



**NEXTIER**

2021 Corporate  
Responsibility Report

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# Letter from our President and CEO

Dear Fellow Stockholder,

2021 was a transitional year for us as we navigated the COVID-19 pandemic and the industry downturn. We stuck to our core values and made strategic decisions to continue focusing on investing in responsible operations. **We are in a stage of energy transformation and we are excited to be at the forefront working towards a more sustainable future.** We were early in making capital investments to transition to dual fuel fleets that utilize natural gas and we believe those early decisions prepared us for the success we experienced in 2022.

Some 2021 highlights include expanding the size of our already extensive supply of natural gas-powered fleets with our acquisition of Alamo Pressure Pumping LLC. Our strategy of focusing on low emissions operations aligns with our commercial objectives by also reducing operating costs. In addition to achieving reduced emissions, we are seeing significant cost savings with the conversion to dual fuel fleets.

We also launched Power Solutions in 2021, our natural gas fueling business. Both investments have helped us accelerate the advancement of our **low cost, low emissions** strategy. We continued our responsible investing in 2022 with our acquisition of the sand hauling, wellsite storage and last mile logistics businesses of Continental Intermodal Group LP. The sand hauling system we acquired can transport larger volumes of sand resulting in a reduction in road miles and diesel consumption.

Our employees, with their strong work ethic and dedication to NexTier, are the foundation of our business and I believe we have one of the best and most talented workforces in the oilfield. With this belief we have focused on internally developing and promoting

talent from within, implementing programs like leadership training, field competency progression training, succession planning and mentorship over the past couple of years. In addition, we understand the importance of having a diverse and collaborative workforce, with different viewpoints and ideas. We plan to continue expanding on programs to benefit and develop our workforce, including programs that foster diversity by providing an environment in which all employees have the opportunity to succeed on the merit of their achievements and potential.

**Our focus has been to build a company with sustainable long-term growth that our investors, customers and employees can be proud of.** Our operations and our activity levels are largely driven by our customers' spending on upstream exploration, development and production programs. We believe that capital discipline is key to balancing downside risk with upside potential. We thank our employees and our Board of Directors for their role in our success. We thank our stakeholders for their continued support and their belief in our strategic plan. We look forward to the year ahead as we work together for a more sustainable future.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert W. Drummond".

**Robert W. Drummond**

President & Chief Executive Officer

# Our Core Values



## DO THE RIGHT THING

We ALWAYS maintain an unwavering commitment to safety. We are committed to conducting our activities in a manner that demonstrates purpose, transparency, dependability and accountability, while also fostering a culture committed to treating every person with respect and dignity.



## WORK AS A TEAM

We work tirelessly to create a winning partnership with customers, shareholders and our NexTier team. Working together we can operate responsibly and achieve common goals. As one, we can persevere with tenacity even when confronted with challenges. When the team wins, we all win.



## INNOVATE

We see every day as a new opportunity for improvement, never settling for status quo. We work continuously to adopt technologies and processes that reduce emissions while lowering the cost of operations. Transformative ideas win for our company, our customers and our communities.



## TAKE INITIATIVE

If we see safety issues, anyone can stop the job. If we see an opportunity to reduce our environmental footprint as part of our service quality, we pursue it. Our inquisitive culture leads us to explore new methods and technologies that can make a difference for our customers, our shareholders and the environment.



## TAKE RESPONSIBILITY

We take pride and ownership of our service delivery and safety performance. We are committed to responsible business practices and maintaining the trust of our shareholders, customers, vendors and NexTier team.



## WIN

Everybody goes home safely. We take pride in our work and do our jobs right the first time to deliver the best possible solutions. We are committed to acting in an environmentally responsible manner and helping our customers achieve low-cost energy production with reduced emissions. When the team and the community win, we all win.



## About Us

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Headquartered in Houston, Texas, NexTier is an industry-leading primarily U.S. land oilfield services company, with a diverse set of well completion and production services across the most active and demanding basins. Our integrated solutions approach delivers efficiency today, and our ongoing commitment to innovation and sustainability helps our customers better address key issues critical to long-term success.

## Forward-looking Statements

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Unless the context otherwise requires, references to the terms "Company," "NexTier," "we," "us" and "our" refer to NexTier Oilfield Solutions Inc. and its consolidated subsidiaries. All statements other than statements of historical facts contained in this report, including statements regarding future operating results and financial position, business strategy and plans and objectives of our sustainability commitments and initiatives, are forward-looking statements. Our forward-looking statements are generally accompanied by words such as "may," "should," "expect," "believe," "plan," "anticipate," "could," "intend," "target," "goal," "project," "contemplate," "believe," "estimate," "predict," "potential," or "continue" or the negative of these terms or other similar expressions. Any forward-looking statements contained in this report speak only as of the date on which we make them and are based upon our historical performance and on current plans, estimates, projections and expectations. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in the section entitled Part I, "Item 1A. Risk Factors" and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2021, and any subsequent Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, all as filed with the SEC and available on our website at [www.NexTierOFS.com](http://www.NexTierOFS.com). Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements. Except as required by law, we have no obligation to update any forward-looking statements made in this report to reflect events or circumstances after the date of this report or to reflect new information or the occurrence of unanticipated events.

Forward-looking statements speak only as of the date they were made and except to the extent required by law, we undertake no obligation to update any forward-looking statement because of new information, future events or other factors. Because of these risks and uncertainties, readers should not place undue reliance on these forward-looking statements or use them for anything other than their intended purpose. The contents of any website referenced in this document are not incorporated herein by reference.

# Sustainability and STRATEGY

At NexTier we are determined to be resilient, reliable, responsible and steadfast in our commitment to the long-term sustainability of our business and the environment for the benefit of all of our stakeholders. We measure sustainability not only in terms of metrics, but in the potential to perform better and achieve more.

**HOW SUSTAINABILITY FITS INTO STRATEGY**



**Our Purpose**

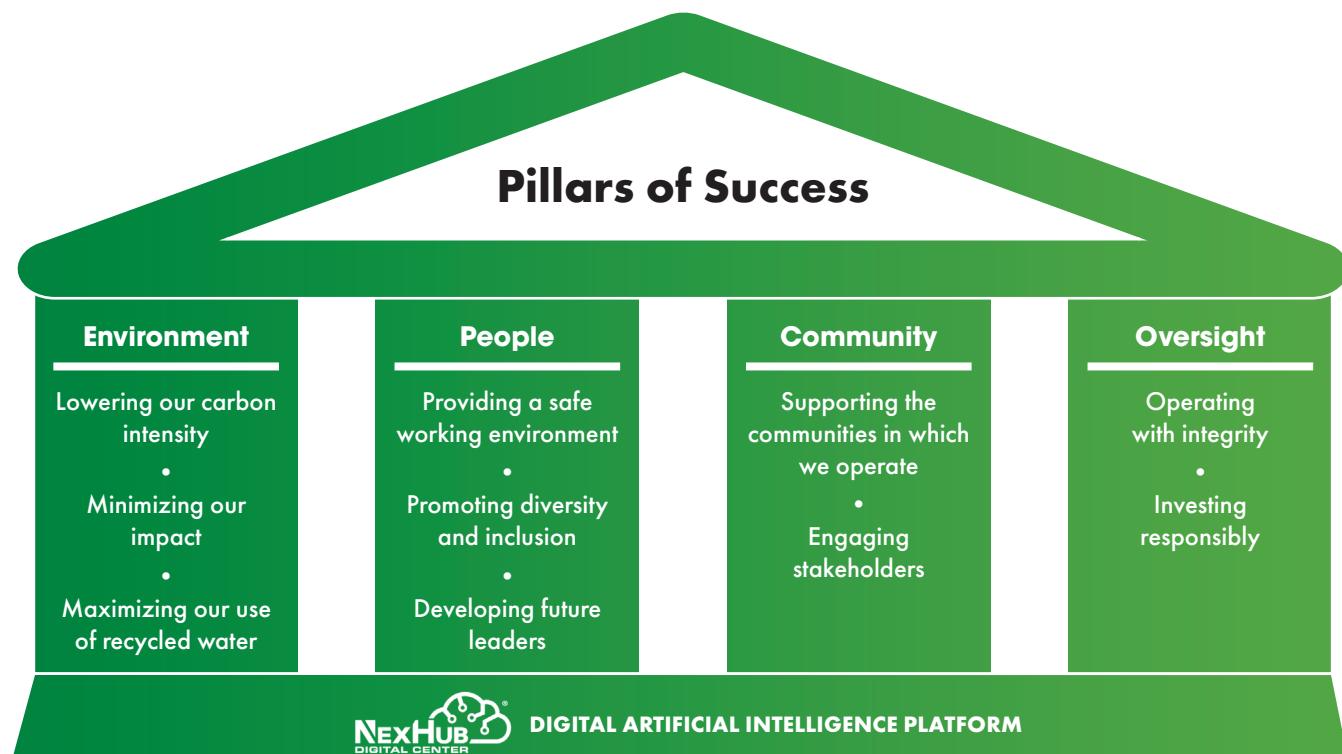
Delivering integrated, environmentally conscious U.S. land completion services and power solutions that help enable our customers to safely and affordably unlock energy sources.



**Our Mission**

To responsibly grow and continuously improve our business in a way that maximizes shareholder value by taking care of our people, our customers, our communities and the environment.

Our sustainability program is intended to support the purpose and mission of the Company and to contribute to our long-term success and growth. Our ongoing sustainability efforts are enabled by our digital artificial intelligence platform and focused on four core pillars:



## Enabling Sustainability - Our Digital Platform



At NexTier, we're optimizing efficiencies and boosting sustainability performance by deploying smart technologies and building digital infrastructures. NexHub, our digital platform, is the key enabler to drive change across multiple pillars of our sustainability strategy.

NexHub is a centralized remote, digitally enabled operations support center. NexHub delivers solutions that align with our commercial strategy to enable safe and efficient operations while lowering emissions. It is at the operating core of our low cost, low emissions strategy. Our NexHub platform, and our people, enables us to effectively minimize our impact on the **environment** through:

### **1. Digital operations engineering**

- Remote engineering services that optimize efficiencies and natural gas substitution for diesel on dual-fuel fleets – fleets that are powered by engines using a combination of diesel and natural gas.

