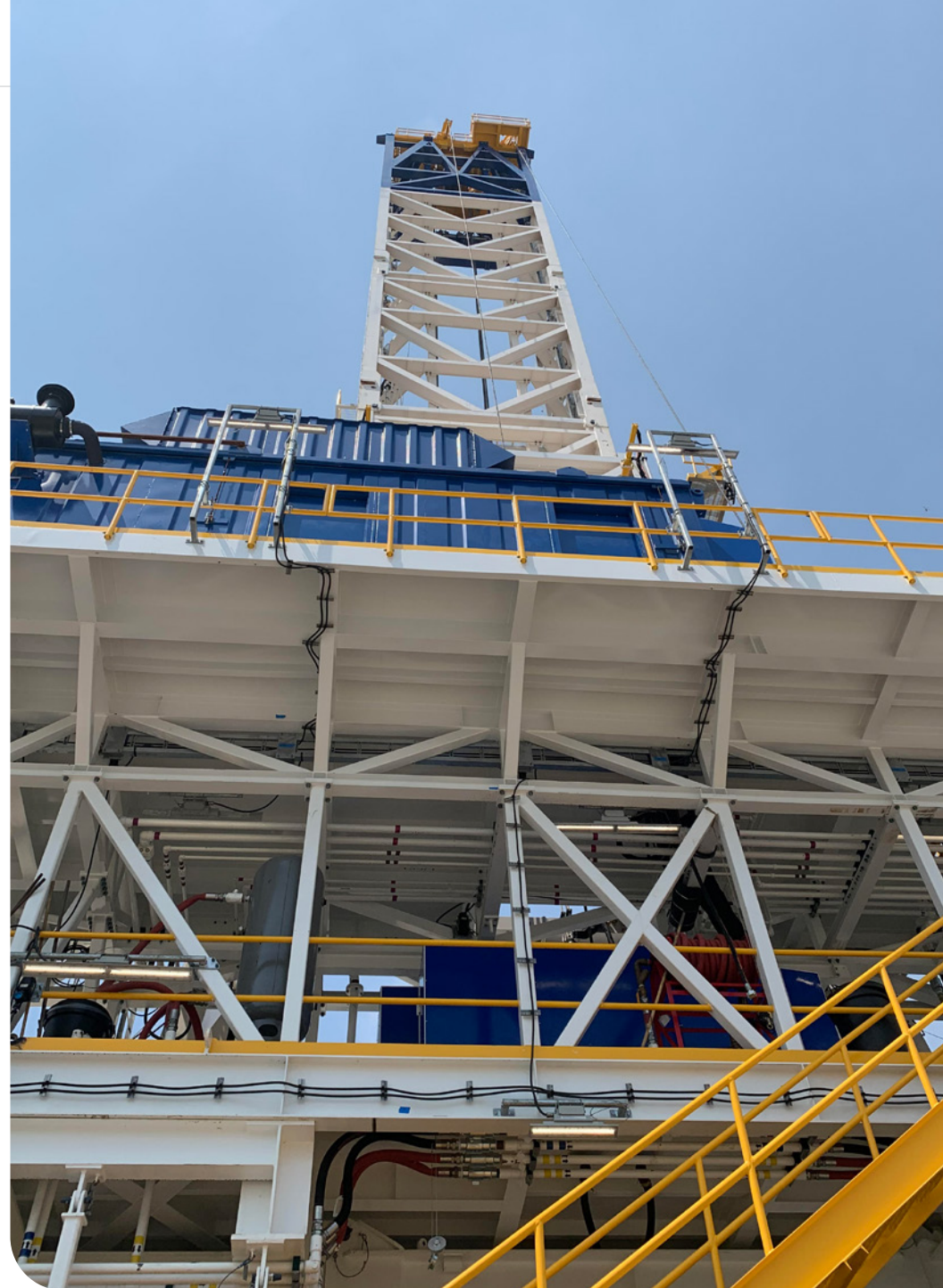
Safety is at the core of our employee competency model and therefore drives our HSE training initiatives. HSE and compliance comprised 92% of our internal training in 2022. Technical, behavioral, and leadership training comprised 8% of internal training completions in 2022. First-line leaders and individual contributors made up 86% of those trained during the year as we develop our Senior Leaders of tomorrow.

