



Sustainability Report

2021

Building A Cleaner And More Efficient Well Site



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We are WIRELINTM



About this Report

Welcome to Horizontal Wireline Services' 2021 Sustainability Report which covers our emphasis and performance across environmental, social, and governance (ESG) topics. This report details our ESG initiatives, policies, programs, and supporting data that are material to our business and to our stakeholders. We consider our stakeholders as our customers, our employees, our debt and equity investors, our business partners, and the communities in which we operate.

The purpose of this Sustainability Report is to assess the ESG progress of Horizontal Wireline Services, LLC ("Horizontal," "we," "our," or "Company"), disclose the material ESG metrics that we measure across our organization, and set goals for a more sustainable future. The information and data in this report covers Horizontal Wireline Services, LLC and its subsidiaries for the calendar year 2021, unless otherwise indicated. This report is the result of our ongoing sustainability journey which will be updated annually to measure progress, set new goals, and drive transparency and accountability for our stakeholders.

Data Quality, Verification & Reporting Frameworks

This report is informed by the oil and gas industry topics and metrics identified by the Sustainability Accounting Standards Board (SASB) and many of our initiatives align with the United Nation's Sustainable Development Goals (SDGs). The data and information included in this report has been reviewed by our Board of Directors and senior leadership team. In addition, we engaged an independent third party, Full Scope Insights, to assess our greenhouse gas (GHG) emissions in alignment with the World Resources Institute's Greenhouse Gas Protocol, an emission accounting and reporting standard.

A Message from the CEO

We are pleased to release Horizontal Wireline Services' 2021 Sustainability Report, our inaugural publication which explains our commitment to Environmental, Social, and Governance ("ESG") topics. While financial markets and the oil and gas industry at large have entered a new era of ESG priority, Horizontal's business has been prioritizing safety and environmental stewardship since we were founded in 2010.

As a company providing critical oil and gas wireline services which present daily hazards and risks, we have continued to foster a strong HSE culture where each employee takes responsibility for their own safety, the safety of others, our service quality, and our environmental impact. We call this the "Horizontal Way." We are committed to reducing our environmental impact by expanding our water management programs, reducing our waste, continuing our investment and deployment of our EcoDrive™ Electric Wireline Units, and expanding downhole wireline innovation to drive operational efficiencies.

At Horizontal, our differentiated performance is supported by our employees and teamwork, which we believe is further enhanced through diversity and inclusion. We remain committed to recruiting and retaining team members that best meet the qualifications of our jobs regardless of age, ethnicity, sex, religion, or sexual orientation.

Despite the challenges of working through a prolonged pandemic, our team of approximately 290 employees delivered both an outstanding safety record and excellent service quality in 2021, which translated to improved financial results. Looking ahead into 2022 and beyond, we are excited to continue developing our differentiated strategy to provide safe and efficient wireline services

while minimizing our environmental impact and enabling our industry to provide more affordable and reliable energy. We will continue to innovate our service model leveraging technology and fleet electrification to help our customers decarbonize their production base, reduce water consumption, produce less waste, and enhance efficiencies to improve project economics.

In closing, we thank our employees, our customers, our investors, and our Board of Directors for their important contributions to our success and their guiding feedback as we enhance our ESG program. I invite you to explore the pages that follow to learn how we are addressing issues that are facing our business and our society. While our ESG efforts and strategies will evolve to stay current with societal challenges, our goal will remain the same – we strive to be the premier wireline service company dedicated to maximizing the health, safety and well-being of our employees while building a cleaner, more efficient wellsite. We at Horizontal appreciate your interest and support to make our industry more adaptable and sustainable.



Joseph Sites
Chief Executive Officer

About Us

Our mission at Horizontal Wireline Services is to provide the safest and most efficient wireline services while delivering value for our customers and our investors. We aspire to achieve this objective every day through a rigid focus on employing the best people, implementing robust processes, and investing in premier equipment and technology. We have extensive service experience across the highest producing conventional and unconventional hydrocarbon basins including the Marcellus, Utica, Mid-Continent, Eagle Ford, and Permian Basin. Horizontal's services include Pump Down Perforating, Wireline Logging, Workover and Intervention, and Plugging and Abandonment. We believe our value-added approach to all of our core services provides significant benefit to our customers by lowering overall well cost, reducing risk, and deploying emissions reduction initiatives across our business.



Pump Down Perforating

A wireline-conveyed method of completing horizontal wells in which wireline services are used in connection with surface pumping equipment to convey an interconnected string of downhole equipment to a desired well depth. When desired depth is achieved, electronic wireline telemetry communication enables stage isolation through the setting of plugs and firing of ballistic guns that create perforation tunnels into shale reservoirs for subsequent fracturing operations.



Wireline Logging

A wireline service that measures the properties and characteristics of downhole reservoirs and the quality of cement around casing to mitigate environmental liability, evaluate and locate profitable reservoirs, detect water movement, monitor well health and more. Interconnected tools are conveyed via wireline to take multiple sensor surveys which provide crucial data for customers to better evaluate formations.



