

HORIZONTAL
Wireline Services

2023 SUSTAINABILITY REPORT



Building A Cleaner And More Efficient Well Site

We are WIRELINE™

Horizontal is Proud to Own and Operate the
Largest Electric Wireline Fleet in the U.S.



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ABOUT THIS REPORT

Welcome to Horizontal Wireline Services' 2023 Sustainability Report which covers our emphasis and performance across environmental, social, and governance (ESG) topics. This report details our sustainability initiatives, policies, programs, and supporting ESG data that are material to our business and to our stakeholders. We consider our stakeholders as our customers, our employees, our 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 2023, 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 Nations' 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 standard.



A MESSAGE FROM THE CEO

It is with great pleasure that we present to you Horizontal Wireline Services' 2023 Sustainability Report, a reflection of our Environmental, Social, and Governance (ESG) performance, commitments and achievements. Building upon the foundation laid in our previous report released in March 2023, which covered our sustainability performance in 2022, this publication provides a comprehensive update and expansion on our responsible and sustainable business practices.

Since our inception in 2010, Horizontal Wireline Services has been guided by the principles of leadership, governance, safety, and environmental stewardship. In an industry where daily operations pose significant hazards and risks, we have remained steadfast in fostering a strong Health, Safety, and Environment (HSE) culture. At the heart of our operations lies the "Horizontal Way," where each member of our team assumes responsibility for their safety, the safety of their colleagues, the quality of our services, and our environmental footprint.

Throughout 2023, we witnessed a more challenging market environment across the US oil and gas sector while managing the impacts of higher cost inflation throughout our business. Despite these headwinds, our organization remained steadfast in delivering operational excellence to our customers with a focus on safety and efficiency. Throughout the year, we welcomed numerous new individuals to our organization and have continued to invest in our employee training and career development programs as discussed further throughout this report.

Innovation remains at the core of our service model, as we leverage new technology and fleet electrification to assist our customers in decarbonizing their production processes, reducing water consumption, minimizing waste generation, improving safety and enhancing operational efficiencies. Our commitment to pioneering and investing in technologies that improve safety and drive down costs for our customers while simultaneously mitigating environmental impact underscores our dedication to sustainable business practices.

Thank you for your interest in Horizontal's sustainability report. We invite you to delve into the following pages to gain insight into how we are addressing the sustainability-related opportunities and challenges confronting our business and society. While our sustainability initiatives and strategies continue to evolve, our objective remains unchanged – to position Horizontal Wireline Services as the premier wireline service provider committed to prioritizing the health, safety, and well-being of our workforce while fostering cleaner and more efficient wellsite operations.

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.

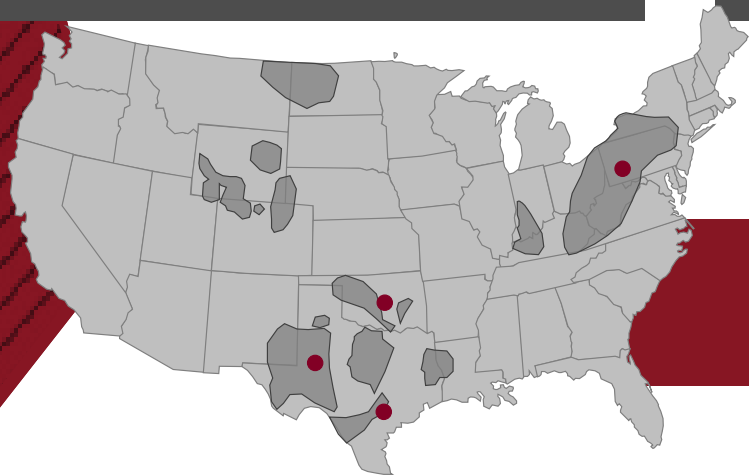


PLUGGING AND ABANDONMENT

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.



