

Helmerich  
& Payne

2023

# SUSTAINABILITY REPORT

Rig 516, North Dakota

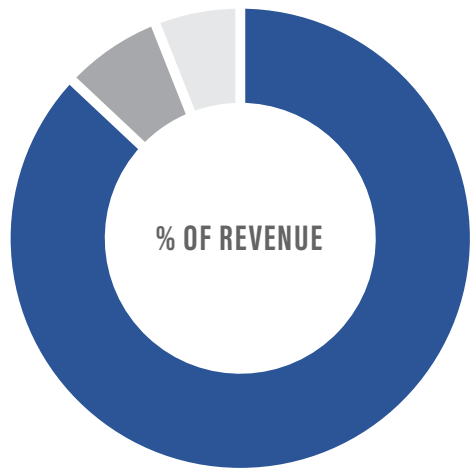


# ABOUT HELMERICH & PAYNE

Since 1920, H&P has been a trusted partner and leader in drilling productivity, reliability, and technological innovation. Our customer-centric, unconventional drilling solutions approach combines the operational excellence of our FlexRig® fleet and processes, our automation software, and our experienced people and strong culture to deliver better drilling outcomes. H&P is focused on sustainability for the benefit of our stakeholders including shareholders, business partners, employees, and the communities in which we operate.

## COMPANY PROFILE

- OPERATING  
SINCE 1920
- AWARD-WINNING  
FLEXRIG® FLEET
- WIDE ARRAY OF ADVANCED TECHNOLOGY,  
SOFTWARE, AND MECHANIZATION OFFERINGS



- ~ 88% NORTH AMERICA  
SOLUTIONS  
*market leader in U.S.*
- ~ 7% INTERNATIONAL  
SOLUTIONS  
*opportunistic growth*
- ~ 5% OFFSHORE  
GULF OF MEXICO  
*cash flow generator*

### APPROXIMATELY

6,200 employees within the U.S.<sup>1</sup>

900 employees in international operations<sup>1</sup>

- Expanded offerings drilling geothermal and carbon capture wells
- Increased international footprint with drilling solutions in new areas including the Middle East and Australia
- Debt-to-capital ratio of 16% with investment grade credit ratings<sup>1</sup>
- Annual established base dividend of \$1/share plus supplemental dividends<sup>2</sup>
- Returned approximately 10% of market cap to shareholders via dividends and share repurchases in FY 2023

<sup>1</sup>As of September 30, 2023.

<sup>2</sup>All base and supplemental dividends are subject to the determination and approval of the Company's Board of Directors on a quarterly basis.

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## H&P'S SUSTAINABILITY DRIVEN ACHIEVEMENTS

H&P's global business remains focused on delivering excellence to our stakeholders, and utilizing innovation and operational efficiencies to provide value to our customers while minimizing our environmental footprint. We believe sustainability is the many business factors that facilitate long-term success for the Company and allow us to positively influence our stakeholders. Sustainability includes, but is not limited to, common topics such as the financial performance of the Company, the environment, health and safety, diversity, equity, and inclusion, and enterprise risk management. Our efforts this year are characterized by further integration of sustainability-focused practices into our business strategy driven by our continued focus on contract economics, our global expansion plans, and utilizing innovation and operational efficiencies to provide value to our customers while minimizing our environmental footprint, increased innovation, and a driven by workforce that allows H&P to remain a leader in the drilling industry. We recognize the important role we play in the oil and gas value chain and are focused on doing our part to achieve our goals.

Rig 456, North Dakota

## H&P'S INTEGRATION OF SUSTAINABILITY PRACTICES INTO BUSINESS

### Business Strategy Sustainability Integration Highlights

- › Sustainability-focused practices are incorporated into our overall business strategy and objectives
- › H&P's senior management and Board of Directors (Board) provide oversight of our sustainability efforts, such as execution of our financial strategy, safety, climate, environmental management, and DE&I practices, objectives, and policies
- › In 2022, we performed a Quantitative Scenario Analysis, which is updated annually, and incorporated as part of the knowledge base that feeds our business strategy

[Learn more here »](#)

### Committed to Progress

- › The Company aims to move the industry forward in the U.S. by changing and providing alternatives to existing commercial models
- › We continue to implement our global expansion strategy, adding rigs in Australia and the Middle East
- › We established a new, long-term Greenhouse Gas (GHG) emissions reduction target, focused on a 30% GHG emissions intensity reduction by the end of FY 2030
- › We continue to set annual Actively C.A.R.E.™ goals (ACGs) related to safety and the environment, which are supported by defined key results

### Innovative Technology and Investments

- › We continue to expand our offering of technology solutions to help our customers achieve their desired outcomes and advance their sustainability efforts with the addition of Rig Floor Automation, Automated Collision Avoidance, and Digital Roadmaps in 2023
- › We collaborate with customers to reduce emissions at rig sites through technology, assets, and processes such as engine management, Driller's Select, energy storage, and highline power
- › In fiscal 2023, we continued to make investments in geothermal technologies and provided drilling solutions for both geothermal and carbon capture wells
- › Drilled geothermal wells for Fervo which they define to be the most productive Enhanced Geothermal System (EGS) in history<sup>3</sup>

### Recognition of H&P's Sustainability Program

- › ISS Governance Score: 1 of 10 (1 being best)<sup>4</sup>
- › Sustainalytics ESG Risk Rating: 22.3 of 40+, equating to the top quartile of our Energy Services industry group<sup>5</sup>
- › Received Hart Energy Award for Middle East Flex3W
- › Awarded inaugural Reat Medcalf Safety Award

<sup>3</sup>[Fervo Energy Announces Technology Breakthrough in Next-Generation Geothermal](#)

<sup>4</sup>As of December 13, 2023

<sup>5</sup>As of December 13, 2023



# H&P'S SUSTAINABILITY DRIVEN ACHIEVEMENTS (CONTINUED)

## ENVIRONMENTAL ADVANCEMENTS

### Throughout the last year, we:

- › achieved our 2023 Environmental Actively C.A.R.E.™ Goal by reducing our normalized GHG emissions by ~3.7%, which surpassed our base target of 1%;
- › advanced our Environmental Management System (EMS) processes in our pursuit of ISO 14001 certification;
- › reduced normalized GHG emissions intensity per distance drilled by around 25% since 2018; and
- › achieved zero reportable spills.<sup>6</sup>

### Looking ahead we have:

- › set a short-term (annual) environmental goal related to our GHG emissions; and
- › set a long-term (2030) environmental target that is supported by achieving short-term goals in succession.

Learn more about our environmental advancements in the [Environmental](#) section »

## WE EXPANDED SUPPORT OF H&P'S GLOBAL WORKFORCE, INCLUDING ESTABLISHMENT OF INTERNATIONAL DE&I FRAMEWORK.

<sup>6</sup> Refers to spills which H&P was required to report to the necessary government agencies in each state.

<sup>7</sup> Minority groups include Asian, Hispanic/Latino, Black or African American, and other ethnicities categories as disclosed in our diversity reporting tables. See appendix for additional data, information, and limited assurance criteria.

<sup>8</sup> Based on ethnic and racial categories used in Institutional Shareholder Services' (ISS) database. See ISS Procedures and Policies (Non-Compensation), Frequently Asked Questions, updated July 25, 2023.

## STAKEHOLDER SUCCESSES

### Customers Outcomes

- › We drilled more than 69 million feet and 3,600 wells in the North America Solutions (NAS) business segment and operated an average of ~187 rigs globally in 2023 while providing solutions intended to achieve the best outcomes for our customers.
- › H&P received a one-rig award with Saudi Aramco and continues a focus on international expansion including in the Middle East.
- › We drilled around 20% more distance in NAS using approximately 20% fewer rigs as compared to 2018.

### Communities

- › We provided support to more than 90 non-profit organizations and continue to lend our time to programs such as the Tulsa Area United Way, Food Bank of the Rockies, and K-12 education throughout our U.S. footprint.
- › Sponsorship of H&P's employee initiatives, including the H&P Way Fund and the Phyllis Dotson Scholarship Program continued to be a focus.
- › We worked with Genesys Works to support internships for rising seniors at Tulsa public high schools.
- › H&P partnered with Permian Strategic Partnership (PSP) to help build community and improve the lives of the residents in the Permian Basin.

Learn more about our stakeholder successes in the [Social](#) section »

### Employees

- › Continued to support a diverse workforce in 2023 with around a 10% increase in both the minority<sup>7</sup> representation of our U.S.-based workforce and women representation among senior managers since 2020.
- › We expanded support of H&P's global workforce, including establishment of International DE&I Framework.
- › Employees completed over 360,000 training sessions across the global workforce in 2023.
- › Over 3,300 employees completed our employee engagement survey with many departments participating at rates over 90%.
- › Employees increased submissions to our Recognition and Rewards program by 50%.
- › Observed a 40% decrease in Serious Injury and Fatality (SIF) rates related to breakdowns in LifeBelts.
- › Achieved around a 10% reduction in SIF actual rate for the year.

### Suppliers

- › Advanced the vendor onboarding process by increasing cross-functional collaboration across our organization and continuing to utilize data to determine further efficiency opportunities.
- › We continued to focus on leveraging local suppliers where feasible.

## GOVERNANCE

We believe maintaining strong governance practices through our Board, and positive improvements of ethics and compliance along with risk management oversight and policies, are important components in the work we do across H&P. Select governance highlights include:

Learn more in the [Governance](#) section »

- › In the past six years, the Board appointed four new Directors, each of whom are considered diverse by gender and/or ethnicity.
- › The Board provides oversight of our corporate sustainability programs, including the long-term GHG emissions target and annual ACGs.
- › We have a 36% diverse representation on the Board.<sup>8</sup>





# LETTER FROM OUR CEO

We are proud of our unwavering dedication to sustainability, operational performance, financial position, safety, environmental stewardship, governance practices, and positive social impact. Therefore, I am pleased to share H&P’s third annual Sustainability Report with our stakeholders. Every year, this document continues to be refined and improved, providing transparency to stakeholders not just around our non-financial data, but also highlighting how we operate as a company.

As the landscape with regard to regulation, disclosure requirements, and opinions around sustainability continues to evolve and unfold, H&P’s attention remains on ‘Doing the Right Thing’ and executing on our core purpose of improving lives through efficient and responsible energy. Our ethos remains unchanged and steadfast as we look to continue improving our value to our stakeholders and impact on the environment.

Part of being a sustainable company, particularly in a cyclical industry like ours, requires focus on financial results, not just with a near-term lens, but a long-term lens as well. Over the past couple of years, we have evolved our efforts and sharpened our motivations on delivering strong economic results that contribute to the long-term sustainability of the Company. Leading this evolution occurring in our industry remains challenging as we overcome historical precedents around industry past economic behaviors and decisions. However, our employees have risen to the occasion and executed on this mission, and I believe they will continue to do so.

During the year, we also turned a long-term lens towards our

non-financial related performance, namely GHG emissions reduction. From there, we established a longer-term GHG emissions reduction target. We will strive to achieve a 30% reduction in our carbon emissions per kilometer drilled by the end of fiscal 2030 and we will continue to develop our annual environmental goals in support of this longer-term target.

In addition to focusing on long-term financial sustainability and emissions reduction targets, we continued our efforts in supporting new economic forms of energy as part of addressing climate change. Over the last two years, we moved forward with efforts supporting the geothermal industry by drilling multiple wells, some of which are part of the most productive geothermal systems in history.

We appreciate what it means to be an industry leader – in safety, in our people, and in operational, financial, and environmental performance. On behalf of everyone at H&P, we appreciate your interest in the Company.

Sincerely,

**John Lindsay**  
President and Chief Executive Officer



**John Lindsay**  
President and Chief Executive Officer

# THE H&P WAY

The H&P Way provides stakeholders a glimpse into our purpose, what we do, and our values. It demonstrates the importance of the role H&P and our industry play in providing responsible energy through acting with care and integrity to generate value for our stakeholders. Our employees are expected to demonstrate The H&P Way in all aspects of our work with our stakeholders.

## OUR PURPOSE:

Improving lives through efficient and responsible energy.

## WHAT WE DO:

We safely provide performance-driven drilling solutions.

## OUR VALUES:

Our values reflect who we are and the way we interact with one another, our customers, partners, our shareholders, and the community.



### Actively C.A.R.E.™

We treat one another with respect. We care about each other. We are committed to Controlling and Removing Exposures for ourselves and others.



### Service Attitude

We do our part and more for those around us. We consider the needs of others and provide solutions to meet their needs.



### Innovative Spirit

We constantly work to improve and try new approaches. We make decisions based on our customers’ challenges and goals with a long-term view in mind.



### Teamwork

We listen to one another and work across teams toward a common goal. We collaborate to achieve results and focus on success with our customers and shareholders.



### Do the Right Thing

We are honest and transparent. We tackle tough situations, make decisions, and speak up when needed.



# ABOUT THIS REPORT

Helmerich & Payne's (H&P, we, our, or Company) annual Sustainability Report outlines our sustainability efforts and data for the fiscal year ended September 30, 2023, and speaks as of September 30, 2023 unless otherwise indicated.

Our core value of 'Do the Right Thing' continues to drive our sustainability policies and practices. We continue to engage with stakeholders on our sustainability efforts, including our employees, customers, suppliers, and shareholders. We aim to transparently report our sustainability efforts. Accordingly, this report is guided by recommendations provided by leading sustainability reporting frameworks, including the Sustainability Accounting Standards Board (SASB), the Global Reporting Initiative (GRI), and the Task Force on Climate-related Financial Disclosures (TCFD). Our results reported against these frameworks are outlined in the [Indexes and Data section](#) of this report.

This report includes our sustainability data for fiscal 2023, information about management and oversight of sustainability practices, both long-term and annual sustainability related goals, and other related programs. To support our sustainability related goals, we utilize various objectives and key results as sub-drivers and milestones which support achievement of our overarching goals. Additionally, statements of commitments in this report are aspirational and represent current or future plans or actions where we intend to focus our efforts in various topics of our sustainability program.

# SUSTAINABILITY OVERSIGHT

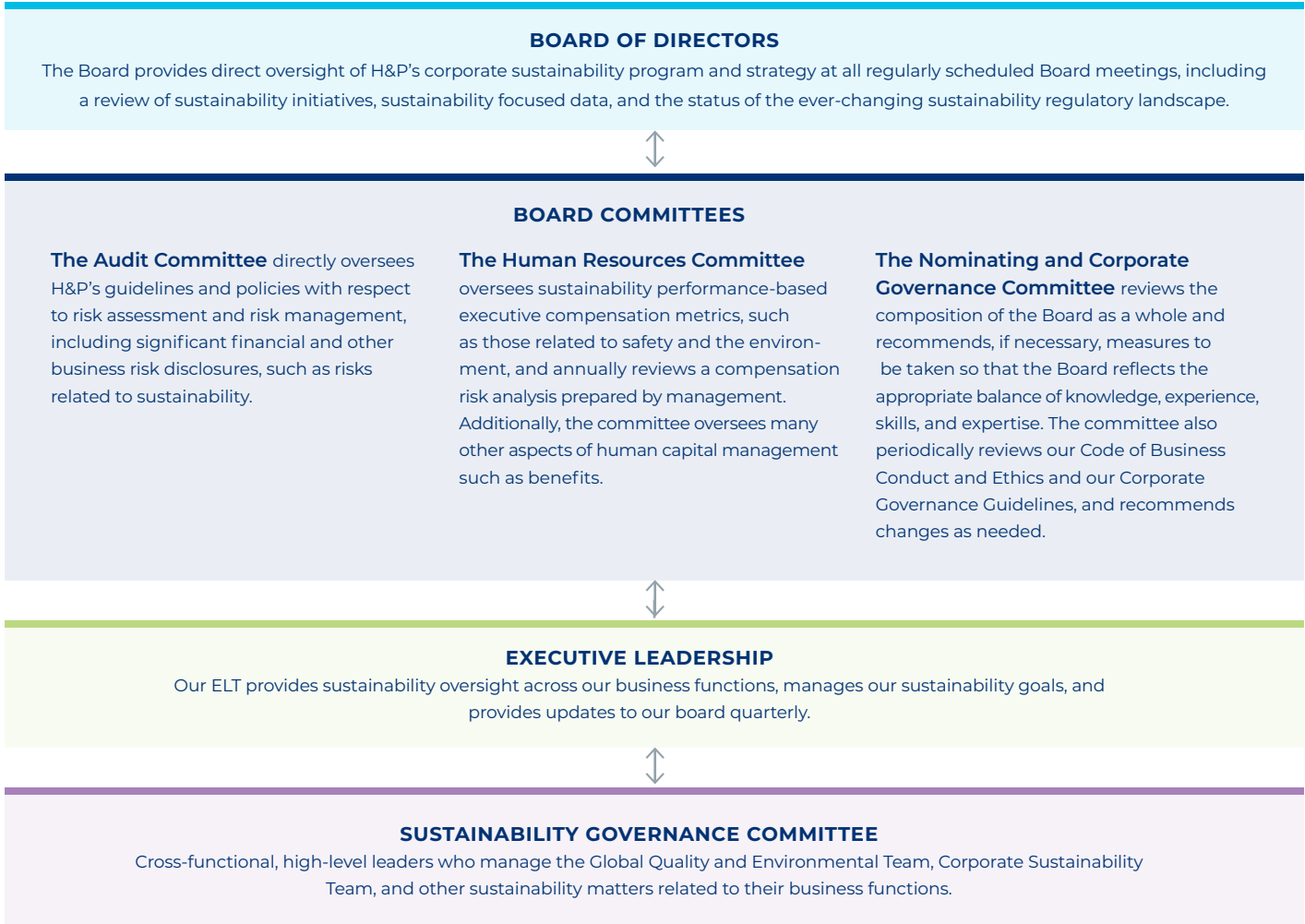
Corporate sustainability remains a priority and is important in H&P's business. H&P's oversight starts at the Board level, with employees across the company providing oversight as appropriate to their roles and expertise.

The Board oversees our sustainability initiatives, with aspects of such oversight formally integrated into Board meetings as described in the graphic on the following page. In addition, the Board's committees focus on certain aspects of sustainability related to their functions and are responsible for regularly reporting to the entire Board. H&P management, including our Executive Leadership Team (ELT), is responsible for planning, monitoring, and leading the implementation of our sustainability initiatives, and oversaw the development of this report.

This year, the Board and our ELT drove forward and supported our emissions reduction target, reviewed our refreshed Quantitative Scenario Analysis, and continued to play an important role in evolving our sustainability strategy as part of our broader business strategy as discussed in the graphic on the following page.

For questions or feedback regarding H&P's sustainability efforts, please contact: [Sustainability@hpinc.com](mailto:Sustainability@hpinc.com).

The following graphic provides a corporate overview of sustainability oversight at H&P.



Throughout this report we have included details on the specific oversight structures that manage and oversee different sustainability functions. As sustainability is part of our overall business strategy, these structures help to enable connectivity and sustainability-driven action across H&P.

Follow the below links to see how H&P's oversight structure drives forward our sustainability strategy:





# ENVIRONMENT

02



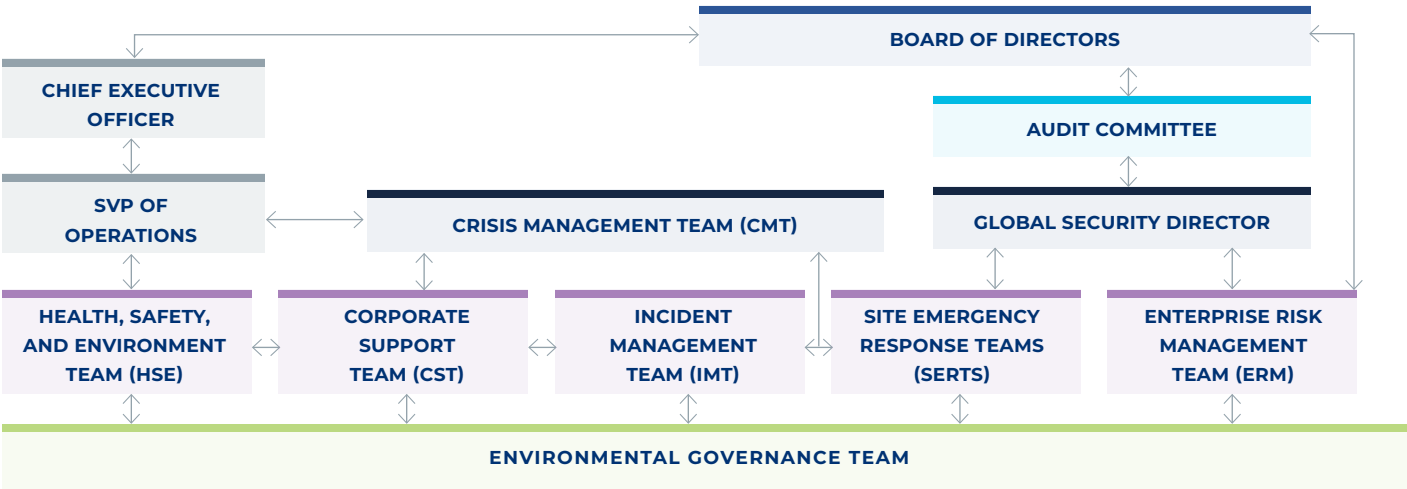


# ENVIRONMENTAL OVERSIGHT

Our Board is responsible for providing environmental management oversight with input from senior management as part of its larger sustainability and risk oversight functions. The Environmental Governance Team (EGT) is led by H&P’s environmental specialist, who serves as environmental lead in coordinating our environmental-focused efforts across the organization. Through our oversight structure, we have programs in place to help assess and manage climate and environmental risks, as well as contingency and emergency response planning.

Our EGT plays a central role in the development and execution of our environmental strategy. Comprised of members from various departments and business units, the EGT is responsible for monitoring our environmental data, govern- mental regulations, customer feedback, and industry standards. Using data and feedback, the EGT develops our Envi- ronmental Actively C.A.R.E.™ Goals (ACGs), which set out defined and actionable targets that are communicated to and acted on by the broader organization. This oversight allows us to fine-tune our environmental strategy and related objec- tives to help align with the evolving environmental landscape. As part of the updates to our Environmental Management System (EMS), we defined roles, responsibilities, and authorities for environmental matters in the organization.

A detailed graphic and corresponding definitions outlining environmental oversight is below:



**Board of Directors:** provides oversight with input from senior management as part of its larger sustainability and risk oversight functions.

**Chief Executive Officer:** receives feedback and communications from SVP of operations.

**Audit Committee:** responsible for overseeing H&P’s guidelines and policies with respect to risk assessment and risk management of operations.

**SVP of Operations:** reports HSE reported risk exposure to chief executive officer.

**Crisis Management Team (CMT):** leads H&P’s response to any significant events or crises. The team includes members of the executive and senior management teams.

**Global Security Director:** oversees and updates H&P’s Crisis and Emergency Management Plan (CEMP) in coordination with the CMT.

**Health, Safety, and Environment Team (HSE):** addresses all H&P’s risk exposures. The HSE team, including the senior manager of global quality and environmental, reports to the senior vice president of operations who reports to the president and chief executive officer.

**Corporate Support Team (CST), Incident Management Team (IMT), and Site Emergency Response Team (SERTs):** supports the CMT in response to significant events or crises.

**Enterprise Risk Management Team (ERM):** supports Board-level risk management initiatives and assists in the review, collection, and disclosure of risks.

**Enivronmental Governance Team:** manages climate and environmental risks through data collection, strategy development, and execution.

Together, the CMT, CST, IMT, and SERTs utilize our Corporate Emergency Management Program (CEMP) to prepare H&P for incidents that could introduce potential risks to our employees, facilities, operations, or the environment. Quarterly, our global security director is responsible for providing an update related to physical safety and emergency management to the Audit Committee of our Board.

# ENVIRONMENTAL MANAGEMENT

Our EMS serves an important role in our environmental efforts, outlining the structure and approach to H&P’s environmental management strategy through a series of programs, practices, and policies within the organization. Within our EMS, key components include reporting and target-setting as well as relevant practices across our orga- nization such as audits, trainings, certifications, and incident response.

## ENVIRONMENTAL MANAGEMENT OVERVIEW

As our EMS continues to evolve to meet the needs of our organization and its stakeholders, we have made updates to policies and the management of the system. Throughout fiscal year 2023, we updated the EMS with the aim of aligning with the ISO 14001 requirements. This includes areas such as identifying risks and opportunities related to environmental management, operational planning and control, auditing of the EMS, creating checklists, and making applicable updates to various policies, including our HSE policy. Our efforts related to our goal of achieving ISO 14001 certification demonstrate our ongoing dedication to providing responsible environ- mental management and helps align our practices with recognized international standards.

## PROCESSES AND AUDITS

H&P has established policies, plans, processes, and teams dedicated to environmental management and emergency response. These teams are developed with the intent to prevent incidents, minimize our environ- mental impact, and monitor our progress.

The updated EMS is intended to provide structure, guidance, and formalized practices to reduce environ- mental exposures. The updated policies identify and define our main environmental risks, and the managers responsible for overseeing and managing these risks. Additionally, our key responsibilities of top management related to oversight and risk reduction are outlined in the updated policies. This system reflects our dedication to advance environmental practices in our industry. For additional information on our EMS, see [Environmental Management Overview](#).

H&P conducts environmental audits of our facilities, at a minimum, quarterly in order to assess compliance with company policies and to identify any potential gaps in our environmental performance. We will leverage regular inspections, measurements and audits for noise, air, water, land, facility maintenance, and additional areas through our management program. Maintaining strong environmental management oversight and improving our policies and procedures on a regular basis supports our ability to execute on our environmental strategy.

H&P’s CEMP helps us to prepare for potential and real- ized incidents and crises and aligns with the following third parties:

- › National Incident Management System – Incident Command System
- › Federal Emergency Management Agency’s Comprehensive Preparedness Guide
- › The National Fire Protection Association 1600 Standard on Disaster – Emergency Management and Business Continuity Programs Research

The CEMP also outlines the structure for managing a severe incident and works in collaboration with more specific H&P response plans tailored to different incident types and locations. In addition to crisis response training for employees, H&P also offers a confidential hotline for employees or non-employees to report compliance concerns; concerns reported to the hotline are promptly reported to the relevant incident and crisis manage- ment teams. By providing a structured framework and preparing, we believe our risk management programs enable us to deliver our services safely while safe- guarding our personnel and the environment in the event of an incident.





ENVIRONMENTAL AND HSE POLICIES

In addition to the CEMP, H&P has designated a Safety and Environmental Management Plan (SEMP) which assists us in developing operational control procedures and addressing risks and opportunities related to safety and the environment for certain business segments.

At H&P, we strive to conduct our business as an environmentally responsible corporate citizen and make proactive efforts to minimize our impact on the environment. Our [Health, Safety, and Environmental policy](#) (HSE policy) defines the environment as the physical assets and equipment that make up our workplace as well as the earth, air, waterways, and communities that surround them. **The policy describes specific commitments outlining the importance of environmental stewardship, including:**

- › meeting or exceeding applicable health, safety, environmental, legal, and customer requirements;
- › complying with industry accepted health, safety, and environmental practices;
- › implementing practical processes that assist in reducing our impacts on the natural environment; and
- › regularly reviewing and improving the effectiveness of our EMS and our performance.

We review the HSE policy annually and make revisions as needed. This year, we implemented updates to our HSE policy and final signoff on the HSE policy is the responsibility of the SVP of operations.

Our HSE policy applies to all H&P employees as well as all contractors hired by H&P. In the event that contractors have their own HSE policy in place, we implement the more stringent of the two policies. We seek to conduct periodic audits of our contractors to assess compliance with the applicable HSE policy and, utilize our HSE management system to monitor contractors and their compliance across our footprint.

Aligned with the commitments set out in our HSE policy and goals described herein, we strive to:

- › provide appropriate and adequate resources to implement the Company’s EMS;
- › set annual environmental objectives and key results;
- › monitor performance towards accomplishment of our objectives and key results;
- › manage our processes, monitor our materials, and train our people in the Company’s incident prevention and response plans;
- › report environmental incidents and share lessons learned among teams to prevent recurrence elsewhere in the Company;
- › implement corrective actions and preventive measures as appropriate;
- › perform environmental audits to ensure compliance with legal requirements and conformance with client requirements and the elements of our EMS;
- › recognize individual employees and/or operations that demonstrate environmentally responsible behaviors, exceptional performance, and environmental leadership; and
- › review the HSE policy annually and revise as needed.

TRAINING AND RECOGNITION

Teams across H&P collaborate with the aim to provide our employees with thorough and effective training related to environmental management. Our CMT develops and implements H&P’s emergency preparedness and response training program, while the CST, IMT, and SERT work together to plan and conduct. New and existing employees receive training, which includes role-specific training, fire-life safety, and tabletop exercises. We assess training needs associated with environmental aspects of our business and EMS and utilize our learning management system to deliver and monitor EMS trainings.

We also use these programs as an opportunity to engage our employees, reinforce our Actively C.A.R.E.™ principles, and help progress our annual Environmental ACGs. These trainings have included topics related to emissions reduction and other environmental matters, safety practices, and spill prevention. To further encourage

our employees’ engagement, our Recognition and Rewards (R&R) program rewards employees for their management and removal of safety and environmental exposures. We also utilize our weekly company-wide FlexCalls to recognize employees’ contributions to environmental management, share updates on the ACGs, and raise environmental awareness within the Company.

ENVIRONMENTAL GOALS

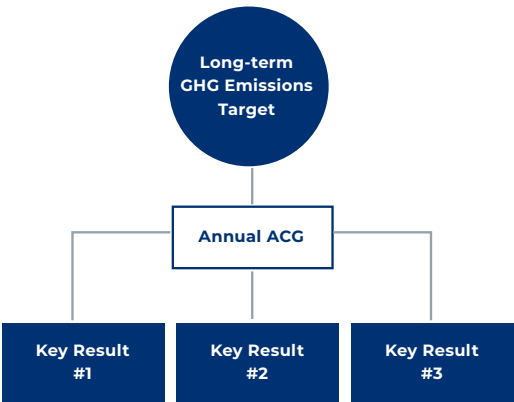
At H&P, we recognize the important role we play in the oil and gas value chain and are committed to doing our part to improve our environmental performance and impact. We believe that setting environmental goals, tracking our progress, and reporting our results helps to guide our strategic decision making and hold us accountable.

H&P has been working to track and manage our environmental footprint, including setting goals related to reducing our GHG emissions since 2021. We continue to set our ACGs on an annual basis, which helps us to actively control our environmental impact. As determined internally, we may expand our Environmental ACGs to include goals on items other than GHG emissions in the future. Each ACG is supported by a set of key results which help us achieve our goals.

This year, in addition to setting our annual Environmental ACG, we also set a long-term GHG emissions reduction target. Setting a long-term target will help progress our goal to reduce our environmental impact and help us incorporate sustainability practices into long-term business planning. While the annual ACGs have been instrumental in helping us track and achieve progress, we also recognize the potential impact of setting a goal for the long-term. Many of the opportunities we are pursuing to reduce emissions span over several years and will require long-term business planning. Our annual ACGs will support this long-term target. Additional information about our process for determining the long-term GHG emissions reduction target can be found in the [Long-term GHG Emissions Target Setting Process section](#).

Our EGT, ELT, and the Board are responsible for oversight of our environmental goals, including our long-term GHG emissions target. The ACGs are approved by our ELT and reviewed by our Board before they are formalized

and introduced to employees. As part of the process in setting the Company’s long-term GHG emissions target, the ELT and Board reviewed the supporting analysis, potential scenarios, and potential emissions reduction pathways.



To encourage our executives and employees to work toward our environmental goals, our annual short-term incentive cash bonus plan (STI Plan) includes targets related to our environmental, safety, and social goals. Additional detail about our STI Plan can be found in our [proxy statement](#). We also use internal training, data tracking capabilities, and our R&R Program to pursue achievement of our environmental goals.







Examples of environmental goals, initiatives, and programs include:

- › online and in-person environmental training;
- › regular communication on Environmental ACG progress through weekly FlexCalls (a Company-wide communication), My H&P Way (H&P’s intranet), and CEO State of the Company meetings;
- › regular drilling data collection focused on H&P’s speed, time, accuracy, fuel consumption, GHG emissions, and equipment runtime;
- › environmental Recognition and Rewards for operational practices, such as proper fluid transfers and use of equipment;
- › company-wide communications on long-term GHG emissions target;
- › implementation of long-term GHG emissions reduction pathways; and
- › ongoing tracking and monitoring of H&P’s progress toward both the annual Environmental ACGs and long-term GHG emissions target.