Workover and Intervention

A wireline service utilized to fulfill a variety of operations across the lifecycle of an oil or gas well including deploying a variety of devices such as plugs, gauges, and valves into wells, retrieving piping or stuck downhole equipment, and performing well diagnostics that allow operators to alter intervention programs to enhance production of hydrocarbons.



Plugging and Abandonment

A wireline service utilized when oil and gas wells reach the end of their operating life. Horizontal offers plugging and abandonment services to deploy permanent plugs and seals that prevent hydrocarbons from potentially contaminating freshwater aquifers and leaking into the atmosphere.

2021 Sustainability Highlights



7

EcoDrive™ Electric Wireline Units in Fleet



0.17

TRIR Representing Industry Leading Safety Record¹



~1,850

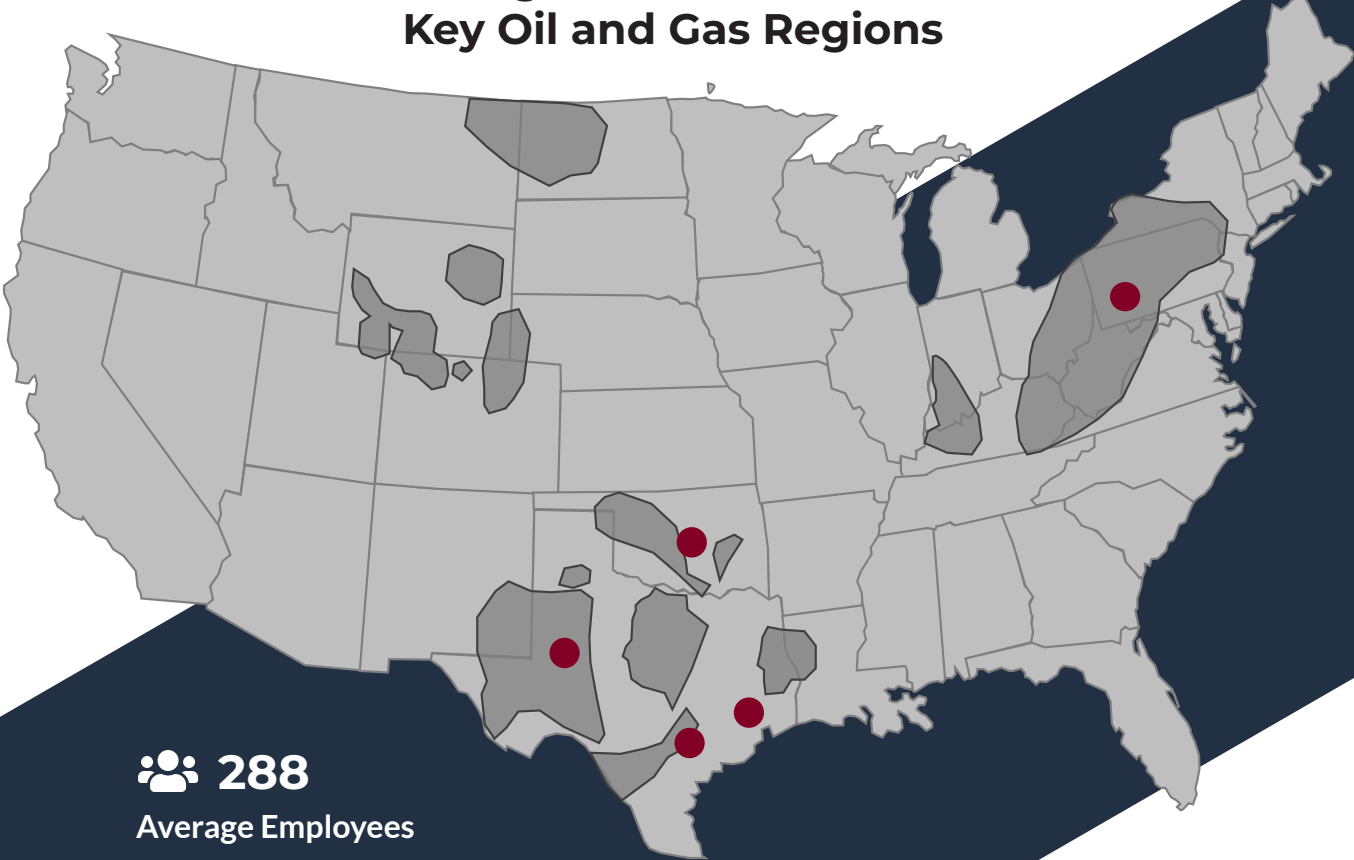
tCO2e Emissions Mitigated Through EcoDrive™ and ExT™ Solutions²



37%

Ethnically/Racially Diverse Employee Base

Strategic Locations Across Key Oil and Gas Regions



288
Average Employees

Materiality Assessment

Horizontal recognizes that our wireline services and business conduct have direct and indirect impacts that reach well beyond our own financial performance.