### **2. Equipment health monitoring**

- Remote 24/7 streaming data with machine learning and system generated alerts to help protect our employees against potential catastrophic equipment failures that could cause injury on the work site. Equipment health monitoring also helps optimize emissions performance and equipment life.

### **3. Artificial Intelligence (AI) driven logistics control tower**

- Data-driven, AI-powered control tower streamlines complex logistics workflows in supply chain operations, vendor management, journey management, fleet movement coordination, last-mile sand logistics and mobile operations support, thereby directly reducing the number of trucks on the road and their emissions.

### **4. Mobile Data Technologies (MDT) data acquisition and controls**

- Proprietary control software and products that are integrated on wellsites to remotely monitor equipment, streamline maintenance programs, reduce failures and non-productive time.

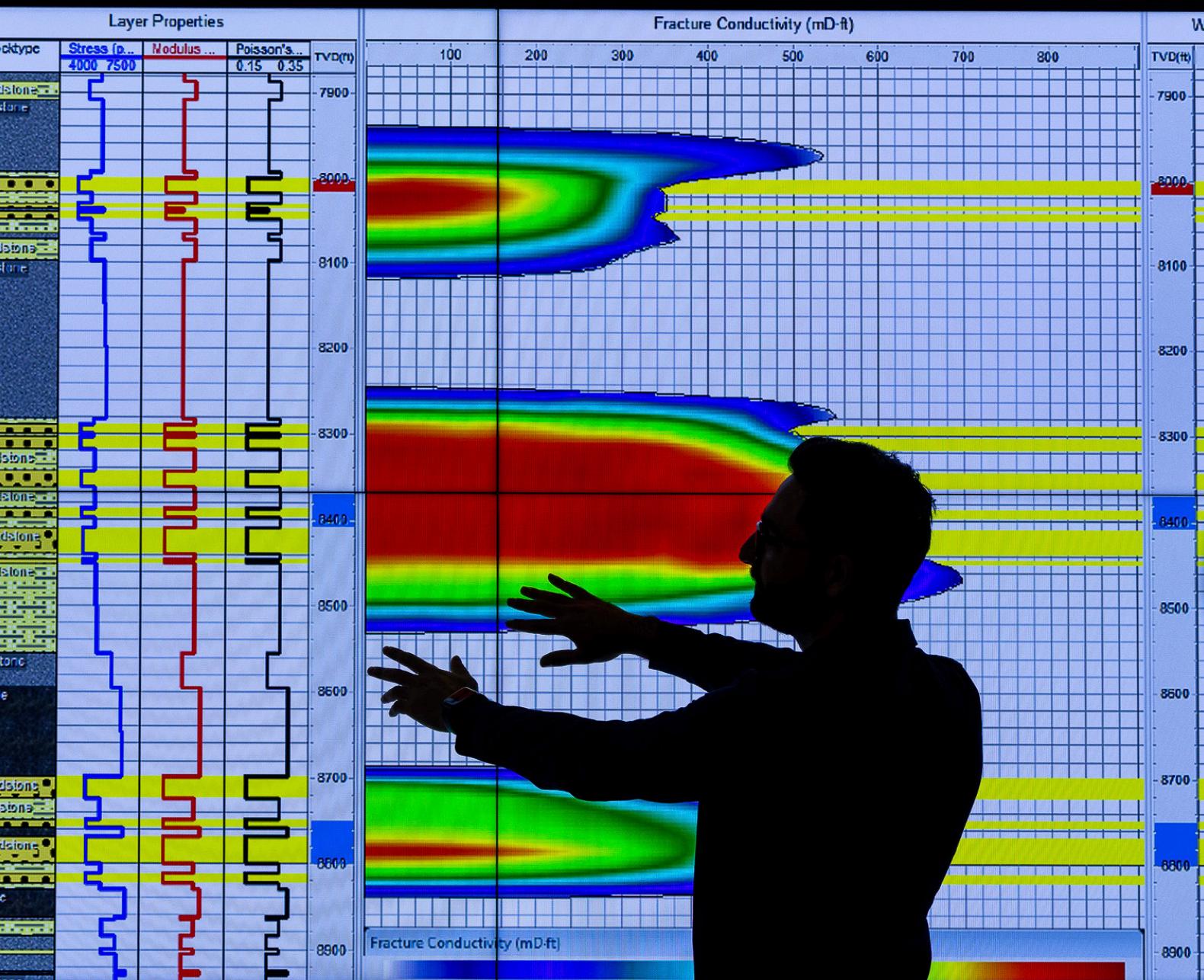
#### **NexHub Key ESG Benefits**

- Reduce emissions**
- Reduce trucks on the road**
- Reduce personnel on site**
- Optimize natural gas substitution**
- Improve safety profile**

NexHub's benefit extend past the digital realm into the physical world. Its remote capabilities allow us to reduce the risk of putting our employees in harm's way by removing them from the wellsite as well as reducing the number of people and vehicles traveling to and from the site.

At NexTier we are committed to supporting the communities in which we live and operate. We strive to be good corporate citizens by utilizing NexHub to **reduce our emissions, decrease our traffic on community roadways and sustain good air quality**. True to our spirit of innovation and commitment to sustainability, we continue to explore and evaluate new ways NexHub can help us achieve our sustainability goals.





# ENVIRONMENT

NexTier is committed to acting in an environmentally responsible manner and continually improving our environmental performance. As such, we are conscientious of the impact that our work has on the environment and continue to explore and deploy new technologies that can help us reduce our environmental impact.

## Lowering Our Carbon Intensity

Hydraulic fracturing plays a significant role in continuing to provide for the world's energy needs. The industry has reached a point where it is collaboratively and proactively leading emissions reduction. NexTier is committed to lowering carbon emissions through our low cost, low emissions strategy. We believe in a proactive approach to combat climate change risks through innovation. In 2022 we began implementing systems and developing processes that will enable us to reliably capture emissions data and measure our performance. Our energy transition journey leads us to explore and deploy new technologies that can further reduce our carbon footprint as we move towards cleaner and more sustainable fuel sources.

### Dual-Fuel Fracturing Operations

Since its inception fracturing equipment has been powered primarily by diesel fuel. NexTier's earliest fleets were comprised of diesel engines that met Tier II off-road engine emissions standard, the latest standards at that time. Over the last decade an energy transformation has occurred enabling the use of natural gas as a fuel source, either purely or blended with diesel. According to the United States Energy Information Administration, **displacing diesel with natural gas has the potential to lower CO<sub>2</sub>e emissions by 30%**. In addition, using natural gas at the wellsite can further reduce emissions when considering the possibility to reduce and/or eliminate the following: flaring, on-road transportation of fuel to the wellsite, and fugitive emissions from gas pipelines.

This energy transformation has introduced technological advancements resulting in three additional off-road engine emissions standards: Tier II dual-fuel, Tier IV diesel and Tier IV dual-fuel. "Dual-fuel" fleets are powered by engines that use a combination of diesel and natural gas, thereby reducing greenhouse gas emissions by displacing diesel with natural gas. With the introduction of each emission standard NexTier has responsibly transitioned to new technologies, fulfilling our low cost, low emissions commitment and providing customers access to quality low emissions hydraulic fracturing operations. NexTier has taken significant steps to effectively lower diesel consumption by investing in CAT® 3512E Dynamic Gas Blending DGB™ Tier IV engines, recipient of the EPA 2020 Clean Air Excellence Award in Clean Air Technology. **We currently have one of the largest deployed fleets of the award winning engine in the market.**

**IN 2021,  
DISPLACED**

**28.7 MILLION  
GALLONS OF DIESEL**

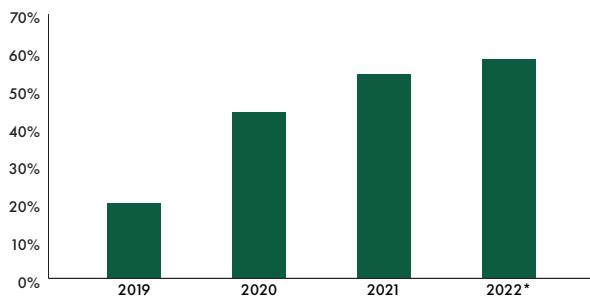


**vs 8.5 million gallons in 2020**

The acquisition of Alamo Pressure Pumping accelerated our deployment of low carbon equipment by eliminating extended lead times for latest generation equipment due to the COVID-19 pandemic. Alamo's fleet added late model CAT equipment of which 88% were Tier IV DGB™ capable. NexTier closed 2021 with the largest natural gas powered frac fleet in U.S. land, displacing over 28 million gallons of diesel. Currently over half of our fleet can be powered by natural gas and we plan to continue with our fleet refreshment and progression to natural gas powered engines.

