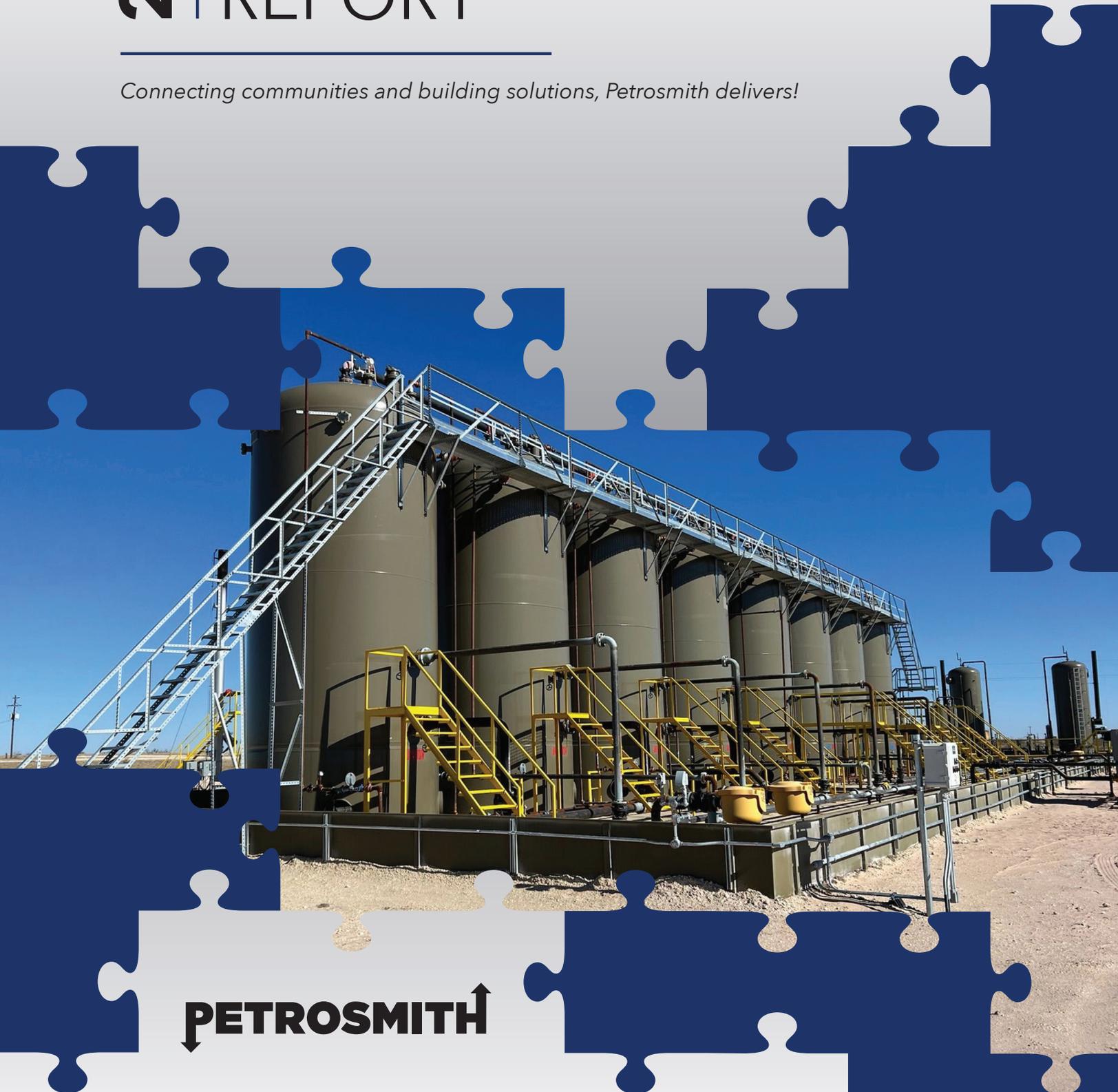


2024 | BUSINESS RESPONSIBILITY REPORT

Connecting communities and building solutions, Petrosmith delivers!