In addition to generating long-term financial success for our shareholders, we believe that our societal impact must mirror and benefit from such success. This requires an evolving understanding and collaboration around the expectations of our material stakeholders. To gather insights on the key environmental, social, and governance topics that are most important to our stakeholder groups, we have conducted an ESG materiality assessment for 2021. Specifically, we utilized a survey which included several key ESG issues facing our business and society today to solicit feedback from our investors, our employees, our Board of Directors, and our customers. With a better understanding of our stakeholders’ views on these issues, we can better align our business strategy, prioritize our efforts, and mitigate risk. We look forward to further collaborating with our stakeholders in 2022 and expanding both our materiality understanding and disclosure in future publications.

Materiality Matrix

ESG MATERIALITY TOPIC	
ENVIRONMENT	1 Water Use & Water Stewardship
	2 Habitat & Ecosystem
	3 Waste Management
	4 Greenhouse Gas Emissions
	5 Climate Change
SOCIAL	6 Workforce Health & Safety
	7 Health & Well-being
	8 Training, Development & Career Advancement
	9 Engagement & Belonging
	10 Community Involvement
	11 Diversity & Inclusion
GOVERNANCE	12 Legal, Regulatory & Compliance
	13 Incident Risk Management
	14 Ethics & Sound Governance



Sustainable Development Goal Alignment

Horizontal is proud to align with the UN Sustainable Development Goals (SDGs) which serve as a global blueprint for companies and individuals to achieve a better and more sustainable future. Along with the findings from our materiality assessment, we used the SDGs to focus our efforts on the goals where we have the most opportunity to contribute positively or mitigate potential adverse impacts.

 <p>1 NO POVERTY</p>	<p>Our services play a role in enabling the responsible development of oil and gas commodities, which have been and will continue to be a vital feedstock enabling human development and prosperity. Access to affordable oil and gas helps lift populations from poverty that alternatively rely on biomass fuel sources.</p>
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>The health, safety, and well-being of our employees and their families is an uncompromisable goal at Horizontal. We will continue to support our team members to proactively improve their physical and mental health, through robust training, competency, development, and support programs.</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>We will continue to expand our technology innovations to deliver more efficient wireline services to our customers to produce more affordable energy. Our focus on abundant natural gas basins helps deliver transitional energy sources to the global marketplace which enables cleaner energy production versus alternative fossil fuels.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Horizontal offers competitive salaries, career growth, development, on-the-job training, attractive benefits packages, bonuses, work-life balance, and more to our valued employees. In addition to continuing to support employee prosperity and opportunities for career development, we will actively engage and support our local communities through direct and indirect service and charitable donations.</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>Our ongoing investment in technology and business model innovation aims to enhance our service offering by lowering operating costs, enhancing safety, and reducing our environmental footprint primarily via emissions reduction.</p>
 <p>10 REDUCED INEQUALITIES</p>	<p>We aim to achieve equitable outcomes for our employees and believe that a more diverse and inclusive workforce strengthens our culture. Our human capital programs focus on recruiting, hiring, and promoting individuals who best meet the qualifications of our jobs regardless of age, race, color, sex, religion, disability, or sexual orientation.</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Our focus on sustainable consumption and production is aligned with doing more with less. Our focus on increasing our operating and resource efficiency, particularly with our EcoDrive™ electric wireline units, lowers fuel consumption, operating costs, and emissions which promotes more sustainable operations.</p>
 <p>13 CLIMATE ACTION</p>	<p>By better understanding our own emissions footprint, we are evermore equipped to take climate action. We are setting goals to measure and reduce our emissions intensity and focus on additional opportunities to reduce our environmental impact including water and waste.</p>

ENVIRO

Reducing Environmental Impact

Horizontal's innovative operating culture has enabled the development of solutions that improve efficiency and lower emissions, which help customers and the oil and gas industry minimize the environmental impact and cost of hydrocarbon production. At Horizontal, we are continuing to reduce our environmental impact by enabling a cleaner, more efficient well site. We continue to lead our sector with an environmental strategy that includes:

Water Use & Water Stewardship

Although our own water consumption is low, we are working to expand our internal water management process and more importantly, help our customers reduce their water usage through our wireline service efficiency.

Waste & Pollution Management

At Horizontal, we are continuously enhancing our awareness and management of programs to reduce waste and pollution across our operations.

EcoDrive™ Wireline Unit Electrification

EcoDrive™ units are environmentally friendly wireline trucks that reduce emissions compared to conventional units, mitigate noise pollution, and reduce possible environmental spills from hydraulics.

ExT™ Lateral Solutions

A fit-for-purpose risk mitigation package designed specifically to lower the total completion cost safely and efficiently, which results in indirect emissions avoidance.

ENVIRONMENT

EcoDrive™ Wireline Unit

Horizontal continues to introduce new and improved technologies that help lower the cost of operations for our customers. Our EcoDrive™ Wireline Units use electricity to control the deployment of our wireline services which provides an estimated 29% reduction in carbon emissions versus the combustion of diesel fuel.² This advancement brings many performance benefits as well as contributing to a cleaner, more ecologically friendly well site.