### NATURAL GAS CAPABLE FLEETS

Percent of Active Total



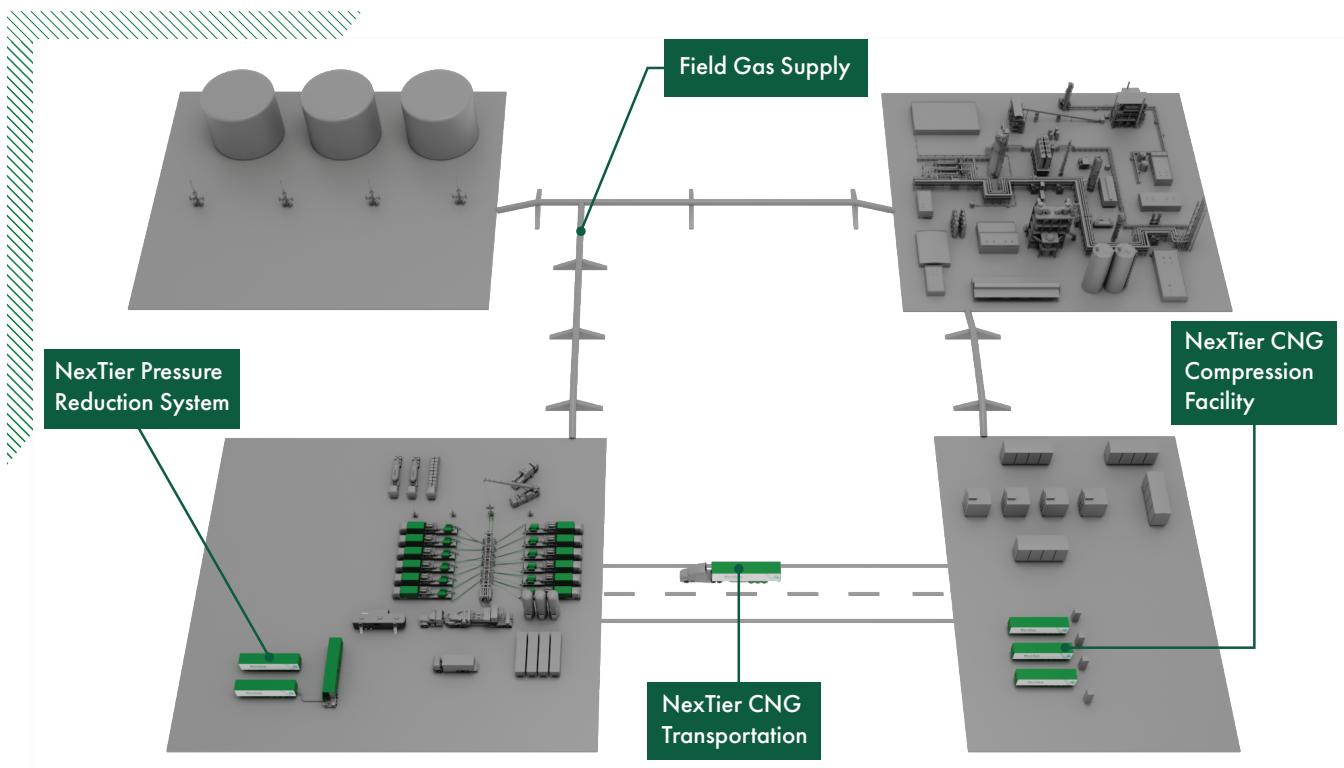
\* as at September 30, 2022

## Power Solutions

NexTier and our customers are aligned in that both are keen to minimize our environmental impact by displacing as much diesel as possible. Investing in pressure pumping equipment powered by natural gas was a very important first step; however, a reliable natural gas supply is not always readily available for our customers to get the maximum value from these lower emissions technologies. We are constantly seeking ways to remove barriers for clients to transition to cleaner natural gas fleets so that they, and the environment, can fully realize the benefit of dual-fuel and other lower emissions technologies. This drive for innovation led us to launch Power Solutions in mid-2021.

**Power Solutions is a simple and safe natural gas delivery and handling solution that integrates our completions and logistics capabilities with field gas treatment and natural gas compression and delivery.** Our customers now have one solution for both reliable high-quality natural gas supply to minimize emissions at the wellsite and automated processing technologies that enables the safe and consistent use of their in-field produced gas for further reduction of total-scope emissions. By self-managing the entire value chain of the natural gas supply up to the engine itself and not out-sourcing safety-critical activities and equipment at the wellsite, we improved the overall risk profile of all NexTier equipment and personnel on integrated wellsites. Our commitment to this strategy is evident in our capital investments in the Power Solutions business which by year-end 2021 has grown organically to support more than 60% of legacy NexTier's addressable market.

## Power Solutions Ecosystem



## Fuel Reduction

NexTier offers custom-blended fuel additives that deliver cleaner fuel combustion, lower consumption and fewer carbon emissions.



Blended with diesel fuel supply, these high-performance chemistries have been proven in the lab to **reduce pump engine emissions up to 50% and fuel consumption from 8% to 12%**.

Our Hibernate™ warm-start system is technology that automatically turns off fracturing pumps when they are not needed, such as

between stages. When pumps are ready to operate again a single person can remotely perform a restart from the data van. The many benefits of Hibernate™ result in an overall cleaner and safer wellsite by:

- Improving air quality by lowering fuel consumption and emissions
- Reducing employees exposed to heavy machinery
- Improving safety and communication through noise reduction

Compared side-by-side in a diesel-powered fleet, **Hibernate equipped pumps outperformed pumps operating with traditional methods.** Field tests in West Texas showed a **54% reduction** in engine idling and **32% less** total engine hours.

## Optimized Trucking

NexTier's large operational presence allows us to deliver more efficiently. Our centralized Logistics Control Tower, powered by AI enhanced digitally driven logistics, optimizes all aspects of transportation. This results in doing more with less: fuller loads, fewer miles between loads and more tons delivered with less vehicles. The outcome is not only beneficial to the environment, from less fuel consumed and emissions, but it is also beneficial to our drivers and the communities that share the roadways as we minimize heavy load traffic.

## Exploring Technologies

We are constantly exploring the development of more environmentally friendly products and equipment that can reduce emissions, environmental toxicity and increase the use of renewable sources. In line with our responsible investment strategy, our priority is to complete our fleet refreshment and progression to natural gas powered engines. The next natural step is to explore the latest advancements in engines, such as electronic fleets. In 2021 we completed field testing of electric drive and natural gas turbine drive pump units. These "e-fleets" allow for multiple power options, such as natural gas and grid power, further advancing our options for deploying carbon-reducing technologies into the market. The field tests have led to the development of our Emerald™ e-fleet that is scheduled to deploy in 2023.

At NexTier we truly believe collaboration within the industry will expedite the transformation to more sustainable technologies. In 2021 we performed a study to provide an objective review and comparison of emissions from fracturing technologies powered by diesel and natural gas. The specific technologies evaluated were Tier II and Tier IV diesel and dual-fuel engines, and electric fracturing

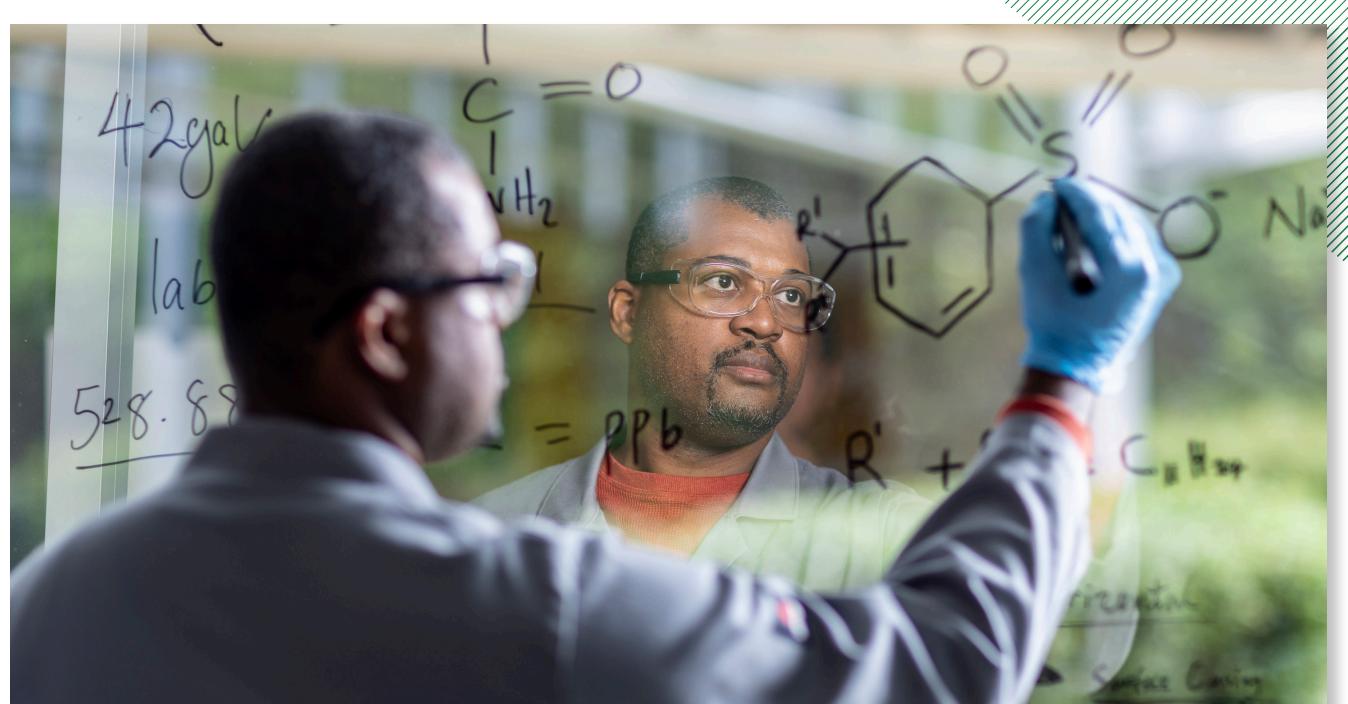


**IN 2021,  
ELIMINATED  
10 MILLION MILES DRIVEN  
through Logistics Control Tower**

equipment powered by natural gas fueled genset engines. Prior to this study emissions generated from these widely used hydraulic fracturing technologies were partially theoretical. The results of the study were published as a Society of Petroleum Engineers technical paper to enable operators, equipment manufacturers and other oilfield service companies to make meaningful emissions related decisions.

At our Chemistry Innovation Center not only are we finding solutions to optimize and improve well results, we are doing so with an ESG focus in mind by subjecting our chemicals to an independent responsible chemistry rating. The Chemistry Innovation Center has also allowed us to implement lab developed engineered chemistry to enable water recycling at the wellsite.

**We are committed to our low cost, low emissions strategy and will continue to explore new technologies and processes to make the transition to a lower carbon footprint easier and more cost effective for us and our customers.**





## Minimizing Our Impact

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### Products and Technologies

Our commitment to minimizing our environmental footprint without compromising the ability to provide leading service quality and performance is unwavering. We have invested in a low decibel fleet that has advanced sound attenuation to reduce noise to levels that meet or exceed requirements for light industrial activity. We have also invested in electric technologies for both our fracturing and wireline operations. Electric powered engines, in addition to reducing emissions, also reduce noise pollution.

The introduction of Power Solutions in late 2021 complements our investment in dual-fuel fleets and e-fleets by providing a reliable source of high quality natural gas needed to power the cleaner burning engines. Power Solutions fits seamlessly in our digital operating model, powered by NexHub. NexHub's real-time remote support spans field operations, engineering, logistics, maintenance and, with the introduction of Power Solutions, fuel supply. This in turn facilitates responsible operations by supporting reduced emissions, less operating costs, less traffic through optimized trucking and logistics, and less people required on site.