PETROSMITH ↑

Pictured: Reducing fugitive emissions releases with Petrosmith's Tesse!™ Product at a Client's upstream production facility

TABLE OF CONTENTS

3 ABOUT THIS REPORT

- 5 A Message From the CEO
- 6 2024 Business Highlights
- 7 Our Business
- 8 Accelerating Our Path To Progress

12 MINIMIZING ENVIRONMENTAL IMPACTS

- 13 Measuring Our Carbon Footprint
- 16 Preventing Emissions Through Remediation
- 17 Enhancing Resource Efficiency
- 24 Delivering Sustainable Products And Services

28 ADVANCING SOCIAL RESPONSIBILITY

- 30 Prioritizing Safety & Well-Being
- 32 Investing In Our People
- 34 Attracting and Retaining Talent
- 40 Supporting Our Communities

42 GUIDING GOVERNANCE

- 44 Ensuring Ethical Business
- 46 Strengthening Our Cybersecurity
- 47 Supply Chain Management

48 APPENDIX

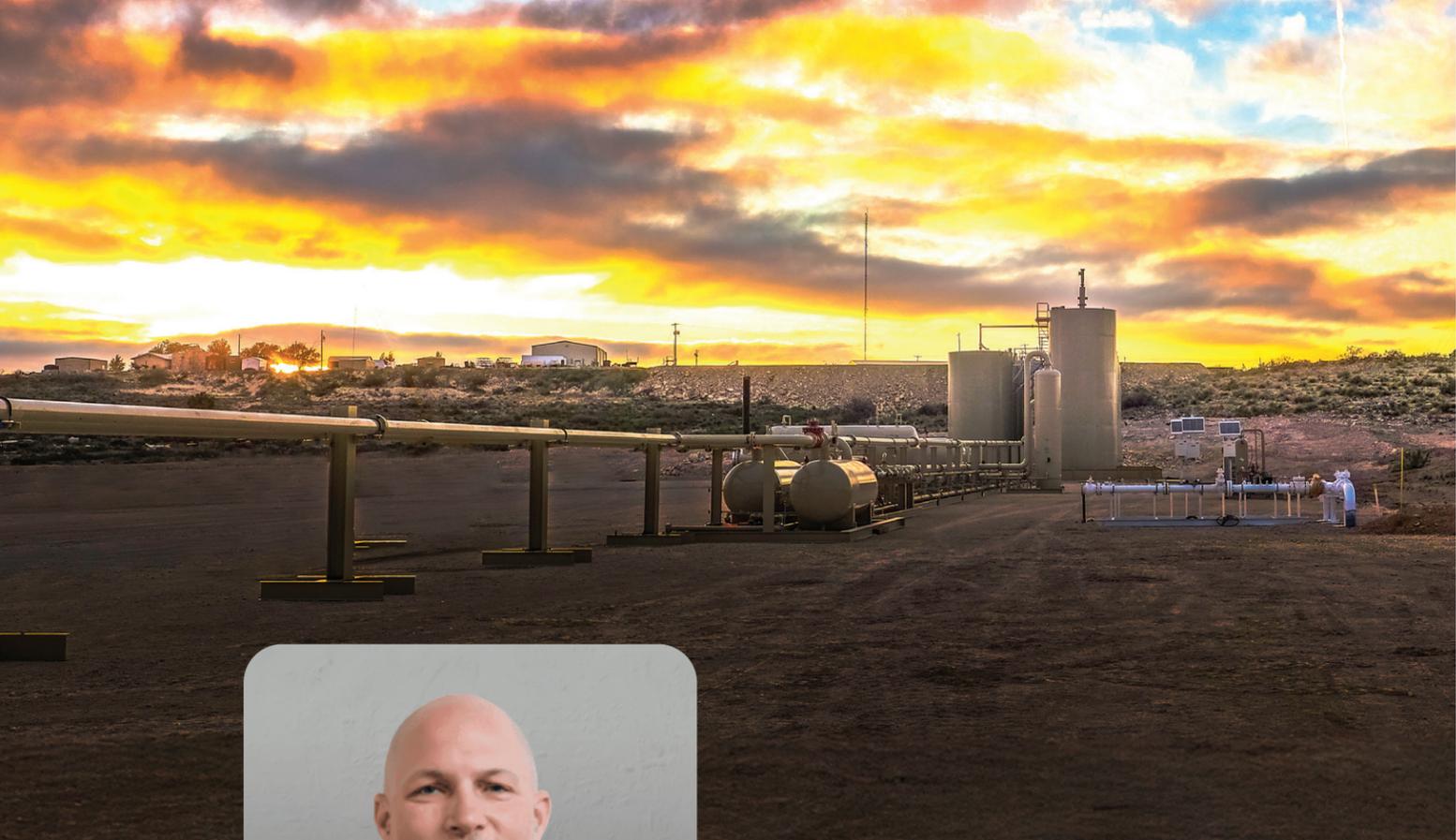
ABOUT THIS REPORT

The 2024 Business Responsibility Report provides an overview of Petrosmith's commitment to sustainability, responsible business practices, and social impact. This report covers our environmental, social, and governance (ESG) efforts across all divisions and business units throughout the 2024 fiscal year (January 1 – December 31, 2024).

Prepared in alignment with the Global Reporting Initiative (GRI) standards, this report highlights key initiatives, progress, and performance metrics that reflect our dedication to operating responsibly and transparently. The data and insights shared are intended to provide stakeholders with a clear understanding of our sustainability journey, achievements, and future goals.

Unless otherwise stated, the information presented is accurate as of December 31, 2024. All reported metrics have been calculated to the best of our ability and have not been independently audited.





"Resilience and adaptability are the cornerstones of sustainable growth. By embracing change, we strengthen our ability to meet challenges head-on, ensuring we continue to deliver value to our customers, support our employees, and make a positive impact in the communities we serve."

MICHAEL DUFFY
CEO & President, Petrosmith

A MESSAGE FROM THE CEO