- 10 Times Less Operational Cost
- Improved Speed to Lower Stage Time
- Remote Monitoring and Automation
- Minimal Noise and Zero Emissions while Operating the Winch
- ~29% Emissions Reduction vs Conventional Units²
- Eliminate Mechanical Downtime
- Reduction in Unintentional Pull-off with Precise Torque Control

	EcoDrive™ Wireline Unit Key Benefits	Standard Hydraulic Unit
Safety	Low Voltage, GFCI wiring	High pressure next to operator
Environmental	Significant emissions reduction & no oil spills	Potential oil leaks and spills
Noise	Less than 65dB.	85dB at 1m.
Efficiency	Only runs when needed	Continuous inefficient operation
Automation	Software control	Need manual input
Reliability	Bearings - only moving part	Hundreds of moving parts
Power Loss	Ride-Through during pumpdown	System hydraulic lock

2021 KEY STATS:

~99,000
Gallons of Diesel Fuel Mitigated

~290
tCO₂e Emissions Avoided in 2021²

Lowering Emissions Through Wireline Innovation

ExT™ Lateral Solutions

Our ExT™ Lateral Solutions include a fit-for-purpose risk mitigation package designed specifically to lower the total completion cost safely and efficiently, while enabling emissions reduction for our clients. Our solutions focus on providing reliable deployment, execution, and retrieval of the wireline toolstring back to the surface including our pre-job modeling, downhole tension tools, downhole separation tools, and greaseless wireline cable.

2021 KEY STATS:

⬇ ~90%

Reduction in Grease Usage

🏭 ~ 1,560

tCO2e Emissions Avoided in 2021²





Pre-Job Well Modelling

With highly deviated and extended wells being completed, pre-job planning is a necessity. Wireline modeling software can accurately predict and analyze cumulative forces at each stage of the wireline job.

- Recommendation on risk mitigation options
- Confirm that target depth can be reached
- Determine if job can be performed at depth
- Ensure equipment can safely be returned to surface
- Post-job analysis to determine friction co-efficient

ExT™ Down-Hole Tension Tool

Specifically designed to reduce the risk of fishing operations during pump-down in extended lateral wells.

- Increase RIH and POOH speed
- Minimizes fishing risk
- Mitigate risk in toe-up wells
- Downhole indication of plug setting

ExT™ Separation Tool

Designed to be used in conditions that may present a risk of wireline tools or guns becoming stuck.

- Save time and expense in the recovery process
- Continuous operation for multi-well operation
- A clean fishing job
- Mitigate risk in toe-up wells
- No parting of wireline

ExT™ Greaseless Wireline Cable

Designed to dramatically reduce cable friction, enabling deployment of tool strings in difficult wellbores and higher running speeds without the torque issues that standard cables suffer.

- Higher operational efficiency and reduced N.P.T. through less tension and fuel burn
- Vast reduction in grease usage
- Decrease tension enabling wireline deployment in difficult wellbores
- Shorter time / stage for wireline operations
- Pull out of the hole faster in both the horizontal & vertical sections