		Unique Successors		
Employees Trained		3,447		
Trainings Courses Delivered		309		
Total Completions		52,418		
Average Training Completions per Trainee		15.2		
	Compliance/ HSE	Technical/ Functional	Behavioral/ Leadership	Total
Contractors	9%	<1%	0.0%	9%
Individual Contributors	66%	6%	<1%	72%
Jr-Mid Leadership	16.0%	<1%	<1%	16%
Senior Leadership	3%	0.0%	<1%	3%
Total	94%	6%	<2%	100.0%

Parker provides educational assistance for external training, professional certifications, industry conference participation, and an education reimbursement program. Parker invested \$1,331,038 US dollars in employee training and development in 2022.

Equitable Pay and Benefits

Parker continues to meet or exceed industry standards with our total rewards and benefit offerings for its employees globally. Examples in the U.S include (1) 5% base salary match for all US 401(k) participants, (2) healthcare and dependent care flexible spending accounts, (3) backup dependent care offering, and (4) 12-week paid maternity leave for all U.S. employees. We continually monitor local and global market conditions to ensure our compensation is aligned with or exceeds industry wages.



Commitment to Work-Life Balance and Employee Well-being

Global Employee Engagement Survey

In 2022, a global employee engagement survey was sent to all employees in four languages. The survey included 28 questions covering eight topics, and will be used as a benchmark to gauge employee engagement and recommendations in the coming years. The eight topics included:

1. Career Development
2. Company Culture
3. Ethics/Diversity & Inclusion
4. Company Direction
5. Compensation & Benefits
6. Compliance
7. HSE
8. Performance Management and Retention

Employee responses indicated several areas of strength and improvement.

Strengths

- Safe and welcoming work environment (90%)
- Compliance orientation (86%)
- Welcoming work culture (83%)
- Clear company direction (79%)
- Likely retention (79%)

Areas for Improvement

- Greater review of Compensation and Benefits (16%)
- Career Development (15%)
- Performance Management (13%)
- Recognition and Vision Award Awareness (9%)

Response Rate	47%
Topics	8
Questions	28
Overall Score	3.85 out of 5
Highest Rated	Lowest Rated
HSE (4.22)	Career Development (3.6)
Retention (4.04)	Performance Management (3.59)
Compliance (4.01)	Compensation and Benefits (3.53)

Policies and Programs

As a part of Parker's post-COVID-19 recovery, flexible work schedules were implemented, allowing remote work for locations and countries where legal and practical. As a result, most of our office-based personnel in the U.S. participate in this hybrid work schedule. Also, in 2022, Parker reviewed and revised its Bereavement and Paid Absence Leave policies. We are proud of our Paid Parental Leave policy which increased paid family time away for eligible employees.

In the U.S., Parker also offers a company-paid Employee Assistance Program for mental health and other services by third-party professional counselors. We have also trained approximately 20 senior-level employees in our international locations to act as mental health and well-being advocates/champions available to refer employees to proper local services.

Vision Awards

Parker's Vision Awards Program recognizes and rewards employees or teams who innovate with regard to company services, ESG-related ideas, customer service enhancements, and company cost savings. This tiered program provides monetary awards and recognition monthly, quarterly, and annually for individuals and teams. In 2022 the Vision Awards program lead to improvements and enhancements saving Parker over \$333,000, while recognizing 133 employees with over \$60,000.

Employee Engagement Activities

In parallel, many other employee engagement and celebration initiatives took place in our global locations, such as National Day Celebrations in India and Saudi Arabia; Women's Day Celebration in Mexico and elsewhere; Father's Day Celebration in Colombia; Ramadan Iftar in UAE; Diwali Celebrations in India, and seasonal and New Year festivities across our numerous international work locations.