STRATEGIC LOCATIONS ACROSS KEY OIL AND GAS REGIONS



316 Employees
(as of December 2023)

2023 SUSTAINABILITY HIGHLIGHTS



22
EcoDrive™ Electric Wireline Units in Fleet
(144% Increase)

\$28,000+
Donations Made to Local Charities

19%
YoY Reduction of Scope 1 & 2 Emissions

42%
Ethnically/Racially Diverse Employee Base

~3,040
tCO2e Emissions Mitigated Through EcoDrive™ and ExT™ Solutions¹

20
New Spartan Training Program Graduates

11,474
Hours Invested In HSE Training

INNOVATING SAFER OPERATIONS

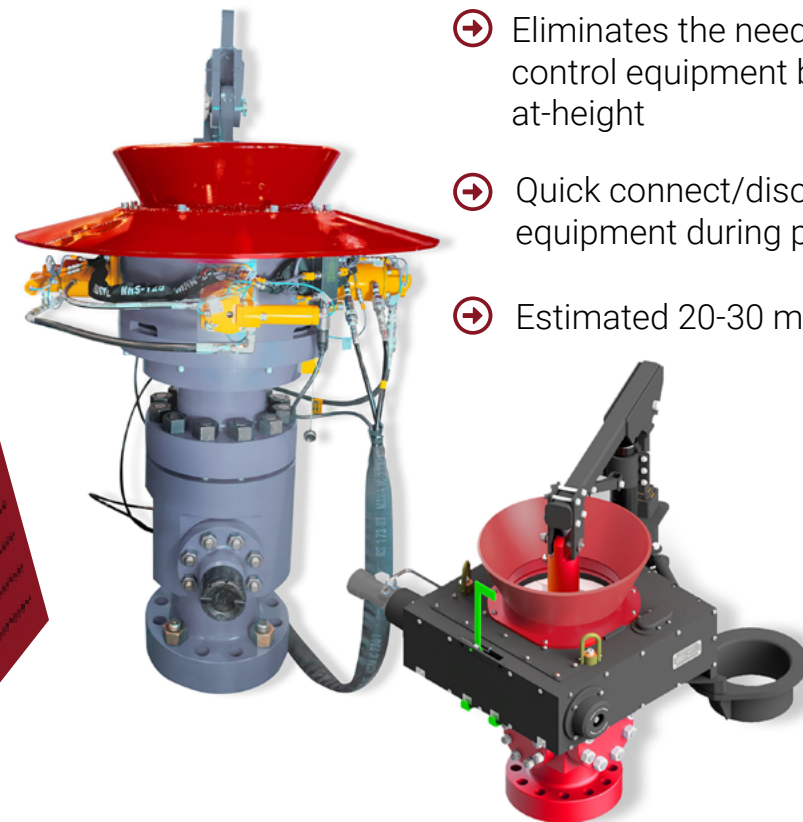
ENABLING SAFETY, EFFICIENCY, AND COST REDUCTION

At Horizontal Wireline Services, our commitment to safety is unwavering. We recognize that in the oil and gas industry, safety isn't just a priority; it's a fundamental value that guides everything we do. Over the last several years, our deep safety focus coupled with an emphasis on boosting efficiency and lowering costs, has enabled several new innovations that we offer alongside our wireline services.

REMOTE DISCONNECT SYSTEMS

Remote disconnect systems represent a paradigm shift in wellsite operations. Operated remotely from a safe distance, these systems eliminate the need for personnel to work in high-pressure areas, significantly reducing the risk of accidents and injuries. Moreover, by streamlining the connect and disconnect process, these systems minimize downtime and enhance operational efficiency.

The one-piece integral body design of our disconnect systems provides maximum security at the wellhead, mitigating the risk of equipment failures. This not only enhances safety but also saves valuable time, particularly on multi-well pads where efficiency is paramount. Furthermore, our locking mechanism, inspired by proven designs used in offshore sub-sea operations, ensures reliability and peace of mind.



- ➔ Eliminates the need to manually install pressure control equipment by personnel suspended at-height
- ➔ Quick connect/disconnect of pressure control equipment during perforating and stimulation
- ➔ Estimated 20-30 minutes of time saving per swap



MECHANICAL CROWN CONNECT™ DISCONNECT SYSTEM SYSTEMS

The Crown Connect™ Disconnect System is a cutting-edge solution that offers a safer and more cost-effective alternative to traditional hydraulic connections. With its unique design leveraging gravity and crane motion, Crown Connect™ allows for hands-free connection to the wellhead, ensuring maximum safety and efficiency. Unlike manual devices or remotely operated systems, Crown Connect™ simplifies the connection process, requiring no additional steps and minimizing the risk of human error.