In addition to our internal efforts to manage our environmental performance, we believe that we are in a position to promote sustainability throughout the value chain. We leverage our customer relationships and diverse product offerings in an effort to manage the environmental footprint of our rigs and better manage emissions, with the goal of creating mutually beneficial outcomes for our customers and the environment. We believe our drilling solutions not only can lead to more environmentally friendly outcomes but can also reduce costs and provide broader sustainability benefits. Learn more about our collaboration with customers in the [Greenhouse Gas Emissions Management section](#) and the [Customers section](#).

H&P is proud to announce our newly set long-term GHG emissions intensity target: 30% reduction in net CO<sub>2</sub>e per distance drilled by the end of fiscal year 2030 compared to a 2018 baseline (the “2030 Target”).

2030 LONG-TERM GHG EMISSIONS INTENSITY REDUCTION TARGET: 30% REDUCTION BY 2030

OUR 2030 TARGET DETAILS AND BOUNDARIES ARE OUTLINED BELOW:



METRIC:

- › Intensity-based
- › Net CO<sub>2</sub>e per distance drilled



HORIZON:

- › Baseline year: fiscal 2018
- › Target year: fiscal 2030



SCOPE:

- › GHG emissions focus
- › Scope 1 and 2 (location-based)



REDUCTION AMOUNT:

- › 30% reduction from baseline year
- › 75.8 CO<sub>2</sub>e to 53.1 CO<sub>2</sub>e (metric tons per kilometer drilled)

2023 ENVIRONMENTAL ACTIVELY C.A.R.E.™ GOAL

**Goal:** Reduce the amount of GHG emissions per drilled distance by 1% with a reach goal of 2%

**Progress:** Achieved a 3.7% normalized GHG emissions reduction

**Some of the key results that were part of our 2023 Environmental Actively C.A.R.E.™ Goal include:**

1 › IMPLEMENT DRILLER'S SELECT ON 100 RIGS

**Purpose:** Driller's Select allows our employees to remotely start and stop rig engines. Our drillers can start and stop the engines based on current or anticipated operational requirements, helping to reduce excessive runtimes.

**Progress:** Implemented Driller's Select on 98 rigs, which is 100% of the rigs capable of receiving it in 2023 due to some rigs running other energy solutions, such as energy storage or highline power.

2 › ACHIEVE 80% OF ACTIVE RIGS RUNNING BELOW 30% AVERAGE EXCESS ENGINE HOURS

**Purpose:** Reducing the amount of excess engine runtime is one of the greatest methods to reduce emissions that we can directly control.

**Progress:** Achieved 64% of active rigs running below 30% average excess engine hours with progress made across all rigs in the NAS fleet.

3 › ACHIEVE A COMPLETION RATE OF 98% FOR ASSIGNED GHG EMISSIONS TRAINING

**Purpose:** New specific training focused on the strategies to reduce GHG emissions associated with our operations.

**Progress:** Implemented new training program, achieving a 99.4% completion rate by assigned employees.

4 › IMPROVE WINTERIZATION EMISSIONS MEASUREMENT CAPABILITIES AND BUILD WINTERIZATION ROADMAPS

**Purpose:** Focusing on winterization equipment emissions provides an opportunity to reduce emissions associated with equipment we directly control.

**Progress:** Created a winterization equipment roadmap to be implemented in the next winter season, and plan to improve fuel usage data collection by automating a dashboard and future equipment investments to include improved fuel measurement capabilities.

5 › VALIDATE EMISSIONS AND FUEL DATA WITH EMPIRICAL TESTING

**Purpose:** Effort to confirm rig engine original equipment manufacturer (OEM) emissions specifications with true exhausted emissions for greater transparency.

**Progress:** In 2023, utilized data from flow meters installed on rigs to perform a comparison study to current methods of fuel consumption calculation. The study confirmed that our method of using engine parameter data with OEM specifications to calculate fuel usage is the current best method for us to identify subsequent GHG emissions.





2024 ENVIRONMENTAL ACTIVELY C.A.R.E.™ GOAL

**Goal:** Maintain the normalized GHG emissions performance per drilled distance in 2024 as compared to 2023.

**Purpose:** As we work toward our long-term GHG emissions reduction target, setting an annual goal to maintain normalized emissions will help enable us to achieve incremental success as we aim to establish the long-term reduction roadmap.

To achieve the 2024 Environmental Actively C.A.R.E.™ Goal, we established key results related to:

- 1 › REDUCTION PATHWAYS FOR THE 2030 GHG EMISSIONS TARGET
- 2 › EXCESS ENGINE HOUR PERFORMANCE AND MANAGEMENT
- 3 › FLEET FUEL MANAGEMENT

Our refreshed annual emissions goal and long-term GHG emissions reduction target demonstrate our continued efforts to identify and set new objectives intended to hold ourselves accountable, provide transparency to our stakeholders, and reduce our overall environmental impact.

GREENHOUSE GAS EMISSIONS MANAGEMENT

H&P aims to take a proactive and holistic approach to managing our GHG emissions footprint. We believe that tracking and monitoring data related to our GHG emissions footprint enables us to better manage our emissions and identify areas for improvement. We strive to employ advanced data and software capabilities to monitor energy use during drilling and provide this data and identified efficiency opportunities as part of our new engine management product offerings to our customers. GHG emissions management is a collaborative effort with our customers, and we find that providing them with this information helps us to target mutually beneficial reductions in fuel consumption and lower emissions generation. Additionally, we have an increasing number of rigs powered by the generally more emissions efficient electrical grid, and we strive to utilize our data capabilities to specifically identify the reduction in emissions for those rigs.

Emissions from our drilling rigs are influenced by both H&P and our customers. As such, emissions from our equipment can also be counted by and disclosed by our customers as part of their emissions reporting. However, our operational control approach counts emissions, which are part of drilling operations, under our emissions inventory. Even though many of our customers consider these emissions and include them in their

disclosures and regulatory filings, we view this approach as one that provides greater transparency to our stakeholders and signals our dedication to improving the sustainability of both our and our customers' operations.

Aligned with our fiscal years 2021 through 2023, Scope 1 and 2 emissions reporting, which received limited assurance from Ernst & Young, LLP, we have calculated our emissions utilizing an operational control approach in conformance with the Greenhouse Gas Protocol accounting standards (GHG Protocol) and derived most of the emissions factors and global warming potentials from the Environmental Protection Agency (EPA). These recognized third-party standards, data collection and reporting, and limited assurance engagements, help us to continue improving and refining our approach to emissions reporting. We intend to continue evolving our approach as industry best practices progress and in compliance with applicable laws.

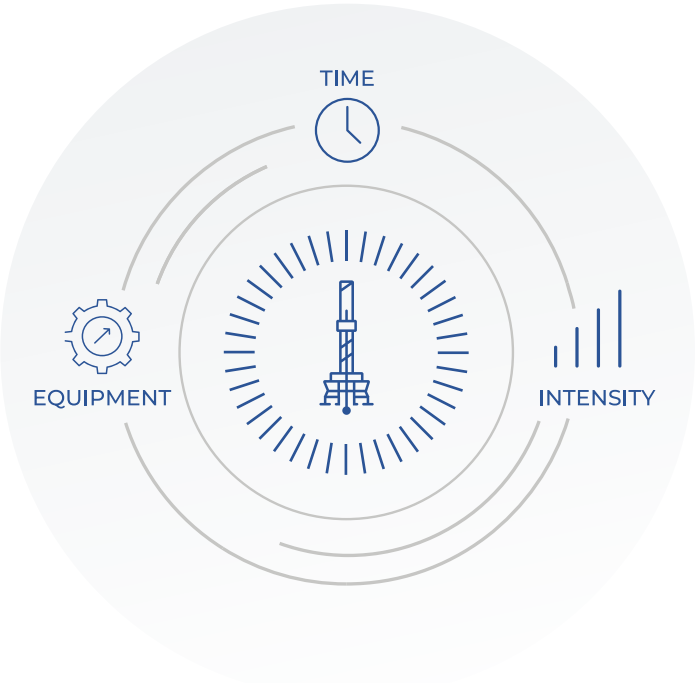
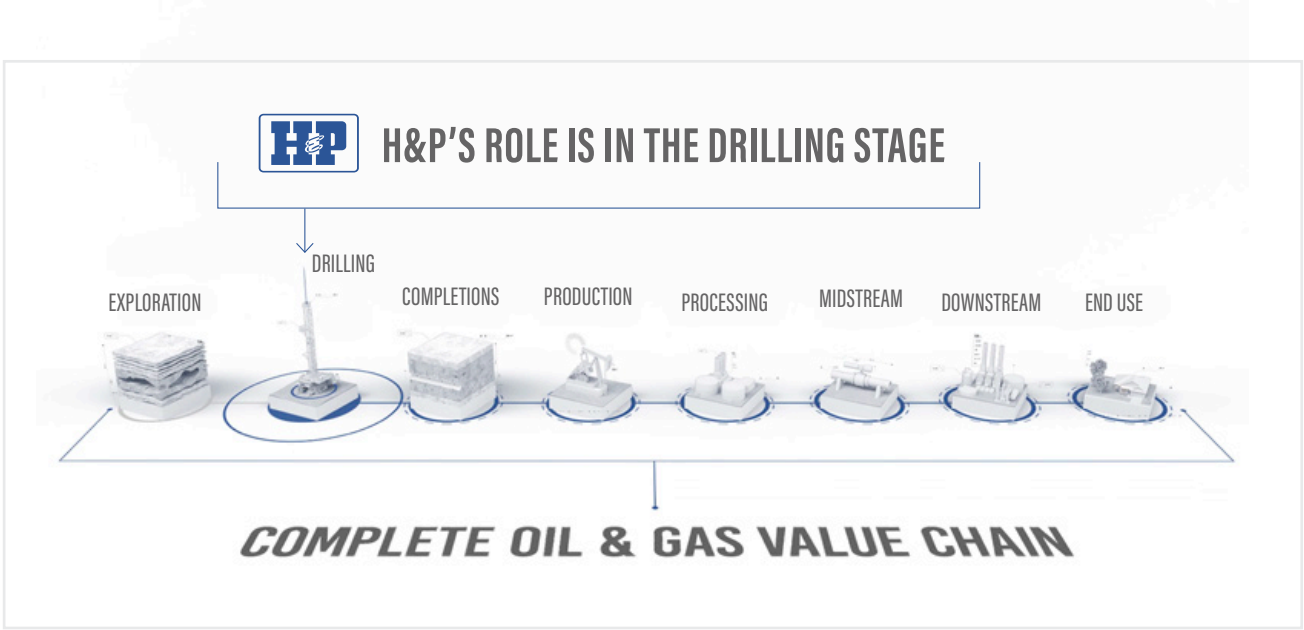
ENGAGING WITH CUSTOMERS

H&P believes in the importance of collaboration with our suppliers and customers as we all strive to move together toward a lower-carbon future. We focus primarily on the drilling segment of the oil and gas value chain, providing drilling solutions and technologies for customers.

While our customers make many of the decisions that impact well-site emissions, our solutions-based service

offering provides opportunities for customers to optimize the use of our rigs as part of their operations and emissions reduction activities. We also seek to provide our customers with options for alternative fuels, power sources, and technologies that can mitigate environmental impacts, including natural gas (dual fuel or natural gas engines) or electricity (high-line or battery). As H&P partners with customers to drill wells for oil and gas, geothermal, or carbon capture, both play a role in influencing the amount and type of

emissions for a particular site. Some factors that influence well-site emissions are related to time, intensity, and equipment. Each factor includes variables that can have a range of impacts on the total emissions generated when drilling a well. H&P and our customers have varying levels of influence on each factor, depending on the particular operation. The table on the next page represents the potential influence on drilling emissions by H&P and a customer.



Our customers' influence over rig emissions can be comparable to renting a car. When renting a car, customers are responsible for choosing the type of car and deciding how to drive it. As a result, they may assume the emissions related to their operations of the vehicle are their own, but the owner of the rental car takes ownership for the emissions of the operations of the car. Similar to the way someone renting a car may choose a more efficient vehicle that best fits their purpose, we offer our customers solutions in which they can make asset and fuel type decisions based on their needs.





PRIMARY RIG FACTORS	PRIMARY INFLUENCE	H&P ABILITY TO INFLUENCE	INFLUENCE OVERVIEW
Time	Customer	Yes	H&P can influence the time needed to drill a well through our equipment, people, and technology, but the overall well design – which is controlled by the customer – also influences how long it takes to drill a well.
Intensity	Customer	No	Generally, the customer's well design dictates the intensities needed to drill the well.
Equipment	Customer	Yes	H&P and customers both influence emissions derived from equipment variables such as asset and fuel types, as H&P is responsible for the rig design while customers typically choose certain equipment.

The table above is directional and intended to show how H&P and its customers can influence well-site emissions. The level of influence by both H&P and the customer varies depending on the particular operation, rig, and design.



TIME (SHARED CUSTOMER AND H&P INFLUENCE)

- › The total time spent to drill each well is inclusive of drilling and non-drilling time. Time is dictated by many variables and influenced by both H&P and the customer, including well design, total well depth and length, well diameter, drilling and operating parameters, technology, equipment, and non-drilling operations.



INTENSITY (CUSTOMER INFLUENCE)

- › The operating intensity of a well site is influenced by a number of factors, including the geological characteristics and various operating demands on power. These factors are generally dependent on the well's design, which is at the discretion of the customer.



EQUIPMENT (SHARED CUSTOMER AND H&P INFLUENCE):

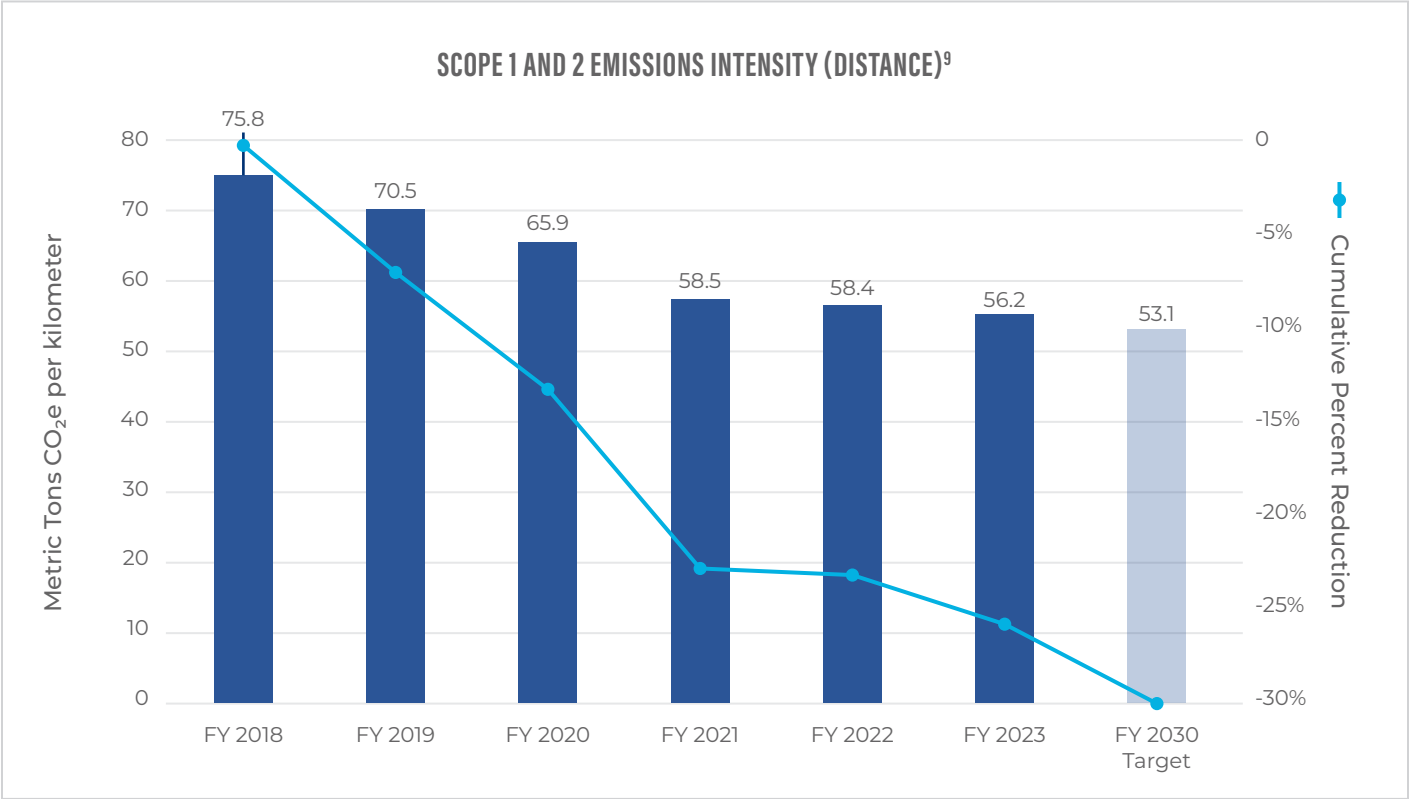
- › The equipment chosen for rig power generation dictates the type of emissions generated. H&P influences potential equipment emissions through the overall design of the rig and its maintenance through its usage, while customers influence emissions through their equipment and resource decisions to power the rig. Equipment may utilize location-based power generation (e.g., diesel engine, natural gas generators) or centralized power generation (e.g., utility grid power).
- › There are emissions benefits and drawbacks to using the various types of fuel configurations to power rigs. For example, the use of natural gas can reduce regulated emissions such as nitrogen dioxide and sulfur dioxide; however, this same fuel type may increase GHG emissions from methane slippage, a problem resulting from varying load requirements and incomplete combustion of natural gas. As such, we collaborate with our customers to help determine the appropriate equipment and power source for their specific needs.

Specific case studies and spotlights of our solutions in action are outlined within our [Customers section](#).

H&P’S GHG EMISSIONS PERFORMANCE

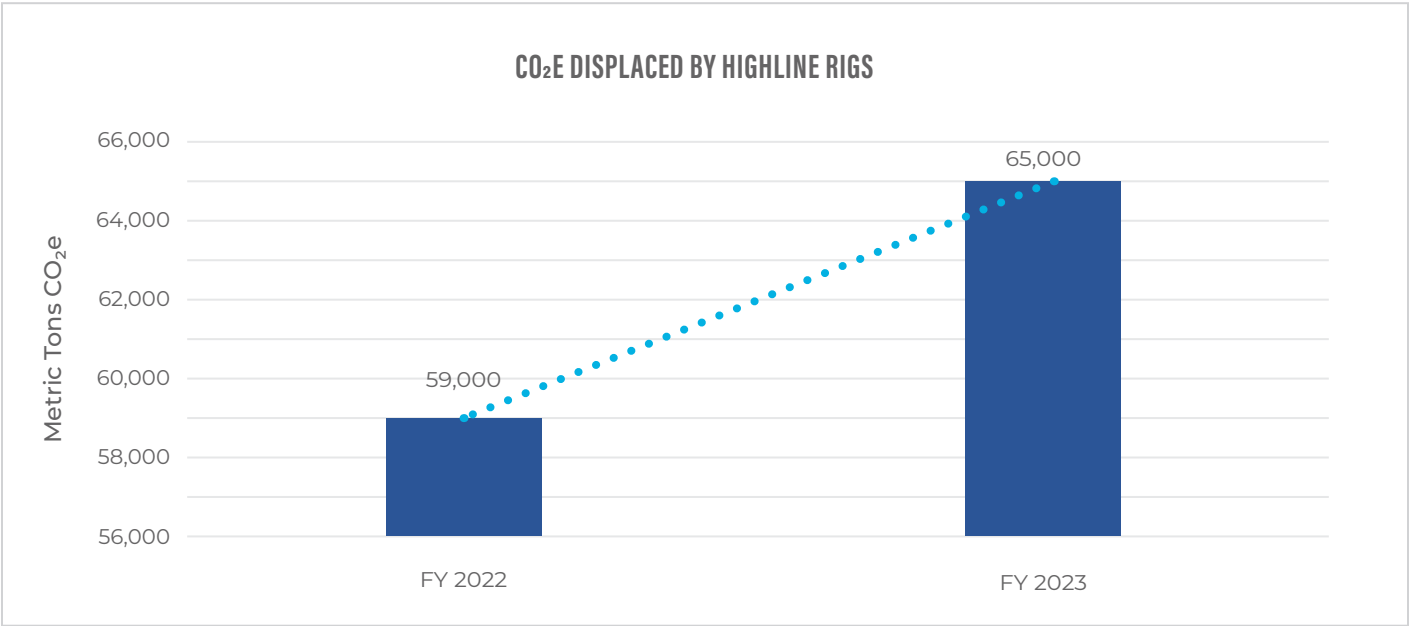
The emissions from our rig operations account for approximately 95% of the total emissions for the Company. We believe these emissions are likely included in our customers’ Scope 1 calculations as well. In a vast majority of contracts, our customers choose and provide the fuel needed to operate the rigs, and thus, include the resultant emissions as a direct result of producing their hydrocarbon products.

In connection with our efforts to manage our GHG emissions footprint, we have been successful in reducing emissions intensity from various sources across our business. For the past three years, H&P has set short-term emissions targets, which have helped us to achieve annually reduced emissions intensity. As such, we have already made progress toward our long-term target, reducing our normalized emissions intensity per distance drilled by ~25% through fiscal 2023.



<sup>9</sup> FY 2018 to FY 2021 GHG emissions data include estimated incremental inventory enhancements that were introduced in FY 2022.

During 2023, we averaged around 16 rigs that ran on highline power which displaced an estimated 6.4 million gallons of diesel fuel equivalent to 65,000 metric tons of CO<sub>2</sub>e. On average, highline powered rigs emit ~40% less GHG emissions than those running on the standard diesel engines.<sup>10</sup>

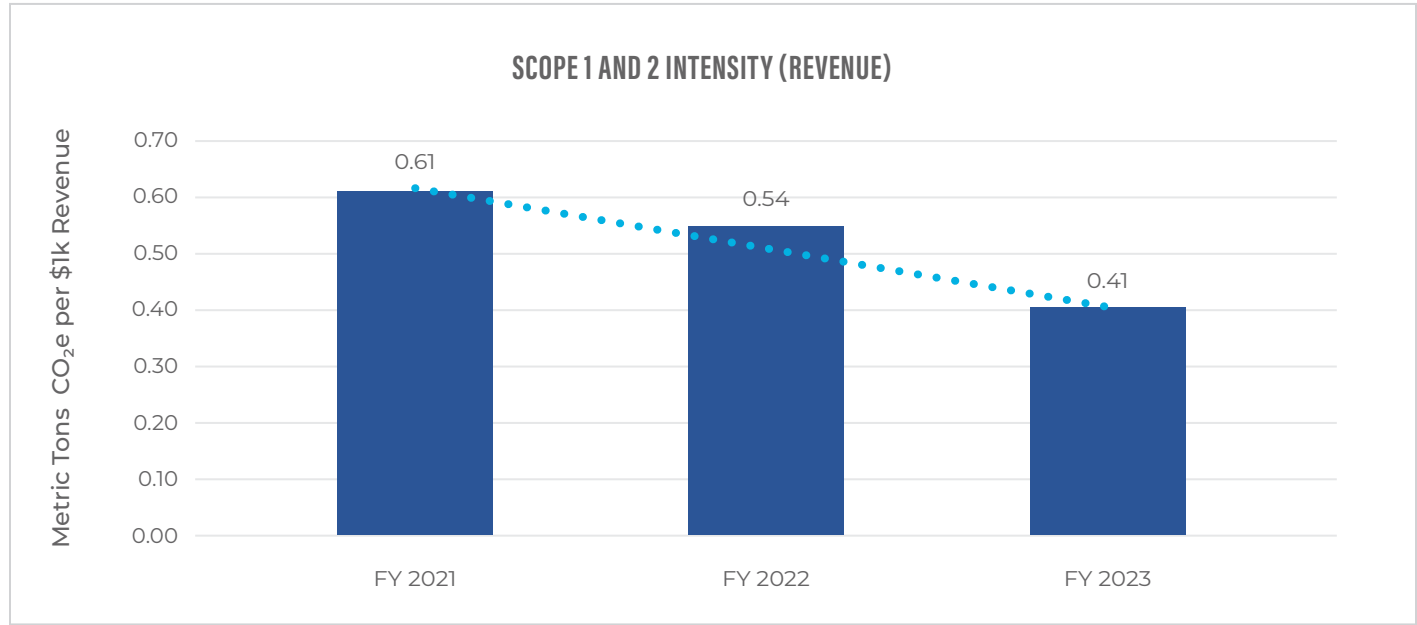


<sup>10</sup> Calculated using methods described in appendix of report and the average EPA EGRID emissions factors for the regions which we operate in as compared to other fuel emissions factors.



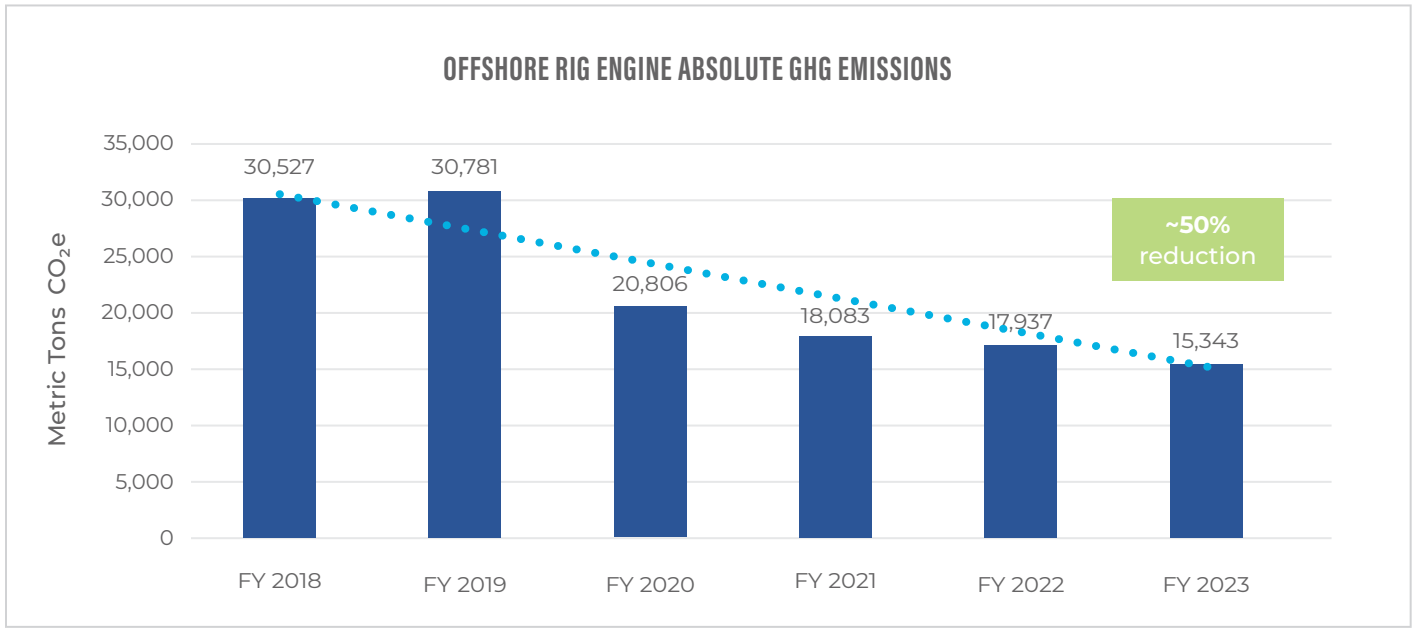
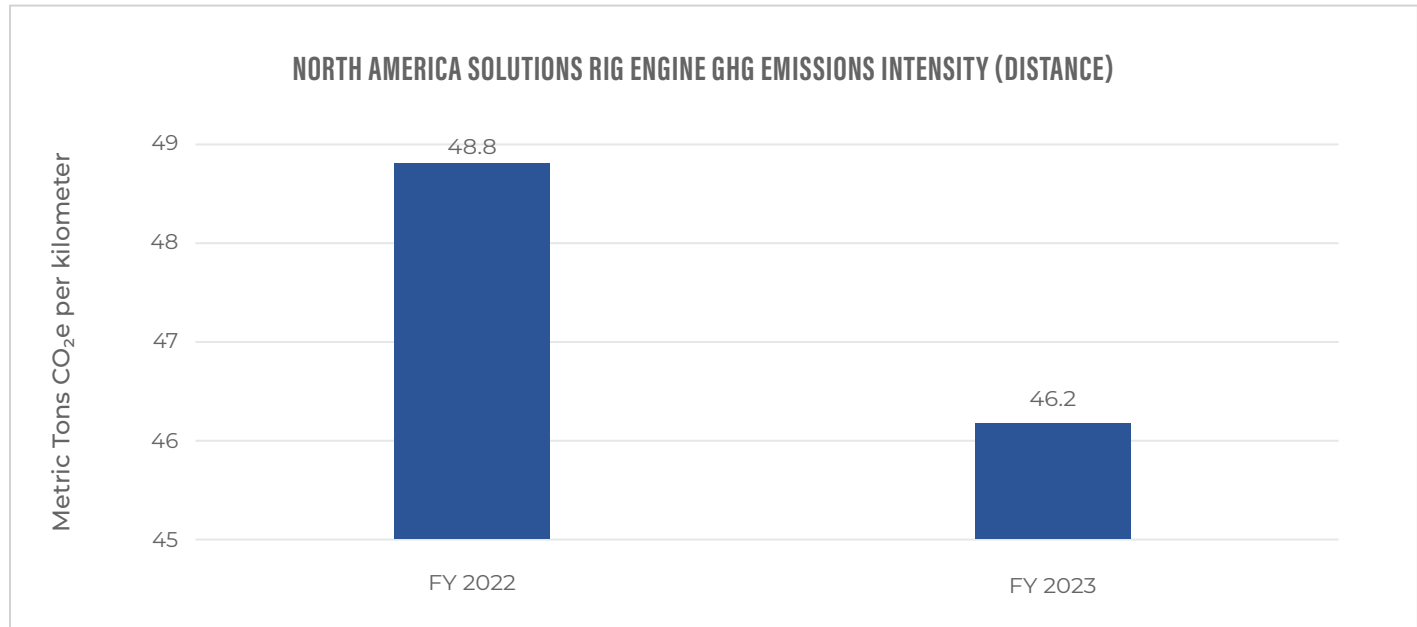


➤ Since 2021, our Scope 1 and 2 emissions intensity per \$1K in revenue decreased by over 30%.



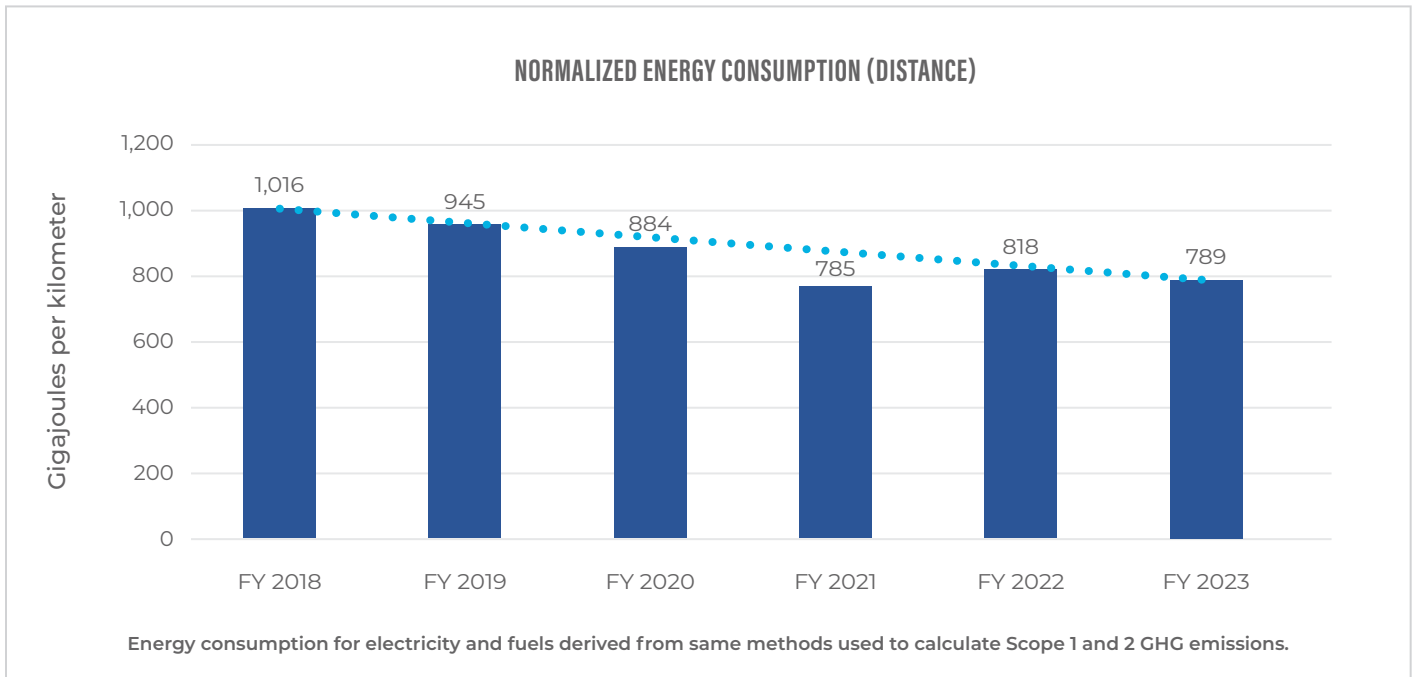
H&P identifies areas of opportunity to create environmental and emissions efficiencies within our operations, either through direct emissions initiatives or as byproducts of our broader business strategy. We focus on emissions reduction strategies that include efforts we can control or that we can aim to achieve through collaboration with our customers. Examples of these efforts include the reduction of excess rig engine runtime, use of technology, reduction of fleet vehicle idle times, and overall engine management. H&P has also historically implemented strategies on drilling performance, ultimately improving rig efficiencies, and lowering associated emissions per kilometer drilled.