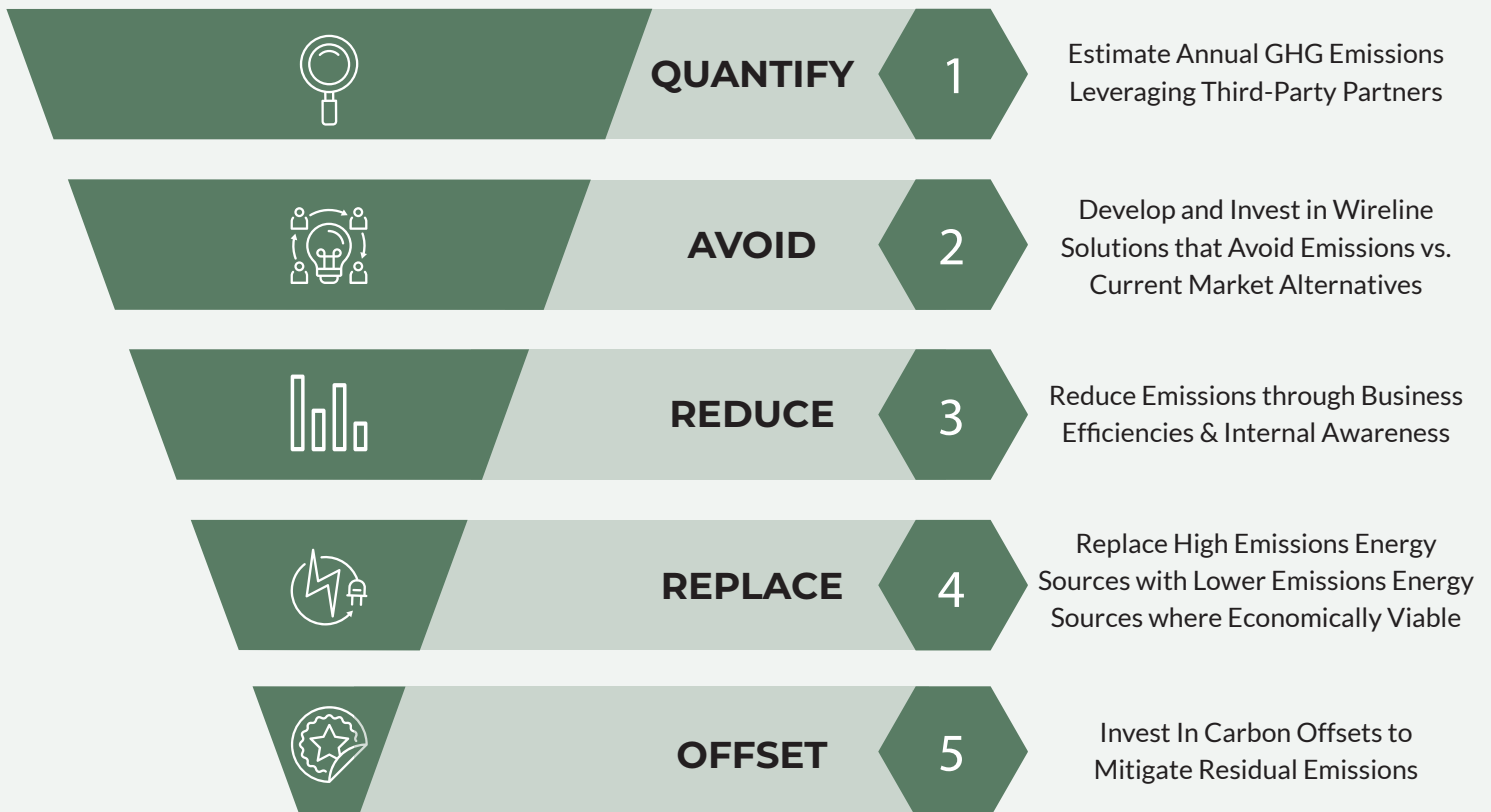
Greenhouse Gas Emissions

We acknowledge that our Company has an important role to play across the oil and gas industry in mitigating climate risk and we are committed to continuing our environmental stewardship and responsible operating strategy to help reduce greenhouse gas emissions.

Internally, we believe that accurately assessing and quantifying our own emissions footprint is key to developing a robust emissions management program. 2021 marks a foundational year as we have partnered with carbon accounting firm Full Scope Insights to estimate our greenhouse gas emissions baseline across our material Scope 1 and Scope 2 emissions sources. We also quantified the estimated emissions avoidance (Scope 4) of our wireline innovations that help avoid emissions versus market alternatives. These ongoing efforts are enabling the following environmental and economic opportunities to lower our emissions intensity:

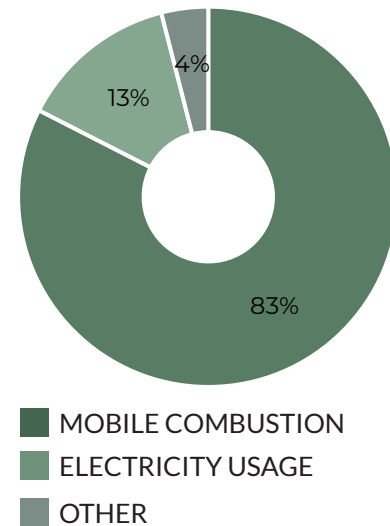


Horizontal's Emission Management Strategy



2021 Emissions Footprint (Baseline Assessment)

Scope	Emissions Category	2021
Scope 1	Mobile Combustion	3,315 tCO ₂ e
	Stationary Combustion	145 tCO ₂ e
	Use of Refrigerants	15 tCO ₂ e
Scope 2	Electricity (market-based)	542 tCO ₂ e
TOTAL SCOPE 1 & 2 EMISSIONS		4,017 tCO₂e



Scope 1 Emissions

Scope 1 emissions originate from sources that are owned and controlled by our Company. Across our operations, Scope 1 emissions are primarily generated from the mobile combustion of light-duty and heavy-duty vehicles and our wireline trucks which consume gasoline and diesel fuels. In 2021, we estimate that our scope 1 emissions were 3,475 tons of carbon dioxide equivalent (tCO₂e).

Scope 2 Emissions

Scope 2 emissions originate from the indirect generation of purchased electricity. Across our operations, the usage of grid electricity to power our facilities is accounted for under Scope 2. Under the GHG Protocol's market-based method which incorporates utility-specific emission factors, our 2021 electricity consumption produced an estimated 542 tCO₂e. Under the GHG Protocol's location-based method which reflects average emissions intensity of local grids on which Horizontal's energy consumption occurs, our 2021 electricity consumption produced an estimated 357 tCO₂e. Our total reported Scope 1 and Scope 2 emissions footprint utilizes the market-based method for conservatism.

Emissions Intensity

With our emissions baseline established, we now are better informed to measure (and assess over time) our emissions by common unit of economic activity. Utilizing our average employee count throughout the year, we estimate that our combined Scope 1 and Scope 2 emissions intensity was approximately 13.9 tCO₂e per employee considering the market-based method for our electricity consumption.