- ➔ Safe, hands free alternative to manual hydraulic connections
- ➔ Coupling/decoupling enabled through gravity & crane movement alone
- ➔ Cannot be disconnected under pressure
- ➔ Patent pending design allows for 12,500 PSI maximum working pressure with no human contact

“ We are setting new standards for wellsite operations, ensuring that safety remains our top priority while driving performance and sustainability. ”

- Joe Sites, CEO

MATERIALITY ASSESSMENT

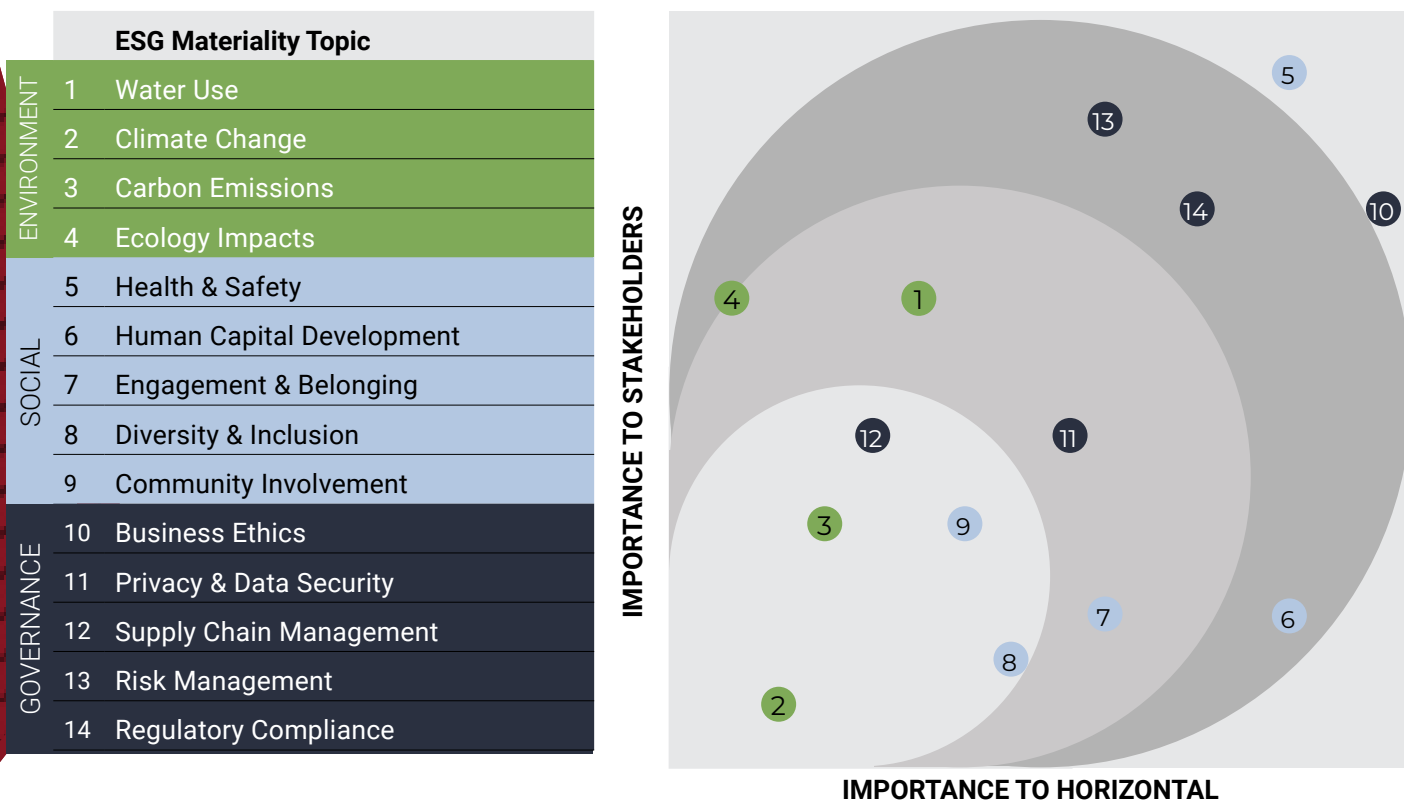
Horizontal Wireline Services is committed to transparently assessing and prioritizing sustainability issues that matter most to our stakeholders and our industry. In line with this commitment, we have updated our Materiality Matrix for the 2023 reporting period, integrating insights from our stakeholder surveys conducted in 2022 and early 2023. Furthermore, we have refined our materiality weightings by incorporating research and insights from MSCI, S&P Global and SASB, specifically tailored to the oil and gas services sector. Based on the insights gathered, we have prioritized key topics according to their significance to our stakeholders and our business operations.

Our refreshed Materiality Matrix below incorporates both stakeholder-driven priorities and industry-specific sustainability indicators, providing a holistic view of the most significant sustainability issues for Horizontal Wireline Services. As outlined throughout this report, our prioritizing of the safety and health of our employees is among our most significant focus area, however, we continue to integrate the material topics below into our ESG management and reporting strategy.