We utilize the power of data to regularly track and monitor emissions throughout the year. Through this process, we have recognized reductions in various emissions sources from our GHG emissions inventory including onshore and offshore rig engines. In our Offshore Gulf of Mexico segment, we have reduced our total rig engine emissions by ~50% since 2018. Our NAS normalized rig engine emissions intensity experienced a ~5% year-over-year drop in 2023.



## ENERGY CONSUMPTION MANAGEMENT

Strategies related to energy consumption help us to increase energy efficiency throughout our operations. As a result of our strategy and efforts, we have achieved a notable ~22% reduction in total energy consumption since 2018 when normalized by drilling activity. This significant improvement highlights our dedication to responsible energy management and allows for both cost savings and emissions reduction.



Our efforts to reduce energy and fuel consumption have been, and continue to be, a focus within our Environmental ACGs. Additionally, we have a focus on reducing energy consumption through efforts that include engine management, alternative rig power generation, solar installations, and the adoption of LED lighting across our rigs.



## 2030 TARGET SETTING PROCESS

As part of our GHG emissions management strategy, we set a long-term GHG emissions intensity target to help guide our sustainability strategy in the coming years. To set this target, we underwent a thorough research and internal review process focused on identifying potential reduction pathways relevant to our business model and sustainability goals. We believe that our target-setting process, supported by pre-determined reduction strategies, will help facilitate our ability to achieve the 2030 Target, ongoing performance monitoring, and target implementation and oversight activities.

### TARGET SETTING PROCESS

H&P engaged with key cross-functional internal stakeholders, including managers from HSE, operations, and engineering, to identify relevant considerations including cost, feasibility, complexity, and different business projections. Our target setting process, described in further detail in the following section, has resulted in a goal that we believe is ambitious but also achievable, measurable, and aligned with H&P's broader business strategy.

### Target Setting Process and Achievement Overview



## ESTABLISH TARGET BOUNDARIES

To determine the appropriate boundaries and parameters for our 2030 Target, we researched relevant third-party frameworks and industry best practices, in addition to compliance with applicable laws. After analyzing these guidelines, H&P established the following boundaries for our 2030 Target:

- Metric: Intensity-based; net CO<sub>2</sub>e per distance drilled**
  - › The cyclical nature of our business can impact our overall activity including GHG emissions. As such, we decided to implement an intensity-based metric that we believe helps to normalize emissions across the cycles.
- Scope: Scope 1 and 2 emissions focus (location-based)**
  - › By focusing on Scope 1 and 2 emissions, we can focus on emissions reduction activities that are within our control in pursuit of our 2030 Target.
- Horizon: Baseline year – Fiscal 2018, Target year – Fiscal 2030**
  - › We selected 2018 as the baseline year because:
    - › 2018 represents the period for broad industry adoption of super-spec rigs.
    - › We implemented technology that allowed us to closely measure Scope 1 emissions with more accuracy.
    - › Drilling efficiencies and performance continued to improve in 2018.
  - › Aligned with internationally recognized standards, we elected to use a target year of 2030 to achieve our goal. The time horizon is expected to give us enough time to make operational changes but is soon enough that we are able to incorporate efforts into current and future business strategies.

**Super-spec** refers to rigs with at least the following capabilities:

**AC drive**  
technology

**1,500 horsepower**  
drawworks capacity

At least a  
**750,000 pound**  
hook load rating

**7,500 PSI**  
mud systems

**Multiple well**  
pad drilling  
capability





DETERMINE REDUCTION PATHWAYS AND TARGET AMBITION



To set our long-term target, we undertook a measured approach to identify the various potential pathways we could implement to reduce our emissions. We then identified and analyzed the impact of such pathways on our business, including the cost, complexity, and feasibility. Finally, we analyzed the reduction pathway levels in combination with our broader business projections to understand the set of possible scenarios that could result from pursuing these opportunities.

IDENTIFYING REDUCTION OPPORTUNITIES

First, we identified potential emissions improvement activities H&P could utilize over the next seven years to achieve our goal.

Powering the rig

Identifying and implementing different energy sources to power the rig such as highline power, batteries, or fuel.

Energy storage

Use of batteries that store and supply power to H&P rigs to help reduce the number of engines and/or their overall loads.

Technological innovation & operational efficiency

Use of technological innovations such as Driller’s Select or software solutions to increase the operational efficiencies while drilling.

Carbon capture & sequestration

Purchase of direct air carbon capture and carbon sequestration credits, which may be used in a limited capacity to reduce H&P’s emissions.

Many of the identified opportunities are influenced by the decisions of, or the adoption of, our customers. In our analysis, we considered possible scenarios regarding our customers’ behavior. Based on industry trends and similar emissions reduction targets set by our customers, we expect to see increased customer adoption of equipment and services that are lower in CO<sub>2</sub>e emissions in the coming years; however, we cannot guarantee such adoption by our customers or that our environmental goals will align with those of our customers.

EVALUATING REDUCTION PATHWAYS

After identifying the opportunities that could help us achieve our long-term GHG emissions target, we analyzed how each opportunity could impact our business, including potential impacts on emissions, adoption rates, capital expenditure, operating expenditure, and revenue. Through research and data collection, our employees also identified the risks, assumptions, complexity, and other insights applicable to each opportunity set. This approach helps us to properly prioritize our targeted emissions reduction pathways and better project their impact on our business.

This analysis, helped us to determine that a 30% reduction in net CO<sub>2</sub>e per distance drilled by the end of 2030 would be an appropriate goal for H&P.

IMPLEMENT REDUCTION PATHWAYS AND TRACK PROGRESS

Following the announcement of our target, we intend to continue to pursue the various reduction pathways we identified in order to achieve our goal by 2030. The time horizons of each opportunity vary and we intend to implement such opportunities as they are feasible and align with our broader business strategy. To help us to properly monitor our progress toward our goal, H&P intends to track our performance and adjust our strategy as needed. Each year, our Environmental ACGs will seek to support our long-term target and assist in making progress in the short-term. We will

also continue to monitor the regulatory environment and seek to comply with required disclosures related to GHG emissions and other environmental regulations.

SPILL MANAGEMENT

Effective spill management is another element of H&P’s environmental strategy, and our approach is centered on prevention to safeguard the ecosystems where we operate. Spill management has long been a focus for the Company and we have benefitted from a low incident rate.

We collaborate closely with our customers to establish countermeasures aimed at minimizing potential environmental impact. For instance, we strive to conduct equipment inspections, including hoses, and employ process checklists for fluid transfers as part of our proactive measures. Additionally, as part of our updates to our EMS, we defined responsibilities for drills and trainings associated with spills.

Our prevention- and training-based approach has contributed to a low incident rate for reported spills. In 2023, we had zero reportable spills in our operations.<sup>11</sup> We believe this zero-incident and spill volume can be attributed to the thoroughness of our Spill Prevention, Control, and Countermeasure (SPCC) plans, annual training programs, and emergency response kits.

SPILL PREVENTION AND RESPONSE	
<p><b>Spill Prevention, Control, and Countermeasure Plans</b></p> <p>SPCC plans are provided on every drilling site. Stormwater Pollution Prevention Plans are provided at any non-drilling facilities where it is required. These plans contain both proactive measures to prevent spills as well as measures to reduce environmental impacts if a spill does occur.</p>	<p><b>Spill Prevention and Emergency Response Training</b></p> <p>Our annual spill prevention and emergency response training helps prevent spills, keeps our rig crews safe, and effectively manages incidents.</p>

<sup>11</sup> Spills listed are those which H&P was required to report to the necessary government agencies in each state.



Additionally, H&P aims to prepare employees to manage a spill if it does occur. We leverage the following response practices:

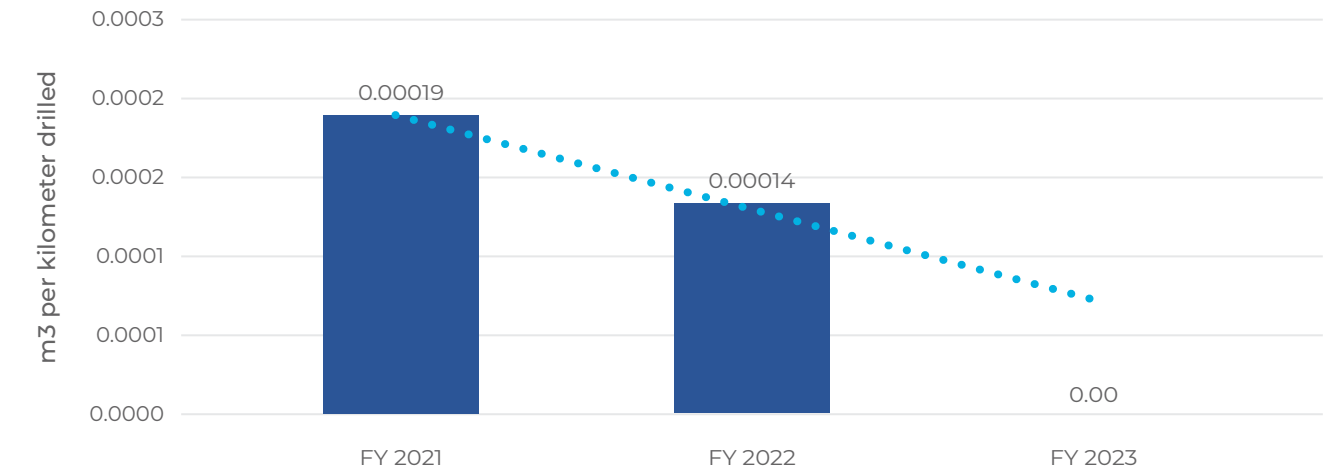
- › **Emergency Response Kits:** Full emergency response kits are required on every rig site to address and mitigate the impacts of spills. These kits help keep contaminants from reaching waterways or other environmentally sensitive areas.
- › **Remediation Practices:** Although remediation practices vary depending on the nature and size of each spill, standard spill remediation practices generally include the following:
  - › Fluid containment – initially apply booms around spill area to prevent spread of fluid
  - › Fluid removal – vacuum trucks/on-sight vacuums are used to remove standing fluids
  - › Excavation – contaminated soil is removed, placed in open top containers, and disposed of at approved facilities with waste manifests
  - › Soil sampling – a baseline sample is taken outside of spill area and multiple samples are taken within the spill area to verify that all contaminated soil was removed
  - › Backfilling – excavated area is backfilled and groomed to return to pre-spill condition
- › **Incident-based Learning:** H&P conducts investigations of serious spill incidents. We aim to determine root causes of such incidents, and corrective actions are developed from these investigations. We strive to track corrective actions to completion in a database and communicate investigation results to employees, focusing on lessons learned to prevent or mitigate future incidents.

› In fiscal 2023, 5,770 H&P employees completed Environmental and Emergency Response Trainings.<sup>12</sup>

<sup>12</sup> Average employee attendance is represented by average number of trainings completed for HAZCOM, HAZWOPER, SPCC and Emergency Response Trainings.



SPILLS NORMALIZED BY DRILLING ACTIVITY



## WASTE MANAGEMENT

H&P is dedicated to implementing responsible waste management strategies as a key component of our environmental strategy. We seek opportunities to improve our waste handling practices. Our focus includes the proper disposal of general, hazardous, and toxic waste.

Collaborating with our customers, we strive to reduce and recycle waste generated at our drilling sites. We maintain dedicated storage areas for chemicals and fluids, and general waste receptacles are provided. Routine inspections promote adherence to and effectiveness of our waste management processes.

Recycling is an essential element of our waste management efforts, allowing us to extend product lifespans, particularly for lubricants and hydraulic fluids, while minimizing waste generation. We properly dispose of fluids, chemicals, and potentially hazardous waste through contracted waste disposal experts. At our FlexRig® Machinery Center, we have invested in an eco-friendly wastewater collection system for wash bay waste disposal.

Our Information Technology (IT) service department collaborates with a third party to handle the pickup and destruction of IT and rig technology components. Devices containing sensitive proprietary information are documented, and we aim to receive certification

of their destruction. Items that can be salvaged are offered for resale through our third-party partner, reducing additional waste. This partner provides environmental reports to help us monitor emissions savings and recycling.

We also promote recycling among our employees through corporate reuse initiatives. For example, cardboard recycling bins are available on loading docks, and recycling bins are strategically placed in service areas for materials such as plastic, paper, and glass.

### Some of our targeted waste management and recycling practices include:

**Lubricants and Hydraulic Fluids:** Utilizing various filtration technologies which expand the lifespan of products by reclaiming hydraulic fluid and lubricants.

**Steel:** Contracting with local scrap dealers to cut-up and recycle excess steel from rig upgrades and repairs or when we scrap decommissioned rigs.

**E-Waste:** Contracting with specialized outside vendors to collect and dispose of e-waste in our corporate and field locations.

**Drilling Fluids and Oil Based Drilling Muds:** Thoroughly cleaning rigs of drilling fluids or oil-based drilling muds after drilling completion and prior to moving to the rig yard or new well site.





**Hazardous Waste:** Inspecting our parts and equipment to minimize the use of potentially hazardous material and striving to not use any products that contain materials such as lead and asbestos. If we need to dispose of hazardous waste, we hire specialized remediation companies to handle and remove the waste efficiently.

**Supply Chain Efficiencies:** By conducting an inventory and obsolescence check biannually, our teams are enabled to monitor product waste.

## WATER MANAGEMENT

At H&P, we understand the critical importance of water as a global resource and believe the oil and gas value chain plays an important role in responsible water management, especially as the world faces unprecedented scarcity challenges. Since water use is largely controlled by our customers at well sites, our ability to manage and oversee its use is limited. Our role in the use of water at well sites is as follows:

- › Customers supply the water, which we use for cleaning, drilling fluids, and other general needs.
- › H&P typically provides tanks for storing drilling fluids that can utilize water as a base. We work closely with our customers to monitor, measure, and maintain these drilling fluids.
- › Finally, we facilitate the removal of fluids through customer and third-party resources.

Despite our limited role in controlling water usage at well sites, H&P aims to assist our customers in finding solutions to reduce water consumption. We seek to work directly with our customers on an ongoing basis to meet their environmental goals. Our employees are trained to properly handle water for our customers and support their independent water management initiatives where possible.

## BIODIVERSITY MANAGEMENT

Oversight of biodiversity initiatives largely lies with our customers in the areas where we operate. However, we remain dedicated to supporting biodiversity preservation efforts across our customers' operations.

For instance, H&P's drilling technologies inherently help provide environmental footprint reductions. Through



Rig 650, West Texas

continued investment in mechanical and digital technologies, we have improved our drilling efficiency, enabling our customers to produce more energy with less impact on the land. The technological efficiency of our products, services, and overall operations helps reduce the direct impact on local habitats and communities by having a smaller overall environmental footprint, reduced infrastructure at well sites, and a reduction of the number of people required per site.

H&P's FlexRig® fleet was designed to be highly mobile, compact, fast-moving, and crane-free, reducing each drilling site's footprint compared to conventional rigs. This design helps to limit the number of loads on the road; thus, reducing the related costs, safety risks, and environmental impacts. Additionally, our FlexRig® fleet is pad-capable, which has further assisted our customers in improving well economics while at the same time reducing the biodiversity impacts on the land and surrounding areas. Pad-capable rigs allow for the drilling of multiple wells on a single well-site location, even those with existing wellheads and production, thereby reducing the costs and the need to disturb land for new well locations.

› In 2023, our North America Solutions fleet drilled 20% more distance than in 2018 but used around 20% fewer rigs.

Our customer-centric approach helps our customers achieve their objectives, including those customers looking to reduce noise pollution during drilling operations. We have collaborated with various customers to help reduce noise levels and have conducted noise level assessments on our rigs to help identify pieces of equipment that may benefit from efforts to reduce the overall noise generated. For example, we have partnered with our customers to install noise reduction equipment such as engine mufflers and walls, and also identified the overall reduction of noise throughout the drilling location from running highline electrical power versus diesel engines.

We understand the important role supporting biodiversity and natural resource philanthropy plays in reinforcing the health of the environment and in our communities. As such, H&P directs certain philanthropic efforts towards organizations like the Nature Conservancy. As a Corporate Conservator, our contributions aid in funding the Nature Conservancy's mission to "conserve the lands and waters on which all life depends." Additionally, we contribute to [Global Gardens](#), an initiative that uses gardening to foster science education and promote peace education in local schools and communities.

## CLIMATE STRATEGY AND ASSESSMENT

During 2022, H&P executed a quantitative scenario analysis (QSA) which included climate-related risks and opportunities associated with our business, and advanced our integration of climate considerations into our short- and long-term business planning. Over the past year, we have updated the analysis to account for new climate data, trends, and assumptions relevant to our business. We have also applied a similar scenario analysis framework to inform our long-term GHG emissions target. As our business evolves, we intend to update our climate-related risk and opportunity scenario analysis on an annual basis. Coupling this activity with H&P's corporate strategy can also help us identify and capitalize on new business opportunities.

TO PROVIDE CLEAR AND USEFUL  
INSIGHTS FOR OUR STAKEHOLDERS, OUR  
DISCLOSURES IN THIS REPORT INCORPORATE  
RECOMMENDATIONS OUTLINED BY THE TCFD.

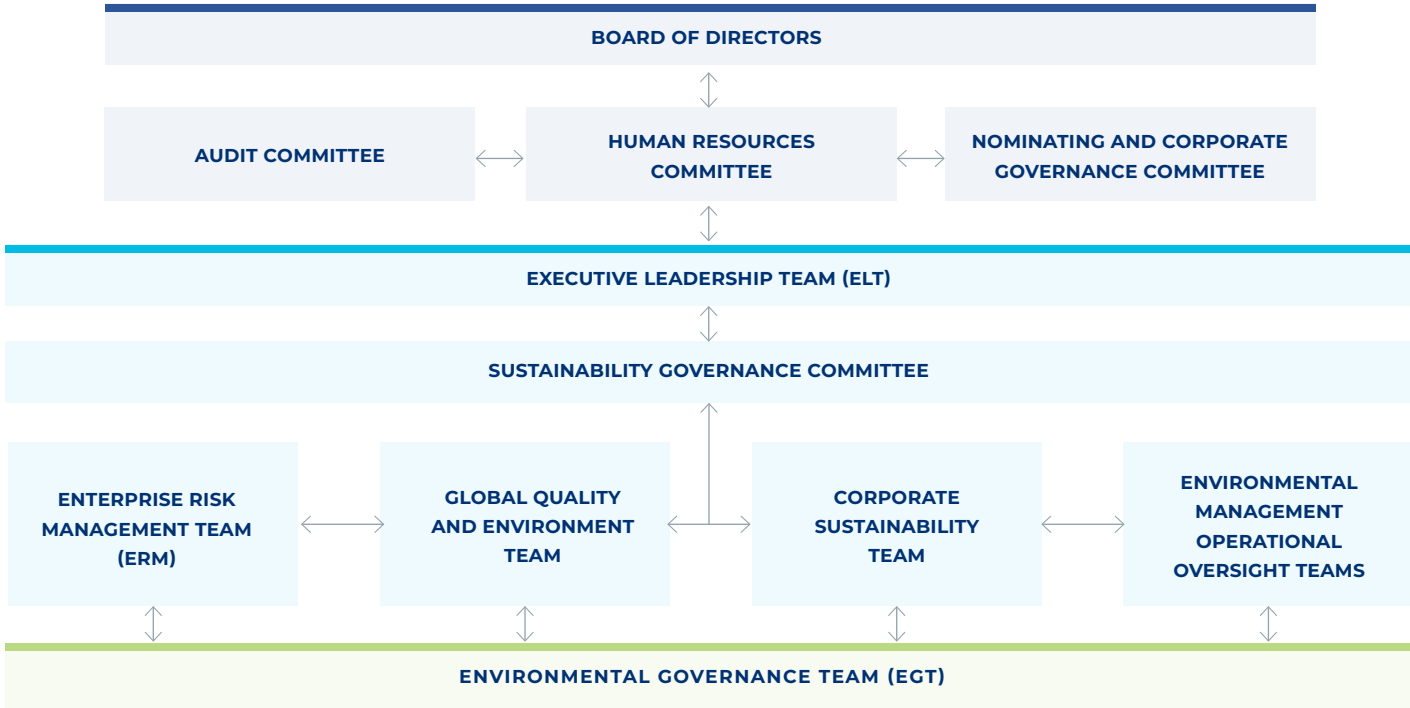


Rig 434, West Texas



## CLIMATE RISK MANAGEMENT AND GOVERNANCE

We aim to integrate our climate risk management efforts across our business, with Board specific committees and final oversight at the Board level. The graphic below depicts our cross-functional efforts to manage climate risk through specialists, teams, and functional leads.



**Board of Directors:** oversees corporate sustainability inclusive of all climate related matters.

**Audit Committee:** provides oversight with respect to risk assessment and management, including business risk exposures including climate-related risks.

**Human Resources Committee:** provides oversight and evaluation of compensation and compensation plans of the Company's executive officers, including performance compensation that includes certain sustainability goals related to the environment.

**Nominating and Corporate Governance Committee:** nominates candidates to the Board with knowledge, experience, skills, and expertise to enhance the Board's ability to manage and direct business affairs.

**Executive Leadership Team (ELT):** the ELT manages all sustainability matters and provides climate-related updates to the Board and its committees on a quarterly basis.

**Sustainability Governance Committee:** cross-functional, high-level leaders who manage the EGT, environmental specialist, Corporate Sustainability Team, and other sustainability matters.

**Enterprise Risk Management Team (ERM):** provides oversight with respect to risk assessment and management, including business risk exposures including climate-related risks.

**Global Quality and Enviroment Team:** oversees the EGT, manages the EMS, and works directly with the organization on environmental matters.

**Corporate Sustainability Team:** cross-functionally coordinates sustainability efforts including climate and risk management across the organization.

**Environmental Management Operational Oversight Teams:** the teams directly responsible for H&P's environmental management including HSE, CST, IMT, and SERTs.

**Environmental Governance Team (EGT):** manages climate and environmental risks through data collection and strategy enhancements including setting company-wide yearly targets and objectives.

Our ELT reviews and leverages the QSA in the biannual strategy setting process, with the goal of understanding future implications different scenarios may have on the Company's overall strategy.

## BOARD OF DIRECTORS' DEDICATED CLIMATE OVERSIGHT

The Board includes factors related to climate change and the oversight of risks and opportunities into Board level discussions. The Board receives a quarterly report from management on sustainability matters. The ELT includes the output of the scenario analysis in the biannual strategy setting process and may include considerations from the results in H&P's overarching strategy. The Board also engages in the process by providing a formal review and input to the business strategy on an annual basis.

Our board committees oversee climate matters related to their duties. These duties generally include the following:

BOARD COMMITTEE	CLIMATE OVERSIGHT
Audit Committee	<ul style="list-style-type: none"><li>Regularly reviews significant financial and other business risk exposures including those related to climate</li><li>Oversees management's monitoring and internal controls</li><li>Provides oversight into the external limited assurance engagement for sustainability metrics, including GHG emissions</li></ul>
Human Resources Committee	<ul style="list-style-type: none"><li>Establishes the executive compensation program, including setting and evaluating the extent to which environmental performance targets in that program are achieved</li></ul>

## SENIOR MANAGEMENT'S CLIMATE OVERSIGHT

H&P's senior management works collaboratively to implement the strategies associated with the climate and environment and the ensuing policies, practices, and initiatives. The ELT provides an overview to the Board and chief executive officer on their processes and efforts, which then enables the Board to monitor climate risk exposures.

EXECUTIVE LEADERSHIP TEAM CLIMATE OVERSIGHT					
CHIEF EXECUTIVE OFFICER	Provides overall sustainability oversight through the development of the company strategy and through exectuive team management				
SVP: U.S. LAND OPERATIONS	SVP: INTERNATIONAL & OFFSHORE OPERATIONS	SVP: CORPORATE SERVICES & CHIEF LEGAL OFFICER	SVP: IT & ENGINEERING	SVP: MARKETING & SALES	SVP & CFO
Provides oversight of H&P's HSE functions and the development of our HSE strategies, goals, and practices	Provides oversight of international and offshore HSE functions and execution of environmental and safety strategies	Provides oversight of legal, environmental compliance, and other climate related corporate services functions	Provides oversight of cybersecurity risk and mitigation strategies, climate data management, and engineering functions	Provides oversight of digital operations, product management, marketing, and sales teams	Provides oversight of Enterprise Risk Program, corporate sustainability, and corporate ventures, which is responsible for the advancement of certain alternative solutions such as geothermal investments





The members of the ELT are responsible for climate and sustainability oversight and management that pertains to their individual responsibilities within each respective business unit. H&P's senior management team is supported by the employees who directly operation-ize H&P's climate and sustainability strategies, including but not limited to H&P's Sustainability Governance Committee, Global Quality and Environmental Team, ERM Team, Corporate Sustainability Team, and other teams that provide environmental oversight.

### ENTERPRISE RISK MANAGEMENT (ERM)

H&P's enterprise risk management program is designed to identify risks to our business, including risks related to climate, and includes levels of oversight that allow for regular risk management across our operations. The Board and its committees are responsible for overseeing this function and our management team aims to provide an update to the Board and the relevant committees on a quarterly basis. During regular meetings, the Board reviews the information provided by management, potential risks factors, and H&P's most significant risks. The information covered includes areas relevant to H&P's operations, including safety, legal, regulatory, insurance, finance, strategy, environmental, sales and marketing, social, and governance matters.

H&P's director of risk management and insurance provides a report to the Audit Committee and the full Board on a quarterly basis, and is responsible for identifying and monitoring risks to H&P. The risk management team also assesses established risk mitigation plans and works to enhance risk identification, communication, and mitigation across the organization. In addition to the risk management team, H&P has dedicated management and operational teams that address climate risks, such as the Crisis Management Team (CMT) and more specialized environmental teams and individuals that support day-to-day direct and indirect identification and mitigation of climate risks.

### CLIMATE-RELATED RISKS AND OPPORTUNITIES

In 2021, the Board oversaw the review of climate-related risks and opportunities, leveraging internal stakeholder feedback, including those who directly oversee environmental management. Each year, the ELT confirms

the climate-related risks and opportunities and their relevance to our business. Aligned with our ERM practices, we intend to continue reviewing and, if appropriate, can revise climate risks and opportunities in future years.

The risks and opportunities below are included in the data set used in strategy setting and planning for the business and are included in the QSA. All of the risks below are included in the Company's [10-K](#) risk factors section and are summarized for the purposes of this report.

#### Risks

- › **Transition to a Low-Carbon Economy** – The global transition to a low carbon economy could have a negative impact on our business. Additionally, this risk includes the evolving perception of the industry due to the climate change dialogue and the financial risks to the organization associated with climate-related impacts.
- › **Regulatory Risks** – Risks that arise from the constantly changing environmental regulatory landscape causing public and private sector perception to shift and possible limitations to capital access in forms of investment or lending.
- › **Operational and Incident-Based Risks** – The operational footprint and incident risk and/or occurrence that can significantly impact the Company, increase its perceived and realized risk exposure, and produce reputational harm.
- › **Physical Risks** – The Company's exposure to and management of climate-related physical risks, such as inclement weather, which could impact its ability to operate.

#### Opportunities

- › **Commercial-Venture New Energies Businesses** – Any commercial activities in which the Company partakes, including potential or realized investments and business ventures in alternative energy businesses.
- › **Operational Efficiency Improvements** – Efforts taken to improve operational efficiency that benefits cost reduction and minimizes environmental impact.
- › **Research and Development** – The amount of money, time, and resources invested into developing increased efficiency and alternative technologies, which may drive revenue and sustainable product offerings.

- › **Supporting Business Partners and Customers in Meeting Environmental Sustainability Goals** – The ability of the Company's current and future drilling solutions to support business partners and customers' environmental sustainability goals through increased operational efficiency and continued innovation.

### STRATEGY AND RESILIENCY ASSESSMENT

#### Quantitative Scenario Analysis

During 2023, we refreshed our first scenario analysis conducted in 2022. This analysis intends to provide considerations related to climate change which can be used to inform H&P's strategy. The model we created uses third-party climate scenarios and is developed independent from our existing strategy setting process, which helps us to produce an output that is unbiased towards existing planning. We then use the results as a part of our strategy setting process to test the resilience of our strategy from both a financial and climate perspective.

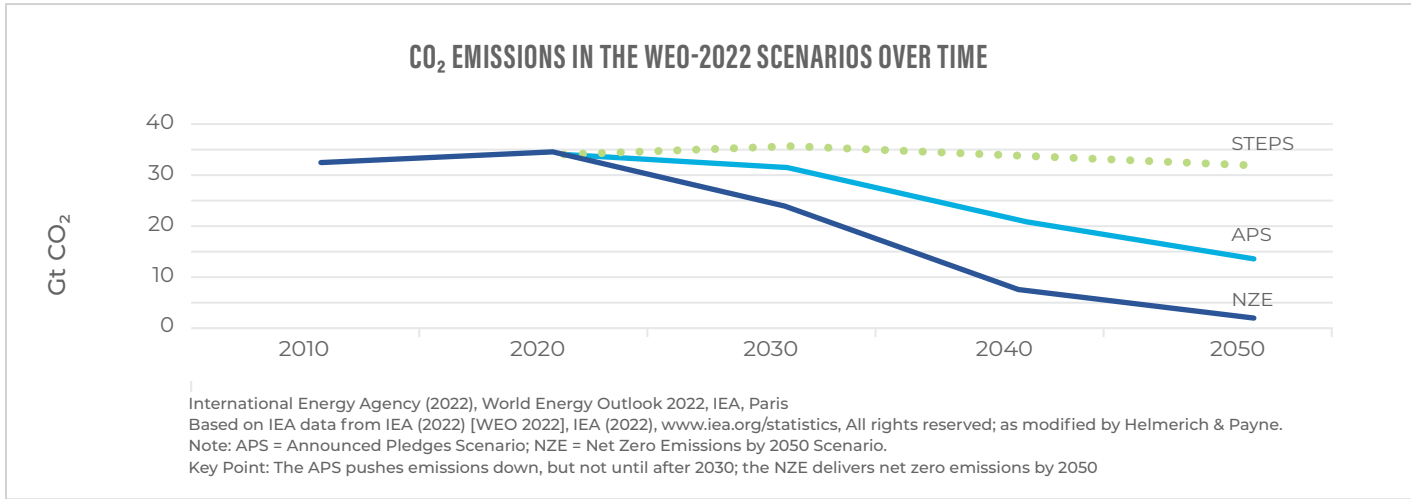
Through our initial work to develop our QSA, we considered the use of scenarios across three leading independent organizations. We ultimately concluded that the scenarios provided by the International Energy Agency's (IEA) World Energy Outlook (WEO) provided us with the most insightful and actionable information to execute our analysis given the focus on energy market supply, demand, and pricing. We leveraged the IEA's 2022 WEO in our 2023 scenario analysis building off the base model developed in 2022.

Of the three 2022 WEO scenarios, we selected the Stated Policies Scenarios (STEPS) and Announced Pledges

Scenario (APS) to define and provide an insightful range of outputs against different scenario assumptions. As the SDS scenario is no longer one of the WEO scenarios, APS provided an appropriate substitute for our analysis. The use of the APS scenario when building our model represents the use of a realistic future scenario that holds global warming to under a 2°C limit.