SOC

Health & Safety

Horizontal is committed to maintaining a safe and healthy workplace for our employees. We regularly engage with our team members at all levels of our organization to highlight the importance of our policies and best practices, and we continue to invest significant time and resources in education, training, competency, and awareness. In addition to health and safety oversight provided by our Board of Directors and management team, Horizontal maintains an internal Safety Council that serves as a task force for health, safety, reporting, and compliance, while also evaluating the effectiveness of our communication and competency programs.

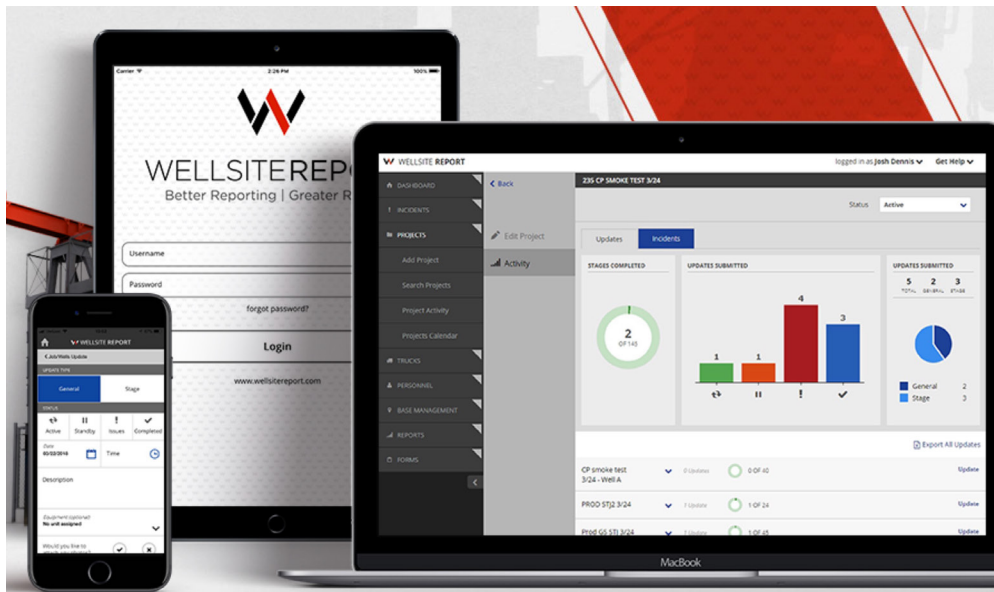
In 2021, our safety commitment was demonstrated through our strong safety record of 0.17 TRIR¹ and 0.00 LTIR. Looking ahead, we will strive to maintain an incident-free workplace and continue to invest in programs that focus on the safety, health, and welfare of our most vital resource – our employees.



Training & Competency

Horizontal Wireline has developed more qualified wireline crews than any other independent wireline company. Engineers and crew members that join our team go through a rigorous training qualification period. During this breakout period, our employees are required to learn all procedures and best practices for Horizontal, as well as show competency in regional specific operations, which is supported by our proprietary field operations manual spanning over 350 pages of training documentation.

CIAL



Wellsite Report

Horizontal has been utilizing Wellsite Report since 2016, an application software solution to capture, report, and improve service quality, health and safety, environmental performance, and enhance company engagement. Compared to standard processes that utilize printed forms or spreadsheets, Wellsite Report enables Horizontal’s employees and managers to efficiently process incident information throughout the Company’s chain of command, with resolution within 24 hours. This automated workflow and data management system enhances awareness, engagement, and transparency across key stakeholder groups including Horizontal’s customers and ensures incidents are promptly addressed and corrective actions are implemented.



- ✓ Reporting Automation
- ✓ Incident Management
- ✓ Corrective Actions
- ✓ Quality & Safety Prioritization
- ✓ Real-time Communication
- ✓ Preventative Asset Maintenance

Workplace Practices

Diversity & Inclusion

We provide our employees with a safe and inclusive working environment that respects our differences, regardless of age, race, color, sex, religion, disability, or sexual orientation. Our equal opportunity programs and our focus on recruiting and retaining members from different backgrounds and ethnicities supports our belief that diverse companies are more innovative and better positioned to succeed. We have zero tolerance policies for discrimination and/or harassment of any type in the Horizontal workplace and strive to create an environment where everyone feels authentically empowered.

Career Advancement

At Horizontal, we are dedicated to building employee prosperity through training, competency and career advancement. Our training programs provide Horizontal employees with opportunities for continuing education and personal development. Each of our new team members complete a highly selective and disciplined service quality training program. This comprehensive training contains a theoretical and hands-on portion to ensure the training is effectively transferred. Our career progression and training program has multiple levels of competency as employees train through the ranks of Operator and Site Supervisor roles. Each promotion level has an associated level of testing to qualify the employee for that specific job position.

Community Involvement

At Horizontal, we see ourselves as an important contributor to society through our services to our customers, technology development, and community engagement. We actively participate in and promote a diverse range of social initiatives that support local communities and organizations, raise awareness, and enhance personal, technical, and professional competence. By contributing our time and financial resources to the organizations below, we seek to make positive impacts across our industry and our communities.