“Since our inception in 2010, Horizontal Wireline Services has been guided by the principles of leadership, governance, safety, and environmental stewardship. In an industry where daily operations pose significant hazards and risks, we have remained steadfast in fostering a strong Health, Safety, and Environment (HSE) culture.”

-Joseph Sites (CEO)

MATERIALITY MATRIX



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 use the SDGs to focus our efforts on the goals where we have the most opportunity to contribute positively or mitigate potential adverse impacts.

- 1 NO POVERTY** 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 less efficient fuel sources such as biomass.
- 3 GOOD HEALTH AND WELL-BEING** 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.
- 7 AFFORDABLE AND CLEAN ENERGY** 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.
- 8 DECENT WORK AND ECONOMIC GROWTH** 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.
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE** 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.
- 10 REDUCED INEQUALITIES** 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, gender, religion, disability, or sexual orientation.
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION** 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.
- 13 CLIMATE ACTION** 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.

ENVIRONMENT

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 continue to lead our sector with an environmental strategy that includes:

WASTE & POLLUTION MANAGEMENT

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

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.

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.

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.

2023 KEY STATS:

22 EcoDrive™

Electric Wireline Units
In Fleet

19%

Reduction of Scope 1 & 2
GHG Emissions

~3,040

tCO2e Emissions
Avoided in 2023¹

EcoDrive™ Wireline Units

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.¹ This advancement brings many performance benefits and contributes 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 Emissions while
Operating the Winch



~29% Emissions Reduction vs
Conventional Units¹



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 are the only moving parts	Hundreds of moving parts
Power Loss	Ride-through during pumpdown	System hydraulic lock