2024 was a year filled with unique challenges and opportunities for both our industry and the business at Petrosmith. Market fluctuations, shifting demands, and operational hurdles tested our resilience, while uncertainty shaped much of the year. From election-year impacts on demand and investment cycles, to supply chain disruptions and evolving energy needs, we navigated these obstacles while continuing to invest in what drives our business...our people. These challenges we face serve as a continued reminder of the need to invest and strengthen our business, while leveraging our core competencies to diversify the business and create sustainable growth opportunities across multiple markets.

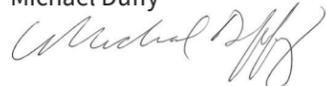
In the oil and gas industry, election years often create unpredictability, influencing customer behavior and delaying investment decisions. This was especially true in 2024, as many customers pulled back on capital spending due to future uncertainty, resulting in a reduced demand overall, and an unsteady demand cycle. The second half of the year saw an increased demand compared to the first half, requiring swift operational adjustments and increased production capacity. To meet customer needs, we expanded our workforce, adding 50 new jobs and promoting 40 internal employees, including 18 advancing to lead or supervisory positions and 13 transitioning to new departments with greater responsibilities. This growth extended to key areas such as project management, engineering, sales, and quality assurance, enabling us to efficiently meet demand while maintaining quality and supporting the communities we serve.

Operationally, 2024 was marked by significant enhancements to our business infrastructure. Petrosmith implemented an entirely new ERP system to help support our expanding business operations, streamlining financial management, improving efficiency and transparency, and enabling our teams to focus on driving operational success. Additionally, we implemented a new environmental policy and made strategic CAPEX investments in our production operations and the implementation of environmental sustainability practices such as rainwater collection systems to replenish hydrotest systems. These initiatives supported our efforts in an initial successful EcoVadis assessment and together, these investments and upgrades help to strengthen our long-term operational resilience and ensure we remain at the forefront of industry best practices.