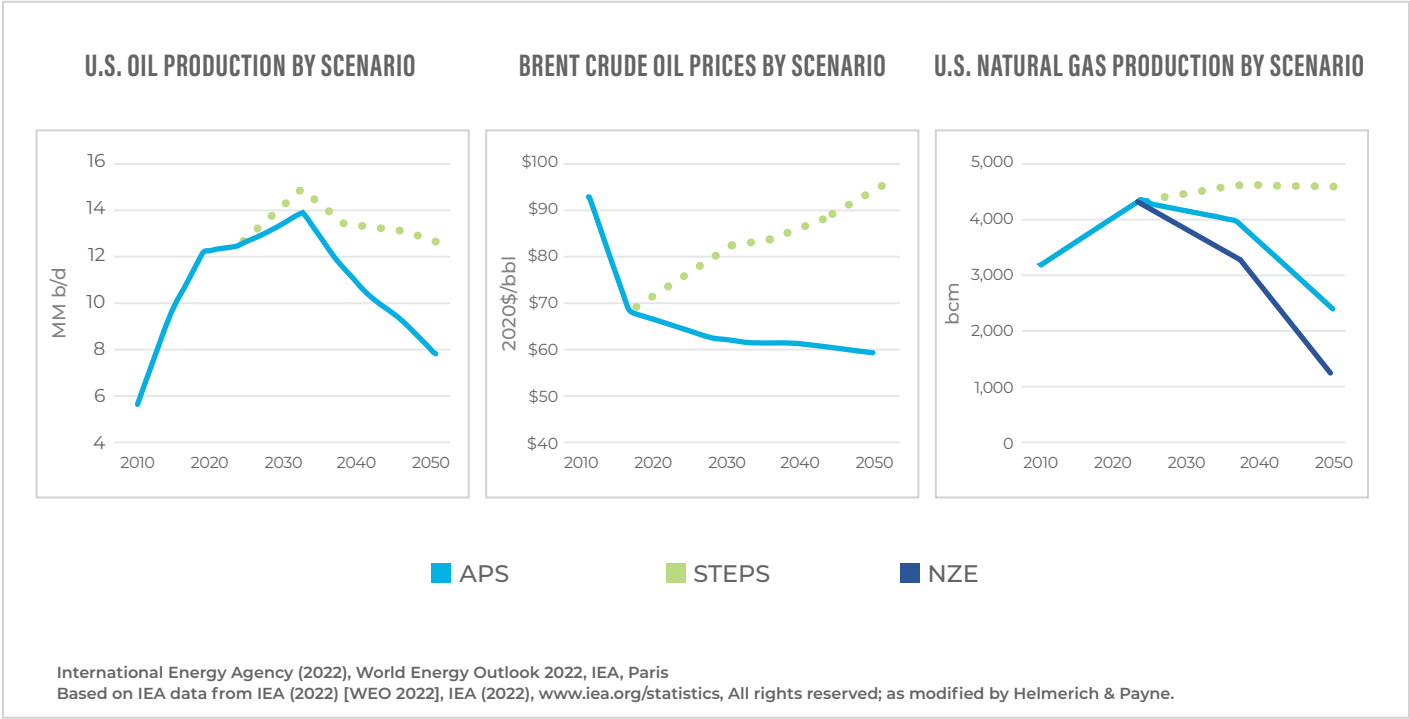
The 2022 WEO supplies three core scenarios that include insights from the energy market. Each scenario considers how energy demand will be met, cost data, and policy choices. These three scenarios are:

- › **Stated Policies Scenarios (STEPS)** – Demonstrates current policy settings by sector analysis of current enacted policies, and future policies that are being created by governments. The STEPS scenario assumes that governments will not reach all announced goals.
- › **Announced Pledges Scenario (APS)** – Scenario indicates all climate targets made by governments, including nationally determined contributions and longer-term net-zero targets, will be made. The APS scenario outlines society's intention to address climate change.
- › **Net Zero Emissions by 2050 (NZE)** – The NZE establishes a strict path to reinvent the global energy sector. The priority of this scenario is to create an energy economy that is predominantly powered by renewable sources rather than fossil fuels. To achieve net-zero CO<sub>2</sub> emissions, this scenario does not rely on external sectors outside of energy but assumes that non-energy emissions will be reduced in the same proportion as energy emissions.





The charts below display select scenario historical and forward-looking data for the STEPS and APS information, as provided by the WEO, for U.S. oil production and Brent crude oil prices as well as U.S. natural gas production and price projections.



### SCENARIO ANALYSIS APPROACH

Following the selection of the two WEO scenarios, which represented high-end and low-end outcomes, we established a comparison process to assess the implications of each bookend scenario to our business.

The STEPS and APS scenario data allow us to repeat our multi-step analysis process in order to ascertain the potential impacts of a changing energy landscape on our business. Similar to 2022, we leveraged the following steps to refresh the analysis:

- **Step 1 – U.S. Oil and Gas Production and Prices:** We applied the updated 2022 WEO pricing and production scenarios to an internally developed model analysis.
- **Step 2 – H&P Forecasted Scenario Outputs:** We updated H&P-specific assumptions necessary to execute the analysis and determined forward-looking scenario outputs based on historical trends and the selected STEPS and APS scenarios.
- **Step 3 – Financial Statement Implications:** We reviewed and compared models to existing financial strategic planning scenarios.
- **Step 4 – Review of Strategy:** We stress-tested current strategy and resilience against STEPS and APS scenario outputs as well as considered the financial implications of those outputs.

When conducting the analysis, H&P aims to leverage both the assumptions inherent to the WEO scenarios and the H&P-specific assumptions to execute the analysis. H&P-specific assumptions are derived from climate change factors, strategy changes, and any additional industry-specific considerations we incorporate. We will update the H&P-specific assumptions as needed to account for changes to our business model, such as our increasingly global presence.

Recognizing that many of the H&P-specific assumptions are subject to year-over-year adjustments and that the IEA updates its scenarios annually, we plan to refresh this analysis annually. The climate scenario analysis serves as an important input into our existing strategy setting and review processes. H&P also monitors the global regulatory landscape and will adjust our analysis as needed to comply with applicable regulations.



### SCENARIO ANALYSIS RESULTS

Our QSA compared the WEO's STEPS and APS scenarios to the financial scenarios we have developed internally as part of our strategic planning. The 2023 QSA, with STEPS on the high-end and APS on the low-end, fell within the ranges we have considered as part of our strategic planning and yielded a similar output to our 2022 analysis. These similar year-over-year results reaffirm and help shape our updated business and sustainability strategies.

While our quantitative climate scenario analysis focused predominantly on the next five years, it also considers further medium- and long-term scenario projections, which ultimately supports our approach to our alternative solution investments such as geothermal companies and their related technologies. In 2023, H&P continued to invest in and support geothermal, carbon capture, and other alternative solutions through applications within our own operations, technologies, and capital investments. More information about such investments can be found in the Facilitating Alternative Solutions in the [Changing Energy Landscape section](#).



Rig 516, North Dakota





RISK MITIGATION AND OPPORTUNITY CAPITALIZATION

CLIMATE-RELATED RISKS

Specific to the identified climate-related risks, we have provided an outline of each risk, the corresponding potential financial impacts, and examples of H&P initiatives that may assist in mitigation.

CLIMATE-RELATED RISK	POTENTIAL FINANCIAL IMPACT CATEGORIES	RISK MITIGATION
Transition to a Low-Carbon Economy	Increased direct costs	<ol style="list-style-type: none"><li>Our <b>Environmental Actively C.A.R.E.™</b> Goals, key results, 2030 Target, and associated attainment strategies demonstrate our dedication to continued environmental impact improvement.</li><li>Our <b>corporate strategy and objectives</b> incorporate and support our sustainability program.</li><li>Proactive <b>corporate planning</b> and <b>strategy setting</b>, and <b>financial modeling</b> underpin mitigation of future risks including those related to climate.</li><li>The recently executed <b>climate QSA</b> helps H&amp;P to regularly assess the scenario implications for our climate and business strategies as well as provide our stakeholders with information via our annual Sustainability Reports.</li><li>Commercial <b>investments into low-carbon</b> and <b>energy transition companies</b> as outlined in the climate-related opportunities section.</li><li>Our <b>efficiency driven drilling outcomes</b> position H&amp;P to help its customers that can positively impact the environment through the transition to a low-carbon economy.</li><li>We <b>provide drilling solutions</b> to companies focused on <b>low-carbon and alternative energy solutions</b>, as well with companies in the traditional fossil fuel industry to develop new solutions to <b>reduce GHG emissions</b>, such as <b>carbon capture</b>.</li><li>Our <b>captive insurance program</b> can help with some of the potential impacts as described.</li></ol>
	Increased indirect (operating) costs	
	Decreased access to capital	
	Increased capital expenditures	
	Increased credit risk	
	Decreased revenue due to reduced demand for products and services	
	Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets	
Regulatory Risks	Increased direct costs	<ol style="list-style-type: none"><li>Our <b>environmental management strategy</b> and Actively C.A.R.E.™ Goals and key results can help to continue to reduce our operational footprint.</li><li>Our sustainability program is included within the objectives of our <b>corporate strategy</b> which includes efforts to proactively monitor current and potential regulatory requirements to understand their impact on our and our customers' business.</li><li>The Company strives to take the regulatory environment into account and adjust its <b>financial planning modeling</b> accordingly.</li><li>H&amp;P's <b>balance sheet strength</b> and <b>conservative capital structure</b> can naturally hedge the Company against regulatory driven business impacts.</li><li>Our <b>climate QSA</b>, which refers to future WEO policy scenarios from the IEA helps us to plan for, test our resiliency, and strategize against different regulatory situations.</li><li>The Company's proactive and dedicated approach to <b>governance and oversight</b>.</li></ol>
	Increased capital expenditures	
	Decreased revenue due to reduced demand for products and services	
	Decreased access to capital	

CLIMATE-RELATED RISKS (CONTINUED)

CLIMATE-RELATED RISK	POTENTIAL FINANCIAL IMPACT CATEGORIES	RISK MITIGATION
Operational and Incident-Based Risks	Increased direct costs	<ol style="list-style-type: none"><li>H&amp;P's <b>EMS</b> helps mitigate our operational and incident-based risk through reporting and enacting oversight and response mechanisms to incident-based risks.</li><li>Our newly announced <b>long-term GHG emissions reduction target</b>, continued Environmental Actively C.A.R.E.™ Goals, and associated attainment strategies demonstrate our dedication to continued environmental impact improvement.</li><li>Our EMS and strict approach to policies and compliance for our Company and employees help H&amp;P to continue to meet our environmental stewardship expectations. Examples include <a href="#">our HSE Policy</a> and SPCC Plans. We also aim to attain our ISO 14001 certification in the near-term.</li><li>Our <b>environmental employee training programs</b> impart formalized practices and foster a culture of stewardship to reduce environmental exposures.</li><li>We continue to explore new <b>technological advancements</b> to improve the efficiency and environmental impact of our services as well as decrease exposure to incident risks (for example, human error).</li></ol>
	Increased indirect (operating) costs	
	Increased credit risk	
	Increased insurance claims liability	
	Decreased revenue due to reduced demand for products and services	
Physical Risks	Increased direct costs	<ol style="list-style-type: none"><li>Our <b>Inclement weather strategies</b> and <b>emergency preparedness</b> processes and teams help directly mitigate the potential physical risks to our organization.</li><li>Our <b>EMS</b>, including <b>employee training</b>, prepares our workforce and Company to properly respond to acute physical risks.</li><li>Our newly announced <b>long-term GHG emissions reduction target</b> and continued <b>Environmental Actively C.A.R.E.™ Goals</b> support the transition to a low-carbon economy which may reduce the likelihood of future physical risks.</li><li>We seek to <b>maintain adequate levels of insurance</b> to mitigate against potential financial losses. The Company also has self-insurance capabilities through its captive insurance program.</li></ol>
	Increased indirect (operating) costs	
	Increased capital expenditures	
	Increased insurance claims liability	
	Decreased revenues due to reduced production capacity	
	Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets	



CLIMATE-RELATED OPPORTUNITIES

We have outlined identified climate-related opportunities and their corresponding potential financial impacts and examples of H&P’s strategies that may assist in taking advantage of such opportunities.

CLIMATE-RELATED OPPORTUNITY	POTENTIAL FINANCIAL IMPACT CATEGORIES	RISK MITIGATION
Commercial-Venture New Energies Businesses	Increased revenues resulting from increased demand for products and services	<ol style="list-style-type: none"><li>H&amp;P <b>Corporate Ventures, LLC</b> was established in 2019 to focus on the longer-term horizon strategies.</li><li>H&amp;P focuses on <b>increasing investment into new and lower carbon intensive sources of energy</b>, including geothermal and natural gas as outlined in the Facilitating Alternative Solutions in the <a href="#">Changing Energy Landscape section</a>.</li><li>We strive to utilize our <b>existing knowledge</b> and <b>drilling expertise</b> to collaborate and provide drilling solutions directly to our investments as well as broader energy transition companies.</li><li>We are also investing in <b>lower carbon intensive energy technologies</b> and <b>carbon capture operations</b> that can be leveraged across the value chain. These include liquified natural gas and we <b>continue to build our relationships</b> in the alternative energy space.</li></ol>
	Increased revenues through access to new and emerging markets	
	Increased access to capital	
	Increased diversification of financial assets	
	Returns on investment in low-emission technology	
Operational Efficiency Improvements	Reduced direct costs	<ol style="list-style-type: none"><li>We have a <b>proactive focus on efficiency improvements</b>, including engine power management, rig automation, and integrating software advancements.</li><li>Our <b>environmental reporting</b> demonstrates our focus on our current environmental footprint and helps us to implement improvement strategies for our operations and the operations of our customers.</li><li>Environmental <b>Actively C.A.R.E.™ Goals, key results, and reduction strategies</b> demonstrates our efforts in environmental improvement, efficiency enhancements, and supporting our customers’ goals relating to their environmental footprints.</li><li>Our <b>commitment to innovation</b> exemplified through our <b>FlexRig® Fleet</b> and <b>technological solutions</b> supports overall efficiency and can lead to decreased environmental footprints (such as, reduced emissions) for our customers.</li></ol>
	Reduced indirect (operating) costs	
	Increased revenues resulting from increased production capacity	
	Increased access to capital	
	Returns on investment in low-emission technology	

CLIMATE-RELATED OPPORTUNITIES (CONTINUED)

CLIMATE-RELATED OPPORTUNITY	POTENTIAL FINANCIAL IMPACT CATEGORIES	RISK MITIGATION
Research and Development	Increased revenues through access to new and emerging markets	<ol style="list-style-type: none"><li>We <b>use our expertise</b> to continue to be an industry-leading innovator, exemplified by our <b>FlexRig® Fleet</b> and <b>technological solutions to help improve our customers’ efficiency and accuracy</b>.</li><li>We intend to continue <b>research and development capital allocation</b>, which supports the execution of both our sustainability and overall business strategies.</li><li>We have <b>acquired companies</b>, and may acquire companies in the future, that advance our product and service offerings to provide customers unique and innovative solutions.</li></ol>
	Increased revenues resulting from increased production capacity	
	Returns on investment in low-emission technology	
Supporting Business Partners and Customers in Meeting Environmental Sustainability Goals	Increased revenues resulting from increased demand for products and services	<ol style="list-style-type: none"><li>Our <b>customer-centric approach</b> and <b>value-driven and performance-based models</b> can help to support sustainable outcomes for our customers.</li><li>We offer our <b>customers solutions that can help to improve their sustainability positions</b> and attain their sustainability goals. These efforts help us to provide rigs running on highline power and continue to provide alternative energy opportunities to our customers.</li><li>Our <b>Actively C.A.R.E.™</b> Goals also help support our customers’ sustainability efforts and commitments.</li><li>Our <b>continued innovation</b> efforts aim to provide customers with sustainable solutions.</li></ol>
	Reduced direct costs	
	Reduced indirect (operating) costs	
	Increased access to capital	
	Returns on investment in low-emission technology	

We aim to integrate H&P’s risks and opportunities throughout our business planning and across our internal processes. Additionally, our efforts that may help mitigate the risks and capitalize on the opportunities are discussed in many of our public facing resources. Please find additional supporting information in the resources identified below:

2023 SUSTAINABILITY REPORT	CORPORATE WEBPAGES	ADDITIONAL RESOURCES
<a href="#">Sustainability Oversight Section</a>	<a href="#">Corporate Governance</a>	<a href="#">2023 10-K</a>
<a href="#">Environmental Management Section</a>	<a href="#">Drilling Outcomes</a>	<a href="#">2023 Proxy</a>
<a href="#">Risk Management Section</a>	<a href="#">Drilling Automation</a>	<a href="#">2022 Sustainability Report</a>
<a href="#">Customers Section</a>	<a href="#">Technologies</a>	<a href="#">2021 Sustainability Report</a>
<a href="#">Appendix Performance Data Section</a>		<a href="#">Investor Presentations</a>
<a href="#">Appendix TCFD Section</a>		



## FACILITATING ALTERNATIVE SOLUTIONS IN THE CHANGING ENERGY LANDSCAPE

H&P continues to demonstrate our focus on engaging in the changing energy landscape through our investment in, and, in some cases, operational support of, companies, funds, and organizations with goals to provide lower carbon energy or capture and sequester already emitted carbon emissions. Our teams, including sales, marketing, and H&P Corporate Ventures, support these actions by searching for strategic opportunities to engage in lower-carbon activities through investment and applied solutions.

### APPLYING H&P'S DRILLING TECHNOLOGY TO ALTERNATIVE SOLUTIONS

H&P has partnered with companies across geothermal, carbon capture, and natural gas solutions to apply our drilling technology and advance innovative solutions.

**Geothermal** – H&P continues to utilize our people, equipment, and technology to drill wells to produce next-generation, unconventional geothermal energy.

- › **Investment in Fervo Energy** – In 2023, Fervo confirmed the viability of its geothermal technology, establishing its pilot project, drilled by H&P, as the most productive enhanced geothermal system in history. H&P partnered with Fervo again and, starting July 2023, is drilling the wells needed for Project Cape, the world's largest next-generation geothermal project. Learn more about H&P's work with Fervo in the [Customer Spotlights section](#).
- › **Investment in Eavor** – H&P provided the drilling services and technologies for Eavor-Deep, a next generation geothermal demonstration project in New Mexico. The project was successfully completed in December 2022. Learn more about Eavor-Deep [here](#).

**Carbon Capture** – H&P completed our first well intended to store and sequester carbon. We are continuing to pursue additional carbon capture projects with partners. We have signed contracts for future carbon capture projects and look forward to executing them in 2024.

**Natural Gas** – H&P invested in Tamboran Resources in 2022 and transitioned a rig to their drilling program in the Northern Territory of Australia in 2023. H&P is providing drilling and technology solutions for Tamboran Resources to help tap into the natural gas play of the Beetaloo basin.



### INVESTMENT IN ADVANCING ALTERNATIVE SOLUTIONS

H&P has partnered with companies across geothermal, carbon capture, and natural gas solutions to apply our drilling technology and advance innovative solutions.

**Geothermal** – H&P continues to utilize our people, equipment, and technology to drill wells to produce next-generation, unconventional geothermal energy.

- › Our latest geothermal-focused investment is in Eden. Eden is developing a potentially game-changing technology for the geothermal industry – Electrical Reservoir Stimulation. By using electricity to fracture underground formations and create the required permeability for next-generation geothermal projects, Eden aims to drastically improve on conventional hydraulic fracturing, using 80% less water and producing 80% less CO<sub>2</sub>.

**Nexten Venture Capital Fund** – H&P invested in Nexten Venture Capital Fund as a limited partner. Nexten is dedicated to finding real, market-based answers to the challenges of energy, the environment, and economics through a global network of 20,000+ professionals interested in energy and sustainability issues.

**Energy Innovation Capital (EIC)** – H&P joined the Rose Rock platform in 2023. The three-pronged Rose Rock platform includes:

- › **Rose Rock Bridge**, an energy tech incubator that provides non-dilutive pre-seed awards up to \$100,000 to early-stage energy startups, office space, and access to the organization's network of business resources.
- › **EIC Rose Rock**, a targeted \$50 million fund that provides seed through Series A funding to emerging energy startups. As of November 2023, the fund has made seven investments since its launch in September 2022, with four companies committing to creating jobs in the Tulsa region.
- › **EIC Fusion**, which aligns targeted technology sourcing with the innovation agendas of supermajors and large energy companies to accelerate the commercialization and adoption of new technologies while driving collaboration across the member companies.

**Greentown Labs** – H&P formed a corporate partnership agreement with Greentown Labs. With campuses in Houston and near Boston, Greentown Labs is the largest climate tech startup incubator in North America. Through this partnership, H&P supports the mission of Greentown Labs while gaining access to its startup community.

## ENVIRONMENTAL METRICS AND TARGETS

H&P is focused on transparency and our commitment to provide information to our stakeholders through data tracking and reporting. We provide metrics across environmental and social areas in the performance tables of this report. H&P has set public environmental targets since our inaugural 2021 Sustainability Report. This year, H&P has set its first long-term GHG emissions reduction target. These goals are communicated within the [environmental goals section](#) and the [performance data section](#). Existing successes within the 2023 Environmental Actively C.A.R.E.™ Goals and key results help characterize our focus on meeting our targets, and we look forward to providing updates on our newly established targets in future reporting years.





## SOCIAL

03





# CUSTOMERS

H&P takes a proactive approach to customer relationship management to drive successful outcomes for both H&P and our customers. Through these interactions, we engage with our customers on relevant sustainability considerations, including environmental impacts and safety. As discussed in the [Engaging with Customers section](#), many of our customers are on a journey to mitigate their environmental footprint and H&P provides a variety of solutions and services that help them do so. Some of the ways H&P endeavors to contribute to the oil and gas industry include:

- › improving the safety and efficiency of drilling for oil and gas;
  - › making investments in research and development and new technologies;
  - › drilling predominantly onshore in the United States;
  - › overseeing drilling operations on its rigs on customer sites; and
  - › building and renovating drilling rigs at two industrial facilities in Texas and Oklahoma.
- › pumping oil or gas from the ground;
  - › engaging in hydraulic fracturing;
  - › preventing fugitive releases or emissions associated with the oil and gas production process;
  - › performing midstream operations, such as oil and gas transport or storage; and
  - › engaging in downstream operations, such as refining.

H&P's [Quality Policy](#) and Quality Management System (QMS) further demonstrate our commitment to prioritizing safety for our customers. Our QMS was developed, aligned with, and is certified to the ISO 9001:2015.

The QMS helps enable us to:

- › managing the property associated with well sites, including the protection of wildlife or biodiversity of the property;
  - › procuring, transporting, or pumping water underground or treating or removing wastewater from the site;
- › identify and address risks;
  - › establish clear objectives;
  - › meet customer needs;
  - › enhance customer satisfaction;
  - › align processes and organizational activities; and
  - › meet regulatory requirements.

For over 100 years, our approach to customer engagement has enabled us to deliver performance driven outcomes for our customers.

EXPERIENCE	PERFORMANCE DRIVEN OUTCOMES	KEY ACHIEVEMENTS IN FY 2023
More than 60 years of international experience	69 million feet drilled in 2023 with an average of 169 rigs (NAS)	Largest land driller in the U.S.
Continually innovating to deploy new technologies	Reduced excess engine runtime by over 25% resulting in lower fuel consumption and GHG emissions (NAS)	One Rig Award with Saudi Aramco
Global fleet of 264 rigs	Rolled out engine management software on 98 rigs	Won Hart Energy Award for Middle East Flex3W
Industry-leading technological capabilities	Utilized performance-based contracts with customers at around 45% of all contracts	Awarded inaugural Reat Medcalf Safety Award

# DELIVERING OUTCOMES

H&P takes pride in delivering successful outcomes for our customers. Success looks different to every customer, and we employ a variety of processes and resources to ensure we deliver for each customer, including:

- › H&P's FlexRig® fleet;
- › engineering design expertise;
- › operational efficiency;
- › software technologies;
- › focus on safety;
- › strong partnerships;
- › environmental performance; and
- › cutting-edge investments.

## OUTCOMES

**Increase Reservoir Contact** – Click through and see how we can help our customers optimize placement in target geological zones.

**Increase Reliability** – Explore how we can create efficiency with reliability using our suite of technologies and experts.

**Enhance Bit and BHA Integrity** - Discover the ways we aim to enhance bit and BHA integrity through reduced failure and repair costs.

**Reduce Time to Target** - See how we can promote efficiencies across drilling operations using various software and technologies to increase ROP while producing quality wellbores.

**Increase Production** – What we do during the drilling stage can help wellbore placement or maximize frac stages.

**Reduce Human Variability** - We strive to empower increased safety and performance, by implementing technologies that can reduce human variability.

- H&P continues to achieve difficult and efficient outcomes for our customers. In 2023,
- › lateral lengths continued to increase and were 25% longer than in 2018; and
  - › we drilled around 20% more distance compared to 2018 with around 20% fewer rigs.

## FLEXRIG® FLEET

The development of the FlexRig® fleet has distinguished H&P as an industry leader in performance and safety. Our advanced technology and the flexibility through multiple configurations has helped us to deliver optimized drilling performance for our customers.

H&P's fleet is the largest super-spec land rigs fleet in the U.S., driven by automation to provide optimized performance and customizable solutions for every drilling environment. These rigs enable our customers to drill in both conventional and unconventional wells with the goal of providing benefits such as:

- › automation that drives better quality, accuracy, and cost savings;
- › increased operational efficiency and flat time excellence;
- › ability to drill longer wells safely with greater hoisting and rig power capabilities;
- › performance drilling to greater depths with superior pump rate and pressure ratings;
- › customized rig designs for single well, multi-well, and super pad drilling;
- › on-time deliveries to our customers with high levels of quality through H&P's control over the entire manufacturing and design process; and
- › increased operational safety by removing non-essential rig crew from the rig site, and monitoring, controlling, and optimizing rig operations and maintenance around the clock from a remote location.

For more information, see our [drilling automation outcomes](#) and [FlexRig® Fact Sheet](#).



## TECHNOLOGY AND SOFTWARE SOLUTIONS

H&P’s focus on continuous improvement in our technology and software solutions has enabled us to improve our accuracy, efficiency, and speed across our operations. In turn, this has been a driving factor in helping our customers achieve their goals. Additionally, our technology has helped us to achieve our annual Environmental Actively C.A.R.E.™ Goals related to the normalized reduction in GHG emissions.

There are three primary ways in which our technological capabilities help offer sustainability-focused value to customers:

### 1. REDUCED FUEL AND EMISSIONS

- › **Reducing Human Error** – By reducing human error, downhole tool failures and the related repair costs, we help reduce the number of trips, which can in turn reduce fuel and emission impact for customers.
- › **Preventing Delays** – We help reduce manual inefficiencies that lead to flat time and delay time to target. Delays add more days to the well and in turn, increase fuel consumption and associated emissions. We also strive to continually improve timely wellbore placement and wellbore delivery services.
- › **Mitigating Wellbore Challenges** – By proactively mitigating wellbore challenges, we can help reduce backoffs and sidetrack frequency to deliver a more reliable wellbore with less downtime and risk. These reduced risks can lend to more repeatable and consistent execution, requiring less fuel and thus lower emissions.
- › **Reducing Excess Engine Hours** – Our Engine Management solution can enable operators to reduce excess engine hours, which can lower fuel consumption and reduce GHG emissions. By targeting a minimum engine count, we can communicate to the driller when there are excess engines online, so that these can be safely turned off.

### 2. INCREASED LIKELIHOOD OF HIGHER PRODUCTION PER EMISSIONS INVOLVED IN EXTRACTING HYDROCARBONS

- › **Maximizing Production** – Our automated and geological technologies help deliver a tighter curve at an orientation that helps maximize the completable lateral length of the asset.

- › **Enhancing Accuracy** – By optimizing wellbore placement, we can provide more control and precision to maximize contact with the reservoir, in turn, increasing efficiency in reaching the target zone then maximizing production by reliably staying on target. For instance, our AutoSlide® automated drilling platform responds by autonomously executing slides that minimize tortuosity and sliding footage with increased precision. This combination simultaneously helps deliver better rate of penetration (ROP) and wellbore quality with positive economic impact.
- › **Supplying Better Data** – Wellbore positioning comes with high levels of uncertainty due to error sources inherent in the surveying process. If not accounted for, these errors can result in loss of production, equipment failure and non-productive time, leading to potential exposures and/or costly situations. By reducing this uncertainty with better data, we can contribute to better overall performance for optimal outcomes. Success relies on the accuracy of the wellbore survey, and our Survey Management works to increase the accuracy and consistency of borehole measurement data.

### 3. THROUGH AUTOMATED TECHNOLOGY, WE CAN PROVIDE SUPPORT WITH THE ABILITY TO BE IN MORE PLACES AT ONCE

- › **Driving Efficiency** – Utilizing automated technology helps reduce the possibility of human error and increases drilling accuracy, both of which drive efficiency and optimize operations from beginning to end.
- › **Monitoring Multiple Wells** – H&P specialists can remotely monitor several wells at once from one central location at the same time, eliminating the requirement to be at the well-site location.
- › **Providing Remote Maintenance Support** – H&P provides remote maintenance and support for our drilling operations. Our Rig Systems Monitoring and Support Center and Remote Operations Centers are staffed around the clock every day of the year to monitor rigs and provide feedback to crews to optimize operations.
- › **Focusing on Employee Safety** – The Company’s real-time platform DrillDown™ is designed to help improve alignment, communication, safety, and overall drilling performance. It not only improves

our daily efficiency but it also frees up more time that can be dedicated to safety and improving logistics planning.

**Specifically, in fiscal year 2023 we introduced new core technological service offerings supporting the outcomes outlined previously:**

- 1. Rig Floor Automation** – This tool aims to improve consistency and safety performance through automation and mechanization.
- 2. Automated Collision Avoidance** - H&P Collision Avoidance provides anti-collision analysis that reduces the chance of major operational set backs, safety hazards, and impact on the surrounding environment. It also removes the de-manning barrier required by traditional collision avoidance systems.
- 3. Digital Roadmap** – This technology automatically loads drilling parameters driving operational consistency, even from remote locations, to the control system based on geologic formation, depth, and geometry to reduce time consuming, manual changes and potential inaccuracies.

## RIG FLOOR AUTOMATION

H&P released a suite of rig floor solutions in 2023 that offer new levels of consistency, safety, and performance. The HexGrip™ 120 automated floor wrench, retractable slip lifters, and traction control floor mats together help to mitigate exposures and improve reliability.

- › **HexGrip™ 120 Automated Floor Wrench** – increased reliable torquing of tubulars while automating the operation.
- › **Retractable Slip Lifters** – eliminates manually intensive tasks while reducing human variability and safety risks.
- › **Traction Control Mats** – designed to mitigate hazards and improve traction for employees.

## POWER SYSTEMS OFFERED

Whether it is outcomes focused on cost savings, fuel reductions, or emissions management, we work with customers to determine rig power solutions to achieve the desired outcome. We provide different systems to

power our rigs and use data to understand specific fuel consumptions and GHG emissions generation scenarios. We offer several systems, and in some instances a combination of systems, in order to provide customizable solutions for customers. There are different advantages to using each of the various types of power systems and customer collaboration allows us to identify the right solution for each rig.

DIESEL ENGINES	Standard reliable method of providing power for rig operations in remote settings.
GRID ELECTRICITY	Powering the rigs with grid electricity as provided by the local utility company or a customer developed system. Generally, this option provides power at lower greenhouse gas rates compared to on-site combustion.
ENERGY STORAGE	The use of equipment such as batteries to partially replace on-site combustion power generation and reduce fuel consumption.
DUAL FUEL	Powering the rigs with diesel as the primary fuel supplemented with natural gas, as available.
NATURAL GAS ENGINES	Ability to power rigs using natural gas which may have economic and regulated emissions benefits.

› On average, rigs running on highline power produce ~40% less GHG emissions compared to those running diesel engines.

› H&P rigs running energy storage systems saved around 3,800 tons of CO<sub>2</sub>e from reduced fuel consumption in calendar year 2023 to-date.<sup>13</sup>

<sup>13</sup> Data provided by CleanDesign; calendar year 2023 through December 1st





## PERFORMANCE-BASED CONTRACTS

H&P’s primary commercial model uses performance-based contracts combined with our technology solutions. Our ability to consistently execute enables H&P and our customers to enter into alternative contractual agreements, which can provide beneficial outcomes for both our customers and H&P. The performance-based contract model allows us to be compensated for our performance, linking value creation to our operational outcomes. Performance-based contracts include our automation solutions and technology as part of the commercial model, helping generate economic wins for both customers and H&P.