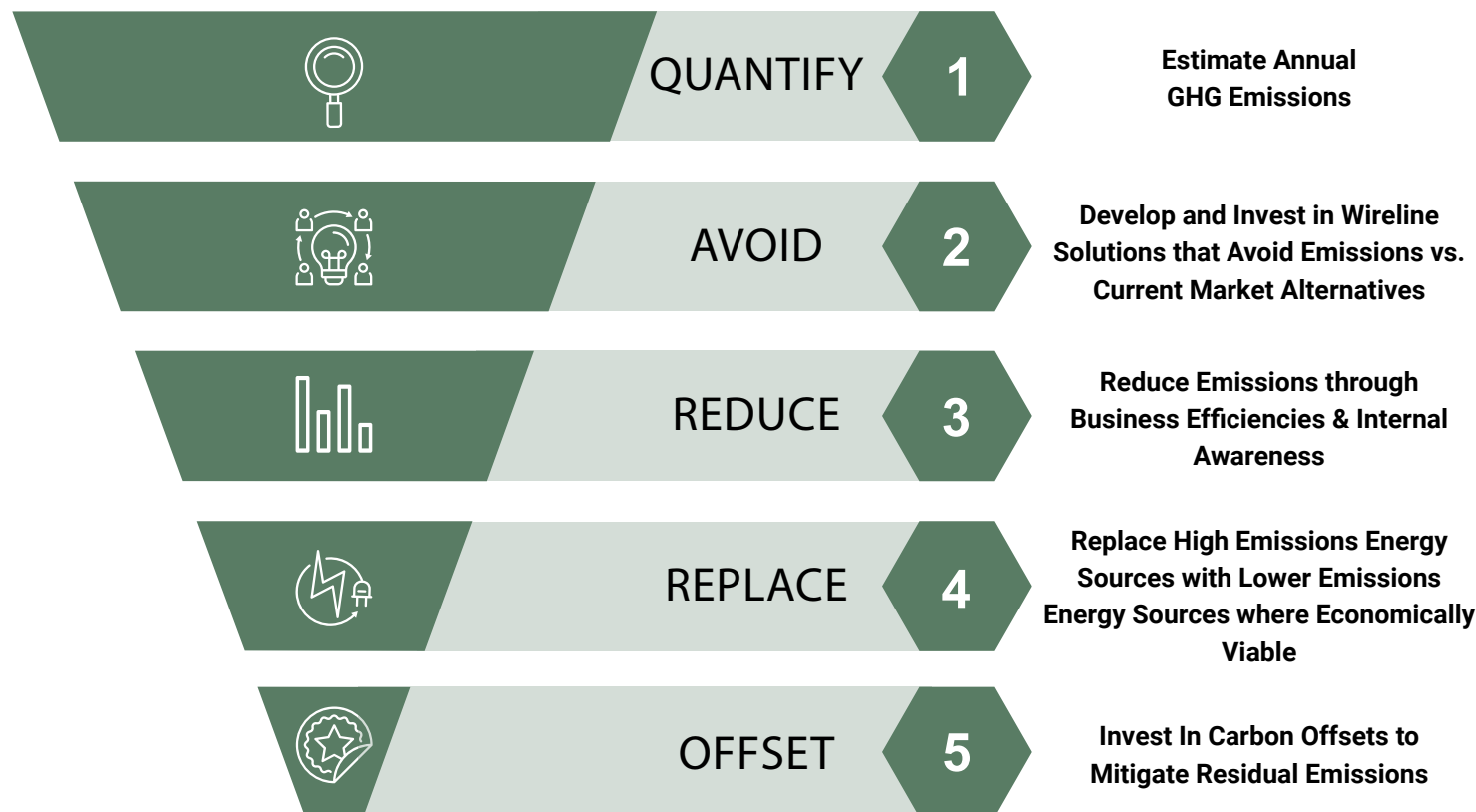
GREENHOUSE GAS EMISSIONS

Recognizing our Company's pivotal role within the oil and gas industry in addressing climate risks, we are steadfast in our commitment to advancing environmental stewardship and adopting responsible operational practices to curb greenhouse gas emissions.

Internally, we emphasize the paramount importance of meticulously evaluating and quantifying our emissions footprint as a cornerstone for crafting a robust emissions management framework. Collaborating with Full Scope Insights, a specialized partner in emissions accounting and ESG consultation, we initiated a comprehensive assessment of our scope 1 and scope 2 emissions sources for the 2021 reporting period, laying the groundwork for informed decision-making. Building upon our 2021 emissions reduction strategies, we have made significant investments in our EcoDrive™ electric wireline units, augmenting our fleet to twenty-two units, marking the largest electric wireline fleet in the U.S. Notably, the deployment of EcoDrive™ units, coupled with operational efficiencies to curtail idle time, has yielded a significant reduction in our absolute emissions profile.

Our commitment to emissions avoidance, delineated throughout this report, underscores our dedication to leveraging wireline innovations to circumvent emissions associated with conventional market alternatives. These sustained endeavors not only foster environmental resilience but also yield economic opportunities, thereby diminishing our emissions intensity and advancing our overarching environmental objectives.

HORIZONTAL'S EMISSION MANAGEMENT STRATEGY



EMISSIONS FOOTPRINT OVERVIEW

Scope	Emissions Category	2021	2022	2023
Scope 1	Mobile Combustion	3,315 tCO ₂ e	4,170 tCO ₂ e	3,284 tCO ₂ e
	Stationary Combustion	145 tCO ₂ e	144 tCO ₂ e	125 tCO ₂ e
	Use of Refrigerants	15 tCO ₂ e	17 tCO ₂ e	23 tCO ₂ e
Scope 2	Electricity (market-based)	542 tCO ₂ e	506 tCO ₂ e	464 tCO ₂ e
TOTAL SCOPE 1 & 2 EMISSIONS		4,017 tCO₂e	4,837 tCO₂e	3,896 tCO₂e

19% ↓
from 2022 to 2023

We are proud to report a reduction in both the absolute emissions and the emissions intensity of our operations in 2023. This achievement was due to (1) a decrease in fuel consumption due to investments in EcoDrive™ wireline units, (2) improved monitoring of fleet idling reducing diesel fuel combustion, and (3) a focus on electricity use optimization across our facilities.

SCOPE 1 EMISSIONS

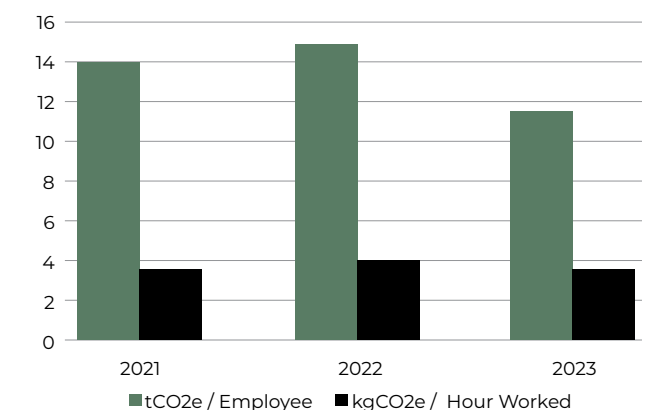
Scope 1 emissions originate from sources that are owned and controlled by our Company. Across our operations, scope 1 emissions are primarily generated from the mobile combustion of light-duty and heavy-duty vehicles and our wireline trucks which consume diesel fuels. In 2023, we estimate that our scope 1 emissions were 3,431 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 2022 electricity consumption produced an estimated 464 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 2022 electricity consumption produced an estimated 339 tCO₂e. Our total reported scope 1 and scope 2 emissions footprint utilizes the market-based method.