As the upstream energy sector sought to balance energy security with sustainability practices, Petrosmith saw remarkable growth in our Tessel™ technology, which helps to eliminate fugitive methane emissions in upstream oil and gas production facilities. Demand for Tessel™ units increased nearly 10-fold, signaling the industry's commitment to cleaner, more responsible energy production. Petrosmith remains dedicated to accelerating this progress, investing in innovation and strategic partnerships to develop solutions that not only address today's energy challenges but also promote a sustainable future.

As I reflect on the past year, it is evident that 2024 was not only defined by the challenges we faced, but by our ability to adapt, persevere, and transform obstacles into opportunities. I am incredibly proud of our workforce's resilience and ingenuity in overcoming operational hurdles. Their dedication has strengthened our foundation, improved efficiencies, and positioned us for continued success as we embark on our mission to become a diversified supplier of infrastructure support products.

Looking ahead, I am optimistic about the longer-term future as we continue to diversify. Our commitment to innovation, sustainability, and operational excellence will drive even greater progress, serving multiple markets. With this, we are pleased to present Petrosmith's 2024 Business Responsibility Report, a testament to our resilience, innovation, and sustainable growth. Through this report, we share our achievements, lessons learned, and commitment to responsible business practices.

Michael Duffy

CEO & President, Petrosmith

2024 BUSINESS HIGHLIGHTS

Petrosmith's 2024 Business Responsibility Report is a testament to our resilience, innovation, and sustainable growth. Through this report, we share our achievements, lessons learned, and commitment to responsible business practices.

 <p>100% of waste produced by Petrosmith in 2024 was non-hazardous</p>	 <p>100% of executives and their support teams completed Ethics training</p>	 <p>50% reduction in consumption of Methyl Ethyl Ketone in 2024 operations (MEK)</p>	 <p>Completed first Ecovadis Assessment</p>
 <p>\$300K+ invested in employee resources</p>	 <p>60% of employees come from diverse backgrounds</p>	 <p>Fifth consecutive year of first-quartile performance with regard to TRIR and LTIR metrics</p>	 <p>100% acknowledgment of Petrosmith's supplier sustainability policies</p>