	Reduces or Eliminates							
	GHG Emissions	Diesel Fuel Use	Noise	Dust	Footprint/Space	Spills	Truck Loads	Employees on Site
<b>ESG Focused Products &amp; Technologies</b>								
<b>NexHub Digital Center</b> 	Automated support platform that optimizes logistical efficiencies, provides remote equipment health monitoring that uses artificial intelligence and predictive measures to optimize preventative maintenance and servicing of equipment, and uses a proprietary cloud-based control system that allows us the capability to determine the optimum amount of diesel able to be displaced with natural gas	✓	✓	✓	✓	✓	✓	✓
<b>Dual-Fuel Engines</b> 	Deploying fracturing fleets with dynamic natural gas blending technologies, which allows engines to run primarily on natural gas	✓	✓					
<b>Power Solutions</b> 	Maximizes diesel displacement and elevates field gas consumption	✓	✓					
<b>Tractor Reduction Solutions</b> 	Minimizing idling tractors at wellsite upon commencement of fracturing operations	✓	✓	✓			✓	
<b>Hibernate™ Warm-Start System</b> 	Automatically turns off fracturing pumps between stages and enables remote group restarts from the data van	✓	✓	✓			✓	
<b>Fuel Additives</b> 	Blending additives into diesel fuel supply that reduces emissions and fuel consumption	✓	✓				✓	
<b>Low-Decibel Frac Fleet</b>	Advanced sound attenuation on a fully equipped fracturing fleet				✓			
<b>EcoSeal Greaseless Cable</b>	Eliminates grease-injection systems or a grease skid on location for wireline plug and perforating jobs					✓		
<b>Release™ Dry</b> 	High performance dry friction reducer solution (dry FR) to fine-tune slickwater fluid systems	✓	✓				✓	
<b>Next Generation Fracturing Equipment</b> 	Testing next generation pump technology and evaluating electric / natural gas driven pump designs	✓	✓	✓	✓			✓

 Impacts air quality

## Spill Prevention Control and Countermeasure

As required under federal regulations NexTier implements Spill Prevention Control and Countermeasure plans designed to prevent spills from reaching any navigable waters, inform employees of the proper way to handle oil-based materials, inspect for leaks, respond appropriately to incidents and report spills. Periodic reviews of all facilities are conducted to ensure industry best practices to prevent and mitigate releases are applied. We have also implemented Storm Water Pollution Prevention Plans for the majority of our operational facilities even when exempt under state or federal regulations.

## Spill Reporting and Response Policy

NexTier's spill containment policies meet or exceed all state requirements relating to spill containment in the states in which we operate. Spills, regardless of size or quantity, are required to be reported internally, investigated and remediated. A robust reporting and investigative process allows NexTier to better understand why a spill may have occurred and how to mitigate the risk of a similar incident in the future. Our ongoing efforts resulted in 2021 Reportable Spill Incident Rate (RSIR) of 0.08 (Incidents/200,000 hours).

All operational facilities have spill kits and our employees are routinely trained to respond to spills. In addition, we maintain alliance contracts with national and regional environmental and emergency response vendors to rapidly respond to any unplanned incidents.

## Waste Reduction and Energy and Resource Efficiency

We are committed to minimizing our environmental impact by reducing waste sent to landfills, purchasing environmentally responsible products and reducing internal paper usage. Our recycling efforts include an IT recycling program where we recycle laptops, cell phones and printers. In our offices we make available recycling collection bins for batteries, paper and toner cartridges. Efforts to reduce paper usage include furnishing our annual proxy statements electronically and using eSignature capabilities for documents with vendors, customers and employees.

NexTier is also committed to using energy and resources efficiently. At our headquarters we minimize electricity consumption through the use of motion sensor switches in offices, conference rooms and hallways. Efforts to support resource efficiency include a flexible work program where practicable and we encourage utilizing web conferencing and teleconferencing technologies to minimize travel.



## Maximizing the Use of Recycled Water

We are committed to acting in an environmentally responsible manner when it comes to protecting our natural resources by preventing pollution, reducing waste and minimizing the consumption of natural resources. Frac operations require the use of water, which is supplied by our customers. In line with our commitment to conserve this most precious of natural resources we have lab developed engineered chemistry that affords customers the ability to recycle water. Through our customized fluid solutions we estimate to have utilized over 2.7 billion gallons of recycled water in our business.

IN 2021, OUR TECHNOLOGIES  
ENABLED THE RECYCLING OF

**3.8** BILLION GALLONS  
of customer water

# HEALTH AND SAFETY

We are dedicated to conducting our activities safely in accordance with applicable laws and fostering a culture with respect for human rights.

## Journey to Zero

NexTier operates with an unwavering commitment to the safety and well-being of our people, customers and communities in which we operate. Tenacious efforts are made to improve health and safety performance day in and day out, with the ultimate goal of zero harm.

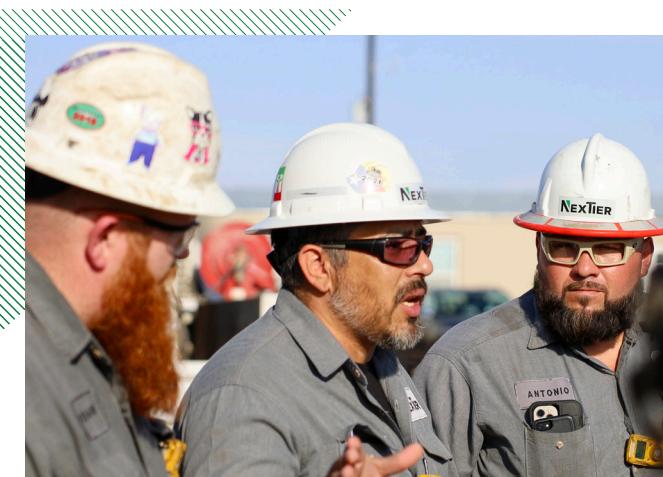


### Gold Safety Award

In 2021, NexTier was recognized by the Energy Workforce & Technology Council for having the lowest TRIR of the member companies in our size grouping.

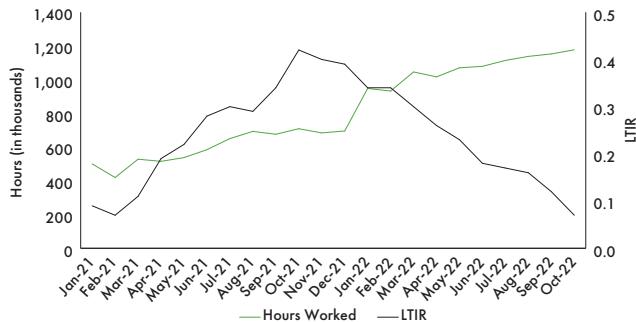
## Unyielding Focus on Safety

We keep safety at the forefront of our thoughts and actions. Safe operations begin with leadership through a governance framework that sets the standard for the consistency, discipline and accountability required to achieve excellent safety results. Our Board regularly reviews and discusses our safety performance. The Compensation Committee of our Board has directly linked safety related metrics, to both executive and operational management's incentive compensation programs. Our management team provides the driving force in developing and supporting our safety culture and demonstrating safety leadership. Every employee and member of our team is essential to sustain our Safety First way of life, as it requires a shared ownership and vigilance. In 2021, our Total Recordable Incident Rate (TRIR) was 0.86 vs. the 2021 industry average of 0.90. Our Long Time Incident Rate (LTIR) for 2021 was 0.39.

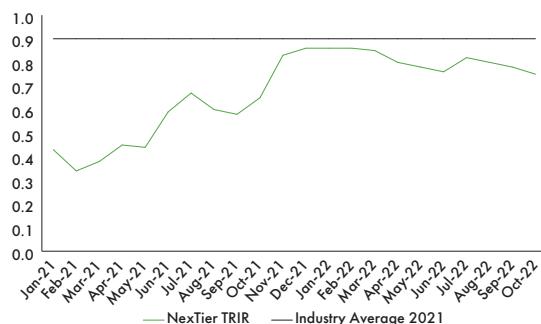


## Safety at a Glance

### EMPLOYEE HOURS WORKED & ROLLING LTIR



### ROLLING TRIR



## High-Potential Incidents

Hand and finger injuries account for a large percentage of our TRIR. They are a common industry issue and typically reflect incidents of low severity potential and result in little or no lost time. We have identified a strong correlation between employees hired within 6 months ("Short Service Employees" or "SSE's") and an increase in hand and finger incidents. In 2021, we welcomed more than 1,900 new employees, including approximately 550 new team members from our acquisition of Alamo Pressure Pumping. A substantial amount of our hiring in 2021 were re-hires of former employees laid off during the COVID-19 pandemic. We realized our TRIR was increasing with the increased number of new hires. We are committed to learning from incidents that have occurred and have been pro-active this year in providing increased safety training to our newly hired employees, including re-hires. Recently, we have improved our competence program in order to validate skills and increase visibility of our most at-risk employees (i.e. new hires). SSE's are also visibly distinguished from other employees with a green hard hat. As a result, both our overall TRIR and new hire incident rates have been trending down from 2021 levels.

## Safety Training

### **Learning and Development**

NexTier recognizes that consistent HSE training is a critical component of protecting its workforce. In line with our commitment to provide a safe working environment, all of NexTier's employees regularly receive HSE training. NexTier has developed a standard to define required HSE training for personnel working as employees or contractors for NexTier, and to guide HSE training personnel in the assignment, delivery, scheduling, and tracking of training and associated records. The training is assigned based on each employee's risk exposure, job title, function, location, and role.