Arc Human Services, Inc. serves people of all ages with intellectual and developmental disabilities and mental illness in a manner that allows them to fulfill their ambitions, protect their rights and foster meaningful relationships at home, at work and in their communities.



PIOGA represents nearly 500 members, including oil and natural gas producers, drilling contractors, service companies, manufacturers, distributors, professional firms and consultants, pipelines, end users, royalty owners, and others with interests in the success of Pennsylvania's oil and gas industry.



The West Texas BBQ Bash is a non-profit organization founded in July 2020 to feed citizens in need across Ward County, Texas, and provide human interaction during the Covid pandemic. Since its founding, the organization has raised tens of thousands of dollars that contribute to local communities and feed local families.



API represents all segments of America's oil and natural gas industry that supports millions of U.S. jobs and serves as a standards-setting organization. Since its founding, API has developed more than 700 standards to enhance operational and environmental safety, efficiency and sustainability.



The Society of Petroleum Engineers (SPE) is a non-profit professional association with more than 124,800 members across 134 countries. SPE's missions is to collect, disseminate, and exchange oil and gas focused technical knowledge and technologies for the public benefit; and to provide opportunities for professionals to enhance their technical and professional competence.

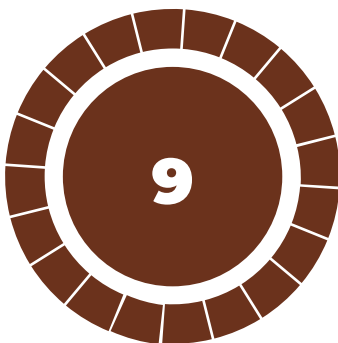
GOVERN

Corporate Governance

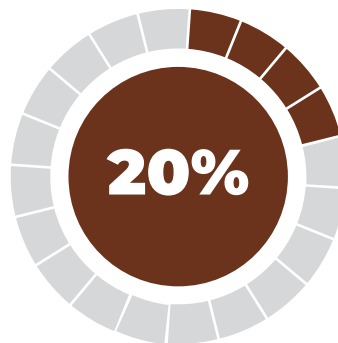
Our Board of Directors and leadership team strive to adhere to the highest standards of transparency, accountability, ethics, and oversight, and are determined to lead measurable progress across the Company's environmental, social, and economic goals.

Energy Focused Board of Directors

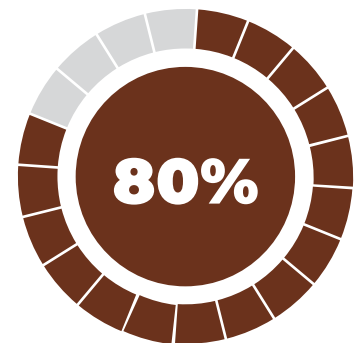
Our Board of Directors is comprised of 5 highly qualified individuals with representation across Horizontal's executive management and our significant investors. Our Board has over 95 years of collective experience across energy investing, management, and operations which contributes to a robust oversight team for our Company. With regards to ESG, our Board of Directors provides ultimate oversight of our sustainability program including setting long-term ESG goals, addressing climate-related risks and reviewing and assessing the Company's performance across key metrics. Looking ahead, we have plans to implement quarterly ESG updates to our Board and develop an ESG Committee to help develop initiatives to improve ESG-related performance, build out reporting metrics, and enhance transparency through disclosure.



YEARS AVERAGE BOARD TENURE



OF DIRECTORS ARE WOMEN



OF DIRECTORS HAVE ENERGY EXPERTISE

NANCE

Compliance

Horizontal recognizes the importance of building a culture of transparency and compliance. From our onboarding programs to our leadership development initiatives to our utilization of Wellsite Reporting software for incident management, we take compliance seriously. All Horizontal employees are expected to act with integrity and in an ethical manner when representing our Company. We communicate our expectations for employee behavior frequently and provide training and resources on across a series of key topics. Horizontal's leadership is responsible for and understands its obligation to provide supervision over the actions of our employees to ensure compliance with all our core policies, procedures and compliance programs.

KEY GOVERNING POLICIES

- ✓ Code of Conduct
- ✓ Journey Management, DOT Regulation, & Driving Standard
- ✓ Comprehensive Safety Handbook
- ✓ Hazardous Materials Security Plan
- ✓ Substance Abuse Prevention Policy
- ✓ Ethical & Legal Conduct Policy
- ✓ Data Security Policy
- ✓ Cyber Security Training
- ✓ Stop Work Authority
- ✓ Hazardous Materials Security Program
- ✓ Preventative Maintenance Program

AUDIT, COMPLIANCE & OVERSIGHT

- ✓ Routine Safety Meetings
- ✓ Annual Financial Audit
- ✓ Routine OSHA Audits
- ✓ Routine Explosive Security Audits
- ✓ Safety Council
- ✓ ESG Committee Framework

We are
WIRELINE™

APPENDIX

Sustainability Accounting Standards Board Index

SECTOR: EXTRACTIVES & MINERAL PROCESSING

INDUSTRY: OIL & GAS SERVICES

The Sustainability Accounting Standards Board (SASB) has become a leading internationally recognized, voluntary standard that connects businesses and investors on the financial impacts of sustainability issues that are likely to impact corporate ability to create value over the long term. Horizontal aligns with the SASB standards for Oil and Gas Services and we have disclosed topics that are financially material to our business below.