➤ Adoption of performance-based contracts averaged around 45% in 2023, which represented an increase of around 20% over 2022.

## CUSTOMER SPOTLIGHTS

### ADVANCING ENHANCED GEOTHERMAL THROUGH INVESTMENT AND ACTION

H&P continues to play an important role in next-generation, unconventional geothermal energy production by partnering with Fervo Energy (Fervo) to scale carbon free, “geothermal anywhere.” H&P is an investor in Fervo, and has also provided drilling services for two of their early critical Enhanced Geothermal System (EGS) programs, Project Red and Project Cape. These projects utilized H&P equipment, knowledge, and technology to provide performance-driven outcomes that apply our core business of unconventional drilling to carbon-free energy.



CUSTOMER SPOTLIGHTS

### PROJECT RED: H&P ENHANCES PERFORMANCE AT GEOTHERMAL SITES<sup>14</sup>

H&P drilled all three wells in Fervo’s full-scale commercial pilot. H&P partnered with Fervo to achieve EGS outcomes focused on enhancing drilling performance and efficiency at geothermal sites. Such outcomes included drilling horizontally with a high rate of penetration and with proper wellbore placement. H&P’s advanced drilling technologies helped enable Project Red to succeed. Fervo successfully completed the well test on Project Red in 2023, establishing Project Red as the most productive EGS in history tested to produce 3.5 megawatts – the highest production level of 47 previous attempts made throughout history. This successful outcome will help enable future geothermal projects throughout the U.S.

Outcomes Achieved:

- The Project Red partnership enables production of 3.5 megawatts of geothermal energy.
- Through this project, the 3.5 megawatts can power an equivalent of 2,600 homes.

Applying H&P’s Drilling Solutions:

H&P’s suite of FlexRig® solutions were used to drill the wells for Project Red, specifically the survey management, FlexOscillator, FlexB2D®, FlexTorque to FlexTorque® technology, and Flex-Drill to FlexDrill® technology systems enabled the success of this project. With H&P’s drilling technology contributing to a successful outcome, the project was able to exceed all target KPIs including:

- a 30-day well test achieved a successful flowrate of 63 liters per second over the target of 40 liters per second;
- drilled lateral lengths of 3,250 feet, reaching a temperature of 191 °C.;
- instantaneous drilling rates of 75+ ft/hr with a 18% reduction in drilling time between the first and second well; and
- measured fractured area of 600 ft x 1500 ft with 73% cluster efficiency.

<sup>14</sup>Fervo Project Red [Press Release](#).

CUSTOMER SPOTLIGHTS

### PROJECT CAPE: H&P FACILITATES CARBON FREE ENERGY TO UTAH POWER GRID SITES<sup>15</sup>

Following the successful completion of Project Red, H&P and Fervo partnered together again in June 2023 to deliver the first super-spec rig for Fervo’s 400 megawatt drilling program in southwest Utah. This 400 megawatt project has the potential to power 300,000 homes. The learnings from Project Red have contributed to increased efficiency and lower costs in the development of Project Cape. As of calendar Q3 2023, H&P has completed the drilling of a monitoring well and two horizontal wells. H&P will continue to drill horizontal wells throughout the end of 2023 and into 2024.

Sustainability-Focused Outcomes Achieved:

- This project will deliver clean power to the grid beginning in 2026 and reach full-scale production in 2028.
- The development of Project Cape will facilitate job creation in Beaver County, Utah, providing roughly 6,600 jobs during construction and 160 full-time jobs throughout its operations, generating more than \$437 million in earned wages.

Applying H&P’s Drilling Solutions:

Similar to Project Red, H&P provided a suite of technological solutions including AutoDriller Pro, FlexTorque® technology, and Flex B2D® technology. The program also included upgraded super-spec rig features like rig floor automation including H&P’s HexGrip-120 and automated slip lifters, and a high torque top drive. These solutions have facilitated safe and efficient outcomes in drilling the wells, including:

- 25% and 40% faster than anticipated well drilling program for the first and second wells, respectively; and
- a demonstrated 21% improvement in drilling speeds over the previous project.

<sup>15</sup>Fervo Project Cape [Press Release](#).

<sup>16</sup>Data provided by CleanDesign; calendar year 2023 through December 1st

## REDUCING GHG EMISSIONS THROUGH ALTERNATIVE ENERGY



In collaboration with our customers, H&P looks for projects to apply alternative energy solutions. When feasible, alternative energy solutions can be mutually beneficial opportunities to reduce our emissions and those of our customers, working toward our short- and long-term environmental goals. In 2023, H&P worked with CleanDesign and a leading exploration and production company to expand the use of energy storage to utilize batteries to help power rigs for this customer. Throughout the year, H&P powered multiple rigs drilling wells for this customer with CleanDesign Power System’s hybrid Energy Management Systems (hEMS).

➤ CleanDesign is the world’s first hybrid energy management system for drilling rigs.

### SUSTAINABILITY-FOCUSED OUTCOMES ACHIEVED<sup>16</sup>:

- On average, rigs running these hEMS produced 15% less greenhouse gas emissions.
- Over the course of 2023, these rigs consumed less fuel compared to standard diesel engines equating to around 3,800 metric tons of avoided GHG emissions.
- Running these energy storage systems also reduced engine runtime and has saved around 30,000 hours in calendar year 2023 to-date.

RIGS RUNNING THESE HEMS  
CONSUME AROUND 15%  
LESS FUEL.



# EMPLOYEES

At H&P, we believe that our employees are the driving force in delivering our industry-leading drilling services safely and efficiently. To attract and retain top talent, we strive to create a safe, healthy, and diverse working environment and provide ample training and development opportunities. We value our employees as important stakeholders and seek their feedback and engagement to continually improve the employee experience at H&P.

## HEALTH AND SAFETY

Our Health and Safety culture is based on a fundamental belief that we will continue to reduce our exposures with the ultimate goal to eliminate SIFs from our workplace. We also believe that the most effective way to accomplish this objective is to focus efforts on C.A.R.E. and precursors that could lead to a SIF. We seek to prioritize our time, energy, and resources so that as an organization, we can work collectively to effectively address SIF exposures as they are identified.

We are happy to see others in the industry transitioning to SIF-based health and safety programs in addition to compliance with regulatory requirements. This change in philosophy has led to more collaboration with our customers and peers with the ultimate goal of improving the lives of all of our employees. In the past year, some industry coalitions have introduced the principles of SIF prevention into their own management philosophy.

## TYPES OF SIFS AND HOW WE MEASURE

SIF Actual	+	SIF Potential	+	SIF Mitigated	=	SIF Exposure
<div><div>› Life-threatening injury or illness</div><div>› Life-altering injury or illness</div><div>› Fatality</div></div>		<div><div>› Realistic/reasonable possibility</div><div>› Repeat exposure 100x</div><div>› One or two things change</div><div>› If not for luck...</div><div>› Employee perspective</div></div>		<div><div>› SIF-P event in which controls were in place to reduce exposures</div><div>› Examples include: barricades and buffer zones</div></div>		<div><div>› SIF Precursor</div><div>› Discovery</div></div>

Our formal [HSE Policy](#) is available on our website and discussed in further detail in the [Environmental section](#) of this report.

## SAFETY OVERSIGHT

We believe diligent oversight is a critical component of our health and safety strategy. Our SLT, with members from multiple departments and all business units, monitors data – on a weekly basis at minimum – along with employee feedback to refine our strategy and objectives related to safety.

Our SLT has established cross-functional teams to address key objectives and monitor progress. These cross-functional teams help promote an inclusive safety culture in which everyone’s input is valued. The SLT reports to the SVP of operations who is provided monthly updates on the progress of the ACGs and other safety issues. Members of the ELT provide support to the SLT including typically participating in a weekly review of SIF incident investigations and corrective actions for those incidents. H&P’s executives manage health and safety under the active oversight of our

Board and provide health and safety reports to the Board on a quarterly basis. These reports typically incorporate data on safety efforts including, but not limited to, our health and safety goals.

The below graphic and corresponding definitions outline our oversight structure:



**Strategic Safety Pillar** – sets the strategic direction for the planning and implementation of the core Health and Safety processes known as C.A.R.E. across the organization and oversees the suitability, adequacy, and effectiveness of the HSE processes to control exposure for all H&P employees at the rigs and related worksites.

- › **Actively C.A.R.E.™ Goal Team** – represents the cross-functional teams that are responsible for establishing and executing on the ACG key results to achieve the overarching ACGs.
- › **Action Teams** – represents the cross-functional teams that are formed with the intent to address an exposure that needs immediate attention.
- › **Steering Teams** – represents the cross-functional teams that are responsible for overseeing H&P’s core HSE processes.

**Tactical Safety Pillar** – assists operations in the day-to-day execution of the core HSE processes in the business units, regions, and rigs.

- › **HSE Director/Manager** – responsible for overseeing the execution of H&P’s safety program in their business unit.
- › **HSE Specialist** – responsible for overseeing the execution of H&P’s safety program in their particular region or facility.
- › **HSE Representatives** – responsible for assisting assigned rigs in following HSE procedures and processes.
- › **HSE Lead Investigators** – responsible for conducting SIF Investigations and assisting operations in creating effective corrective actions.

**Safety Training Pillar** – provides education and training to employees that are intended to reduce exposures and improves safety performance.

- › **Human Resources (organizational development department)** – creates and delivers training content for employees.
- › **Safety Leadership Coaches** – assist in creating and delivering content for leadership training.



## SAFETY TRAINING

We believe that safety training is a fundamental part of a safe workplace. We maintain an emphasis on safety by providing our employees regular and up-to-date training using both computer-based and instructor-lead sessions. We require that all rig-based employees complete a minimum of 26 hours of safety training each year. New field employees are required to complete 41 hours of safety-based training during their first year (26 Rig Safety Management Training sessions and 15 hours of New Employee Safety Training).

We believe our continuous safety training efforts have contributed to the decrease in SIF Actual rates. As an indicator of our dedication to developing our employees, we completed over 360,000 training sessions across the global workforce in 2023. And in support of our 2023 Actively C.A.R.E.™ Goals we provided training on H&P's LifeBelts along with expectations for H&P personnel company-wide to re-establish the LifeBelts as a core part of our prevention of SIF exposures.

We strive to align with certain third-party safety programs to help our efforts to track industry benchmarks and to take advantage of available resources.

### Our third-party compliance includes:

- › HSE training is International Association of Drilling Contractors (IADC) Rig Pass accredited
- › Quality control vetting of HSE policies and procedures by customer-selected third parties
- › IADC WellSharp Certification for Rig Managers and Drillers
- › ISO 9001 certification for the provision of management support for certain oil and gas contract drilling services, including (but not limited to) the following processes:
  - › Health, safety, and environment
  - › Preventative maintenance
  - › Supply chain management
  - › Offshore training



## RECOGNITION AND REWARDS PROGRAM

A fundamental component of encouraging full employee participation in the controlling and removing exposures is our R&R program. This program provides a financial incentive for employees to identify, address, and report exposures. Employees are eligible to participate in this program which was created based on feedback received from employees. This program continues to be an effective way for us to not only identify exposures but to develop solutions to these challenges. We remain confident in our belief that this proactive program has played a significant role in the continued decrease of SIF rates, year over year.

- › We saw an increase of over 50% in submissions to our R&R program from FY 2022 to FY 2023 (~42,000 vs. 65,000)
- › Rewarded employees for over 25,000 R&R submissions in FY 2023
- › We had over 8,100 observations submitted as part of our non-SIF good catch/stop the job program and over 73,200 total observations in 2023

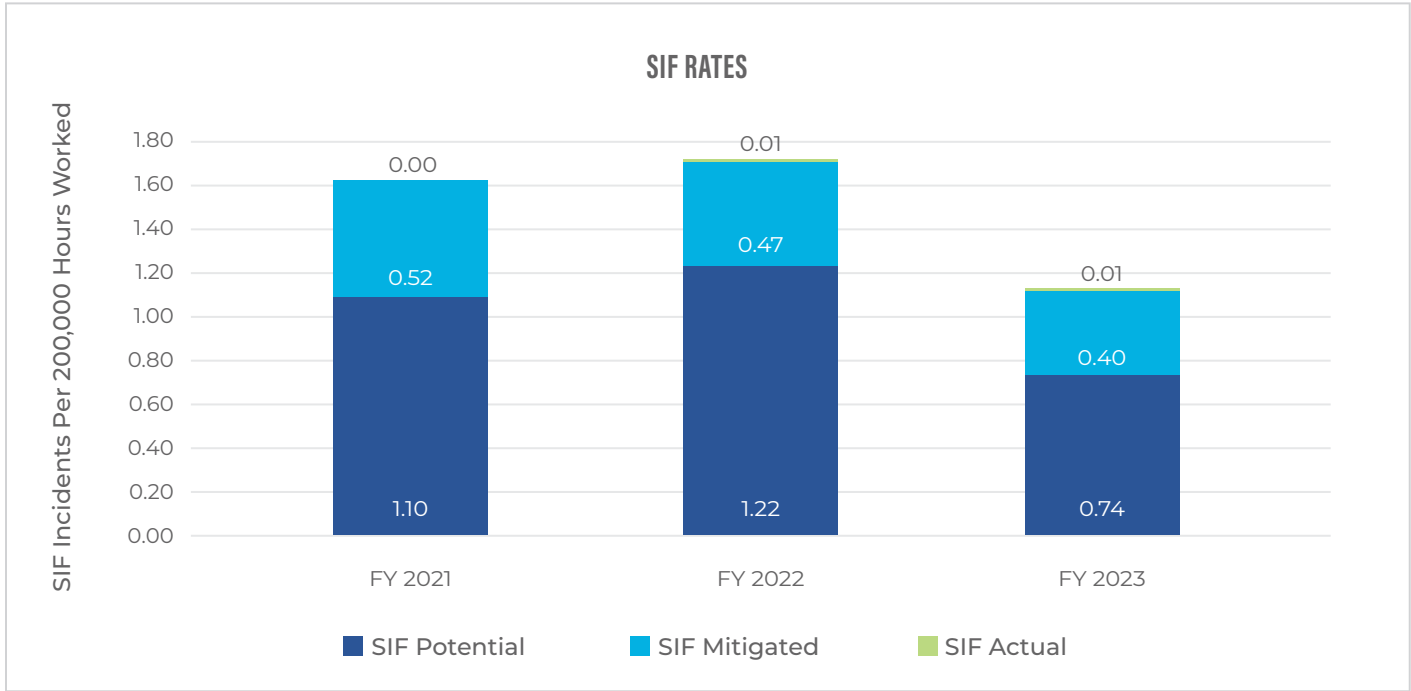
REWARDED EMPLOYEES  
FOR OVER 25,000  
R&R SUBMISSIONS IN FY 2023

## SAFETY RESULTS

We believe our safety culture, oversight, and training efforts have contributed to our ability to maintain a history of safety excellence. With our continued focus on SIF incidents, we made improvements on SIF incident rates since FY 2022. We seek to continue to mitigate, manage, and prevent safety events through the control and removal of exposure in our operations. When SIF events occur, we strive to take immediate action by utilizing our HSE lead investigators to evaluate incidents, and along with input from employees involved and

leadership, create an action plan to manage or eliminate exposures in an effort to prevent recurrence. Our HSE lead investigators, with assistance from our HSE software, are responsible for managing the actions created in the long-term action plans.

- › 54% decrease in non-mitigated SIF events while working more man hours
- › 33% decrease in dropped objects



In addition to SIF rates, we also track our Total Recordable Incident Rate (TRIR) and Lost Time Incident Rate (LTIR). In FY 2023, we improved our TRIR by around 8% and our LTIR by around 10% as compared to FY 2022.





## HEALTH AND SAFETY GOALS

Executive compensation is tied in part to internal safety performance goals to align organizational incentives around our safety values. Our annual Health and Safety ACGs are supported by H&P's SIF data and field input. The determination of these goals takes place every year in September (our fiscal year-end) by the SLT and are approved by the ELT before they are formalized and introduced to employees. These goals help our teams stretch to achieve targets that go beyond the status quo. Processes and actions taken to achieve our goals remain in place after the yearly ACG focus concludes to help the efforts continue as needed.

### 2023 HEALTH AND SAFETY ACTIVELY C.A.R.E.™ GOAL

**Goal:** Reduce the rate of SIF incidents involving a LifeBelt breakdown by 15%.

**Progress:** Achieved a 42% decrease in SIF incidents in which there was a LifeBelt breakdown.

**This goal was established with the intent to help our employees always be enabled to adhere to H&P LifeBelts. In an effort to support this objective, we established and achieved the following supporting actions:**

1 › **PROVIDE TRAINING AND EXPECTATIONS ON H&P LIFEBELTS COMPANY-WIDE TO RE-ESTABLISH LIFEBELTS AS A CORE PART OF PREVENTION OF SIF EXPOSURES**

**Progress:**

- › Completed district workshops
- › Released training for non-rig-based personnel
- › Acted on feedback received as part of the district workshops

2 › **PROVIDE RIG CREWS WITH EFFICIENT AND RELIABLE PRE-JOB PLANNING (PJP) TOOLS**

**Progress:**

- › Completed training document on troubleshooting FlexCheck issues
- › Distributed how-to document and FlexTips on available component change-outs
- › Rolled out Microsoft Teams to rig tablets

3 › **AUDIT EXISTING FALL PROTECTION SYSTEMS TO IDENTIFY OPPORTUNITIES TO IMPROVE TRAINING, SITUATIONAL AWARENESS, AND FALL PROTECTION ANCHORS AND ADDRESS SITUATIONS IN WHICH 100% TIE-OFF IS NOT POSSIBLE**

**Progress:**

- › Analyzed survey results and event history
- › Expanded R&R LifeBelt breakdown for fall protection to capture more data to aid us in improving 100% tie off behaviors
- › Collaborated with SME's to aid in identifying possible solutions during rig moves by the Fall Protection Team

4 › **IMPLEMENT TECHNOLOGY SOLUTIONS TO ADDRESS LINE OF FIRE, DROPPED OBJECT, AND TUBULAR HANDLING INCIDENTS**

**Progress:**

- › Evaluated and implemented technologies to reduce risk of rig operations by leveraging smart systems
- › Rolled out technologies to address historical exposures on the rig floor

As the organization worked to achieve the 2023 goal, we not only saw improvement in reduction of SIF exposures, but we also saw an improvement in our organizational health and cross functional collaboration. Specifically, H&P created a team of field leaders that have been tasked with providing insights and feedback on proposed initiatives. We believe that by allowing field leaders the opportunity to evaluate proposed solutions before they are implemented, we are able to improve efficiency and the effectiveness of the solutions. We anticipate continuing to leverage this operational team as we begin to roll out our 2024 Actively C.A.R.E.™ Goal.

### 2024 HEALTH AND SAFETY ACTIVELY C.A.R.E.™ GOAL

**Reduce the rate of SIF potential (non-mitigated) incidents involving a LifeBelt breakdown by 10% with a stretch goal of 15%**

We believe it is important to continue focusing on our LifeBelts, and, as such, our SLT identified a singular ACG for 2024 to focus on adherence to the LifeBelts. Additionally, we have defined a key result with a long-term focus on third-party exposures. The LifeBelt program applies to H&P employees, contractors, and vendors.

**We plan to implement the below strategies to help us meet this goal:**

1 › **CREATE AN INTEGRATED PRE JOB-PLANNING (PJP) TOOL WITH THE INTENT TO PROVIDE A SINGLE TOOL FOR RIG CREWS TO USE TO IMPROVE TOTAL PERFORMANCE**

2 › **IMPROVE H&P'S ENERGY ISOLATION AND BARRIER SYSTEMS TO IDENTIFY EXPOSURES WHERE CREWS ARE NOT CURRENTLY ENABLED AND PROVIDE RESOURCES THAT CAN EFFECTIVELY CONTROL THESE ENERGY SOURCES**

3 › **IMPLEMENT AN ASSURANCE PROCESS THAT INCLUDES SUCCESS CHECKS AND IN-PERSON WORK SHOPS THAT CAN EVALUATE THE EFFECTIVENESS OF THE LIFEBELT PROGRAM AND CONFIRM THAT SUCH PROCESSES ARE WELL UNDERSTOOD AND CAN BE CONSISTENTLY FOLLOWED BY APPLICABLE STAKEHOLDERS**

4 › **PROACTIVE MANAGEMENT OF THIRD-PARTY EXPOSURES (PEOPLE, EQUIPMENT, AND PROCESSES) WITH THE AIM TO KEEP EVERYONE SAFE (LONG-TERM KEY RESULT)**

## DIVERSITY, EQUITY, AND INCLUSION AND TALENT PROGRAMS

At H&P, we believe that our employees' unique experiences and perspectives are an asset to our business and drive employee satisfaction, engagement, and retention. H&P's Diversity, Equity, and Inclusion (DE&I) strategy is intended to reflect our core values. We believe that creating an environment where our employees feel welcomed, respected, heard, and valued drives overall engagement, better leverages

the unique talents and perspectives of our people to innovate, and supports our ability to attract and retain a diverse workforce. DE&I is embedded across our talent programs to enhance our employees' knowledge of the topic and empower them to integrate inclusion into decision making.

We believe a diverse leadership team can provide a variety of perspectives and experiences to make our most important decisions, and, as such, fostering a diverse leadership team is an important component of our DE&I strategy. Aligned with our strategic approach





to sustainability matters, we strive to deploy a structured DE&I oversight mechanism across various levels of the organization. For example, our DE&I team is part of our organizational development team as part of our human resources department, which is managed at the ELT level. The DE&I Advisory Council supports H&P's DE&I strategy and is comprised of DE&I champions from across the organization. The Council meets monthly and seeks to promote DE&I by providing education on DE&I practices and devising new strategies to embed DE&I practices across the organization. As H&P continues to expand globally, international leaders from each country in which H&P operates have been added to the DE&I Advisory Council with the intent to provide insights specific to their regions.

Diversity, Equity, and Inclusion Oversight at H&P:



DIVERSITY, EQUITY, AND INCLUSION INITIATIVES

H&P seeks to create a diverse, equitable, and inclusive environment for our current and future employees. In 2023, one of the goals included in our STI Plan was to better integrate DE&I into our talent programs so that we create an environment where our employees around the world can feel welcomed and foster DE&I principles across the organization. Specifically, throughout fiscal 2023 we have promoted DE&I practices in the following programs and initiatives:



A group of summer 2023 interns visit Rig 918

Talent Attraction

- › **Internship Program:** H&P integrated DE&I concepts into our internship program, both in our recruiting process for interns as well as in our training that is provided to interns during onboarding.
- › **H&P Onboarding:** We updated our onboarding process for new employees to provide additional DE&I education by updating our new hire training to add Introduction to DE&I. All new employees receive this training, setting the stage so they can incorporate DE&I principles into their career at H&P.

Employee Engagement

- › **Change Champions:** H&P's Change Champions program aims to provide training to employees on how to solve complex problems. This year, we updated the training program to enhance DE&I components, including a refreshed introduction to DE&I concepts and an introduction to bias and perspective content that is reflective of our core values.
- › **Engagement Survey:** Our annual engagement survey provides an opportunity to hear from our employees regarding their experience at H&P. The survey now includes additional questions intended to assess our employees' feeling of belonging and inclusion at H&P.
- › **LifeBelt Training Review:** The LifeBelt training aims to teach our employees about H&P's critical safety rules. We are in the process of updating these trainings with an eye towards inclusivity and tying in DE&I concepts that are embedded in our culture.
- › **Safety Leadership Coaching:** Our Safety Leadership Team (SLT) is responsible for oversight of health and safety within the Company. The responsibilities of

our SLT have been expanded to consider DE&I with the intention to better connect with employees in the organization.

Global Expansion

- › **International Assignee Program:** In recent years, we have expanded our global footprint and our employees' ability to transfer to international positions. As we do so, we are implementing DE&I practices globally to help represent the H&P brand internationally.
- › **DE&I Advisory Council:** Employees from each of our international offices have been added to the DE&I Advisory Council, ensuring that region-specific perspectives and factors are considered for all DE&I-related decisions and programs.
- › **Global Security:** As our global footprint expands and an increasing number of employees are traveling abroad, we strive to provide DE&I education upfront to respect the cultural norms of each region we operate in.

DIVERSITY, EQUITY, AND INCLUSION TRAINING

We continue to advance our employee DE&I training by providing both in-person and online sessions with the intent to enhance our employees' understanding of DE&I while suggesting practical ways to apply this knowledge in the workplace. We develop new trainings and update our training content regularly so that the information remains relevant and our teams have impactful training experiences. In addition to the trainings described previously, we also provide DE&I training to our extended leadership group and senior managers.

H&P's current training programs for U.S.-based employees include:

- 1. Introduction to Diversity, Equity, and Inclusion at H&P:** Educates new employees on H&P's core values of belonging and inclusion and sets the foundation for how they can incorporate DE&I principles into their career at H&P.
- 2. Unconscious Bias:** Helps our employees identify and understand the unconscious or implicit biases they may hold and provides tools to recognize and mitigate such biases.

- 3. Microaggressions:** Educates employees on what microaggressions are and provides alternative words and phrases they can use to help make sure everyone feels welcomed and respected at H&P.
- 4. Privilege and Allyship:** This program supports our employees in identifying privileges they may benefit from and to be allies to others.

INTERNATIONAL DE&I FRAMEWORK

To better support our growing international workforce, we have established an international DE&I framework, specifically tailored to our international employees. The needs and priorities of our DE&I strategy may vary globally. As such, the international DE&I framework was developed in collaboration with H&P's international leaders to create flexibility that allows for inclusion of cultural norms and local laws in each region. The framework is intended to offer international employees training on H&P's culture of inclusion and belonging, grounded in our core values. Each region can then have the flexibility to add specific DE&I-related topics that can help enhance inclusion and belonging for their employees (e.g., culture, language, personality diversity, gender diversity, etc.). As we expand our global footprint, we are also striving to hire talent with DE&I knowledge and experience to help support our DE&I program globally.

DIVERSITY, EQUITY, AND INCLUSION POLICIES

To support our mission of promoting a welcoming, diverse, and discrimination-free workplace, we regularly review our company policies and procedures through a DE&I lens. Policy review is an important responsibility of H&P's DE&I and Total Rewards teams, which helps us work towards creating greater equity for our employees, reducing turnover, building morale, strengthening organizational health, enhancing customer satisfaction, and bolstering the H&P brand.

The primary policies that describe our DE&I efforts, and are publicly available, include our [Code of Business Conduct and Ethics](#) and [Human Rights](#) policies. Additionally, our efforts to assess candidates impartially is described in the [Talent Attraction](#) section of this report.



## EMPLOYEE RESOURCE GROUPS

H&P has continued to support the establishment and expansion of Employee Resource Groups (ERGs), employee-driven groups that strive to maintain and promote diversity, equity, and inclusion throughout the organization. These groups help connect employees to build communities and support systems and provide employees with development opportunities. Over the last year, participation in all of our ERGs continued to evolve and we believe these groups have positive impacts on our company culture, employee morale, and DE&I strategy.

**Women of H&P (WHP) was the first ERG formed at H&P and has expanded to include a regional offshoot in Latin America. WHP is introduced as a resource for new hires during new hire training. Women of H&P’s core mission is to:**

- › empower women professionals within the organization to advocate for themselves, their team members, and the business;
- › promote the interests of women employees in driving business objectives, strategy, and culture;
- › retain and develop women at H&P by providing exposure, networking communities, and development opportunities; and
- › bring cultural awareness within H&P in alignment with business objectives.

## GLOBAL WOMEN’S COUNCIL

- › Women of H&P expanded to include a new Global Women’s Council which provides additional opportunities for employees to engage in leading WHP initiatives. The Global Women’s Council is responsible for organizing and maintaining the WHP circle-ups, which provide an opportunity for members to have small group discussions on important matters. Additionally, the council is the main conduit for feedback and information from the global organization back to the Women of H&P ERG.

## USING DATA TO ADVANCE DIVERSITY & INCLUSION

H&P tracks and monitors DE&I metrics in order to enhance our understanding of demographics represented by our workforce and identify the changing diversity of our workforce. These insights help inform our DE&I strategy and identify areas of priority.

Through hiring outside talent and providing opportunities for our employees to grow into senior management positions, our focus on this effort is reflected in our improvement in diverse representation across the organization. We are seeing an increase in the percentage of women in senior management positions, as well as increased minority representation across our entire U.S. employee base.

We have also furthered our DE&I efforts with our international employee base by hiring a new human resources manager in the Middle East whose background includes extensive DE&I work. We look forward to further enhancing representation across our Company in the years to come.

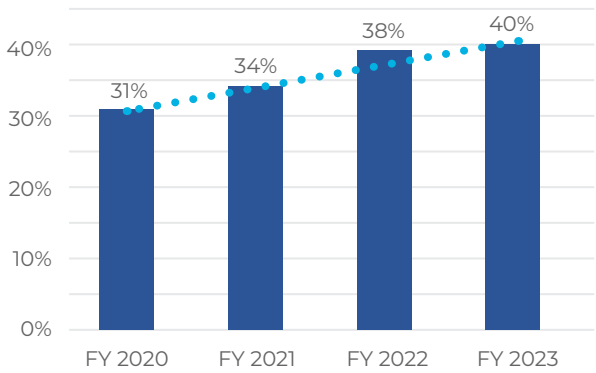
We have improved both our women representation in senior management positions and total US employees represented by minority groups by a ~10% improvement since 2020.

## WORKFORCE DEVELOPMENT

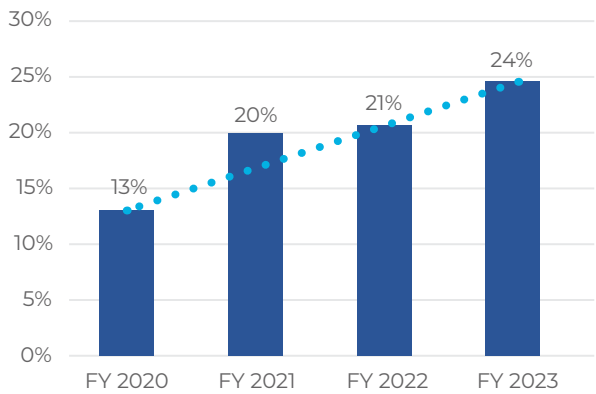
We believe that our employees are a driving force behind our success and continued advancement in sustainability. As H&P becomes an increasingly global company, and technological advancements are made, we strive to advance our talent strategy in a way that continues to focus on local hiring, health and safety, training opportunities, and employee feedback.

Our organizational development team is largely responsible for the implementation of training programs across our workforce. In order to foster future managers and leaders from within our organization and strengthen our teams, the organizational development team seeks to take an integrated approach to talent management and training and development programs.

TOTAL US EMPLOYEES REPRESENTED BY MINORITY GROUPS



WOMEN REPRESENTATION IN SENIOR MANAGEMENT



## TALENT ATTRACTION AND RETENTION AT H&P

The **talent acquisition and management teams** include a network of domestic and international HR team members who work together to source all levels of talent to meet domestic and international workforce needs including technical, professional, rig-based, and leadership roles.

Our **workforce staffing team** anticipates staffing needs for our new operations in Australia and the Middle East, North America, and Offshore Gulf of Mexico operations by understanding sales forecasts and building an appropriate talent bench to meet those needs on-demand. The team is also responsible for sourcing, hiring, onboarding, training, assigning, and reassigning rig-based employees.

## Training and Development at H&P

H&P’s training and development programs include in-person workshops, virtual classrooms, and interactive self-paced E-Learning modules. Our commitment to our employees begins with comprehensive onboarding and orientation and continues throughout our employees’ careers, both in corporate positions and in the field.

H&P offers a variety of training programs ranging from job-specific programs to leadership, including topics such as safety, ethics, teamwork, cybersecurity, leadership, problem solving, change management, organizational health, compliance, and environmental training.

› In 2023, our workforce completed over 360,000 training sessions

Some of our prominent training offerings include:

- › **Change Champions** – Teaches employees to solve complex problems using structured processes, tools, and data to drive results while emphasizing leadership and public speaking.
- › **Leadership Training** – The Company’s leadership strives to empower our H&P workforce to deliver the best performance and customer service in today’s market. H&P’s leadership training consists of on-the-job mentorship, formal online classroom instruction, leadership webcasts, and on-demand programs via eLearning.
- › **New Employee Safety Training** –The purpose of this program is to prepare field employees to work safely on our rigs and provide necessary certifications to do so; including all OSHA and IADC Rig Pass training, as well as company culture education.
- › **Specialized Short Service Employee (SSE) Program** – This specialized training program is a continuation of New Employee Safety Training basics and is intended to provide the technical on-the-job training guided by a mentor. Mentorship is important for our new employees as it affords H&P employees the ability to teach and learn from one another. The goal of the program is to reduce SIF related events, increase skills and knowledge, and retain talent at H&P.