EMISSIONS INTENSITY

With an understanding of the emissions sources across our business we are better informed to measure (and assess over time) our emissions by common unit of economic activity. As part of our ESG management program, we continuously work to innovate technology and optimize processes to reduce the emissions intensity of our operations.



CUSTOMER PARTNERSHIP: REDUCING EMISSIONS THROUGH WELLSITE ELECTRIFICATION

In 2023, Horizontal was pleased to provide EQT with ~97% EcoDrive™ electric wireline services, significantly reducing wellsite emissions.

ABOUT EQT

When deploying a new technology in the oilfield, it is imperative to start with a strong customer partner. We found that partner in EQT. Not only is EQT the largest producer of natural gas in the United States, it is also focused on responsibly producing its natural gas and has made a significant investment in wellsite emissions reduction.

With natural gas being a much cleaner power source than coal (~60% less CO₂ emissions through power generation), EQT's strategy and efforts to support the clean supply of natural gas to domestic and international power generation markets is a significant emissions reduction opportunity. As the company explains in their impact report, "unleashing U.S. LNG and replacing international coal with American natural gas is the largest green initiative on the planet and the world's best weapon to address climate change."³

WELL SITE ELECTRIFICATION PARTNERSHIP

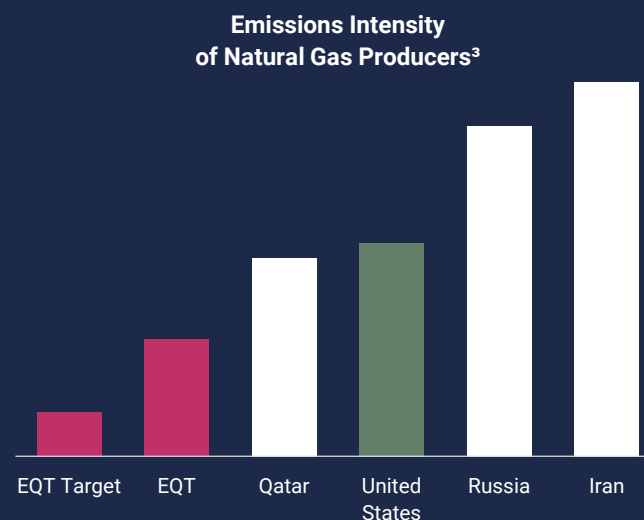
To support EQT's emissions reduction goals, Horizontal and our adjacent well service partners have significantly advanced electrification technologies. The collective wellsite completion solution for unconventional reservoirs leverages local field gas (when available) or compressed natural gas, which are both efficient, clean-burning fuel sources to generate wellsite power as an alternative to diesel combustion.

Horizontal's EcoDrive™ wireline units are used in tandem with electric fracturing operations offering more cost-effective operations and a significant reduction in carbon emissions versus the combustion of diesel fuel. We are pleased to be able to support EQT in its emissions reduction effort, and work with an operator making tangible progress in becoming a global leader in low emissions intensity per unit of production.



“We've been really fortunate to find a partner in Horizontal that was willing to take this journey with us...If we have the technology and ability to eliminate that (environmental impact), that's just the right thing to do for all of our stakeholders.”

-EQT³



EXT™ LATERAL SOLUTIONS

Our EXT™ Lateral Solutions include a fit-for-purpose risk mitigation package designed specifically to lower completion costs, 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.

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

ExT™ Down-Hole Tension Tool

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

- Increase speed of deployment
- 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.

- Reduced non-productive time through less tension & fuel burn
- Vast reduction in grease usage
- Decrease tension enabling wireline deployment in wellbores
- Shorter time per stage for wireline operations
- Pull out of the hole faster in horizontal & vertical sections

SOCIAL

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 2023, our safety commitment was demonstrated through our strong safety culture and achievement of a 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 and Spartan One Program.