Topic	Accountability Metric	Response	Code
Greenhouse Gas Emissions	Scope 1 emissions, percentage covered under emissions limiting regulations	3,475 tCO ₂ e, N/A	EM-MD-110a.1
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	See Pages 10-14	EM-MD-110a.2
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	(1) ~53,227 GJ energy consumed, (2) 100% grid energy, (3) N/A, (4) N/A	RT-CH-130a.1
Emissions Reduction Services & Fuels Management	Total fuel consumed; percentage used in: (1) on-road equipment and vehicles and (2) off-road equipment.	322,136 Gallons, (1) 100%, (2) N/A	EM-SV-110a.1
	Discussion of strategy or plans to address air emissions-related risks, opportunities, and impacts	See Pages 10-14	EM-SV-110a.2
	Percentage of engines in service that meet Tier 4 compliance for non-road diesel engine emissions	N/A	EM-SV-110a.3
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), (4) total vehicle incident rate (TVIR), and (5) average hours of health, safety, and emergency response training for full-time employees.	(1) TRIR: 0.17 (2) Fatality Rate: 0.00 (3) NMFR: 0.043 (4) TVIR: 0.92 (5) 5,890 Training Hours	EM-SV-320a.1
	Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle	See Pages 16-17	EM-SV-320a.2
Business Ethics & Payments Transparency	Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	N/A – no international operations.	EM-SV-510a.1
	Description of the management system for prevention of corruption and bribery throughout the value chain	See Pages 20-21	EM-SV-510a.2
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	See Pages 19-21	EM-SV-530A.1
Critical Incident Risk Management	Description of management systems used to identify and mitigate catastrophic and tail-end risks	See Pages 16-17; 20-21	EM-SV-540A.1
Activity Metrics	Total number of hours worked by all employees	1,127,475 Hours	EM-SV-000.D

Footnotes & Assumptions

Footnote	Assumption	Explanatory Detail & Methodologies
1	TRIR	Total Recordable Incident Rate (TRIR) represents the number of injuries and illnesses per 100 full-time workers calculated as (number of injuries / total hours worked by all employees) x 200,000 (the base for 100 equivalent full-time workers working 40 hours per week, 50 weeks per year). Per the U.S. Bureau of Labor Statistics for the NAICS 213112 Sector (Support Activities for Oil and Gas Operations), the average TRIR totaled 0.70 as of 2020, the last publicly available reporting period.
2	Avoided Emissions	<p>Horizontal's ExT™ Release Tool enables surface emissions reduction through the mitigation of extensive fishing operations. For each successful release, an extensive fishing operation is averted. Horizontal estimates that (i) a complex fishing job on average lasts 144 hours, and (ii) fishing operations occur across 50% of wireline jobs when the downhole string becomes stuck and a release tool is not utilized (base case fishing coefficient). Assumptions further include (i) average hydraulic frac spread standby emissions of 4,476 lbs CO₂e/hr, (ii) average fishing operational emissions of 289 lbs CO₂e/hr, and (iii) average fishing mobilization transport emissions of 35 lbs CO₂e.</p> <p>Horizontal's ExT™ Down-Hole Tension Tool also enables surface emissions reduction through the mitigation of fishing operations via reduced risk of tool string pump off. For each tool utilized throughout the year, Horizontal estimates that (i) one pump off is mitigated, (ii) a routine fishing job on average lasts 48 hours, and (iii) fishing operations occur across 100% of wireline jobs when the downhole string is pumped off and a head tension tool is not utilized (base case fishing coefficient). Assumptions further include (i) average hydraulic frac spread standby emissions of 4,476 lbs CO₂e/hr, (ii) average fishing operational emissions of 289 lbs CO₂e/hr, and (iii) average fishing mobilization transport emissions of 35 lbs CO₂e.</p> <p>Horizontal's EcoDrive™ Electric Wireline Units derive operational power from electricity sourced from customer-supplied onsite natural gas. Utilizing (i) the EPA's carbon dioxide emissions coefficients by fuel source, (ii) the GHGenius LCA data estimates for diesel versus natural gas power generation (g CO₂e/gJ-electricity), and (iii) Horizontal's estimates for engine idle efficiency, Horizontal estimates EcoDrive™ Units enable ~29% reduction in emissions compared to a base case scenario where diesel fuel is utilized for wireline operational power.</p>

Disclaimer

The contents of this Sustainability Report are the property of Horizontal Wireline Services, LLC. The information contained herein is confidential and is being provided to you at your request for informational purposes only and is not and may not be relied on in any manner as, legal, tax or investment advice or as an offer to sell or a solicitation of an offer to buy an interest in the Company.

Building A Cleaner And More Efficient Well Site.

For More Information

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