- › **H&P 101**

– Geared toward professional level employees, this training involves the immersion into H&P’s culture, values, company knowledge, and industry foundations.
- › **Field Employee Trainings**

– This group of courses includes position-specific training designed to develop and enhance the skills of our workforce. This training includes programs and courses covering job skills, expectations, safety, well control, and leadership.
- › **Ethics and Compliance Training**

– H&P is dedicated to conducting its business with integrity, in an ethical manner, and in compliance with applicable laws and regulations. In furtherance of this goal, H&P has implemented an ethics and compliance training program. Topics include ethics, anti-corruption, export controls, harassment, sexual harassment, anti-trust, data privacy, insider trading, and environmental compliance.
- › **Technical Training**

– Technical training for H&P crews is delivered by internal subject matter experts, third parties, on-the-job mentors, and self-paced eLearning. Training encompasses specialized courses in mechanical and electrical systems, including hydraulics, electrical circuits, AC drives, top drives, and pipe handling.
- › **The Rig Safety Management Training (RSMT)**

– This program was developed and implemented by internal training and safety specialists for all field employees to learn, discuss, and understand various safety topics including OSHA and International Suppliers Network (ISN) compliance, Actively C.A.R.E.™ and environmental topics, SIF reviews, leadership development, as well as well personal and positional skills. Over 7,000 employees participated in the RSMT training program throughout fiscal year 2023. The RSMT program includes trainings within the designated General Training, Environmental Training, and Safety Training as outlined in the [Performance Data table](#).

105 CHANGE CHAMPIONS GRADUATED THROUGH THE 56-HOUR PROGRAM DURING FISCAL 2023.

An outline of additional training discussion found throughout this report can be seen below.

REPORT SECTION	TRAINING OVERVIEW
<a href="#">General Training</a> > Workforce Development	Overview of training programs focused on employee and career development. General training items also cover and emphasize safety and environmental procedures and learnings.
<a href="#">Environmental Training</a> > Environmental Management	Environmental training programs focused on improving operational environmental management.
<a href="#">Safety Training</a> > Health and Safety	Safety training programs focused on improving operational health and safety.
<a href="#">DE&amp;I Training</a> > Diversity, Equity, and Inclusion	DE&I training programs focusing on enhance employees’ understanding of DE&I while providing practical ways to apply this knowledge in the workplace.
<a href="#">Ethics and Compliance Training</a> > Ethics and Compliance	Ethics and compliance training programs focused on improving employee compliance and ethical behavior.
<a href="#">Cybersecurity Training</a> > Risk Management	Cybersecurity training programs focused on mitigating operational IT risks.

Beyond our workforce training services, we encourage our employees to seek training and education opportunities from credible third-party organizations. Employees are eligible for reimbursement of costs associated with obtaining certifications and completing continuing education. H&P offers an educational assistance plan for eligible employees pursuing an undergraduate degree and in some cases, post-graduate degrees.

EMPLOYEE FEEDBACK

Our organizational health and human resources initiatives are shaped by the input of our employees. H&P has established listening posts that allow for feedback loops between our employees and H&P. These listening posts allow us to hear employee concerns and feedback and we strive to respond in an effective and timely fashion. Through these channels we are able to better understand employee needs.

Our annual engagement survey, other pulse surveys, onboarding survey, and exit survey results are synthesized on an ongoing basis to quickly address opportunities to improve upon the overall employee experience. In 2023, we increased our employee response count to the annual engagement survey and will continue to optimize access and availability for more employees to participate in this process.

TALENT ATTRACTION

We believe our workforce and talent are the engines of H&P’s continued success. Maintaining strategic recruiting and hiring practices is integral to our business. Throughout fiscal 2023, we have worked to improve our new-hire onboarding experience, monitor, and manage our global talent attraction strategy to best fit needs of local operations, and advance our focus on the longevity of our people. In addition, we utilize social media, local job fairs, employee referral bonuses, and educational organizations across the U.S. to find diverse, motivated, and responsible employees.

ATTRACTING A STRONG AND DIVERSE WORKFORCE

We believe that attracting and retaining a strong and diverse workforce across our organization reflects our core values and plays an important role in determining the success of our business. We are focused on developing a diverse, motivated, and responsible employee base across the U.S.

We aim to achieve this by utilizing diverse panels of interviewers and leveraging company training for leaders on unconscious bias. Additionally, by enhancing our onboarding and processes efforts such as the SSE

training, we believe we can lower the barrier to entry for employees without compromising the safety or wellbeing of more experienced employees. By offering longer-term on the job training, H&P is able to hire employees that are less familiar with the industry to jobs that require substantial technical expertise.

CREATING A PIPELINE OF EARLY TALENT

Early talent recruiting is important to the overall talent acquisition and retention strategy at H&P. Our internship program offers college and university students an opportunity to gain real-world experience, develop a professional network, build business acumen, and be considered for future employment at H&P. In 2023, we hired 35 interns across our company. Our intern class this year was our most diverse in location, expertise, and experience to date.

Forty-eight percent of our fiscal year 2023 interns were from diverse groups. This group contained representation from over 20 colleges, 11 states and 20 different academic majors. This intern class included interns across six teams at H&P and we offered our interns development sessions on DE&I, presentation skills, receiving feedback, organizational health, and ventures and investments. We leverage our talent data analytics to better inform the future needs across the organization and forecast internship positions for 2024.

GENESYS WORKS + HELMERICH & PAYNE

In 2023, H&P offered internships to rising high school seniors in Tulsa through a partnership with the non-profit Genesys Works internship program. This program supports many first-generation students and students with diverse backgrounds across Tulsa, a community that H&P has been a part of for nearly 100 years. During Genesys Works’ inaugural year in Tulsa, H&P served as a partner and was able to support risings seniors with on-the-job experiences and help enhance technical expertise across various areas of business.



## LOCAL HIRING

H&P believes in the importance of local hiring so that our workforce represents the communities we operate in. We are proud to focus on local hiring at all of our domestic and international sites and we seek to provide equal employment opportunities throughout our recruitment processes. At the local level we focus on developing talent to create a strong global workforce. Through these efforts, we strive to benefit the communities in which we operate and can better support a growing workforce. H&P complies with applicable laws for all citizens hired.

## TALENT RETENTION

Through our focus on retention, H&P enables opportunities for internal mobility. The opportunities are available both vertically and laterally within the organization, to further develop different skills and promote organic growth. We typically share open positions to our employees through internal communications channels. The global human resources team collaborates to meet new workforce needs as H&P expands internationally. We have a pool of qualified and experienced employees who are available for deployment to fit the needs of any change or fluctuation in different business cycles.

## OUR GLOBAL WORKFORCE

H&P has employees in over ten countries, requiring talent solutions capable of aligning with cultural expectations and norms across the globe. Our talent team works to hire locally at every location, following regulatory requirements where applicable. Additionally, our flexible training program is able to provide the necessary education at locations where teams may be less familiar with the equipment and machinery we use.

We seek to leverage our existing employees to function as coaches for the incoming local workforce in new areas, and with technology that requires attention and training. By leveraging our existing experts, we believe we can build a confident and safe team across the globe.

## RIG STAFFING STRATEGY

To develop and retain talent, we deployed a standardized training and development program for each Short Service Employee (SSE) during their first six hitches at H&P. This program creates a path of technical on-the-job training for employees, as well as visibility of superintendents and managers into the developmental progression of new employees. Each employee is assigned a formal mentor that works by their side through their first two weeks of the program. We

believe this program lowers the barrier of entry for our employees, improves the safety of our operations, and ultimately leads to increased retention across our employee base. Our employees can also earn a cash bonus as part of our referral program for rig-based positions.

Additionally, we continue to develop our rig staffing strategy to attract and retain talent as well as create future leaders. We regularly conduct exit interviews and review turnover to help understand field talent planning needs. Specifically, we seek to attract talent by focusing on key areas of strength throughout the recruitment process:

- › our focus on training and development;
- › our emphasis on organic growth and internal promotion opportunities;
- › our brand recognition;
- › improved technology and automation;
- › emphasis on safety and protecting our workforce;
- › our workforce's ability to engage top of the line equipment; and
- › the scale of our services.

## EMPLOYEE BENEFITS, HEALTH, AND WELLNESS

H&P values its employees and believes offering competitive compensation as well as a robust benefits package are essential to prioritizing their wellbeing. Annually, we review our benefit options, considering employee feedback and industry benchmarks, with a goal to provide meaningful benefits to our diverse employee groups. Select highlights of our benefits programs for eligible U.S.-based employees include:

- › medical, dental and vision insurance for all full-time employees, and all part-time employees working more than 20 hours per week, and their dependents;
- › added two new medical plan options providing employee choice for coverage that meets their personal needs and financial goals;
- › tax advantaged programs including a Health Savings Account with an employer contribution and investment options as well as health and dependent Flexible Spending Accounts;

- › access to discounted gym memberships, reduced specialty drug pharmacy expenses, and discounts ranging from apparel to hearing aids via medical plan enrollment;
- › a 401(k) plan with Company match incentive for all full-time employees, and all part-time employees working more than 20 hours per week;
- › employer-paid life and AD&D insurance benefits, that includes additional H&P match dollars for seat belt usage, helmet usage, and operating a vehicle with air bags;
- › partial employer-paid contributions for Long Term Disability premiums;
- › the Employee Assistance Program which offers wellness support with counseling, legal assistance, financial coaching, and identity theft resolution;
- › The H&P Way Fund which provides financial assistance to U.S. H&P employees during emergencies;
- › employee discounts for phone, computer, personal vehicle, car rental, and hotel purchases; and
- › an educational assistance plan, which offers reimbursement of tuition fees for any employee pursuing an undergraduate degree and, in some cases, post-graduate degrees.

We recognize the importance of allowing H&P employees that are able to work from home to have flexible schedules, and H&P's flexible work policy seeks to allow eligible employees to work flexible schedules and from remote locations. Roles that allow for this flexibility have the option to work fully remote, traditionally in an H&P office, or a hybrid combination of the two. With the advancements in technology that allow for a seamless switch between remote, hybrid, and in-person, our employees have indicated that the program can improve employee morale, increase access to top-tier talent, reduce our real estate footprint, and reduce overall employee commuting time.



Daniel E., Rig 434, West Texas



# COMMUNITIES

H&P supports the non-profit and professional organizations that contribute positively to the communities our employees live and work in. As an organization, we seek to align our time and financial support to philanthropic initiatives that reflect H&P's values and dedication to enhancing the quality of life and prosperity of the communities in which we operate. In collaboration with our employees, H&P continues to expand our community relations program and will continue to invest in programs that serve the betterment of our communities.

Beyond corporate philanthropy and employee volunteering, we believe that our actions related to local hiring and procurement practices are valuable forms of social investment that support our communities and strengthen local economies. As such, H&P hires locally in the countries where we do business and strives to foster strong community-based relationships through procurement with local suppliers. We believe an intentional focus on our communities and employees is critical in developing a resilient business model and ensuring strong service delivery.

## H&P'S COMMUNITY PROGRAMS

### EMPLOYEE COMMUNITY

H&P recognizes and appreciates the value of our employees' contributions and their role in reflecting The H&P Way in our workplace and beyond. Our endeavors aimed at assisting employees underscore the recognition of their hard work and focus on supporting their well-being.

The primary initiatives sponsored in support of our employee community are:

- The H&P Way Fund:** The H&P Way Fund is a program created to provide short-term assistance to U.S. employees dealing with significant financial hardships resulting from unexpected and unavoidable circumstances. The program, funded by current H&P employees and matched by the Company, focuses on assisting H&P employees facing emergencies such as natural disasters, funerals, emergency travel for immediate family, medical emergencies, and personal emergencies. For more information, please go to the Tulsa Community Foundation's [H&P Way Fund webpage](#).
- Phyllis Dotson Scholarship Program:** The Phyllis Dotson Scholarship Program, named in honor of retired H&P executive George Dotson, and his wife, Phyllis, provides scholarships to the children of current H&P employees, providing a financial pathway to continued learning and growth through higher education. In 2023, 17 scholarships were granted to graduating high school seniors and current college students within the H&P family.

### BUILDING COMMUNITY

H&P has been a longstanding member of the Tulsa, Oklahoma community. Since moving our headquarters there in 1926, Tulsa has been our home, and we continue to support community-focused projects and the development of our city as well as its surrounding communities.

H&P united with other Tulsa and Oklahoma-based leading energy companies to form a strategic alliance within the three-pronged Rose Rock platform:

- Rose Rock Bridge:** A non-profit startup incubator whose mission is to establish and promote Tulsa and Oklahoma as a hub for new energy technology companies. Not only do grants from Rose Rock Bridge provide capital, but recipients also have access to networking, coaching and resources from local energy companies, including H&P.
- EIC Rose Rock:** An early-stage venture capital fund committed to investing in companies dedicated to developing technology, including those that advance the energy transition, improve sustainability, and enhance operational efficiency of existing assets, while creating a positive regional economic impact.
- EIC Fusion:** A group that aligns EIC Rose Rock portfolio companies' technologies with the innovation agendas of energy companies to accelerate commercialization and adoption of new technologies.

This platform and the companies that comprise it are helping to solidify Tulsa's energy and tech future while cultivating a local workforce.



School supply drive, Odessa, TX

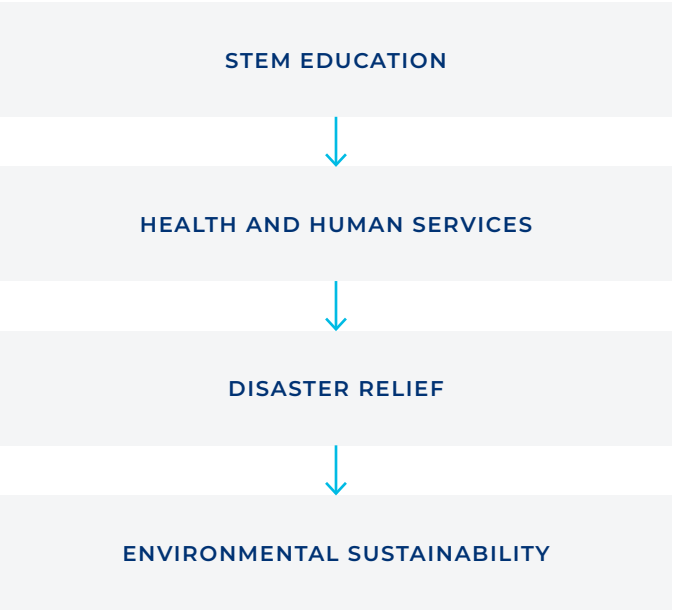
### PERMIAN STRATEGIC PARTNERSHIP

In the Permian Basin, H&P joined the Permian Strategic Partnership (PSP) and the coalition of Permian Basin energy companies and higher education institutions working to make a difference in West Texas and Southeastern New Mexico. The group – whose mission is to improve the lives of the citizens in the Permian Basin – has had transformational impacts on education, health care, road safety, workforce development and housing the region. The partnership goes beyond a monetary donation with H&P leaders sitting on seven different committees within the organization – working in step with local leaders and communities to address current and future challenges in the region.

### PHILANTHROPIC AND GIVING IMPACT

H&P values our active participation in diverse philanthropic initiatives across the communities where we reside and operate.

Our community-focused corporate contributions target four key areas:





During fiscal 2023, H&P supported more than 90 philanthropic organizations – a 15% increase from fiscal year 2022. From our business offices in Denver, Dallas, and Houston to field locations in North Dakota, West Texas, Louisiana, and beyond, our *local* teams work with *local* non-profits to grant dollars and donate time within their *local* communities. This structure ensures the funds we give go to organizations our employees are involved in and passionate about.

Highlights of our initiatives include:

- › **Tulsa Area United Way (TAUW) employee campaign:** The TAUW continues to be a main area of focus for our leadership and employees based at the corporate headquarters. This year, our team raised a record-breaking amount – with donations being matched by H&P – building even more value in Tulsa and surrounding communities. Learn more about H&P's involvement with TAUW in the [2022 Sustainability Report](#).
- › **American Heart Association's (AHA) Tulsa Heart Walk:** With many employees affected by heart disease and/or involved in the AHA at different levels, supporting this organization was a no-brainer. Employees and their families, along with teams from across the region, walked the one-or three-mile course through downtown Tulsa. The Heart Walk promotes cardiovascular health in the community and allows us to support the well-being of our community.
- › **Junior Achievement Inspire Experience:** By partnering with Junior Achievement Inspire, we are able to play a role in providing local students with tools and inspiration to support their learning experience. Employees from varying disciplines volunteered their time and knowledge to show area fifth graders what jobs look like at H&P. From engineer to finance and legal to human resources, our teams demonstrated our values and what's possible in a future at H&P.
- › **K-12 Education:** For the first time, in fiscal 2023, we partnered with Donors Choose to deliver \$12,500 in teacher grants, providing teachers the resources they need to support their classes. This initiative marks a step forward in our support of our communities and furthers our involvement in community development projects. Classrooms across H&P's footprint were eligible with STEM projects being the central focus. On top of

that, our NAS East Region supported local schools with donations to two separate area school foundations – helping to ensure the area schools have what they need to build up the communities.

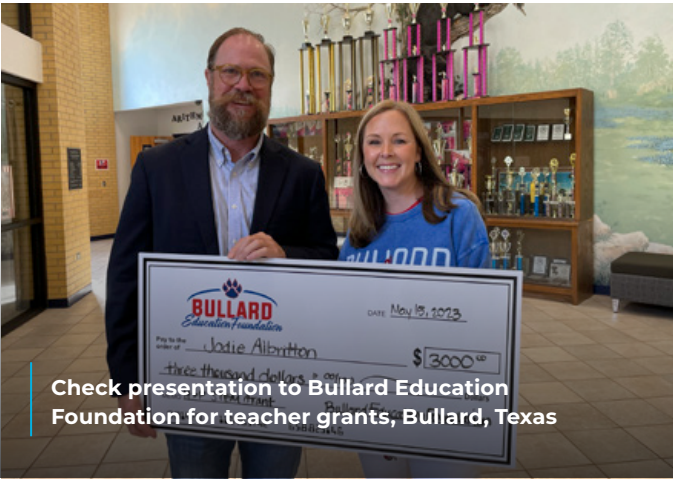
- › **Club del Petróleo:** As we continue to engage our communities internationally, we celebrated the 60th Anniversary of Club del Petróleo in Argentina. This milestone not only recognized the rich history and achievements of Club del Petróleo, but it also provided an opportunity for H&P to celebrate the 25th anniversary of its presence in Argentina.
- › **Toy and school supply drives:** The best community projects come directly from our employees. Teams in our NAS West and East Regions both held toy drives that benefited their respective locations. Truckloads of bikes, games, balls, dolls, and more were delivered to area organizations – helping to ensure all children received a gift during the holiday season. When it came time for school to start last summer, our corporate headquarters and the NAS West District both held school-supply drives. These drives provided area kids with the backpacks, math sets, notebooks and writing utensils needed to start the year off right.
- › **Organizations outside of Tulsa:** Each NAS region has funds available to donate within their footprint. Our NAS South Region knocked it out the park this year with donations to a number of important organizations including Kinetic Kids. This organization – whose mission is to enrich the lives of children with special needs to foster the development of courage, confidence, fitness, pride, joy and community – was recommended by an employee who has seen first-hand the benefits of this organization in the community.



Holiday toy drive, Odessa, Texas



Check presentation to Kinetic Kids, Seguin, Texas



Check presentation to Bullard Education Foundation for teacher grants, Bullard, Texas



Heart Walk, Tulsa, Okla

# RESPONSIBILITY TO EACH OTHER

## HUMAN RIGHTS

We look to protect human rights and preserve human dignity in our business activities. We consider international human rights principles and standards, and our Human Rights Policy is guided by some of the principles encompassed in the United Nations Universal Declaration of Human Rights.

Our focus on upholding human rights is grounded in our [Code of Business Conduct and Ethics](#), [Vendor Code of Conduct](#), and our [Human Rights Policy](#), as well as our values and ethical employment practices. Furthermore, H&P's policies and principles strive to comply with applicable employment laws relevant to the countries in which we operate. This includes, but is not limited to, laws around child labor, forced labor, human trafficking, any form of modern slavery, as well as data security and privacy regulations.

We are equally dedicated to providing a safe work environment that is free from harassment. The Company does not discriminate on the grounds of race, color, sex, sexual orientation, religion, national origin, citizenship status, age, genetic information, physical or mental disability, veteran status, pregnancy, or any other legally protected status. For more information, please see our [Equal Employment Opportunity and Prohibition Against Discrimination and Harassment](#) policy.

## WORKPLACE VIOLENCE

H&P's Workplace Violence Policy is outlined in our [Code of Business Conduct and Ethics](#). This policy states that the Company has zero tolerance for threats or instances of violence, whether potential or actual, in any work environment, on company premises, or during company-related activities.





# SUPPLIERS

H&P seeks to take an active approach to engaging with our suppliers. We believe the increasing global nature of our business requires increased focus on our value chain. As such, we aim to continue to grow our supply chain team internationally, build relationships with local suppliers in the communities in which we operate, and identify areas where we can decrease the environmental impact of our supply chain. We believe these efforts allow for supply chain efficiency and profit margin improvements and are also good for the people in those communities and planet.

We believe actively engaging our suppliers enables us to build strong business partnerships across our global value chain, which supports our sustainability strategy and helps achieve our business objectives. Effective supplier management can help secure pricing stability in our highly cyclical business and supports warehouse operations on the timely delivery of materials to our drilling operations.

## SUSTAINABLE SUPPLY CHAIN MANAGEMENT

H&P’s global supply chain team is responsible for overseeing supply chain and procurement practices, and works closely with the legal and compliance, enterprise risk management, and operations teams to drive forward successful supply chain management.

H&P’s global supply chain team works directly with the operations teams to review suppliers, analyze inventory, and make process improvements. Oversight of supply chain practices is provided by the chief financial officer

and the Board’s Audit Committee. The legal and compliance team supports contracts reviews while working with the ERM to support the vendor review process. These teams also work together in support of the vendor onboarding process.

During 2023, H&P enhanced the vendor onboarding process by increasing cross-functional collaboration across our organization and we continue to utilize data to identify further efficiency opportunities. Additionally, H&P implemented a centralized order follow-up process, which saved time and allowed the local warehouse leadership to improve prioritization. We believe this centralization has allowed our supply chain leadership to save time and refocus initiatives.

## ENCOURAGING SUPPLY CHAIN SUSTAINABILITY

Where feasible, H&P looks to manage waste and reduce our supply chain’s environmental impact. Relationships and feedback mechanisms developed with suppliers have provided valuable insights leading to efficiencies that can improve profit margins and decrease waste.

## ASSESSMENTS AND AUDITS

We require suppliers to abide by the applicable environmental, health, and safety laws, regulations, and practices referenced in our [Vendor Code of Conduct](#). This code was developed with support from our global supply chain team, and members of this team monitor the policy through internal compliance and policy review channels. All suppliers engaged in providing goods or services to our company are expected to act in accordance with the Vendor Code of Conduct, and at a

minimum comply with all applicable laws, rules, regulations, and standards within the jurisdictions in which they operate.

We take a pragmatic, risk-based approach to our supplier engagements. Our global supply chain team works with our HSE and operations teams to review vendor scores and feedback to make the ultimate determination of who we work with. We take these steps to help safety performance within our operation.

All suppliers across all categories and amounts of spend are screened by our compliance department’s sanctions review system as part of the initial onboarding process, and then subsequently screened on a daily basis until offboarded. Additionally, we work with the International Suppliers Network (ISN) to retrieve information reported to OSHA and assess the most up-to-date information on supplier health and safety practices when a supplier may work directly within our operations.

## SUPPLIER SCORECARDS

H&P leverages supplier scorecards to evaluate suppliers that provide critical equipment and services to operations on a semi-annual basis. These scorecards identify vendor performance across a range of key metrics, including, but not limited to, communication, timeliness, cost competitiveness, innovation, and product quality. After our internal sourcing analysts aggregate the quantitative and qualitative information from the scorecards, we provide each selected supplier with a final score output.

In addition to supplier scorecard evaluations, we solicit feedback from employees across operating regions. We create cross-functional improvement plans that engage HSE, operations, and suppliers using the feedback we collect through the scorecard process. When certain supplier ESG-centered risks become apparent, our global supply chain team works with our HSE team to identify and mitigate these risks. Our suppliers play a key role in ensuring the success of our global business, and we are focused on quality engagement and communication around HSE matters.

# MANAGING A GLOBAL SUPPLY CHAIN

Our global supply chain team continues to expand support for the Company through investments in talent development in our global operations, through entry into new markets, and through the continued support for our growing geothermal drilling operations. Notably, we have expanded our staff in India and the local supplier network in Australia.

Hiring suppliers local to H&P’s international locations has become a focus area of our efforts as H&P’s operational impact spreads further outside of the U.S. We believe this local approach allows us a competitive advantage, while simultaneously supporting local businesses, decreasing our environmental impact, and building the relationships in our supply chain. In each region we seek to adjust our approach according to local regulations, customs, and other considerations, which we believe allows us to maximize our work with local suppliers.

We have identified over 50 Australia-based suppliers to support our growing operations there, and continue to identify suppliers in the Middle East, South America, and other international areas. Through these relationships, our scorecards, assessments, and other reviews, our field personnel are able to address topics such as inventory planning, long lead-time spare equipment concerns, and back ordered materials.

## HUMAN RIGHTS

At H&P, we know that it’s important that we only engage with businesses that share our high ethical standards and respect for human rights. This is underscored in our [Vendor Code of Conduct](#), which states our firm policies against modern slavery and labor abuses. More information about our focus on human rights across our value chain is described further in the [Human Rights](#) section.

## SUPPLY CHAIN OVERSIGHT





# GOVERNANCE

# 04





# GOVERNANCE

Corporate governance practices at H&P including oversight, risk management, and ethics and compliance demonstrate our core value of ‘Do the Right Thing’. Corporate governance at H&P encompasses the oversight mechanisms that help us mitigate risk and facilitate the execution of environmental, social, and governance initiatives. The strength of our governance position is demonstrated by our employees’ dedication to uphold H&P’s values and abide by the expectations laid out in our corporate governance programs.

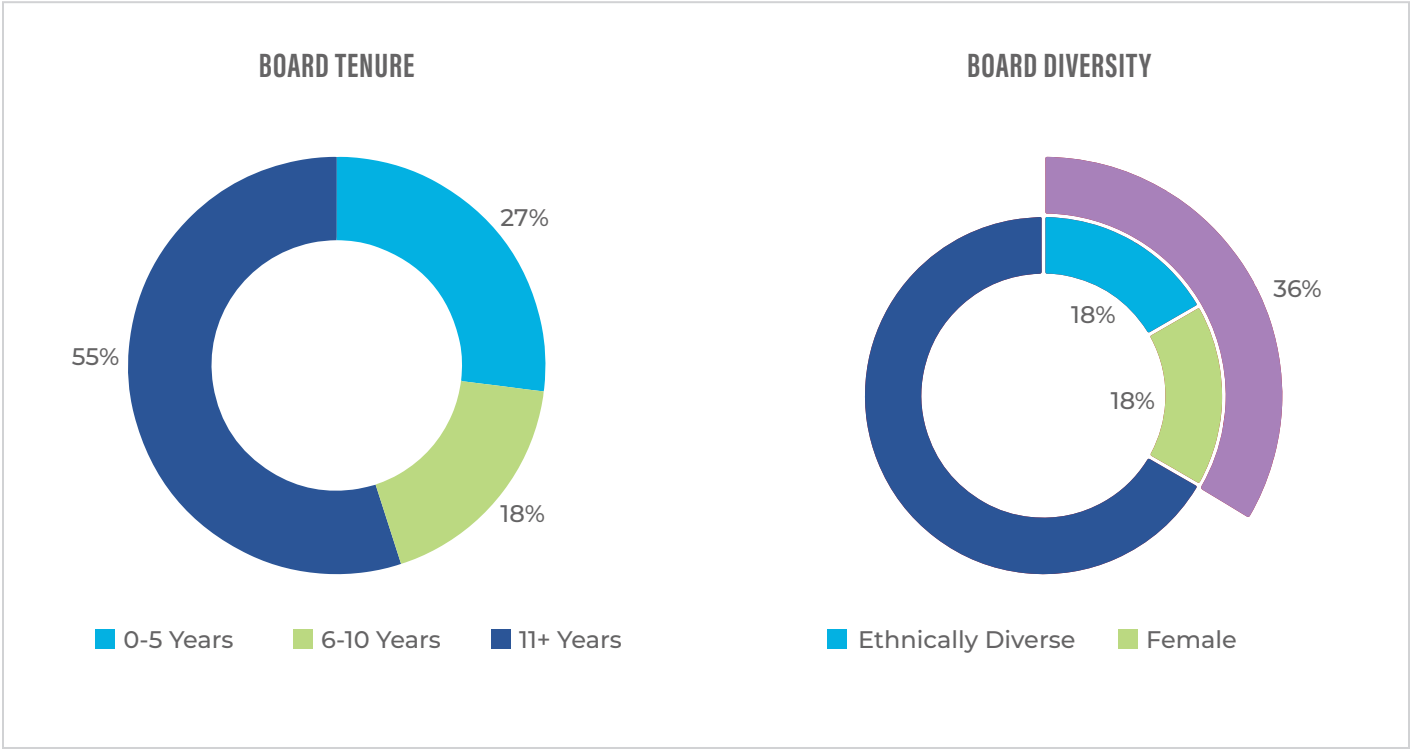
## CORPORATE GOVERNANCE

### BOARD COMPOSITION

Our Board believes in the importance of diversity, including diversity of background and expertise to represent the long-term interests of H&P and its shareholders. The Nominating and Corporate Governance Committee oversees management and director succession planning, which includes efforts to mitigate risks associated with the loss of expertise and leadership at the Board level. As part of the nomination process, the Board’s Nominating and Corporate Governance Committee considers diversity in professional background, experience, expertise, perspective, age, gender, and ethnicity with the intent to create a well-rounded board with a variety of perspectives. Additionally, the Nominating and Corporate Governance Committee

prioritizes including in each new director search, candidates who reflect diverse backgrounds, including diversity of gender and race as stated in the [Corporate Governance Guidelines](#) and [2023 Proxy](#). Four of our five newest current Board members self-identify as gender or ethnically diverse. Overall Board diversity continues to increase and represents 36% of the total Board as of the end of FY 2023.

- Overall diverse representation on the Board increased to 36% in 2023.
- 82% of directors on our Board qualify as independent under the listing standards of the New York Stock Exchange (NYSE).



## BOARD COMMITTEES



H&P’s Board committees have various responsibilities across sustainability and other oversight functions at H&P. The three H&P Board committees are the Nominating and Corporate Governance Committee (the NCG Committee), the Human Resources Committee (the HR Committee), and the Audit Committee. These committees have various functions related to sustainability which are described in the Senior Management’s Dedicated Climate Oversight and Sustainability Oversight sections of this report. These committees meet quarterly and more frequently as needed. Each committee is entirely composed of independent Directors. Copies of the charters of each committee and our Corporate Governance Guidelines are available on our Investor Relations [website](#). Specific Board membership of each committee can also be found on our [website](#).

strategic objectives with payouts varied based on actual performance. Performance-based equity awards are earned based on our relative total shareholder return compared to a peer group of companies. These goals are set to motivate performance across our business.

Our fiscal 2023 short-term incentive bonus plan includes, among other targets, performance objectives tied to sustainability focused goals. These sustainability focused goals include safety, environmental, and DE&I goals with the recognition that keeping employees and customers safe and reducing our environmental footprint are important to generating long-term value.

Please find more details on our compensation practices outlined in our [proxy statement](#).

## COMPENSATION

H&P’s compensation program is designed to align the interests of executives with those of shareholders, while providing employees with the motivation they need to perform at their best and maximize their contribution to the Company’s success.

A significant portion of executive compensation is performance-based and at risk. Short-term cash incentive compensation is tied to financial and

## SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder engagement is important to H&P in identifying and addressing shareholder concerns and gathering feedback. Shareholder engagement is conducted through a number of channels including investor conferences, meetings, quarterly conference calls available to the public, written communications, and our website. Information on shareholder rights is outlined within our [proxy statement](#).