In 2021, our employees  
worked a total of

**7,196,103**  
hours

Below summarizes some of our key safety initiatives:

#### Ongoing Safety Training:

- Our training programs include instructor led, e-learning and on-the-job
- **29 Average training hours** per employee in 2021
- **32 Number of distinct health, safety and emergency response courses** offered in 2021
- **13,488 Total number of completed courses in health, safety and emergency response training courses** in 2021

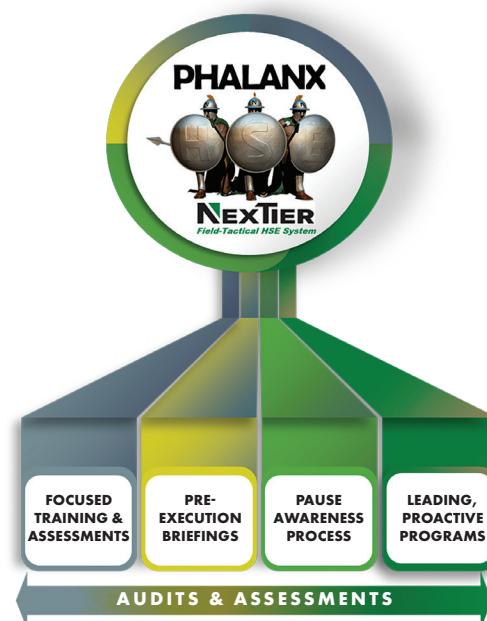
We require all field-based employees to take Employee Safety Orientation. Where appropriate, we require contractors to undergo orientation sessions, including safety orientation, prior to working on our jobsites. We also work closely with our customers in their efforts to coordinate safety among everyone at a jobsite. We believe that our fully integrated service offerings provide the greatest opportunity to achieve zero incidents at any jobsite by creating a consistent safety management system, reduced number of workers at a job site and improved communication and knowledge sharing between service lines.

## Decision Driving Training

NexTier provides and requires the successful completion of **Decision Driving Training** for all of our company drivers. The training is designed to provide an understanding of information that is gathered to make decisions that lower the risk of an incident on the road, techniques to maintain awareness of what is going on around the driver, and reduce the risk of incidents by training the decisive actions needed to avoid accidents.

## Samsara

In 2022, in our never-ending pursuit of improving operating safety, NexTier upgraded its driver safety system and partnered with **Samsara**. Utilizing the advanced driver assistance system technology offered by Samsara we enhanced our proactive approach safeguarding our employees and others on the ride. Samsara offers real time warnings to drivers and gives the company behavioral reports that monitor driving behaviors, such as speeding, quick turns and accelerations. **As of November 28, 2022, we have transitioned 91% of our motor vehicles to Samsara.**



## Phalanx

Our Safety Management System, we call **Phalanx**, consists of a set of systems, including skill-based performance initiatives to reduce error rates, improved training that addresses human limitations, such as common short-cuts/biases in observations and cognitive bandwidth, and an incentive program to cultivate a winning culture.

## Human Performance Training

Our **Human Performance training** is a program we implemented to understand motivation so we can predict behaviors and errors. We believe our employees have the solutions to the problems in our organization. Given the opportunity to share their knowledge and ideas they can do a lot to improve the current conditions on their work locations, errors can be predicted and prevented. This is a data-driven effort to eliminate incidents through cross-functional collaboration among employees and contractors at all levels based on observed correlations. We alert field personnel to observations and seek input regarding possible cause-and-effect relationships and ways to reengineer tools, equipment, processes, training and behaviors to further enhance safety.

## Risk Assessment

**Risk assessment** begins with the identification of hazards. To begin the process, we start by collecting existing information from workplace hazards. After identifying uncontrolled hazards, the team will take steps to eliminate or reduce them to as low as reasonably practicable prior to performing a job. A Job Safety Analysis is performed in a meeting between field personnel before each job. Every person affected by the job – employees, supervisors, contractors, and anyone else – will be involved in the job safety analysis. The process consists of listing the sequence of job steps, identifying the hazards involved in each task, and assigning mitigating protections to each hazard.

## Pause

The **Pause** process was developed though our study of the science of human performance. Pause is a guided meeting that is performed before every job that consists of:

- planning the job,
- communicating the steps to be followed,
- noting any concerns over fitness for duty, and
- the identification of any complicating factors such as weather.

Equipment is also checked to ensure all tools are present, appropriate and in good condition. An After Action Review is performed once the job is competed to ensure processes are reviewed for improvement.

## Stop Work Authority

The safety of our employees and others is our highest priority. All employees, contractors, and anyone else on our work locations have the authority and obligation to stop any task or operation where concerns or questions regarding the control of HSE risk exist. **When unsafe conditions or acts are identified, employees, contractors, and anyone else on our work locations should implement Stop Work Authority (SWA) as outlined in the Stop Work Authority Standard.** All employees have a right to use their SWA, without fear of reprisal and regardless of economic consequences. In 2021, we had 700 documented uses of employee Stop Work Authority.

## Impact Player Awards

At NexTier, we realize how important it is to recognize the initiative, commitment, responsibility, teamwork, and safety focus of our employees, as our people and their actions are what drive the success of our organization. **In 2021, NexTier implemented a Reward and Recognition Program, designed to celebrate, honor, and distinguish active employees** through a variety of awards that align to our core values.



Lance Weaver, Frac Pump Operator, noticed that a discharge hose was sucked flat on a boost pump. Lance used his Stop Work Authority and informed his team members. After an investigation they found the hose was sanded off. The hose was then replaced and the job resumed.

The SWA is then discussed at the following PAUSE meeting and during the Pre-Tour meeting the next day.

## ASSURE

ASSURE is a behavior-based safety program whereby an employee is given a critical behavior checklist and observes tasks and provides post-observation feedback with the person or persons observed. NexTier collects data which is then reviewed to develop new or update existing safety training programs and policies.

### After Action Review

**After action reviews** are performed after every job task. It consists of discussing successes, any problems that arose, reviewing incidents or unexpected events and updating job processes if necessary.

### SubContractor Safety Program

Contractor safety has always been a key focus area for us but in partnering with ISNet World we enjoy real time visibility of our subcontractor's, training qualifications, insurance coverages, incident rates, and other key performance indicators that inform our mitigation and intervention efforts and ultimately our hiring decisions.

### Leadership Engagements

**Leadership engagements** are routine audits whereby management visits work locations to engage with employees to evaluate their job knowledge, correct procedural deviations and motivate the workforce.

In 2021, we had

**1, 109**  
leadership field engagements  
in our various locations.

### NexTier App

We believe that given the most up-to-date information, our employees make sound decisions and are less likely to deviate. Alert Media and our **NexTract app** allow us to get targeted threat intelligence to the mobile device of every employee at NexTier.

### Pandemic Preparedness Program

NexTier's **Pandemic Preparedness program** ensures our operations can continue while keeping our employees safe and healthy. In 2021, we continued to follow health and safety requirements protocols and provided employees with remote and flexible work arrangements. In addition, we partnered with CVS to provide on-site vaccination to help employees safeguard themselves from the virus.

### Audits & Assessments

We thoroughly **investigate** serious incidents and near misses to identify root causes. The knowledge gleaned from our analysis forms the basis for modified behaviors, more effective safety programs and improved communications and training on safety issues.

In addition to real-time monitoring of various safety aspects, our operations committee reviews the **weekly safety dashboard** to discuss, among other things, safety incidents that may have occurred, trends, leading indicators and training.

Our **Incident Management** program provides a mobile application that provides a quick and easy method of recording incidents (including pictures), distributing alerts, communicating findings to management and administering corrective action.

Each year, every operating district completes a corporate **compliance audit**. This audit is completed by trained and qualified auditors and covers 48 elements and over 400 questions. These audits capture best practices and provide an opportunity to follow up with corrective action meetings.

In addition, we do **targeted audits** on a variety of high-impact topics, such as explosive safety, radiation safety, environmental impacts, DOT compliance and leadership engagement.

### Safety Modernization

The most effective way to keep people safe, is to keep them out of harm's way. NexTier is using, and continuing to develop, technologies designed to reduce the number of people at the wellsite, gather data through digital means and reduce our number of vehicles on the road through augmented logistics.

## Compensation, Health and Benefits

### Recruiting Talent

NexTier prides itself on offering a competitive benefits package for regular, full-time employees including health benefits such as medical, dental and vision, paid time off, vacation, welfare benefits, such as life and accident insurance, short and long-term disability, and a qualified defined contribution plan, including employer matching benefits. We also provide voluntary benefits, such as hospital indemnity, whole life, accident insurance and critical illness. We know how important preventative care is and to that end we cover 100% of preventative care services when performed in-network. Health benefits include on demand mental health services through LiveHealth online, as well as mental and behavioral health resources, including on-demand access to an Employee Assistance Program for employees and their dependents.

In 2021, we added several new benefits to enhance our employee's well being:

- We adopted a **parental leave policy** to support our employee's role in caring for and bonding with new child(ren) in the home.
- We added a **birthday holiday** to our paid time off program.
- We rolled out a **work from home program** that allows certain employees to work a hybrid office/remote work schedule.

At NexTier, we are constantly looking for ways to enhance our benefit plans and support our employees. For 2023, NexTier will offer a new HSA Value Plan that will be free for employee only coverage.

We believe these benefit enhancements not only strengthen our employment value proposition, but also align to our core values of '**Do the Right Thing.**'

### Employee Outreach during the COVID-19 pandemic

In response to the COVID-19 pandemic, the Company was forced to lay off many employees in 2020. The Company quickly created a social media network to keep in touch with our former employees. As the market returned, NexTier reached out to our former employees through the social media network and made efforts to make initial offers to those former employees eligible for re-hire. Through our outreach program, we re-hired approximately 30% of our former employees laid off in response to the COVID-19 pandemic.

### Town Halls and Employee Engagements

In 2021, we conducted regular town halls and other communications with our employees to ensure we communicated progress on our company initiatives, strategic objectives, safety updates and other company developments.