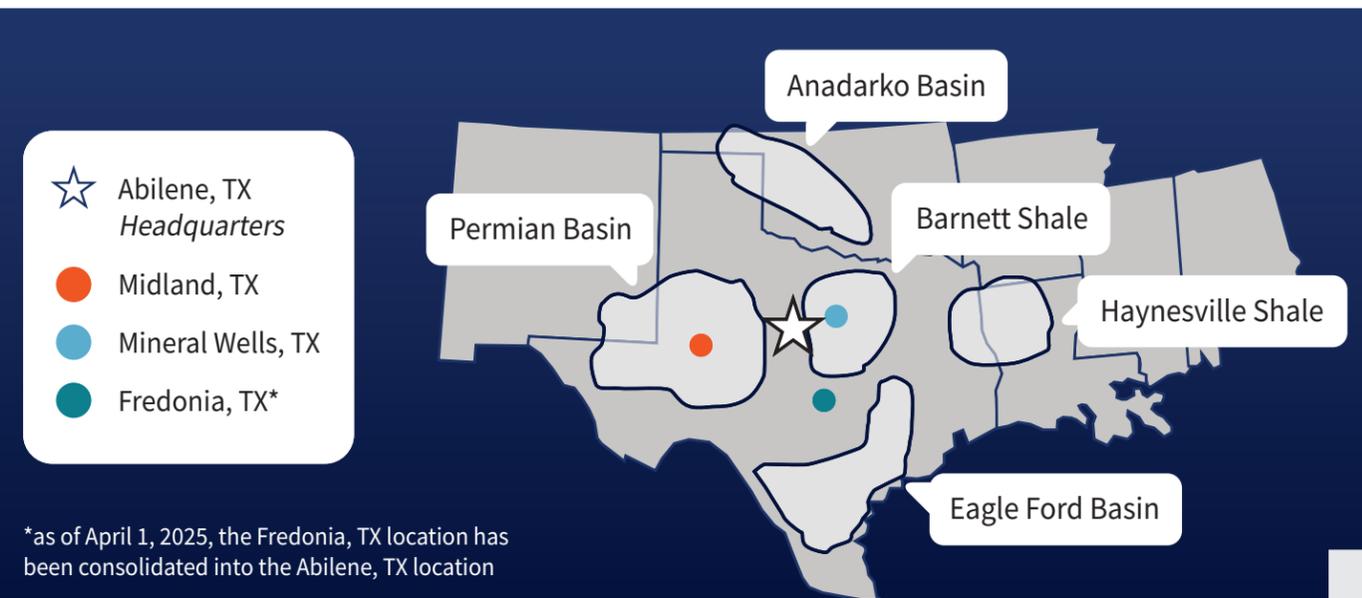
OUR BUSINESS

For over four decades, Petrosmith has been a trusted partner in the oil and gas industry in central and west Texas. Headquartered in Abilene, Texas, Petrosmith has played a pivotal role in supporting the sectors growth and advancements in operations. Through state-of-the-art fabrication and manufacturing processes and techniques, we deliver technologically advanced, high-quality, and reliable products and services to our customers.

We are proud to apply those same core competencies to additional markets as we have worked to diversify our business. Serving other energy and infrastructure markets, Petrosmith has become a reliable source of water filtration for municipal water supply and polyfluoroalkyl substances (PFAS) removal. In addition we serve other industries such as the supply of ASME vessels and API tanks for bulk fluid storage related to various other infrastructure needs including data centers, industrial cooling, clean energy technologies, alternative fuels, and advanced recycling operations.



OPERATIONAL FOOTPRINT



ACCELERATING OUR PATH TO PROGRESS

At Petrosmith, we are committed to driving progress by integrating responsible business practices into our operations, investing in resource efficiency, and prioritizing the well-being of our communities. By investing in these initiatives, we are building a stronger, more resilient company. Our dedication to progress is not just a goal, it's a promise to leave a lasting, positive impact for generations to come.



ECOVADIS ASSESSMENT

In November 2024, as part of our ongoing commitment to responsible business practices, Petrosmith participated in our first-ever EcoVadis Assessment, a globally recognized sustainability assessment rating that evaluates how well a company integrates sustainability principles in its business and management system.

EcoVadis has assessed over 150,000 companies worldwide, evaluating firms against 21 key criteria organized within four core themes: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. By measuring sustainability performance across these themes, the assessment serves as a valuable stress test, allowing us to benchmark our practices against global standards and industry best practices while identifying opportunities for improvement. To ensure fairness and relevance, EcoVadis applies a weighted scoring system that adjusts the emphasis on certain themes based on industry-specific risks and priorities, providing a comprehensive and tailored evaluation of each company's sustainability performance.



ENVIRONMENT

Operations
Energy Consumption and GHGs
Local and Accidental Pollution
Materials, Chemicals and Waste
Water

Products
Customer Health and Safety
Environment Services and Advocacy
Product End-of-Life
Product Use



LABOR & HUMAN RIGHTS

Human Resources
Career Management and Training
Employee Health and Safety
Social Dialogue
Working Conditions

Human Rights
Child, Forced Labor, and Human Trafficking
Diversity, Discrimination and Harassment
External Stakeholder
Human Rights