Community and Volunteering

Over our long and storied legacy, being successful at Parker has meant also being an ambassador of goodwill in the communities where we operate. In 2022, Parker employees participated in more than 50 events related to community engagements, volunteering, donating, and supporting ESG initiatives across our global locations:

- Our Houston Corporate office prepared and donated 880 meal boxes and 90 Christmas Gifts to underprivileged children and adults and spent hundreds of hours in volunteer activities across Houston.
- Our Canadian office donated over 100 pieces of winter clothing to adults and kids in need and provided onsite dinner for families of patients at their local charity hospital.
- Our Colombian and Mexican offices undertook office consolidation and improvement projects that resulted in greener practices, and huge savings in energy, water, and transportation use.
- Our Trinidadian colleagues participated in a variety of activities, from cleaning beaches to educating school children on fire safety practices and providing them with 50 lunch bags and First Aid Kits.
- Parker's India office renovated and improved two schools and one water pumping station in different communities.
- The UAE office had charity Iftar offerings during the Ramadan.

The following table summarizes the type of community outreach conducted at the various Parker locations around the world:

Initiatives	Canada	Colombia	India	Mexico	Trinidad & Tobago	UAE	USA	Total
Community Development	2		3					5
Community Engagement	1			2	1	1	1	6
Donation	4	4		5	2		1	16
Donation / Volunteering	2				1		2	5
Volunteering	1				2		2	5
ESG Initiative	1	6	1	5	1			14
Total	11	10	4	12	7	1	6	51



Governance

Parker Wellbore enacts strong corporate governance to guide and safeguard all aspects of our business. Providing best-in-class business ethics, integrity, and compliance with laws and regulations advances our financial and ESG performance. As such, we align our business and activities with the Governance related components of United Nations SDG's.

8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



GOVERNANCE

Commitment to Integrity

As we continue to work toward achieving sustainability as a company, we regularly communicate and reinforce our commitment to conducting business with integrity. In alignment with our continual improvement mindset and ongoing efforts to earn and keep our reputation for ethical business conduct, we made additional improvements to certain areas of our Compliance program in 2022.

Entertainment, Travel, Gifts & Donations

To promote compliance with Parker's strict rules regarding gifts and entertainment, we automated our Entertainment, Travel, Gifts & Donations (ETGD) procedure in 2022. The newly developed tool is user-friendly for those reporting and approving ETGD submissions due to the automatic routing of the requests based on the dollar amount and category. These improvements facilitate stronger compliance with the procedure, more accurate and complete books and records, and continual monitoring of recipients of ETGD. Company-wide communication of the portal and updated procedure have already increased awareness and compliance with the ETGD requirements. For tracking and reporting purposes, the request form also includes a question about whether the event relates to Parker's ESG goals.

Business Conduct and Ethics Training

The Business Integrity & Compliance Department conducted in-person training in all of our GeoMarkets in 2022. The training covered topics such as the updated Code of Conduct, automated ETGD tool, Know your Project and Third-Party Due Diligence, Speaking Up, Human Rights, and Diversity. We conducted customized, targeted training sessions for office and rig personnel to cover topics that applied directly to those varied audiences. Sessions included group activities, demonstrations of Compliance automation tools, and open discussions based on questions and feedback received during training. We used feedback from those sessions to help set goals and plan future projects.

Code of Conduct

We updated the Parker Wellbore Code of Conduct (Code) in 2022. It is simpler, clearer, stronger, and directly linked to our mission, vision, and core values. We took great care in updating the Code and included scenarios, graphics, and photos that are more relevant to and representative of Parker's diverse culture. Rather than a statement of new rules of conduct, the Code is a reaffirmation of our Company policies, values, and beliefs. The Code covers various areas that are vital to our business, including ESG topics such as our commitment to integrity, diversity, human rights, regulatory compliance, and charitable donations.