### Operating Safely During a Pandemic

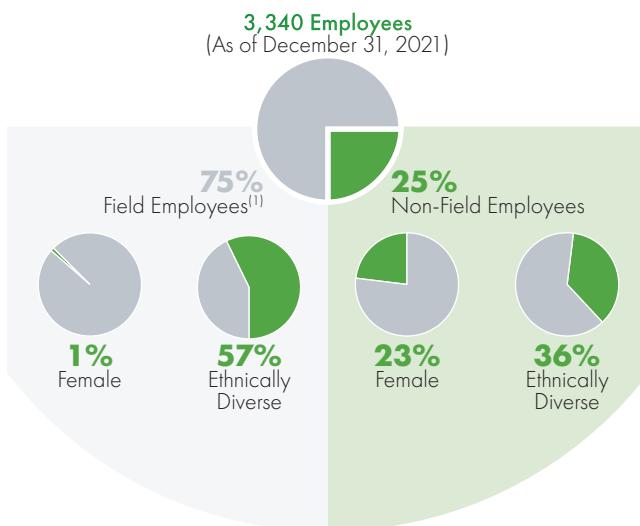
In response to the COVID-19 pandemic, we implemented significant safety measures that we determined were in the best interest of our employees as well as the communities in which we operate. This includes allowing employees to telecommute for periods of time, while implementing additional safety measures for employees continuing essential on-site work. To maintain minimized exposure points on an ongoing basis, a flex-work program was developed and deployed in an effort to balance time in the office with remote work from home. To mitigate COVID-19 exposure, further proactive measures were implemented including, among other things, additional hand sanitizer stations; limiting guests to campuses; shifting meetings to a virtual format. Frequent and consistent communication efforts reinforce the importance of these health and safety measures. We are happy to report that we did not experience any material disruptions in operations due to the COVID-19 pandemic.

## Promoting Diversity and Inclusion

At NexTier, we believe in an equitable environment and a workforce that reflects the many dimensions of diversity in the communities in which we operate. Diversity and inclusion take many forms. We believe that supporting and promoting a diverse and inclusive workplace brings new perspectives that can result in new ideas, guard against groupthink and help identify and mitigate risk.

In leading from the top, the Nominating and Corporate Governance Committee considers a variety of diversity characteristics for board composition, including business experience, geography, age, gender and ethnicity. In addition, the Company's Corporate Governance Guidelines affirmatively commit that gender and ethnically diverse candidates will be included in director searches.

### Workforce Diversity



(1) By nature of the job, field positions in the oilfield industry tend to be male dominated. In 2022, we enhanced our college recruiting program and partnered with certain universities in our efforts to ensure our recruiting methods are open and inclusive to all. Our goal is to close the gender gap and foster diversity at NexTier, in part, by recruiting STEM (science, technology, engineering, and mathematics) graduates for field engineering positions. We encourage female applicants, as well as all other qualified applicants, to apply for these early career roles.

	Women	Ethnically Diverse
Total Workforce	6%	52%
Management Positions <sup>(2)</sup>	7%	37%

(2) Defined as vice president, director, manager or supervisor.

Our training programs, succession planning and professional development opportunities are aimed at providing advancement opportunities that are inclusive of all employees.

## Developing Future Leaders

We are committed to workforce initiatives that provide our employees with the programs, resources and tools needed to succeed at every step of their career and reach their potential. We start with initiatives to attract and retain the best people. We then provide them with development opportunities to strengthen and enhance their skills so that they can build meaningful careers within the company. We can provide quality employment opportunities for people at all stages in their career.

NexTier is focused on providing on-demand and in person leadership development to our most important resources—our employees. Our learning and competency evaluation platform, **NexTier University**, offers accessible on-demand resources and in-person training for required learning, skill enhancement and competency evaluation.



### Learning

Employees can access the Dayforce Learning Management system to increase knowledge across various training courses.



### Development

Employees develop skills and abilities through On-The-Job Training (OJT) and assessment for competence in the Kahuna Competency Management System.



### Competent

Completion of both, Learning and Development, allows an employee to be marked competent.



### Drive Results

Employees in skills-based positions can become eligible for compensation increases and promotions through competence progression of the current and next job roles.

### Focused Leadership Training

In 2021, NexTier held a Field Supervisor and Manager Training program, which provided training to front-line supervisors and managers for business, technical and leadership skills to best manage and lead their teams. Frac supervisors took technical training courses covering topic including the hydraulic fracturing process, fracturing fluids and proppants, pumping the job, interpreting data, perforating and customer relations. Field supervisors and managers learned key leadership skills, such as effective communication, managing conflict, giving and receiving feedback, and delegation. The program also covered business skills such as finance, human resources, ethics and compliance, preventative maintenance, and cost analysis. The program had over 200 participants over the 7-day workshop.

### Dayforce E-course Learning Management System

In 2021, our employees had access to **182 on demand e-courses**. In addition to courses on industry specific topics, employees can access courses on employee wellness, computer skills and learning and development.

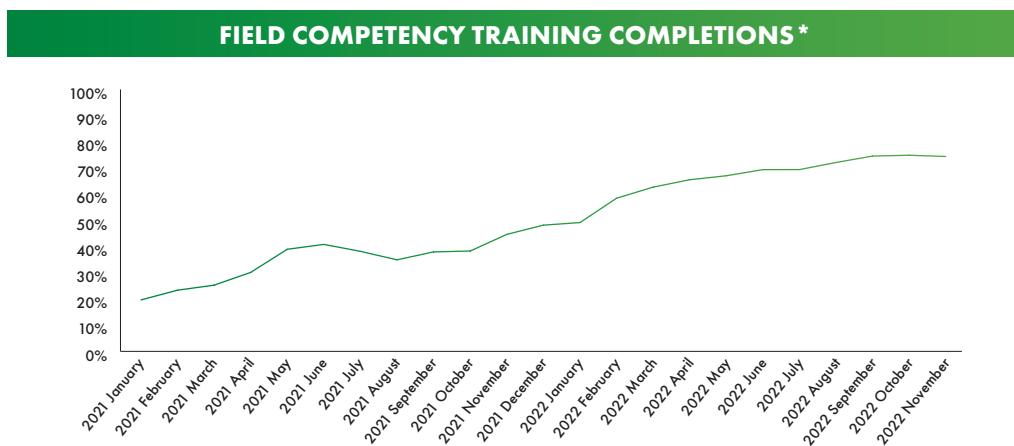
**IN 2021, OUR EMPLOYEES ENGAGED IN  
AN AVERAGE OF  
29 hours  
of training and  
development per person.**

## Field Competency Training Program

Our learning and competency evaluation platform, NexTier University, offers accessible on-demand resources for required learning, skill enhancement and competency evaluation.

NexTier University content is auto enrolled by job role for each employee. An employee is expected to complete the required development courses and practice on the job with a mentor. In 2021 we tracked employee development by the number of training courses completed and competency assessments surpassed. In early 2022, NexTier deployed a program that allowed employees to accelerate pay increases and promotions by completing the prerequisite competency courses. Once the employee has reached the prescribed level of competence in a job role, he or she becomes eligible for promotion and begins working toward the next job role. We observed a marked increase in the level of employee initiative and participation in competency assessments after we formalized the incentive and career advancement program related to them.

The following chart shows the percentage of field employees who have fully completed the field competency training for his or her current role.



\* The chart tracks field competency training for the following service lines: cementing, fracturing, pump down, wireline and power solutions.

# COMMUNITY

We are committed to strengthening the communities in which we live and operate to help them truly thrive.

## Supporting the Communities in which We Operate

As a good neighbor, we want to do more than just give, we want to enable. We collaborate with our employees, our customers and communities to identify opportunities which strengthen our foundation of corporate citizenship and demonstrate our commitment to our values.

### 2021 Community Highlights

NexTier is proud to support **Oilfield Helping Hands ("OHH")**, a charitable organization that assists oilfield families in financial crisis through no fault of their own to lift them up in tough times. The funds raised are given, based on need, to members of the oilfield families living or working in OHH chapter areas.



NexTier is proud to support the American Heart Association.



We are proud to partner with the Gulf Coast Regional Blood Center to host blood drives at our Houston headquarters location.



**NexTier employees are saving lives!**



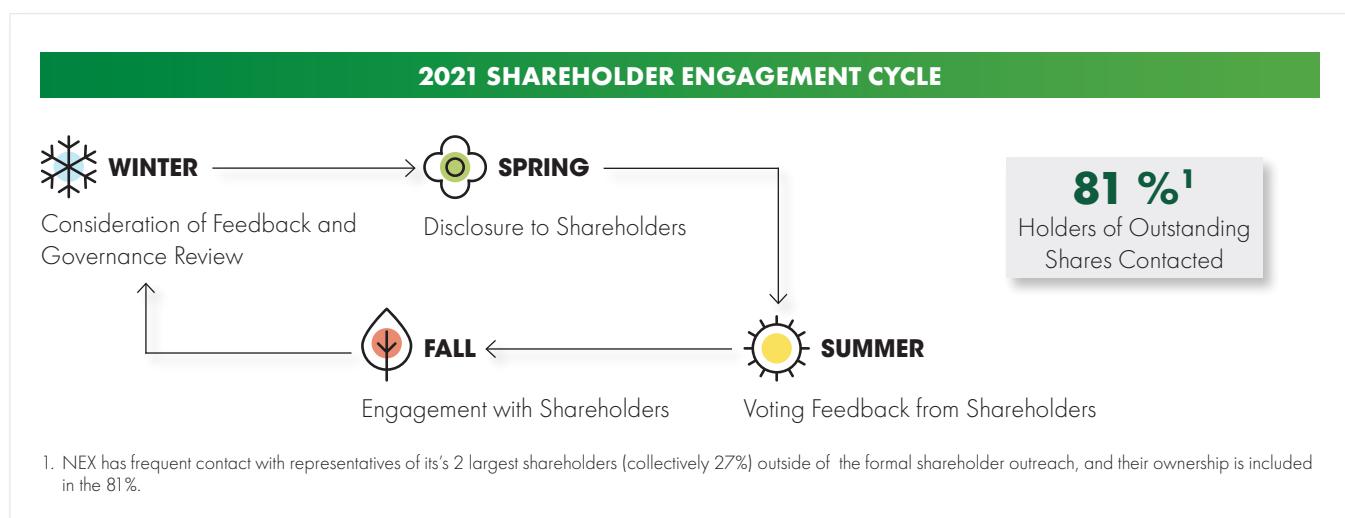
Proudly continuing our annual support of the Houston Food Bank and Blue Santa program.