BUSINESS ETHICS

Anticompetitive Practices
Corruption
Responsible Information Management

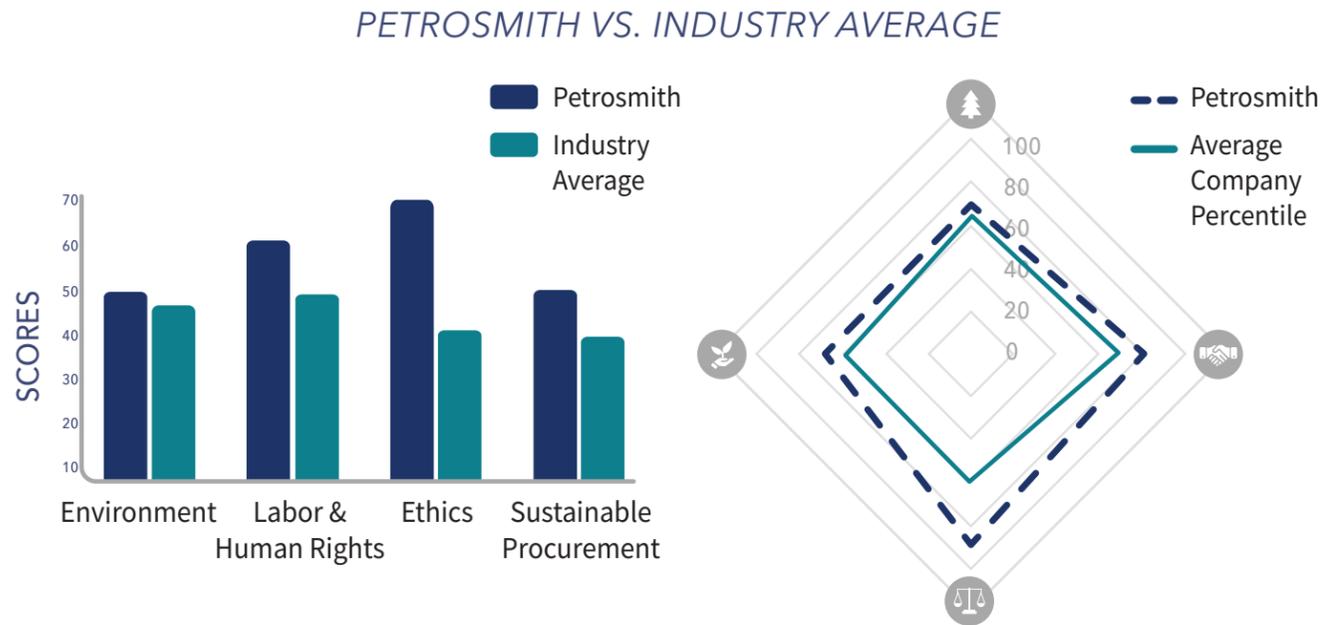


SUSTAINABLE PROCUREMENT

Supplier Environmental Practices
Supplier Social Practices

OUTPERFORMING INDUSTRY BENCHMARKS

In our first EcoVadis assessment, Petrosmith received a score that places us in the 61st percentile of the 38,000 companies who carried out an EcoVadis assessment in 2024. Among the 2,292 industry peers assessed, Petrosmith exceeded both the overall and theme-based averages in each of the four categories, reinforcing our strong competitive edge. We owe the success of our first EcoVadis assessment to the dedication of our entire workforce, who contribute daily to the work we do at Petrosmith to ensure a fair and responsible place to work for our employees, our communities and our customers.