2023 KEY STATS:



11,474

Training Hours



1.10

TRIR Total Recordable Incident Rate²



0.00

LTIR Lost Time Incident Rate



SPARTAN 2023 STATS:



44

Program Candidates



20

Program Graduates

Spartan One Program

Horizontal Wireline's Spartan One Program was first introduced in 2017 with a purpose to support training and development of our team members from our New Hire Orientation (NHO) program to the level of a Senior Operator. This program introduces the new hire to the wireline industry by providing online, classroom and hands on practice in a seven-day onboarding process. Candidates spend the first week of the program learning HSE and service quality basics, followed by a four-day hands on trailer and equipment session covering key wireline tools used in the field.

A mock job site is also set up with pressure control equipment, a crane, and a Horizontal wireline unit. The candidates learn to navigate the systems of working in a fast-paced environment. This gives the candidate real world experience with hand placement, overhead loads, gun systems, setting tools, electrical testing, and mechanical hand tools.

From this course, HWS invites high performing candidates into the Spartan One Operator Program, an 8-week intensive training and testing program incorporating the following course modules:

- ➔ **Setting Tools**
Advanced Theory, Application & Maintenance
- ➔ **Casing Collar Locators**
Advanced Electrical Theory
- ➔ **Gun Systems**
Explosive Safety, Anatomy, EBBA, Stray Voltage
- ➔ **Pressure Control**
Oriented Pressure Control Theory & Practical Application

Workplace Practices

DIVERSITY & INCLUSION

We provide our employees with a safe and inclusive working environment that respects our differences, regardless of age, race, color, gender, 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.



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.

FEATURES

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



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.



The American Association of Drilling Engineers (AADE) is a non-profit, volunteer organization with a mission to provide the forum for the dissemination of practical drilling technology to those employed or interested in the drilling industry.



The Energy Leaders Network (“ELN”) focuses on education, information, and networking for the leaders of businesses involved in the energy sector.



The Marcellus & Utica Gas Suppliers, Services, and Manufacturers (“MUG”) Association is a non-profit promoting responsible practices within the oil and gas industry and supporting local communities. MUG hosts multiple events throughout the year and makes donations to organizations within the Ohio, Pennsylvania, and West Virginia regions.



Oilfield Helping Hands is a non-profit helping families across the energy industry in need of financial support. Since 2003, the organization has provided more than \$5.7 million to date to industry workers and their families and continues to work in the most economical fashion to maximize the funds available to recipients each year.



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



The Gas and Oil Association of West Virginia (“GO-WV”) supports and advocates for member companies and their employees, as they contribute to the growth and prosperity of West Virginia by safely providing reliable clean energy to meet the needs of West Virginia and the United States of America.



The Pennsylvania Independent Oil & Gas Association (“PIOGA”) provides support, education, and advocacy for oil and natural gas producers, drilling contractors, service companies, manufacturers, distributors, and other stakeholders, including Marcellus and Utica Shale drilling, across the state.



The Ohio Oil & Gas Association supports the Ohio oil and natural gas industry through advocacy, media, education, and information resources to its members comprised of independent, major national, and major international oil and natural gas companies.

Charitable Donations

In 2023, we continued our charitable donation program whereby each of our districts selected a local charity to support and Horizontal was pleased to match donations made by our employees. We are proud to report that our organization collectively made over \$28,000 in charitable donations to local charities in the communities in which we operate. We sincerely thank our employees for their collective participation!



IRWIN, PENNSYLVANIA
Hunters Sharing the Harvest

The Hunters Sharing the Harvest (HSH) program’s annual goal is to channel more than 100,000 pounds of processed venison through the state’s 21 regional food banks who then redistribute to more than 5,000 local provider charities such as food pantries, missions, homeless shelters, churches and individual families.



VICTORIA, TEXAS
Christ’s Kitchen

Christ’s Kitchen provides one hot meal per day to the homeless and hungry across Victoria, Texas. Their mission is to help build people up and get them back on their feet by helping them get access to resources and building a sense of community. They currently provide meals daily for more than 400 homeless children in the area.



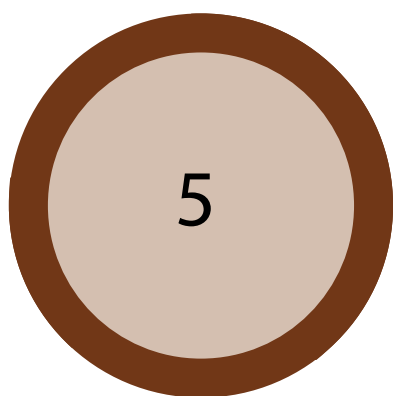
MIDLAND, TEXAS
West Texas Food Bank

The West Texas Food Bank is a non-profit, non-governmental hunger relief organization. This organization is the largest collaborative non-profit agency in the Permian Basin, and proudly distributes donated and purchased food to children, families and seniors through a network of 100+ partners across 34,000 square miles of West Texas.