## Engaging Stakeholders

We include a variety of stakeholders in proactive engagement to gather feedback, increase transparency and further understanding. NexTier engages with our stakeholders in a variety of ways, including:

<b>Stakeholder Group</b>	<b>Engagement Approach</b>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>• In-person meetings and investor conferences</li> <li>• Quarterly earnings calls</li> <li>• Analyst meetings and conference calls</li> <li>• Annual meeting of shareholders</li> <li>• U.S. securities regulatory filings</li> <li>• Annual Report, Proxy Statement and Corporate Responsibility Report</li> <li>• Annual shareholder outreach program</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• In-person conversations</li> <li>• Email</li> <li>• Telephone</li> <li>• Social and public media</li> <li>• Annual Report</li> <li>• Customer satisfaction surveys</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Performance management and development programs</li> <li>• Leadership communications</li> <li>• Annual Report and Proxy Statement</li> <li>• Company intranet, online chat forums, email, direct mail, social and public media, and in-person and virtual townhall meetings</li> </ul>
<b>Community and neighbors</b>	<ul style="list-style-type: none"> <li>• Meetings, calls, social and public media and podcasts</li> <li>• Financial support</li> <li>• Trade associations</li> <li>• Employee volunteering</li> </ul>
<b>Suppliers, vendors and business partners</b>	<ul style="list-style-type: none"> <li>• In-person meetings, calls, conferences and workshops</li> <li>• Process for managing grievances</li> <li>• Supplier relationship management meetings</li> </ul>



# OVERSIGHT

NexTier is committed to responsible business practices and maintaining the trust of our shareholders, customers, vendors and NexTier team.

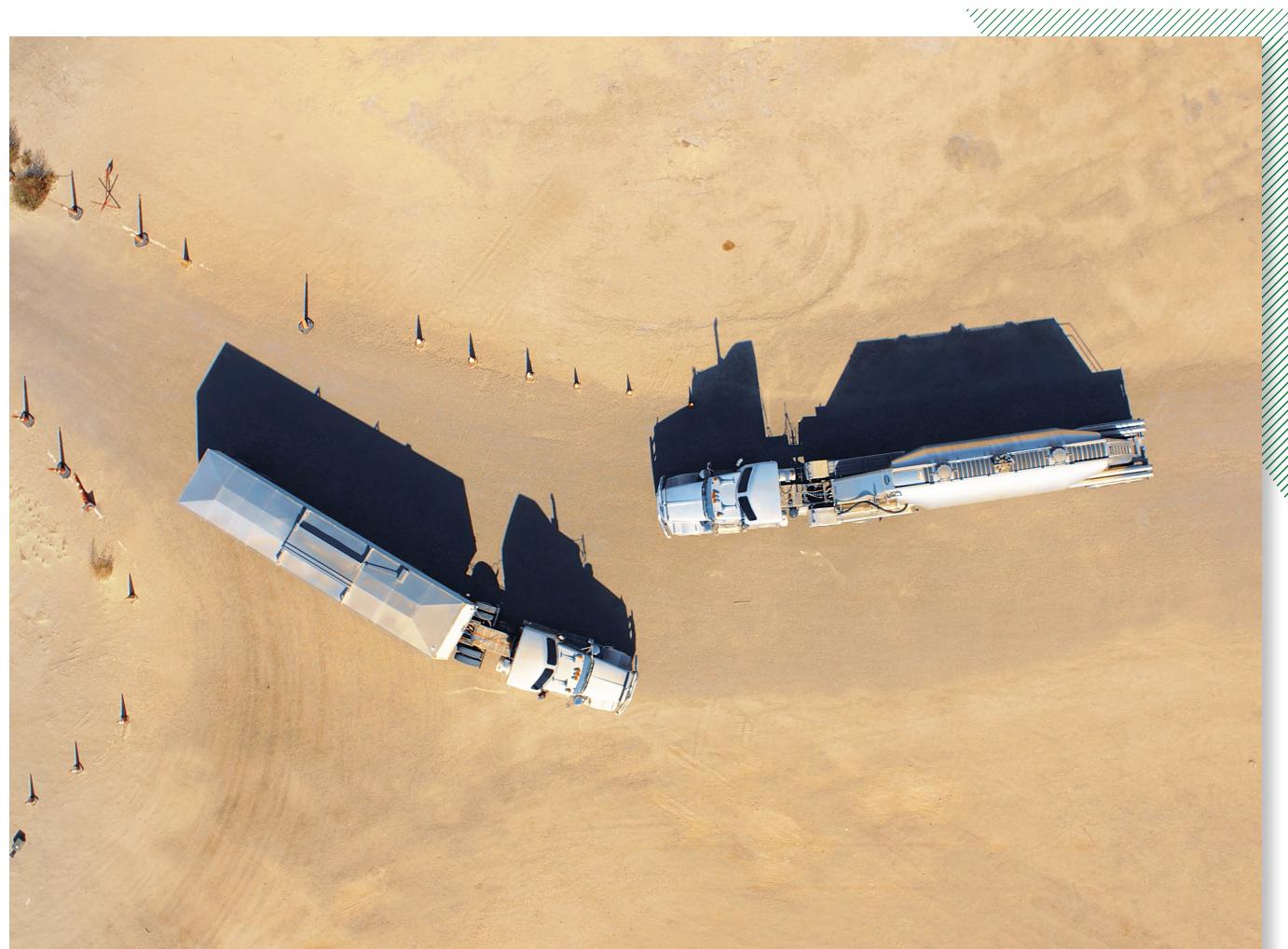
## Operating with Integrity

We are guided by our Code of Business Conduct and Ethics to ensure we demonstrate our core values and maintain compliance with applicable rules and regulations. We expect our suppliers to abide by NexTier's Code of Business Conduct and Ethics.

### **Corporate Governance**

Our Board of Directors recognizes that a robust governance framework and a culture of integrity helps us compete more effectively, sustain success and build long-term shareholder value. NexTier is governed by a Board of Directors and committees of the Board that meet throughout the year. Directors discharge their responsibilities at Board and committee meetings and through ongoing communication with each other and with management throughout the year.

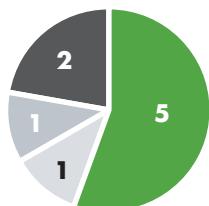
The Nominating and Corporate Governance Committee of our Board oversees the development and implementation of a company-wide sustainability strategy. An ESG Steering Committee, composed of a cross-functional team of executives and employees, reports to the Nominating and Corporate Governance Committee and CEO. The charter for this Committee includes the responsibility for driving integration, advancement and awareness of sustainability initiatives across our business.



## OUR BOARD OF DIRECTORS

As of December 31, 2021

**Average Tenure  
4.2 Years**

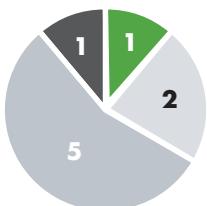


- <3 years
- 3-4 years
- 5-7 years
- 7+ years

**Gender Diversity  
11% Women**



**Average Age  
61 Years**



- <50
- 50-60
- 61-70
- 70+

**Independent  
6 of 9**



### 2022 Board Enhancements

On January 5, 2022, the board of directors increased the size of the board to 10 directors and approved the nomination of Bernardo Rodriguez to the board of directors. Mr. Rodriguez offers digital, technology and cyber expertise to the board while also increasing the board's ethnic diversity. The board has prioritized and is currently focused on increasing its gender diversity in the near future.

### Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines to provide a framework for the effective governance of the Board. These Guidelines reflect the importance the Board places on independence, composition diversity, leadership and accessibility. The Corporate Governance Guidelines are reviewed annually and updated as appropriate. The full text of the Corporate Governance Guidelines and other key governance documents, such as the charters of the Board committees and the Code of Business Conduct and Ethics can be found at [www.NexTierOFS.com](http://www.NexTierOFS.com).

#### Annual self-evaluations

- 3 Standing committees focused on risk, compensation and governance, respectively

#### Independent Chair of Board and all Committees

- Open access to management, information and advisors

#### Regular executive sessions without management

#### Continuing education programs

### Standards of Conduct and Accountability

Robust governance starts at the top, but extends to management and all employees. We have a governance framework built around our Code of Business Conduct and Ethics, which sets our guiding principles and outlines what we expect from each of our employees and what our customers and communities expect of us – high standards of professional and ethical conduct. This framework is reinforced by a range of policies which our Board routinely reviews.



Code of  
Business Conduct  
& Ethics



Anti-Corruption  
Policy



Related Party  
Transactions  
Policy



Conflict Minerals  
Policy



Compensation  
Recovery  
Policy



Director &  
Executive Officer  
Stock Ownership  
Guidelines



Insider Trading  
Policy



Political Action  
Policy



Reporting &  
Investigation  
of Concerns Policy



Human Rights  
Policy



Supplier Code  
of Conduct

## Guarding Against Corruption

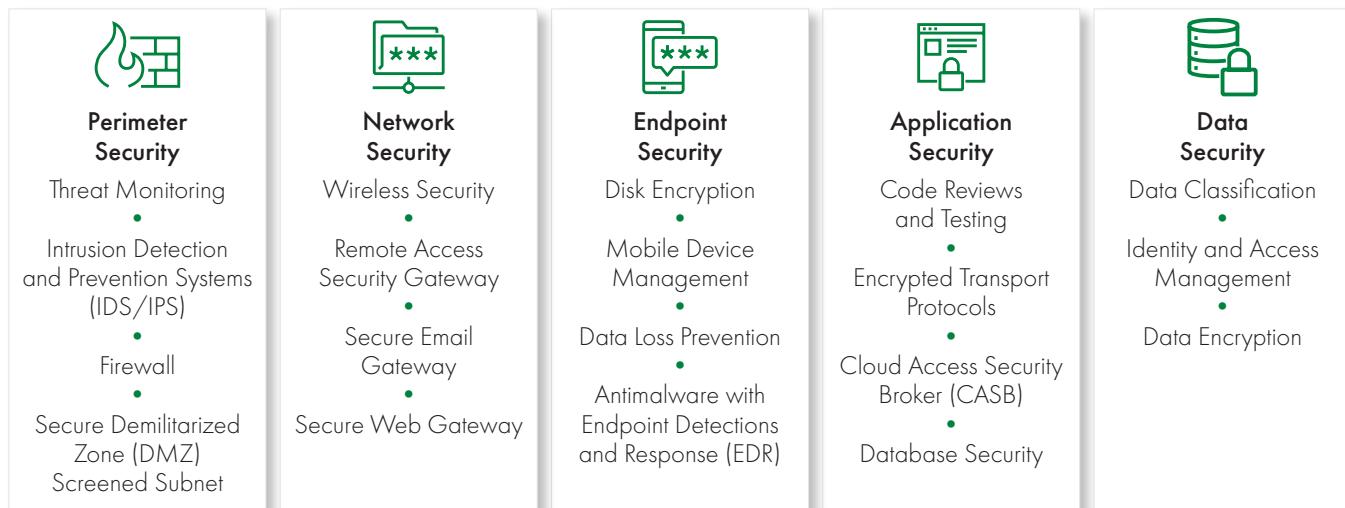
We operate and maintain business relationships with a variety of third parties mainly in the United States. We have a clear, zero-tolerance, Anti-Corruption Policy that reaffirms all employees' requirement to comply with both the policy, the letter and spirit of all applicable anti-corruption laws, including, as applicable, the U.S. Foreign Corrupt Practices Act. It addresses, among other things, what constitutes bribery and improper payments, training, auditing, monitoring, certification and risk assessment. Discipline under the policy extends not only to the violator, but also to others involved in the wrongdoing, such as (i) persons who fail to use reasonable care to detect a violation, (ii) persons who, if requested to divulge information, withhold material information regarding a violation, and (iii) supervisors who approve or condone the violations or attempt to retaliate for reporting violations or violators.