# ETHICS AND COMPLIANCE

Ethics and compliance are foundational values for H&P, and we strive to establish a culture of honesty and transparency across our global business. We believe that through our oversight, policies, and trainings we encourage ethical business practices to each employee.

## ETHICS AND COMPLIANCE OVERSIGHT

The compliance and internal audit departments at H&P assist in holding our employees accountable to the Code of Conduct and other relevant policies. Additionally, the compliance department is responsible for maintaining corporate policies including the Code of Conduct, training, high-risk vendor management, anti-corruption, trade compliance, high-risk transaction monitoring, and personal data privacy compliance. The activities of, and audits conducted by the internal audit department serve to monitor and strengthen our corporate governance practices, as well as our internal controls and business and accounting processes — which we believe ultimately results in increased compliance and higher accountability. Our internal audit function has direct reporting lines to the Audit Committee to promote transparency, oversight, and communication of these matters with our Board.

THROUGH OUR OVERSIGHT,  
POLICIES, AND TRAININGS  
WE ENCOURAGE ETHICAL  
BUSINESS PRACTICES TO  
EACH EMPLOYEE

## ETHICS AND COMPLIANCE POLICIES

H&P is committed to ethical behavior, as made evident through our policies and procedures. Please find below an overview of policies most relevant to the ethics and compliance function at H&P.

### THE CODE OF BUSINESS CONDUCT AND ETHICS (THE CODE OF CONDUCT)

The Code of Conduct reflects every employee's responsibility and commitment to each other, our customers, our suppliers, our shareholders, and the community. It is how we preserve our culture and guide our people in embodying the H&P Way, which builds upon our reputation of integrity, excellence, and ethical conduct. The Code of Conduct applies to all who work in any capacity for the Company, and each employee has the responsibility to know and apply the standards set within. Periodically, U.S.-based employees are required to re-certify that they have read, understand, and will abide by the Code of Conduct. While employees have a responsibility to act responsibly on an individual basis, employees are also responsible for holding others accountable, which includes reporting any violations for potential concerns, as well as helping to detect or prevent violations of the Code of Conduct.

### WHISTLEBLOWER POLICY

The Whistleblower Policy prohibits H&P or any of its employees from retaliating or taking any adverse action against whistleblowers. Concerns may be submitted anonymously to the Company through the Ethics Hotline. H&P's compliance department is responsible for monitoring, tracking, and delegating the investigation of allegations of violations of the Code of Conduct to the appropriate department. Ethics hotline complaints are promptly shared with the chair of the Audit Committee and significant complaints are

reported to the Audit Committee at least on a quarterly basis. Employees can access the confidential ethics hotline at the [Ethics Hotline Webpage](#).

### POLITICAL ACTIVITY POLICY

Political activity by our employees within their community is encouraged. However, such activities are only to be conducted using the employee's personal time and resources. Employees may not use their roles at H&P to explicitly or implicitly suggest that the organization shares their political views. More details about our [Political Activity Policy](#) can be found on our [Corporate Governance Information webpage](#).

### VENDOR CODE OF CONDUCT

This code outlines expectations and associated relevant information for our suppliers. All suppliers engaged in providing goods or services to the Company are expected to act in accordance with our Vendor Code of Conduct and comply with applicable laws, rules, regulations, and standards within the jurisdictions in which they operate. More information on our supplier expectations and H&P's approach to maintaining a sustainable supply chain can be found in the [Suppliers section](#).

## ETHICS AND COMPLIANCE TRAINING

We provide Code of Conduct training periodically to our employees, which assists us in upholding ethical standards on an ongoing basis. Additional training through subject matter courses on topics such as anti-corruption, trade controls, and anti-discrimination/harassment are provided on an annual basis to applicable employees. H&P also provides updated and periodic training on topics such as anti-trust and insider trading to enhance awareness of our ethics and compliance program and to promote employee awareness of the aforementioned ethics and compliance policies.





# RISK MANAGEMENT

## ENTERPRISE RISK MANAGEMENT OVERVIEW

Since 2006, H&P has continuously evolved its ERM in order to improve it and to keep up with risks that have both developed and lost relevance over time. The H&P ELT guides ERM at H&P. This team meets quarterly, reviews the enterprise risk register, and discusses any additional risks and risk management activities. The risk management and insurance group maintains the risk register and initiates reviews and assessments. “Enterprise Risk” is a permanent agenda item for the Board and Audit Committee meetings each quarter, who oversee our risk management practices, including ERM.

There are currently 26 main (“parent”) risks on our enterprise risk register across operations, safety, legal, regulatory, insurance, finance, and other strategic matters. One or more of the ELT members is responsible for each parent risk and each parent risk is informed by three or more sub-risks (“child”). The child risks are in-turn co-managed by two or more personnel selected by the ELT members responsible for the parent risk. The co-managers are responsible for assigning key risk indicators as well as developing and monitoring mitigation activities. We document all 26 parent risks with a risk summary which defines the risk, highlights where the risk is mentioned in the Company’s [10-K](#) risk factors and includes the child risk and each of their owners, key risk indicators, and mitigation activities. Parent risks include those that specifically address health, safety, and environment, as well as governance and employment practices. Related to corporate sustainability, we also include a specific risk on the register pertaining to the management, adherence, and communication of ESG principles.

H&P’s Board also provided oversight to the review and identification of climate change-related risks that apply to H&P. H&P takes climate-related risks into consideration within its broader business strategy and these risks are underpinned by our quantitative scenario analysis, which is described further in the [Climate-related Risks and Opportunities section](#) of this report.

The identified climate-related risks, which have been fully integrated into our ERM, include the following:

- › Transition to a Low-Carbon Economy
- › Regulatory Risks
- › Operational and Incident-Based Risks
- › Physical Risks

## MANAGING CYBERSECURITY RISKS

H&P’s Information Technology (IT) group and its Cybersecurity function maintains a separate register made up solely of risks that are maintained, monitored, and mitigated by the IT group. The IT group utilizes an external contractor to survey and monitor its network systems at the base level. We also deploy an internal team to focus on higher level threats and to conduct specific threat hunting activities.

We communicate risks we believe could occur as a result of cyberattack in our annual report on Form [10-K](#) (pg. 22):

- › disrupt our rig operations including operational technologies as well as our corporate information technology systems;
- › negatively impact our ability to compete;
- › result in the theft or misappropriation of funds;
- › cause the loss, corruption or misappropriation of personal, proprietary or confidential information;
- › expose us to litigation, regulatory action, and potential liability; and

- › result in injury to our reputation, downtime, loss of revenue, and increased costs to prevent, respond to, or mitigate cybersecurity events or other disruptions.

› H&P assigns 12 IT training modules, which include cybersecurity topics, and during 2023, an average of over 1,600 employees completed all modules.

At H&P, we require employees to complete trainings geared to raise awareness of cyber risks and to eliminate behaviors that increase vulnerabilities. We also conduct periodic exercises to test IT security protocols and coordinate initiatives across the entire organization aimed at maintaining appropriate crisis management and business continuity capabilities. Further, dedicated intellectual property risk management includes training for appropriate personnel regarding patents and related processes and protocols. Our Technology Committee, led by the SVPs of software development and IT, as well as engineers, and the general counsel, reviews new technologies and determines appropriate IP treatments. To assist the Technology Committee and supplement its decision practices, we also enlist specialized outside counsel.

## A CONSOLIDATED ERM PLATFORM

In 2020, H&P’s internal audit department began using a Governance, Risk, and Compliance (GRC) platform, and in late 2021, enterprise risk along with the cybersecurity and compliance departments adopted the same GRC platform. When fully implemented, the platform will enable the sharing of risk information across the Company, with the goal of reducing the tendency of risks and related management activities that may become siloed. While still in the early stages, this process is gaining more traction as usage increases and employees become more familiar. The GRC platform is currently being used to house the ERM risk register, enabling the risk team to easily modify changes in risk mitigation and responsibility, as well as survey responsible parties efficiently and accurately. ERM plans to survey risk owners twice per year using the GRC platform. We also maintain a relationship with a GRC consulting group where several departments have access to resources, materials, training, and consultants across the spectrum of internal audit, cybersecurity, compliance, and enterprise risk. We also utilize the GRC consultant to administer an annual survey directed at a wider breadth of H&P management with the goal of detecting new risks and identifying areas of significant concern.





# APPENDIX

# 05





# ACRONYM LISTING AND GLOSSARY

TERM	DEFINITION
ACG	Actively C.A.R.E.™ Goals
Actively C.A.R.E.™	Actively Control and Remove Exposures
API	American Petroleum Institute
APS	Announced Pledges Scenario
Backoffs or Sidetracks	Occurs when the wellbore being drilled is off target or encounters unexpected geological formation and the drill bit is retracted to start an offset drill path
BHA	Bottom-Hole Assembly
CEM	Crisis and Emergency Management
CEMP	Crisis and Emergency Management Plan
CIRT	Cybersecurity Incident and Response Team
CMT	Crisis Management Team
CO <sub>2</sub> e	Carbon Dioxide Equivalent (includes all greenhouse gases listed calculated by utilizing equivalency factors as defined by the EPA)
CST	Corporate Support Team
Curve	The degree of which and the turn in the wellbore from vertical to lateral
DE&I	Diversity, Equity, and Inclusion
Driller's Select	Tool which allows our employees to remotely start and stop rig engines
E&P	Exploration and Production
EGS	Enhanced Geothermal Systems
EGT	Environmental Governance Team
ELT	Executive Leadership Team
EMS	Environmental Management System
ERG	Employee Resource Group
ERM	Enterprise Risk Management
ESG	Environmental, Social, and Governance
FTE	Full-Time Equivalent
GHG	Greenhouse Gas
GJ	Gigajoules
GRI	Global Reporting Initiative
HAZCOM	Hazard Communication
HAZWOPER	Hazardous Waste Operations and Emergency Response
Highline	Refers to electrical power obtained from the installed electricity grip
Hitch	Period of work on a rig
HSE	Health, Safety, and Environmental
IEA	International Energy Agency
IADC	International Association of Drilling Contractors

TERM	DEFINITION
IMT	Incident Management Team
IPCC	Intergovernmental Panel on Climate Change
LifeBelt	Company's safety rules that highlight actions that individuals must take to protect themselves and others from serious injury or fatality
LTIR	Lost Time Incident Rate
NAS	North America Solutions
NGFS	Network for Greening the Financial System
NPT	Nonproductive Time
NZE	Net Zero Emissions by 2050 Scenario
Oil and Gas	Refers to crude oil and natural gas, collectively called hydrocarbons
OSHA	Occupational Safety and Health Administration
PJP	Pre-Job Planning
QMS	Quality Management System
Quantitative Scenario Analysis/QSA	Quantitative assessment of physical and climate related risks and opportunities under future state climate scenarios and the impact on a given business
R&R	Rewards and Recognition
ROP	Rate of Penetration
RSMT	Rig Safety Management Training
SASB	Sustainability Accounting Standards Board
SDS	Sustainable Development Scenario
SERTs	Site Emergency Response Teams
SIF	Serious Injury or Fatality
Slide	Drilling the curve of the well
SLT	Safety Leadership Team
SPCC Plans	Spill Prevention, Control, and Countermeasure Plans
SSE	Short Service Employees
STEPS	Stated Policies Scenario
STI	Short-Term Incentives
TCFD	Taskforce on Climate-Related Financial Disclosures
TCO <sub>2</sub> e	Total Carbon Dioxide Equivalent
Tortuosity	Measure of curving and bending in a wellbore
Trip or Tripping	The removal and re-insertion of several pieces of drill pipe into a wellbore while drilling a well
TRIR	Total Recordable Incident Rate
TVD	Total Vertical Depth
WE0	World Economic Outlook
WHP-LA	Women of H&P – Latin America





# INDUSTRY ASSOCIATIONS AND MEMBERSHIPS

American Association of Drilling Engineers (AADE)
American Institute of Steel Construction (AISC)
American Petroleum Institute (API)
American Society of Civil Engineers (ASCE)
American Welding Society (AWS)
International Association of Drilling Contractors (IADC)
Society of Petroleum Engineers (SPE)
The Petroleum Alliance of Oklahoma
Geothermal Rising
Society of Petrophysicists and Well Log Analysts (SPWLA)
International Association of Directional Drilling (IADD)
Energy Workforce & Technology Council
Women's Energy Network of Greater Oklahoma (WENOK)

# GENERAL DATA

METRIC	UNIT	TIME PERIOD		
GENERAL		FY 2021	FY 2022	FY 2023
Drilled Distance <sup>1</sup>	Kilometers	13,340	19,121	21,086
Total Employees <sup>2</sup>	Number	5,932	8,000	7,100
Total Contract Employees <sup>3</sup>	Number	328	544	723
Total Short-service Employees <sup>4</sup>	Number	901	1,111	897
Number of Wells Drilled <sup>5</sup>	Number	2,336	3,371	3,846
Total Hours Worked <sup>6</sup>	Number	11,450,065	15,186,432	16,832,632
Revenue	Thousands USD	1,218,568	2,058,944	2,872,421
Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	USD	0	0	0

1 Drilled distance is calculated based on hole depth change in streaming rig data; The data reflects only North America Solutions ("NAS"); Note, NAS accounted for 88% of the total revenue in FY23.

2 Employee data is approximate and as of 9/30 of the corresponding year as published in the [10-K](#).

3 Accounted for on 9/30 of each fiscal year; Includes employee type of consultant or contractor in HRIS; Excludes temp agency worker; expanded in FY23 to include global contract employees.

4 Field employees with service less than six months accounted for on 9/30 of each fiscal year.

5 Number of wells drilled disclosed to represent SASB activity metric of 'Number of Active Rig Sites' (EM-SV-000.A).

6 Total hours worked for all employees.

# ENVIRONMENTAL DATA

METRIC	UNIT	TIME PERIOD		
GREENHOUSE GAS EMISSIONS <sup>1</sup>		FY 2021	FY 2022	FY 2023
Total Scope 1 GHG Emissions	Thousands Metric Tons CO <sub>2</sub> e	735	1,080	1,142
Total Scope 2 GHG Emissions (Location Based)	Thousands Metric Tons CO <sub>2</sub> e	6.3	37.3	43.3
Total Scope 2 GHG Emissions (Market Based)	Thousands Metric Tons CO <sub>2</sub> e	-	-	46.3
Total Scope 1 & 2 GHG Emissions	Thousands Metric Tons CO <sub>2</sub> e	741	1,117	1,186
Y-o-Y Change Scope 1 GHG Emissions	Percentage (%)	-13.0%	46.8%	5.8%
Y-o-Y Change Scope 2 GHG Emissions	Percentage (%)	-7.6%	496.7%	16.0%
Y-o-Y Change Scope 1 & 2 GHG Emissions	Percentage (%)	-13.0%	50.6%	6.2%
Total Scope 1 GHG Emissions Normalized by Drilling Activity <sup>2</sup>	Metric Tons CO <sub>2</sub> e per Kilometer Drilled	55.1	56.5	54.2
Total Scope 1 & 2 GHG Emissions Normalized by Drilling Activity <sup>2</sup>	Metric Tons CO <sub>2</sub> e per Kilometer Drilled	55.6	58.4	56.2
Y-o-Y Change Scope 1 GHG Emissions Normalized by Drilling Activity <sup>2</sup>	Percentage (%)	-11.3%	2.4%	-4.0%
Y-o-Y Change Scope 1 &2 GHG Emissions Normalized by Drilling Activity <sup>2</sup>	Percentage (%)	-11.2%	5.1%	-3.7%
Scope 1 Emissions Intensity	TCO <sub>2</sub> e/\$1K Revenue	0.60	0.52	0.40
Scope 1 Emissions Intensity	TCO <sub>2</sub> e/Employee	124	135	161
Scope 2 Emissions Intensity	TCO <sub>2</sub> e/\$1K in Revenue	0.005	0.018	0.015
Scope 2 Emissions Intensity	TCO <sub>2</sub> e/Employee	1.05	4.67	6.10
Scope 1 & 2 Emissions Intensity	TCO <sub>2</sub> e/\$1K in Revenue	0.61	0.54	0.41
Scope 1 & 2 Emissions Intensity	TCO <sub>2</sub> e/Employee	125	140	167
ENERGY CONSUMPTION <sup>3</sup>		FY 2021	FY 2022	FY 2023
Off-road Equipment Total Fuel Consumed	Gigajoules (GJ)	10,148,137	15,096,906	16,076,839
% of Total Fuel Consumed by Off-road Equipment	Percentage (%)	97.6%	98.7%	98.9%
% of Renewable Fuel Consumed by Off-road Equipment	Percentage (%)	0%	0%	0%
% Renewable of Total Fuel Consumed by Off-road Equipment	Percentage (%)	0%	0%	0%
On-road or Mobile Equipment Total Fuel Consumed	Gigajoules (GJ)	247,070	194,668	183,544
% of Total Fuel Consumed by On-road or Mobile Equipment	Percentage (%)	2.4%	1.3%	1.1%
% of Renewable Fuel Consumed by On-road or Mobile Equipment	Percentage (%)	5.2%	6.3%	8.8%
% Renewable of Total Fuel Consumed by On-road or Mobile Equipment	Percentage (%)	0.1%	0.1%	0.1%
Total Diesel Consumption	Gigajoules (GJ)	10,209,507	14,985,265	15,960,205
Total Gasoline Consumption	Gigajoules (GJ)	167,040	159,686	144,764
Total Ethanol Consumption	Gigajoules (GJ)	12,889	12,315	16,085
Total Natural Gas Consumption	Gigajoules (GJ)	27,352	150,204	89,012
Total Other Gas Consumption	Gigajoules (GJ)	109	2,878	64,759
Total Biomass Woodchip Consumption	Gigajoules (GJ)	26	34	47
Total Jet Fuel Consumption	Gigajoules (GJ)	5,661	9,785	11,980
Total Electricity Consumption	Gigajoules (GJ)	45,560	325,835	359,591
% Renewable of Total Fuel Consumed	Percentage (%)	0.1%	0.1%	0.1%
Total Fuel Consumption	Gigajoules (GJ)	10,395,207	15,291,574	16,260,383
Total Energy Consumption	Gigajoules (GJ)	10,468,145	15,646,001	16,646,444





METRIC	UNIT	TIME PERIOD		
Total Energy Consumption Normalized by Drilling Activity <sup>2</sup>	Gigajoules (GJ) per Kilometer Drilled	785	818	789
Y-o-Y Change in Total Energy Consumption Normalized by Drilling Activity <sup>2</sup>	Percentage (%)	-11.2%	4.3%	-3.5%
Percentage of engines in service that meet Tier 4 compliance for non-road diesel engine emissions	Percentage (%)	25%	25%	26%
WATER		FY 2021	FY 2022	FY 2023
Percentage Water Recycled	Percentage (%)	0%	0%	0%
SPILLS		FY 2021	FY 2022	FY 2023
Total Number of Spills <sup>4</sup>	Number	2	3	0
Spill Incident Rate <sup>5</sup>	Incidents per 200,000 Hours Worked	0.03	0.04	0
Volume of Spills	m <sup>3</sup>	2.6	2.6	0
BIODIVERSITY		FY 2021	FY 2022	FY 2023
Average disturbed acreage per oil and gas well site <sup>6</sup>	Number	0	0	0

1 Emissions measured, calculated, or estimated utilizing methods from the GHG Protocol Corporate Standard with emissions factors as defined by the EPA and other sources; Includes all emissions associated with H&P operations as listed by the operational control boundary definition; CO<sub>2</sub>e includes all greenhouse gases listed calculated by utilizing equivalency factors as defined by the EPA; Rig engine CO<sub>2</sub>e emissions calculated using Original Equipment Manufacturer (OEM) emissions specifications from engine load and/or amount of fuel consumed; Fleet vehicle emissions calculated from fuel purchase data and/or fuel economy estimates for mileage driven; Scope 1 emissions boundaries are as follows: Sources we own, rent for on-site sources, and /or control operationally which are directly related to domestic and international (land and offshore) drilling solutions; Customers may account for emissions listed as their own; Total Scope 1 and 2 GHG emissions utilize Scope 2 location based unless otherwise noted; exact numbers are utilized for totaling purposes and totals listed may not sum due to rounding.

2 Distance drilled for NAS only; NAS revenue accounted for approximately 88% of the total in FY 2023.

3 Energy consumption for electricity and fuels derived from same methods used to account for scope 1 and 2 GHG emissions; Energy densities used as defined by the EPA and other sources; Total fuel consumption excludes fuel used in scope 2 emissions inventory; electricity consumption includes energy from district cooling.

4 Spills listed are those which H&P was required to report to the necessary government agencies in each state.

5 Reportable spill incidents per 200,000 hours worked.

6 As a contractor, H&P does not manage the disturbance of land associated with drilling an oil or gas well site.

## SOCIAL DATA

METRIC	UNIT	TIME PERIOD		
HEALTH AND SAFETY		FY 2021	FY 2022	FY 2023
SIF Potential	Incidents per 200,000 hours worked	1.10	1.22	0.74
SIF Mitigated	Incidents per 200,000 hours worked	0.52	0.47	0.40
SIF Actual	Incidents per 200,000 hours worked	0.00	0.01	0.01
Y-o-Y Change in SIF Actual Safety Incidents	Percentage (%)	-100%	N/A	-9.8%
Total Recordable Incident Rate (TRIR)	Incidents per 200,000 hours worked	1.50	2.16	2.00
Total Recordable Incidents	Number of Incidents	-	164	168
Lost-Time Incident Rate (LTIR)	Incidents per 200,000 hours worked	0.61	0.57	0.51
Total Lost-Time Incidents	Number of Incidents	-	43	43
Fatality rate	Incidents per 200,000 hours worked	0.00	0.01	0.00
Total Fatalities	Number of Fatalities	-	1	0
Near Miss Frequency Rate (NMFR)	Incidents per 200,000 hours worked	2.76	2.58	2.88
Total Vehicle Incident Rate (TVIR)	Incidents per 200,000 hours worked	1.33	1.00	1.19
Percentage of all employees and contractors who are covered by internally audited health and safety management system	Percentage (%)	100%	100%	100%
TRAINING AND DEVELOPMENT		FY 2021	FY 2022	FY 2023
General Training				
New Employee Safety Training for Short Service (SSE) Employees	Hours	15	15	15
Driller 101 Training Participants	Number	278	454	273
Derrickman 101 Training Participants	Number	-	831	580
Motorman 101 Training Participants	Number	241	709	569
Well Control Certification Training <sup>1</sup>	Hours	24	24	24
Well Control Certification Participants <sup>1</sup>	Number	638	849	797
Coach Training Participants	Number	2,637	2,319	1,744
Change Champion Training	Hours	52	56	55
Change Champion Graduates	Number	76	62	105
HSE Recognition and Rewards Granted <sup>2</sup>	Number	7,312	17,026	25,056
Environmental Training				
Average Employees in Attendance for Environmental and Emergency Response Trainings <sup>3</sup>	Number	2,727	5,644	5,770
Safety Training				
Minimum Safety Training for Field Employees <sup>4</sup>	Hours	26	26	26
Minimum Safety Training for Short Service Field Employees (SSE) <sup>4,5</sup>	Hours	28	28	28
Ethics and Compliance Training				
Average Hours of Ethics & Compliance Training	Number	1.5	1	1.5
% of overall Ethics & Compliance Training Compliance <sup>6</sup>	Percentage (%)	100%	100%	100%
% of Required Employees who Complete Anti-Discrimination & Harassment Training <sup>6</sup>	Percentage (%)	100%	100%	100%
% of Required Employees who Complete Code of Conduct Training <sup>6</sup>	Percentage (%)	100%	100%	100%
% of Required Employees who Complete Anti-Corruption Training <sup>6</sup>	Percentage (%)	100%	100%	100%
% of Required Employees who Complete Trade Compliance Training <sup>6</sup>	Percentage (%)	100%	100%	100%
% of Required Employees who Complete Insider Trading <sup>6</sup>	Percentage (%)	100%	100%	100%
% of Required Employees who Complete Data Privacy Training <sup>6,7</sup>	Percentage (%)	N/A	100%	100%





METRIC	UNIT	TIME PERIOD		
TRAINING AND DEVELOPMENT		FY 2021	FY 2022	FY 2023
Cybersecurity Training				
Average Number of Employees who Completed the Annual IT Compliance Training Modules <sup>8</sup>	Number	699	1,504	1,619
RETENTION AND RECRUITMENT (DOMESTIC ONLY)		FY 2021	FY 2022	FY 2023
Total New Hires	Number	1,355	3,034	3,460
Total New Hires	Percentage (%) of Workforce	22.8%	37.9%	48.7%
DIVERSITY AND INCLUSION <sup>9</sup>		FY 2021	FY 2022	FY 2023
Gender				
Women Representation of Employees <sup>10</sup>	Percentage (%)	5.4%	4.4%	4.7%
Men Representation of Employees <sup>10</sup>	Percentage (%)	94.3%	94.2%	95.1%
Not Disclosed	Percentage (%)	-	1.4%	0.2%
Women Representation in Corporate Office <sup>10</sup>	Percentage (%)	31.1%	30.3%	30.8%
Men Representation in Corporate Office <sup>10</sup>	Percentage (%)	68.9%	69.5%	68.9%
Women Representation in Senior Management Positions <sup>11</sup>	Percentage (%)	19.6%	20.5%	23.5%
Men Representation in Senior Management Positions <sup>11</sup>	Percentage (%)	80.4%	79.5%	76.5%
Women Representation in All Management Positions <sup>11</sup>	Percentage (%)	6.3%	5.9%	5.8%
Men Representation in All Management Positions <sup>11</sup>	Percentage (%)	93.7%	94.1%	94.2%
Race/Ethnicity				
Representation of all employees (%)				
Total U.S. Employees Represented by Minority Groups	Percentage (%)	33.6%	38.1%	40.0%
White	Percentage (%)	66.2%	59.7%	58.2%
Asian	Percentage (%)	0.8%	0.6%	0.7%
Hispanic/Latino	Percentage (%)	23.8%	26.2%	27.6%
Black or African American	Percentage (%)	5.4%	7.6%	7.9%
Other Ethnicities <sup>12</sup>	Percentage (%)	3.5%	3.7%	3.8%
Not Disclosed	Percentage (%)	-	2.2%	1.8%
Representation in field positions (%)				
Total Field Employees Represented by Minority Groups	Percentage (%)	35.2%	39.6%	41.8%
White	Percentage (%)	64.6%	58.1%	56.4%
Asian	Percentage (%)	0.1%	0.1%	0.2%
Hispanic/Latino	Percentage (%)	26.4%	28.1%	29.8%
Black or African American	Percentage (%)	5.8%	8.1%	8.5%
Other Ethnicities <sup>12</sup>	Percentage (%)	2.9%	3.3%	3.3%
Not Disclosed	Percentage (%)	-	2.3%	1.8%
Representation in corporate office (%)				
Total Corporate Office Employees Represented by Minority Groups	Percentage (%)	22.3%	24.0%	24.3%
White	Percentage (%)	77.5%	75.0%	74.4%
Asian	Percentage (%)	5.7%	5.7%	6.0%
Hispanic/Latino	Percentage (%)	5.6%	7.2%	7.9%
Black or African American	Percentage (%)	3.1%	2.7%	2.5%
Other Ethnicities <sup>12</sup>	Percentage (%)	7.9%	8.3%	7.8%
Not Disclosed	Percentage (%)	-	1.1%	1.3%

METRIC	UNIT	TIME PERIOD		
DIVERSITY AND INCLUSION		FY 2021	FY 2022	FY 2023
Race/Ethnicity				
Representation in senior management positions (%)				
Total Senior Management Employees Represented by Minority Groups	Percentage (%)	12.5%	15.8%	16.8%
White	Percentage (%)	86.1%	80.7%	79.3%
Asian	Percentage (%)	1.9%	1.9%	2.8%
Hispanic/Latino	Percentage (%)	2.3%	5.4%	5.9%
Black or African American	Percentage (%)	0.0%	0.0%	0.0%
Other Ethnicities <sup>12</sup>	Percentage (%)	8.3%	8.5%	8.1%
Not Disclosed	Percentage (%)	-	3.5%	3.9%
Representation in all management positions (%)				
Total All Management Employees Represented by Minority Groups	Percentage (%)	20.2%	20.5%	21.6%
White	Percentage (%)	79.4%	77.3%	75.5%
Asian	Percentage (%)	0.4%	0.3%	0.5%
Hispanic/Latino	Percentage (%)	13.8%	15.4%	16.1%
Black or African American	Percentage (%)	2.5%	1.9%	2.0%
Other Ethnicities <sup>12</sup>	Percentage (%)	3.4%	2.9%	3.0%
Not Disclosed	Percentage (%)	-	2.2%	2.9%

1 For rig managers and drillers required bi-yearly.

2 All employees are eligible to receive HSE R&R awards and can be recognized multiple times in a year.

3 Average employee attendance is represented by average number trainings completed for HAZCOM, HAZWOPER, SPCC and Emergency Response Trainings.

4 NAS and South America field employees only; Weekly Rig Management Safety Training (RSMT) provided for all field employees which includes various safety and development topics.

5 SSE defined as less than 6 months experience; Training includes RSMT and New Employee Safety Training.

6 Training for this topic was assigned to specific employees who work in positions that require it.

7 New in FY 2023, currently ongoing.

8 IT training completion represents the average number of training modules completed by selected employees across the required annual IT modules; The following breakdowns the module offering count by year - 2021: 12 modules ; 2022: 12 modules; 2023: 12 modules.

9 All diversity data is representative of the U.S. workforce except for gender data which represents the global workforce..

10 Data may not add up to 100% because of non-response from employees.

11 Management level definitions were standardized for 2020; Best equivalent positions including Director, Vice President and President were used for 2018-2019 data.

12 Includes two or more races, American Indian or Alaska Native and Native Hawaiian or Pacific Islander.



GOVERNANCE DATA

METRIC	UNIT	TIME PERIOD		
BOARD COMPOSITION		FY 2021 <sup>2</sup>	FY 2022 <sup>2</sup>	Sept. 30, 2023 <sup>2</sup>
Board of Directors average age	Number	65	66	66
Board of Directors average tenure	Number	13	13	13
Board of Director gender representation	Percentage (%)	17%	17%	18%
Board of Director diversity representation¹	Percentage (%)	17%	17%	18%
# of independent directors	Number	10	12	9

1 Based on ethnic and racial categories used in Institutional Shareholder Services' (ISS) database. See ISS Procedures and Policies (Non-Compensation), Frequently Asked Questions, updated July 25, 2023.

2 Data based on figure as of proxy date. In some cases, the FY 2023 data will not be available until the 2024 proxy is published.