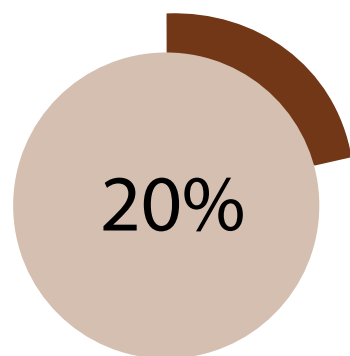
GOVERNANCE

Board Composition

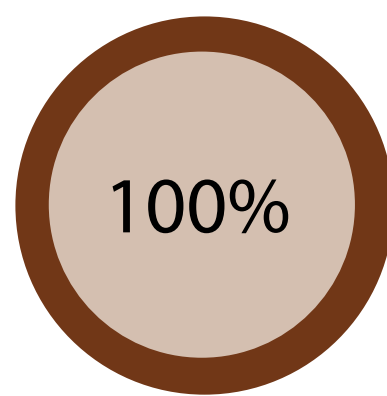
At the core of our organizational ethos lies our dedication to high standards of transparency, accountability, ethics, and oversight. Our Board of Directors and our leadership team, support the strategy and execution of these values into our operations, culture, and our sustainability program.



BOARD DIRECTORS



OF DIRECTORS ARE WOMEN



OF DIRECTORS HAVE ENERGY EXPERTISE

Energy-Focused Board of Directors

Our Board of Directors is comprised of five highly qualified individuals with representation across Horizontal's executive management and our significant investors. Our Board has over 65 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. We engage with our Board through quarterly ESG updates and have internal leaders helping to develop and improve our ESG-related performance, build out reporting metrics, and enhance transparency through disclosure.

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 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 & Driving Standards
- ✓ 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



APPENDIX

SASB 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	2022 Response	2023 Response
Greenhouse Gas Emissions	Scope 1 emissions, percentage covered under emissions limiting regulations	4,331 tCO2e, N/A	3,432 tCO2e, N/A
	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 our 2022 ESG Report ; pages 10-15	See pages 14-15
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	(1) ~64,864 GJ energy consumed, (2) 100% grid electricity, (3) N/A, (4) N/A	(1) ~51,434 GJ energy consumed, (2) 100% grid electricity, (3) 35.3%, (4) N/A
	Total fuel consumed; percentage used in: (1) on-road equipment and vehicles and (2) off-road equipment.	403,844 Gallons, (1) 100%, (2) N/A	316,808 Gallons, (1) 100%, (2) N/A
Emissions Reduction Services & Fuels Management	Discussion of strategy or plans to address air emissions-related risks, opportunities, and impacts	See our 2022 ESG Report ; pages 10-15	See pages 14-17
	Percentage of engines in service that meet Tier 4 compliance for non-road diesel engine emissions	N/A	N/A
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: 0.66 (2) Fatality Rate: 0.00 (3) NMFR: 34.35 (4) TVIR: 3.06 (5) 12,728 Training Hours	(1) TRIR: 1.10 (2) Fatality Rate: 0.00 (3) NMFR: 13.79 (4) TVIR: 0.46 (5) 11,474 Training Hours
	Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle	See our 2022 ESG Report ; pages 16-19	See pages 18-19
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.	N/A – no international operations.
	Description of the management system for prevention of corruption and bribery throughout the value chain	See our 2022 ESG Report ; pages 22-23	See pages 24-25
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 our 2022 ESG Report ; pages 22-23	See pages 24-25
Critical Incident Risk Management	Description of management systems used to identify and mitigate catastrophic and tail-end risks	See our 2022 ESG Report ; pages 16-17; 22-23	See pages 18-19 ; 24-25
Activity Metrics	Total number of hours worked by all employees	1,216,800 Hours	1,087,941 Hours



Footnotes, Sources & Assumptions

Footnote	Reference	Explanatory Detail & Methodologies
1	Avoided Emissions	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. 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. 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 CO2eq/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.
2	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).
3	EQT	EQT Unleashing U.S. LNG Report. Digital Wildcatters (Electric Frac in the Utica Shale - Toby Rice, CEO of EQT). https://www.youtube.com/watch?v=pn63wbFITb0&t=1378s .

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.





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