Cybersecurity

As we continue to expand the use of digital technologies and services throughout our operations, we seek to minimize risk while protecting our people, processes, and technologies. To achieve our security goals cost-effectively, we provide governance and track our progress based on our cybersecurity maturity level. The Parker Wellbore Board Audit Committee has oversight responsibility for our cybersecurity program and receives quarterly updates on key risks, mitigations, and progress.

Our cybersecurity program is based on a combination of government, industry, and customer frameworks, including those devised by the National Institute of Standards and Technology (NIST) and the International Association of Drilling Contractors (IADC).

The Parker Wellbore Cybersecurity program comprises four pillars: Governance, Security, Resilience, and Vigilance. Our risk-based approach adapts to changes in cybersecurity threats, processes, and technologies, with guidelines to assess our capabilities. Parker has a prioritized roadmap to drive improvements in our cybersecurity practices.

Parker's information systems and data are valuable assets. Cybersecurity awareness starts with employee onboarding to reduce the risk associated with these assets. Parker employees and contractors are required to review our Code of Conduct, cybersecurity, and technology policies and undergo initial cybersecurity training. Employees are also required to take annual cybersecurity training that is tracked in our Learning Management System (LMS). Some contractors may also be required to refresh their training. To maintain awareness, Parker Wellbore performs periodic security campaigns and provides a self-reporting phishing alert button in our email system and other actions.

In 2022, we focused on improving governance and security controls, partly in response to increased remote work because of the COVID-19 pandemic. Parker Wellbore continues to improve and update our processes, policies, and procedures through increased monitoring and strengthening of our internal cybersecurity posture. We believe these actions safeguard not only our communication and information systems, but also our reputation, stakeholder relationships, and the overall sustainability of our company.

Ransomware is affecting numerous companies and industries worldwide. Visibility is the key to any organization's security posture to prevent cyber threats. Attempts at cyber breaches with respect to security and phishing alerts, as well as attempts to infiltrate Parker Wellbore, have trended upward year over year. As a result, we increased our cybersecurity monitoring in 2022 to gain visibility, prevent cybersecurity incidents, and establish emergency response and restoration protocols in the event of an attack.

Enterprise Risk Management

Parker Wellbore's Enterprise Risk Management (ERM) provides a framework for identifying, assessing, and mitigating internal and external threats and opportunities. Our leadership team manages financial, business, operational, and reputational risks to our business, with the Audit Committee overseeing risk-assessment guidelines and principles.

We are implementing standards and processes for utilizing climate-related scenario analysis in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD). We recognize this systematic and established approach will help us better identify and mitigate or enhance climate-related threats and opportunities. Actions from this analysis will drive how we execute our tactical plan and inform our stakeholders, including shareholders, employees, and our customers.

Through our ongoing risk evaluation, we have implemented controls such as in-vehicle monitoring systems for improving driving performance, IOGP Life-Saving Rules for safety, and the latest training and awareness for cybersecurity.

Supply Chain Integrity

Parker Wellbore's Supply Chain Management (SCM) organization is committed to providing our internal and external customers with an efficient, predictable, and compliant supply chain based on the most sophisticated, innovative technology and close collaboration with top-tier suppliers and freight forwarders.



Our key supply chain priorities are ensuring compliance with domestic and international laws and policies in our procurement and logistical endeavors, mitigating risks to human rights violations, labor abuses, and corruption. With Parker's governance structure and processes in place using our Integrated Management System (IMS), we aim to ensure accountability and oversight of supply chain activities. During 2022, one of Parker's six main ESG goals was completed: every newly onboarded supplier signs a statement that they will comply with human rights commitments, and all existing and new supply chain contracts contain relevant provisions for human rights commitments.