GOAL PERFORMANCE DATA

H&P GOALS	ACHIEVEMENT YEAR	METRIC	PROGRESS
30% reduction in net CO <sub>2</sub> e per distance drilled by the end of 2030 with a 2018 baseline	2030	Net CO <sub>2</sub> e per distance drilled (%)	New Goal
2023 Actively C.A.R.E.™ Goal: Reduce the amount of GHG emissions per drilled distance by a base of 1% with a stretch goal of 2%	2023	GHG emissions per drilled distance (%)	Complete
2024 Actively C.A.R.E.™ Goal: Maintain or Reduce the Amount of GHG Emissions per Drilled Distance in 2024 as compared to 2023	2024	GHG emissions per drilled distance (%)	New Goal
2023 Actively C.A.R.E.™ Goal: Reduce Rate of Unmitigated SIF Incidents Involving LifeBelt Breakdown by 15%	2023	Unmitigated SIF Incidents Involving LifeBelt Breakdown (%)	Complete
2024 Actively C.A.R.E.™ Goal: Reduce the rate of SIF potential (non-mitigated) incidents involving a LifeBelt breakdown by 10% with a stretch goal of 15%	2024	SIF Potential Incidents Involving LifeBelt Breakdown (%)	New Goal

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

TCFD CORE ELEMENTS	RECOMMENDED DISCLOSURES	DISCLOSURES
Governance	a. Describe the organization's governance around climate-related risks and opportunities.	<a href="#">Sustainability Oversight</a> Environment > Environmental Management > <a href="#">Environmental Oversight</a> Environment > Climate Strategy and Assessment > <a href="#">Climate Risk Management &amp; Governance</a> Governance > <a href="#">Risk Management</a>
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	<a href="#">Sustainability Oversight</a> Environment > Environmental Management > <a href="#">Environmental Oversight</a> Environment > Climate Strategy and Assessment > <a href="#">Climate Risk Management &amp; Governance</a> Governance > <a href="#">Risk Management</a>
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Environment > Climate Strategy and Assessment > <a href="#">Climate-related Risks &amp; Opportunities 10-K</a> > Pages 27-28
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Environment > Climate Strategy and Assessment > <a href="#">Climate-related Risks &amp; Opportunities</a> Environment > Climate Strategy and Assessment > <a href="#">Risk Mitigation &amp; Opportunity Capitalization</a>
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Environment > Climate Strategy and Assessment > <a href="#">Strategy &amp; Resiliency Assessment</a>
Risk Management	a. Describe the organization's processes for identifying and assessing climate-related risks.	<a href="#">Sustainability Oversight</a> Environment > <a href="#">Environmental Management</a> Environment > Climate Strategy and Assessment > <a href="#">Climate-related Risks &amp; Opportunities</a> Environment > Climate Strategy and Assessment > <a href="#">Climate Risk Management &amp; Governance</a> Governance > <a href="#">Risk Management</a>
	b. Describe the organization's processes for managing climate-related risks.	<a href="#">Sustainability Oversight</a> Environment > <a href="#">Environmental Management</a> Environment > Climate Strategy and Assessment > <a href="#">Risk Mitigation &amp; Opportunity Capitalization</a> Environment > Climate Strategy and Assessment > <a href="#">Climate Risk Management &amp; Governance</a> Governance > <a href="#">Risk Management</a>
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<a href="#">Sustainability Oversight</a> Environment > <a href="#">Environmental Management</a> Environment > Climate Strategy and Assessment > <a href="#">Risk Mitigation &amp; Opportunity Capitalization</a> Environment > Climate Strategy and Assessment > <a href="#">Climate Risk Management &amp; Governance</a> Governance > <a href="#">Risk Management</a>
Metrics & Targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Environment > Climate Strategy and Assessment > <a href="#">Environmental Metrics &amp; Targets</a> Indexes & Data > Performance Data > <a href="#">Environmental Data</a>
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Indexes & Data > Performance Data > <a href="#">Environmental Data</a>
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Environment > <a href="#">Environmental Goals</a> Indexes & Data > Performance Data > <a href="#">Environmental Data</a> Indexes & Data > Performance Data > <a href="#">Goal Performance Data</a>





# SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

## SASB - ACCOUNTING METRICS

SASB CODE	ACCOUNTING METRIC	DISCLOSURE TYPE REQUIRED	DISCLOSURES
EM-SV-110a.1	Total fuel consumed, percentage renewable, percentage used in: (1) on-road equipment and vehicles and (2) off-road equipment	Quantitative	Indexes and Data > Performance Data > <a href="#">Environmental Data</a>
EM-SV-110a.2	Discussion of strategy or plans to address air emissions-related risks, opportunities, and impacts	Discussion and Analysis	Environment > <a href="#">Environmental Management</a> Environment > Climate Strategy and Assessment
EM-SV-110a.3	Percentage of engines in service that meet Tier 4 compliance for non-road diesel engine emissions	Quantitative	Indexes and Data > Performance Data > <a href="#">Environmental Data</a>
EM-SV-140.1	(1) Total volume of fresh water handled in operations, (2) percentage recycled	Quantitative	Indexes and Data > Performance Data > <a href="#">Environmental Data</a>
EM-SV-140.2	Discussion of strategy or plans to address water consumption and disposal-related risks, opportunities, and impacts	Discussion and Analysis	Environment > Environmental Management > <a href="#">Water Management</a>
EM-SV-150a.1	Discussion of strategy or plans to address chemical-related risks, opportunities, and impacts	Discussion and Analysis	Environment > Environmental Management > <a href="#">Waste Management</a>
EM-SV-150a.2	Volume of hydraulic fracturing fluid used; percentage hazardous	Quantitative	N/A: H&P's operations do not include hydraulic fracturing, and therefore H&P does not use hydraulic fracturing fluid.
EM-SV-160a.1	Average disturbed acreage per (1) oil and (2) gas well site	Quantitative	N/A: Management of disturbed acreage per oil and gas well site is outside of H&P's operational control.
EM-SV-160a.2	Discussion of strategy or plan to address risks and opportunities related to ecological impacts from core activities	Discussion and Analysis	Environment > Environmental Management > <a href="#">Biodiversity Management</a> Environment > <a href="#">Climate Strategy and Assessment</a>
EM-SV-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), (4) total vehicle incident rate (TVIR), and (5) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	Quantitative	Indexes and Data > Performance Data > <a href="#">Social Data</a>
EM-SV-320a.2	Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle	Discussion and Analysis	Employees > <a href="#">Health and Safety</a> Environment > Environmental Management > <a href="#">Processes and HSE Policy</a>
EM-SV-510a.1	Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Quantitative	Indexes and Data > Performance Data > <a href="#">Social Data</a>
EM-SV-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	Discussion & Analysis	Governance > Ethics and Compliance Employees > <a href="#">Workforce Development</a>
EM-SV-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion & Analysis	<a href="#">10-K</a> > Business > Government Regulations (pgs. 16-17)
EM-SV-540a.1	Description of management systems used to identify and mitigate catastrophic and tail-end risks	Discussion & Analysis	Governance > Risk Management Environment > Environmental Management > <a href="#">Processes and HSE Policy</a>

# SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

## SASB - ACTIVITY METRICS

SASB CODE	ACTIVITY METRIC	DISCLOSURE TYPE REQUIRED	DISCLOSURES
EM-SV-000.A	Number of active rig sites	Quantitative	<a href="#">10-K</a> > Pages 7
EM-SV-000.B	Number of active well sites	Quantitative	N/A: The number of active well sites is not relevant to H&P's operational control.
EM-SV-000.C	Total amount of drilling performed	Quantitative	Indexes and Data > Performance Data > <a href="#">Environmental Data</a>
EM-SV-000.D	Total number of hours worked by all employees	Quantitative	Indexes and Data > Performance Data > <a href="#">General Data</a>



# GLOBAL REPORTING INITIATIVE

Helmerich & Payne has reported the information cited in this GRI content index for the period October 1st 2022 to September 30th 2023 with reference to the GRI Standards.

GRI 1 Used: GRI 1 Foundation 2021.

## GLOBAL REPORTING INITIATIVE CONTENT INDEX – GENERAL DISCLOSURE 2021

### GLOBAL REPORTING INITIATIVE (GRI) INDEX

GENERAL DISCLOSURES		METRIC / DISCUSSION ITEM	DISCLOSURES
2-1	General Disclosures 2021	Organizational details	<a href="#">10-K</a> Intro > <a href="#">About Helmerich &amp; Payne</a>
2-2	General Disclosures 2021	Entities included in the organization's sustainability reporting	Intro > <a href="#">About this Report</a>
2-3	General Disclosures 2021	Reporting period, frequency and contact point	Intro > <a href="#">About this Report</a>
2-4	General Disclosures 2021	Restatements of information	Appendix > <a href="#">Performance Data</a>
2-5	General Disclosures 2021	External assurance	Appendix > <a href="#">Independent Accountants' Review Report</a>
2-6	General Disclosures 2021	Activities, value chain and other business relationships	<a href="#">10-K</a> > Page 6 Intro > <a href="#">About Helmerich &amp; Payne Suppliers</a>
2-7	General Disclosures 2021	Employees	Intro > Company Profile Indexes and Data > Performance Data > <a href="#">General Data</a>
2-8	General Disclosures 2021	Workers who are not employees	Indexes and Data > Performance Data > <a href="#">General Data</a>
2-9	General Disclosures 2021	Governance structure and composition	<a href="#">Proxy</a> > Pages 12-19
2-10	General Disclosures 2021	Nomination and selection of the highest governance body	Governance > Corporate Governance > <a href="#">Board Committees</a>
2-11	General Disclosures 2021	Chair of the highest governance body	Governance > Corporate Governance > <a href="#">Board Committees</a>
2-12	General Disclosures 2021	Role of the highest governance body in overseeing the management of impacts	Governance > Corporate Governance > <a href="#">Board Committees</a> Environment > Climate Strategy and Assessment > <a href="#">Climate Risk Management &amp; Governance</a> <a href="#">Proxy</a> > Page 12-13
2-13	General Disclosures 2021	Delegation of responsibility for managing impacts	Sustainability Oversight Environment > <a href="#">Climate Strategy and Assessment</a>
2-14	General Disclosures 2021	Role of the highest governance body in sustainability reporting	Intro > About this Report <a href="#">Sustainability Oversight</a>

### GLOBAL REPORTING INITIATIVE (GRI) INDEX

GENERAL DISCLOSURES		METRIC / DISCUSSION ITEM	DISCLOSURES
2-15	General Disclosures 2021	Conflicts of interest	<a href="#">Code of Business Conduct and Ethics</a>
2-16	General Disclosures 2021	Communication of critical concerns	Governance > <a href="#">Ethics and Compliance</a>
2-17	General Disclosures 2021	Collective knowledge of the highest governance body	Intro > <a href="#">Sustainability Oversight</a> Environment > Climate Strategy and Assessment > <a href="#">Climate Risk Management and Governance</a> Governance > Corporate Governance > <a href="#">Board Composition</a> <a href="#">Proxy</a> > Page 22-23
2-18	General Disclosures 2021	Evaluation of the performance of the highest governance body	Governance > Corporate Governance > <a href="#">Board Committees</a> <a href="#">Proxy</a> > Pages 16-17,31-44
2-19	General Disclosures 2021	Remuneration policies	Governance > Corporate Governance > <a href="#">Compensation</a> <a href="#">Proxy</a> > Pages 31-66
2-20	General Disclosures 2021	Process to determine remuneration	Governance > Corporate Governance > <a href="#">Compensation</a> <a href="#">Proxy</a> > Pages 31-66
2-21	General Disclosures 2021	Annual total compensation ratio	Governance > Corporate Governance > <a href="#">Compensation</a> Indexes and Data > Performance Data > <a href="#">Governance Data</a> <a href="#">Proxy</a> > Page 65
2-22	General Disclosures 2021	Statement on sustainable development strategy	<a href="#">Letter from Our CEO</a>
2-23	General Disclosures 2021	Policy commitments	Environment > <a href="#">Environmental Management</a> Governance > <a href="#">Risk Management</a>
2-24	General Disclosures 2021	Embedding policy commitments	Environment > <a href="#">Environmental Management</a> Governance > <a href="#">Risk Management</a>
2-25	General Disclosures 2021	Processes to remediate negative impacts	Environment > Environmental Management > <a href="#">Processes and Audits</a> Governance > <a href="#">Ethics and Compliance</a>
2-26	General Disclosures 2021	Mechanisms for seeking advice and raising concerns	Environment > Environmental Management > <a href="#">Processes and Audits</a> Governance > <a href="#">Ethics and Compliance</a>
2-27	General Disclosures 2021	Compliance with laws and regulations	<a href="#">10-K</a> > Page 27-31
2-28	General Disclosures 2021	Membership associations	Appendix > <a href="#">Industry Associations and Memberships</a>
2-29	General Disclosures 2021	Approach to stakeholder engagement	Intro > <a href="#">About Helmerich &amp; Payne, About This Report</a>





GLOBAL REPORTING INITIATIVE (GRI) INDEX

ECONOMIC PERFORMANCE		METRIC / DISCUSSION ITEM	DISCLOSURES
201-2	Economic Performance 2016	Financial implications and other risks and opportunities due to climate change	Environment > <a href="#">Climate Strategy and Assessment</a>
201-3	Economic Performance 2016	Defined benefit plan obligations and other retirement plans	Employees > Workforce Development > <a href="#">Employee Benefits, Health, and Wellness</a>
ANTI-CORRUPTION		METRIC / DISCUSSION ITEM	DISCLOSURES
205-1	Anti-Corruption 2016	Operations assessed for risks related to corruption	Governance > <a href="#">Risk Management; Ethics and Compliance</a>
205-2	Anti-Corruption 2016	Communication and training about anti-corruption policies and procedures	Governance > <a href="#">Ethics and Compliance</a>
TAX		METRIC / DISCUSSION ITEM	DISCLOSURES
207-1	Tax 2019	Approach to tax	<a href="#">10-K</a> > Pages 32, 51, 68, 80-82
ENVIRONMENT		METRIC / DISCUSSION ITEM	DISCLOSURES
302-1	Energy 2016	Energy consumption within the organization	Indexes and Data > Performance Data > <a href="#">Environmental Data</a>
302-4	Energy 2016	Reduction of energy consumption	Environment > Environmental Management > <a href="#">Energy Consumption Management</a> Indexes and Data > Performance Data > <a href="#">Environmental Data</a>
302-5	Energy 2016	Reductions in energy requirements of products and services	Environment > Environmental Management > <a href="#">Energy Consumption Management</a>
303-1	Water and Effluents 2018	Interactions with water as a shared resource	Environment > Environmental Management > <a href="#">Water Management</a>
304-2	Biodiversity 2016	Significant impacts of activities, products and services on biodiversity	Indexes and Data > Performance Data > <a href="#">Environmental Data</a>
305-1	Emissions 2016	Direct (Scope 1) GHG emissions	Indexes and Data > Performance Data > <a href="#">Environmental Data</a>
305-2	Emissions 2016	Energy indirect (Scope 2) GHG emissions	Indexes and Data > Performance Data > <a href="#">Environmental Data</a>
305-4	Emissions 2016	GHG emissions intensity	Indexes and Data > Performance Data > <a href="#">Environmental Data</a>
305-5	Emissions 2016	Reduction of GHG emissions	Environment > Environmental Management > <a href="#">Greenhouse Gas Emissions Management</a>
306-2	Waste 2020	Management of significant waste-related impacts	Environment > Environmental Management > <a href="#">Waste Management</a>

GLOBAL REPORTING INITIATIVE (GRI) INDEX

SOCIAL		METRIC / DISCUSSION ITEM	DISCLOSURES
403-2	Occupational Health and Safety 2018	Hazard identification, risk assessment, and incident investigation	Employees > <a href="#">Health and Safety</a>
403-3	Occupational Health and Safety 2018	Occupational health services	Employees > <a href="#">Workforce Development</a> Employees > <a href="#">Health and Safety</a>
403-4	Occupational Health and Safety 2018	Worker participation, consultation, and communication on occupational health and safety	Employees > <a href="#">Health and Safety</a>
403-5	Occupational Health and Safety 2018	Worker training on occupational health and safety	Employees > Health and Safety > <a href="#">Safety Training</a>
403-6	Occupational Health and Safety 2018	Promotion of worker health	Employees > <a href="#">Health and Safety</a> Employees > Workforce Development > <a href="#">Employee Benefits, Health, and Wellness</a>
403-7	Occupational Health and Safety 2018	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employees > <a href="#">Health and Safety</a>
403-8	Occupational Health and Safety 2018	Workers covered by an occupational health and safety management system	Employees > <a href="#">Health and Safety</a> Indexes and Data > Performance Data > <a href="#">Social Data</a>
403-9	Occupational Health and Safety 2018	Work-related injuries	Indexes and Data > Performance Data > <a href="#">Social Data</a>
404-2	Training & Education 2016	Programs for upgrading employee skills and transition assistance programs	Employees > <a href="#">Workforce Development</a>
405-1	Diversity and Equal Opportunity 2016	Diversity of governance bodies and employees	Governance > Corporate Governance Indexes and Data > Performance Data > <a href="#">Social Data</a>
408-1	Child Labor	Operations and suppliers at significant risk for incidents of child labor	Communities > <a href="#">Responsibility to Each Other</a>
409-1	Forced or Compulsory Labor 2016	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Communities > <a href="#">Responsibility to Each Other</a>
413-1	Local Communities 2016	Operations with local community engagement, impact assessments, and development programs	Communities > <a href="#">H&amp;P's Community Programs</a>
413-2	Local Communities 2016	Operations with significant actual and potential negative impacts on local communities	Communities > <a href="#">H&amp;P's Community Programs</a>
415-1	Public Policy 2016	Political contributions	Governance > <a href="#">Ethics and Compliance</a>



# INDEPENDENT ACCOUNTANTS' REVIEW REPORT



To the Management of Helmerich & Payne, Inc.

We have reviewed Helmerich & Payne, Inc.'s (the "Company") accompanying schedules of selected sustainability indicators (the "Subject Matter") included in Appendix A for the year ended September 30, 2023 in accordance with the criteria also set forth in Appendix A (the "Criteria"). Helmerich & Payne, Inc.'s management is responsible for the Subject Matter in accordance with the Criteria. Our responsibility is to express a conclusion on the Subject Matter based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) AT-C section 105, Concepts Common to All Attestation Engagements, and AT-C section 210, Review Engagements. Those standards require that we plan and perform our review to obtain limited assurance about whether any material modifications should be made to the Subject Matter in order for it to be in accordance with the Criteria. The procedures performed in a review vary in nature and timing from and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether the Subject Matter is in accordance with the Criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. As such, a review does not provide assurance that we became aware of all significant matters that would be disclosed in an examination. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent of Helmerich & Payne, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review engagement. Additionally, we have complied with the other ethical requirements set forth in the Code of Professional Conduct and applied the Statements on Quality Control Standards established by the AICPA.

The procedures we performed were based on our professional judgment. Our review consisted principally of applying analytical procedures, making inquiries of persons responsible for the subject matter, obtaining an understanding of the data management systems and processes used to generate, aggregate and report the Subject Matter and performing such other procedures as we considered necessary in the circumstances.

As described in Appendix A, the Subject Matter is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

The information included in the Helmerich & Payne, Inc.'s 2023 Sustainability Report and the Helmerich & Payne, Inc. 2023 Sustainability Performance Data Sheet, other than the Subject Matter, has not been subjected to the procedures applied in our review and, accordingly, we express no conclusion on it.

Based on our review, we are not aware of any material modifications that should be made to the accompanying schedules of selected sustainability indicators included in Appendix A for the year ended September 30, 2023, in order for the schedules to be in accordance with the Criteria.

*Ernst & Young LLP*

December 8, 2023

A member firm of Ernst & Young Global Limited

# APPENDIX A

## HELMERICH & PAYNE, INC.'S SCHEDULES OF SELECTED SUSTAINABILITY INDICATORS

### SCHEDULE OF SELECT SAFETY METRICS' FOR THE YEAR ENDED SEPTEMBER 30, 2023

INDICATOR NAME	REPORTED VALUE	UNITS OF MEASURE	CRITERIA
Full-time equivalent (FTE) fatality rate <sup>2, 3, 9</sup>	0	Fatalities per 100 employees	Full-time equivalent fatality rate and fatalities as a result of work-related injuries, as defined by GRI 403-9(a)(i) and GRI 403-9(e-g). Significant contextual information necessary to understand how the data has been compiled has been disclosed <sup>4</sup> .
Fatalities as a result of work-related injuries <sup>3</sup>	0	Fatality	
FTE total recordable incident rate (TRIR) <sup>2, 5, 6, 9</sup>	2.00	Recordable incidents per 100 employees	Full-time equivalent total recordable incident rate and recordable work-related injuries, as defined by GRI 403-9(a)(iii) and GRI 403-9(e-g). Significant contextual information necessary to understand how the data has been compiled has been disclosed <sup>4</sup> .
Recordable work-related injuries <sup>5, 6</sup>	168	Recordable Incidents	
FTE lost-time incident rate (LTIR) <sup>7</sup>	0.51	Lost-time incidents per 100 employees	FTE lost-time incident rate is defined as the number of lost-time incidents <sup>8</sup> multiplied by 200,000 and divided by the number of employee hours worked. <sup>9</sup>
Lost-time work-related incidents <sup>7</sup>	43	Lost-time incidents	

**Reporting boundary:** H&P includes employees (salaried and hourly) and contractors that H&P directly supervises in its calculation.

1 H&P's Reported Value for Select Safety Metrics were determined as of November 10, 2023 for the fiscal year ended September 30, 2023.  
2 Fatality rate and TRIR are calculated by dividing the number of work-related fatalities or recordable work-related incidents by the number of total hours worked and multiplying the quotient by 200,000.  
3 H&P defines a "fatality" as any occupational injury or illness that results in a death.  
4 Other criteria included in GRI 403-9a and other components of GRI 403-9 are not reported by H&P.  
5 A "recordable incident" is defined as any occupational injury or illness that results in the following:  
- Fatalities, regardless of the time between the injury and death, or the length of the illness; or  
- Days away from work cases, other than fatalities; or  
- Non-fatal cases without days away from work that:  
- Result in transfer to another job or termination of employment  
- Require medical treatment (other than first aid)  
- Involve loss of consciousness  
- Result in restriction of work or motion  
6 The number of recordable incidents is based upon employees self-reporting work-related injuries or illnesses which may be affected by culture, societal norms, and/or regulations. To the extent a recordable incident is not self-reported, it would not be included in the TRIR calculation.  
7 The number of lost-time incidents is based upon employees self-reporting work-related injuries or illnesses which may be affected by culture, societal norms, and/or regulations. To the extent a recordable incident is not self-reported, it would not be included in the recordable incident rate calculation.  
8 A "lost-time incident" is defined as a work-related injury or illness that results in an attending physician or other licensed health care professional recommending that the employee stay at home for a period of one or more days due to the work-related illness or injury, or that restricts work for a period of one or more days and the Company is unable to accommodate the restriction. Note that injuries and illnesses are not considered lost time incidents unless they affect the employee beyond the day of injury or onset of illness.  
9 Employee hours worked are recorded using two methods. For US Land and Offshore personnel, actual hours worked are captured through the Company's Employee Management System. For international employees, hours are manually calculated based on the number of people assigned per work location and the expected number of hours worked per shift. Hours worked by international employees represent approximately 11% of total hours worked for the Company in the fiscal year ended September 30, 2023.





SCHEDULE OF SELECT DIVERSITY METRICS FOR THE YEAR ENDED SEPTEMBER 30, 2023<sup>10</sup>

INDICATOR NAME	REPORTED VALUE			CRITERIA <sup>11</sup>
Diversity metrics by gender	Male	Female	Undisclosed	Employee gender representation by employee category as defined by GRI 405-1(b)(i). Significant contextual information necessary to understand how the data has been compiled has been disclosed.
All Employees <sup>12</sup>	95.1%	4.7%	0.2%	
Employees in Corporate Office <sup>13</sup>	68.9%	30.8%	0.3%	
All Management Positions <sup>14</sup>	94.2%	5.8%	0.0%	
Senior Management Positions <sup>15</sup>	76.5%	23.5%	0.0%	

DIVERSITY METRICS BY ETHNICITY	WHITE	ASIAN	HISPANIC / LATINO	BLACK / AFRICAN AMERICAN	OTHER ETHNICITIES <sup>16</sup>	UNDISCLOSED	CRITERIA <sup>11</sup>
All Employees <sup>12</sup>	58.2%	0.7%	27.6%	7.9%	3.8%	1.8%	Employee minority representation by employee category as defined by GRI 405-1 (b)(iii). Significant contextual information necessary to understand how the data has been compiled has been disclosed.
Employees in Field Positions <sup>17</sup>	56.4%	0.2%	29.8%	8.5%	3.3%	1.8%	
Employees in Corporate Office <sup>13</sup>	74.4%	6.0%	7.9%	2.5%	7.8%	1.3%	
All Management Positions <sup>14</sup>	75.5%	0.5%	16.1%	2.0%	3.0%	2.9%	
Senior Management Positions <sup>15</sup>	79.3%	2.8%	5.9%	0.0%	8.1%	3.9%	

**Reporting boundary:** Diversity metrics are reported for United States (U.S.) employees (excluding contingent workers<sup>12</sup>), except where otherwise noted. This includes U.S.-based employees on international rotation or assignment.

10 Diversity metrics are calculated by averaging the demographic data as of each month-end within the fiscal year, in order to reflect the changes in workforce throughout the year. The metrics are calculated using self-reported data by the employees. To the extent that the employees do not self-report, the data is noted as “Undisclosed” category.

11 Other criteria included in GRI 405-1b and other components of GRI 405-1 are not reported by H&P.

12 Includes all employees globally (excluding contingent workers). H&P defines contingent workers as non-H&P employees who work within the organization as contractors, consultants, managed service providers, or international third-country nationals (TCNs).

13 Includes employees working in corporate and technology offices as well as employees in professional positions (as defined by H&P’s human resources structure) who work from home.

14 Includes employees with a job level of “M1” or above as defined by H&P’s human resources structure, which includes supervisors, managers, senior managers, directors, vice presidents, senior vice presidents, and president.

15 Includes employees with a job level of “M3” or above as defined by H&P’s human resources structure, which includes senior managers, directors, vice presidents, senior vice presidents, and president.

16 Includes two or more races, American Indian or Alaska Native, and Native Hawaiian or Pacific Islander.

17 Includes employees working on rigs, in field and district offices, yards, or remotely as part of field operations.

SCHEDULE OF SELECT ENVIRONMENTAL METRICS FOR THE YEAR ENDED SEPTEMBER 30, 2023

INDICATOR NAME	REPORTED VALUE	UNITS OF MEASURE	CRITERIA
Scope 1 greenhouse gas (GHG) emissions <sup>18, 20, 25, 26</sup>	1,142	Thousands Metric tonnes carbon dioxide equivalents (tMT CO <sub>2</sub> e)	The GHG Protocol: A Corporate Accounting and Reporting Standard, GHG Protocol Scope 2 Guidance
Scope 2 GHG emissions, location-based method (LBM) <sup>19, 20, 27</sup>	43	tMT CO <sub>2</sub> e	
Scope 2 GHG emissions, Market-based method (MBM) <sup>19, 20, 27</sup>	46	tMT CO <sub>2</sub> e	
Total fuel consumed <sup>21, 26</sup>	16,260,383	Gigajoules (GJ)	Sustainability Accounting Standards Board (SASB) EM-SV-110a.1
Percentage of fuel consumed that is renewable <sup>22</sup>	0.1%	Percentage	
Percentage of fuel consumed used in on-road, mobile equipment and vehicles <sup>23</sup>	1.1%	Percentage	
Percentage of fuel consumed used in off-road equipment <sup>24</sup>	98.9%	Percentage	

**Reporting boundary:** H&P uses the operational control approach to define its boundary for Scope 1 emissions, Scope 2 LBM and MBM emissions, and total fuel consumed, consistent with the approaches outlined by the GHG Protocol Corporate Standard, the GHG Protocol Scope 2 Guidance, and SASB EM-SV-110a.1.

18 Scope 1 GHG emissions are primarily generated from the consumption of diesel fuel by US Land, Offshore, and International rig engines during drilling activities. Additional Scope 1 emission generating activities include the consumption of diesel and gasoline by the US and international vehicle fleet.

19 Scope 2 emissions generating activities include the consumption of electricity and heating fuels at facilities under H&Ps operational control.

20 H&P includes CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, and NF<sub>3</sub> in their calculation of Scope 1 and Scope GHG emissions. All material greenhouse gases are included in the calculation of CO<sub>2</sub>e with over 95% of Scope 1 and Scope 2 emissions relating to CO<sub>2</sub>.

21 Total fuel consumed is comprised of the fuel streams that fall within H&P’s operational control, including diesel, gasoline, ethanol, corporate jet fuel, propane, natural gas, liquid petroleum gas and acetylene. Fuel consumption data is captured from fuel purchases made during the reporting period, daily fuel tank readings on offshore rigs, and one-second engine activity and fuel consumption data captured by digital transmitters installed on US Land rig engines. When data is unavailable fuel usage is estimated using actuals from similar rigs over the same period. In cases where a diesel engine utilizes natural gas to supplement its fuel supply, the one-second engine activity data assumes all fuel consumption to be diesel.

22 H&P measures the percentage of fuel consumed that is renewable based on the ethanol content of gasoline purchased for US-based light-duty trucks. Ethanol meets the SASB standard for a renewable fuel as it is produced from renewable biomass, replaces the quantity of fossil fuel present in fuel, and has lifecycle GHG emissions that are at least 20% less than baseline gasoline lifecycle emissions.

23 H&P considers all light duty vehicles (i.e., gasoline and diesel power light duty vehicles) as being "on-road."

24 H&P considers any fuel consumed that does not fall into the "on-road" category as "off-road."

25 Gasoline consumed and included in H&P’s calculation of Scope 1 GHG emissions is understood to contain a percentage of ethanol, a source of biogenic emissions. Due to considerations of materiality, H&P has not separately disclosed biogenic CO<sub>2</sub> emissions related to the consumption of ethanol, including the biogenic CO<sub>2</sub> emissions in the total Scope 1 GHG emissions. Ethanol is noted as the only source of biogenic emissions.

26 Throughout the year, H&P rigs may utilize auxiliary winterization equipment, including hot air circulators and boilers, to maintain operations during cold weather. These auxiliary heating units leverage separate fuel consumption procedures that fall outside of H&P’s normal fuel consumption. As a result, the fuel consumed and resulting Scope 1 GHG emissions from the winterization equipment is calculated utilizing surveyed hourly use and fuel consumption provided by rig managers.

27 Certain H&P rigs utilize highline power, part time use of purchased electricity. To identify the volume of purchased electricity, an estimate is utilized that takes the median kWh consumption per hour from all highline rig engines under the same activity code and applies the median kWh consumption to all rigs utilizing highline power for the period of highline power use.



## NOTES TO SCHEDULES

### NOTE ON SOURCES OF EMISSIONS FACTORS AND GLOBAL WARMING POTENTIALS

INDICATOR NAME	EMISSIONS FACTORS	GLOBAL WARMING POTENTIALS
GHG emissions – Scope 1	Environmental Protection Agency (EPA) Center for Corporate Climate Leadership GHG Emission Factors Hub Department of Environment, Food and Rural Affairs (DEFRA) Conversion Factors – June 2023	2007 IPCC Fourth Assessment Report
GHG emissions – Scope 2 (location-based and market-based)	The Emissions & Generation Resource Integrated Database (eGRID) 2021 The International Energy Agency Emission Factors (2022) Green-e Residual Mix Emissions Rates (2020) Association of Issuing Bodies (AIB) European Residual Mixes (2022) Environmental Protection Agency (EPA) Center for Corporate Climate Leadership GHG Emission Factors Hub	

### NOTE ON NON-FINANCIAL REPORTING

Non-financial information is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurements techniques may also vary.

End of Appendix A

## FORWARD-LOOKING STATEMENTS AND WEBSITE REFERENCES

Statements in this report, as well as other statements that are cross-referenced, that are not historical facts, contain “forward-looking statements” within the meaning of federal securities laws. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “expect,” “predict,” “project,” “forecast,” “target,” “goal,” “pledge,” “continue,” “commits,” or the negative thereof or similar terminology. Forward-looking statements are based upon our plans, strategies, projections, and goals related to corporate responsibility, sustainability and environmental matters, improvements in operating procedures and technology, financial and performance targets and other forecasts or expectations related to, or dependent on, our business outlook and other aspects of our operations. Such statements are based on certain assumptions and analyses we make in light of our perception of historical trends, current conditions, available information, and expected future developments (including technology and efforts that depend on this parties), as well as standards for measuring progress that are still developing. These forward-looking statements are subject to certain risks, uncertainties and assumptions that may cause actual results to vary materially from those indicated. These risks and uncertainties include those detailed in our most recent reports on Forms [10-K](#), 10-Q and 8-K filed with or furnished to the U.S. Securities and Exchange Commission (the “SEC”) or incorporated by reference in this Report, as well as, among others, risks and uncertainties related to: future results of operations and liquidity; our inability to reduce our environmental impact and meet emissions reduction goals; and our inability to meet workforce expectations or otherwise perform at desired ESG standards; the inability to recognize efficiencies and other intended benefits from our business strategies and initiatives; changes in government regulations and regulatory requirements, including those related to climate-related initiatives; the inability of technology to meet new challenges in sustainability and exploration; environmental, social and governance practices, including the perception thereof; actions by third parties, including customers and suppliers; and the competitiveness

of alternative energy sources or product substitutes. These statements, goals, targets and commitments are aspirational and not guarantees of future performance and the inclusion of these forward-looking statements should not be regarded as a representation that such plans, estimates, or expectations will be achieved. Inclusion of forward-looking statements and other information in this report is not an indication that the subject or information is material to our business, results of operations, or financial position or required to be disclosed in our filings with the SEC. The forward-looking statements in this report speak only as of the date of this report, and we disclaim any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events, or otherwise.

This report represents our current policy and intent and is not intended to create legal rights or obligations. In addition, historical, current, and forward-looking environmental, social and sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future. This report may contain public information prepared by third parties, such as data provided as part of the International Energy Agency's World Energy Outlook, and no representation, warranty, or undertaking is made by us as to the accuracy, reasonableness, or completeness of such information. This report covers H&P's performance and operations and does not address the performance or operations of our customers, suppliers, contractors and partners, unless otherwise noted. We may help or assist these parties in implementing sustainable initiatives; however, such initiatives may be outside our control and, accordingly, may change as described in this report.

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