## Cybersecurity Risk Oversight

In order to respond to the threat of security breaches and cyberattacks, NexTier has developed a program that is designed to protect and preserve the confidentiality, integrity and continued availability of information owned by, or in the care of, the company. This program also includes a cyber incident response plan that provides controls and procedures for timely and accurate reporting of any material cybersecurity incident.

Our Audit and Risk Committee, which oversees NexTier's cyber risk management program, receives periodic reports on the program, including updates about the results of exercises and response readiness assessments and penetration testing led by outside advisors who provide a third-party independent assessment of the company's cyber-security program and the company's internal response preparedness. In 2022, Bernardo Rodriguez joined our Audit Committee providing specialized digital, technology and cyber expertise.

In addition, NexTier provides company wide cybersecurity awareness training annually. This training covers information regarding, among other things, common online email threats, outside the office threats and malware.



## Supplier Conduct

Our expectations for high standards of business conduct, integrity and adherence to the law extend beyond our employees and include our contractors and vendors. Because of this, we ask and expect our suppliers to adhere to our Supplier Code of Conduct, which encompasses our Code of Business Conduct and Ethics. In addition, we expect all partners, suppliers and vendors to share the fundamental values laid out in our Human Rights Policy. Our partners, suppliers and vendors must be committed to safe, lawful and ethical business practices to protect the welfare of those with whom we conduct business and those who are affected by our businesses.

## Political Contributions

In 2021, NexTier made no political contributions or Political Action Committee contributions.

## Conflict Free Sourcing

We expect our suppliers to share our commitment to the responsible sourcing of materials, parts and products to ensure our procurement practices do not contribute to violence and human-rights abuses. Our Conflict Minerals Policy clarifies our expectation that our suppliers:

- 1) Source conflict minerals from certified conflict-free smelters (such as those audited through the Electronic Industry Citizenship Coalition and Global e-Sustainability Initiative Conflict Free Smelter program),
- 2) Perform due diligence on the source and chain of custody of any conflict minerals sourced for and supplied to NexTier, and
- 3) Provide evidence of their due-diligence measures to us upon request.

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In addition, NexTier provides company wide cybersecurity awareness training annually. This training covers information regarding, among other things, common online email threats, outside the office threats and malware.

## Reporting of Concerns

NexTier offers a global third party, independent "hotline" service that is available 7 days a week, 24 hours a day. Concerns may be handled anonymously and submitted over the phone at **1-800-461-9330**, by SMS text at **1-432-287-7825** or online at <http://www.nextierofs.com/helpline>.

This service supports not only employee questions and concerns about any improper activity, but also provides a method for persons outside the company to inform us if they suspect or encounter any violations of our Code of Business Conduct and Ethics or the law by our employees, or any other activities which otherwise may amount to unethical or improper conduct.

## Investing Responsibly

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We are dedicated to being good stewards of our corporate resources to responsibly grow and improve our business in a way that maximizes shareholder value by taking care of our people, our customers, our communities and the environment.

# INVESTMENT



### Incentivize Sustainability

For 2021, we have included cost effective gas substitution and safety performance as components of executive compensation, demonstrating our alignment with these ESG goals.

### Low Cost, Low Emissions



In August 2021 NexTier completed the acquisition of Alamo Pressure Pumping, increasing the size of our natural gas powered fleet, while keeping with our strategy of responsibly growing our business and reducing operating costs. The acquisition of Alamo added nine primarily CAT® Tier IV DGB hydraulic fracturing fleets to our existing business. The CAT® Tier IV DGB engine received the EPA Clean Air Excellence Award in the category of Clean Air Technology, in part due to the engine's ability to reduce diesel consumption and greenhouse gas emissions while maintaining power, performance and reliability.

Also in mid-2021 we deployed NexTier Power Solutions, our natural gas services division that powers our dual-fuel fleet with compressed natural gas and field gas. Power Solutions provides natural gas sourcing, compression, transport, decompression, treatment, on site distribution, and related services to our fracturing operations. Ultimately it provides our customers with a streamlined approach to driving more sustainable, cost effective frac operations. The fueling capacity of Power solutions has more than doubled since it was first introduced.



Throughout 2021 we conducted field tests of electrically powered frac fleets powered by different sources of electricity. These field tests have led us to invest in our first e-fleets to be deployed in early 2023. In addition, we will also be deploying our first wireline e-fleets in 2023.



### Disciplined Capital Deployment

We are committed to continuing to manage our business in line with demand for our services and make adjustments as necessary to effectively respond to changes in market conditions, customer activity levels, pricing for our services and equipment, and utilization of our deployed equipment and personnel. Our response to the industry's persistent uncertainty is to maintain sufficient liquidity, preserve our conservative capital structure and closely monitor our discretionary spending. We take a measured approach to asset deployment, balancing our view of current and expected customer activity levels with a focus on generating positive returns for our shareholders. Our priorities remain to drive revenue by maximizing deployed equipment utilization, to improve margins through cost controls, to protect and grow our market share by focusing on the quality, safety and efficiency of our service execution, lower emissions, and to ensure that we are strategically positioned to capitalize on constructive market dynamics.

# NEXT STEPS

## Our Sustainability Journey

NexTier routinely engages with our people – our investors, our customers, our community and our employees, to better understand their ESG views, carefully considering the feedback we receive and acting when appropriate.

In 2022, as part of our sustainability journey, we began implementing systems and developing processes that will enable us to reliably capture emissions data and measure our performance. We also began aligning our reporting to the Sustainability Accounting Standards Board (SASB) framework. For future reporting we are assessing alignment with the recommended guidelines and disclosures of the Task Force on Climate-Related Financial Disclosures (TCFD).

**We will work in partnership with our stakeholders to strengthen and achieve our ESG objectives, mitigate risks, and continuously improve our sustainable business practices.**



## Sustainability Accounting Standards Board: Oil & Gas – Services

As noted in our 2020 Corporate Responsibility Report, one of the next steps in our ESG reporting journey included aligning with the recommended guidelines and disclosures of the Sustainability Accounting Standards Board (SASB) framework. The following table presents the SASB topics and metrics prescribed for the oil and gas services industry that we have addressed and/or quantified to date.

TOPIC	CODE	ACCOUNTING METRIC <sup>1</sup>	RESPONSE
Emissions Reduction Services & Fuels Management	EM-SV-110a.2	Discussion of strategy or plans to address air emissions-related risks, opportunities, and impacts	Environment (pages 7 - 11)
Water Management Services	EM-SV-140a.2	Discussion of strategy or plans to address water consumption and disposal-related risks, opportunities, and impacts	Maximizing Our Use of Recycled Water (page 12)
Chemicals Management	EM-SV-150a.1	Volume of hydraulic fracturing fluid used, percentage hazardous	69,439,026 m <sup>3</sup> frac fluid slurry, 0.3% hazardous
	EM-SV-150a.2	Discussion of strategy or plans to address chemical-related risks, opportunities, and impacts	Exploring Technologies (page 9)
Ecological Impact Management	EM-SV-160a.1	Average disturbed acreage per (1) oil and (2) gas well site	
	EM-SV-160a.2	Discussion of strategy or plan to address risks and opportunities related to ecological impacts from core activities	See footnote 2
Workforce Health & Safety	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	(1) TRIR .86 (2) Fatality rate 0.0 (3) NMFR 1.42 (4) TVIR 3.09 (5a) 20.0 (5b) & (5c) not applicable
	EM-SV-320a.2	Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle	Health and Safety (pages 13 - 16)
Business Ethics & Payments Transparency	EM-SV-510a.1	Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	\$0
	EM-SV-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	Oversight (pages 22 - 24)
Management of the Legal & Regulatory Environment	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	2021 Form 10-K: Item 1A. Risk Factors (pages 17 - 40)
Critical Incident Risk Management	EM-SV-540a.1	Description of management systems used to identify and mitigate catastrophic and tail-end risks	Health and Safety (pages 13 - 16) Oversight (pages 22 - 24)
Activity	EM-SV-000.A	Number of active rig sites	
	EM-SV-000.B	Number of active well sites	See footnote 3
	EM-SV-000.C	Total amount of drilling performed	
	EM-SV-000.D	Total number of hours worked by all employees	7,196,103

1 The following metrics have not been disclosed due to relevant information not being available for the reporting period:

- Code EM-SV-110a.1 - Total fuel consumed, percentage renewable, percentage used in: (1) on-road equipment and vehicles and (2) off-road equipment
- Code EM-SV-110a.3 - Percentage of engines in service that meet Tier 4 compliance for non-road diesel engine emissions
- Code EM-SV-140a.1 - (1) Total volume of fresh water handled in operations, (2) percentage recycled

2 Ecological Impact Management is not applicable. Management of disturbed acreage per oil and gas wellsite is outside our operational control.

3 Number of active rigsites/wellsites and total amount of drilling performed are not relevant to the Company's operational control, and have therefore been omitted.



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