We screen prospective suppliers through comprehensive due diligence measures to validate key components to becoming a Parker supplier. We utilize technology through an automated system that increases the visibility of supplier onboarding and ensures crucial information is captured for review and approval. Our SCM Team promotes transparency and communication with suppliers, including regular audits and performance monitoring. These efforts mitigate potential risks to the company.



Parker includes local and diverse suppliers in our global supply chain to foster both the suppliers and those communities. Another one of our six main ESG goals was to measure and improve spending with local suppliers. A task force was created in mid-2022 to drive global data compilation in a modern data platform to track spend in each country. This effort will continue in 2023.



ESG Index References (SASB, GRI, etc.)

We routinely and purposefully analyze and revisit Parker Wellbore's ESG strategy, commitments, and targets. We disclose ESG topics important to us in this Report. For purposes of transparency, openness, and disclosure, in addition to the UN SDGs, we have considered, assessed, evaluated, and reviewed many different ESG and sustainability reporting frameworks as we developed this ESG report. We are informed by these standards and frameworks and our engagement with key stakeholders as we determine our ESG priorities and ESG-related goals.

ESG AREA	TOPICAL SUMMARY: BRIEF SUBJECT-MATTER OVERVIEW	LOCATION IN REPORT
GHG Emissions	Discussion on diesel fuel consumed through rig activity at the wellsite 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 9.
Affordable and Clean Energy	UNs Target 7a: 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 10.
Asset Integrity & Reliability	Discussion on process safety and asset integrity. ESG perspective on asset integrity involves spill containment, well control, monitoring systems, testing, and certification.	Environmental—Asset Integrity & Reliability, page 14.
Environmental & Regulatory Compliance	Discussion of corporate positions related to government regulations and/or policies that address environmental and social factors affecting the industry.	Environmental—Environmental Compliance, page 9.
Occupational Health & Safety	Discussion on health, safety, security, training, and emergency for full-time employees. Description of IMS (management systems) used to integrate a culture of safety throughout the value chain and project life cycle.	Social—Occupational Health and Safety, page 15.
Workforce Diversity & Inclusion	Description of the organization's DE&I activities and talent management.	Social—DE&I, page 18.

ESG AREA	TOPICAL SUMMARY: BRIEF SUBJECT-MATTER OVERVIEW	LOCATION IN REPORT
Decent Work and Economic Growth	UN Sustainable Development Goal UNSDG 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 21-22.
Enterprise Risk Management	Description of risk management practices.	Governance—Managing Enterprise Risk, page 30.
Cybersecurity	Description of activities in connection with cybersecurity.	Governance—Cybersecurity program, page 30.
Ethics	Discussion on the company's Code of Conduct and policies related to anti-bribery and anticorruption, including a programmatic approach towards compliance and business integrity. Meeting the standard under Global Reporting Initiative (GRI) 102-16	Governance—Business Integrity pages 29
Supply Chain Integrity	Description of the process for new suppliers assessed using social criteria as identified in the supply chain. Description of risk management practices.	Governance—Supply Chain Integrity, page 31. Governance—Supply Chain Integrity, page 31.

Forward Looking Statement

This communication on sustainability and all communications in connection with Parker Wellbore 2022 Sustainability 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 Wellbore’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 Wellbore’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 Wellbore 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 Wellbore 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 its actual results to differ materially from those contained in any forward-looking statement. We undertake no duty to update these forward-looking statements even though the situation may change in the future. All rights expressly reserved.

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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 CO₂e). 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 6 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 10

We recognize that the organizational and operational boundaries need to be established by the industry for well activities on US and non-US operations. This will enable reporting direct and indirect emissions. It will also help set forth attribution of Scope 1, 2 and 3 emissions in the oil and gas industry and oilfield services sector. 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 11

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 9

Parker 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 2022 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 (Core), the World Economic Forum’s Stakeholder Capitalism Metrics, 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), 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.



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ETHICS HOTLINE

To report ethics or compliance issues, contact
our Ethics Hotline (operated by NAVEX Global)
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parkerwellbore.ethicspoint.com