FOCUSING ON A STRONGER FUTURE

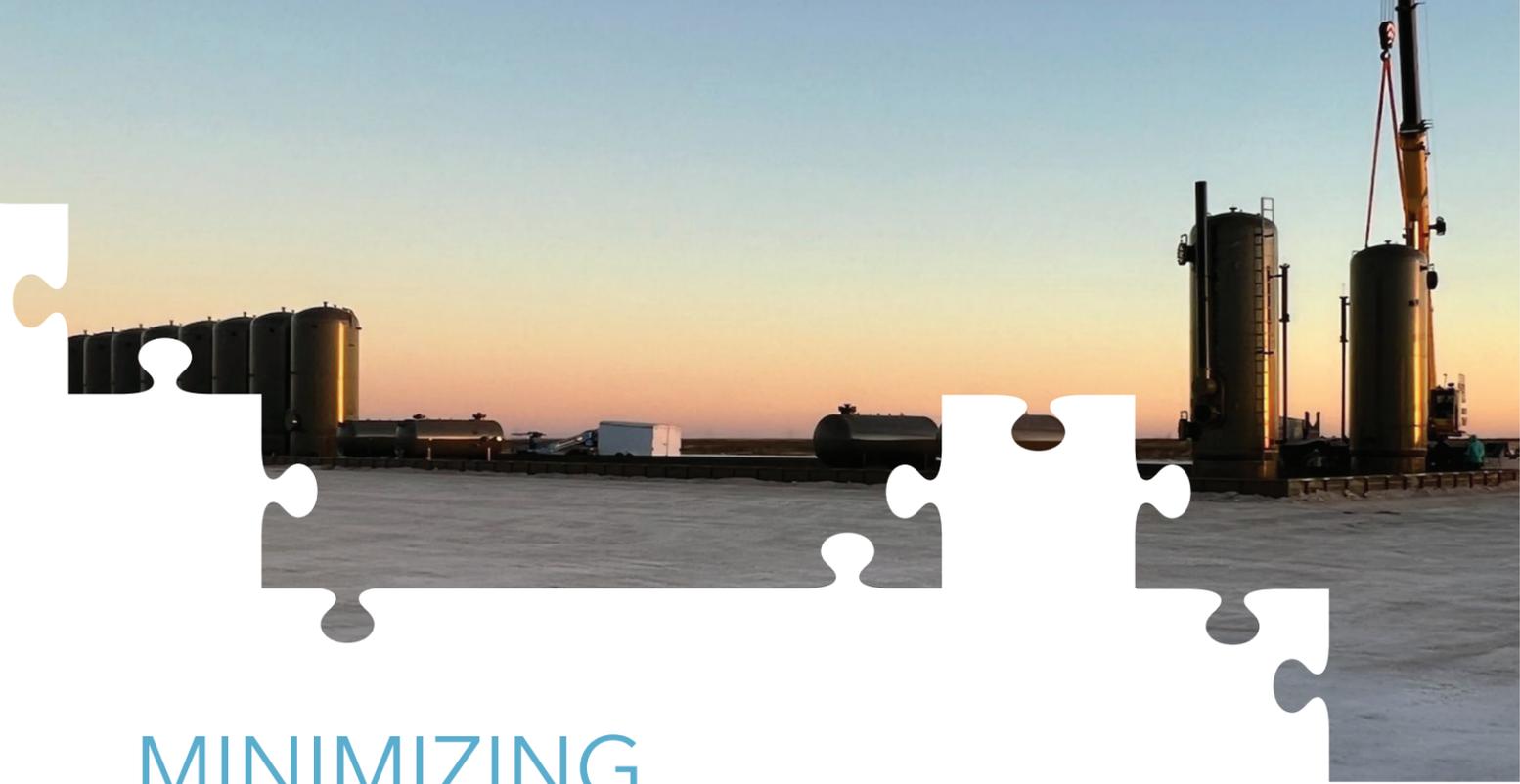
By using the EcoVadis assessment as a strategic roadmap, Petrosmith is well-positioned to enhance our leadership in responsible business practices while delivering long-term value to our employees and customers. Leveraging insights from the assessment, we will refine our strategies, strengthen our practices, and implement targeted improvements to achieve our goal of earning a medal in 2025. Future assessments will serve as important benchmarks, helping us track progress and reinforce our commitment to excellence in business responsibility.



Petrosmith's dedication to responsible business practices has earned us a 'Commitment Badge,' a testament to our strong performance that outpaced numerous companies across industries, sizes, and regions. This achievement reflects our solid foundation and unwavering commitment to continuous improvement.

PETROSMITH STRATEGIC ROADMAP TO PROGRESS





MINIMIZING ENVIRONMENTAL IMPACTS

At Petrosmith, we are committed to responsible environmental practices that minimize our carbon footprint while supporting the energy industry’s evolving needs. Through strategic investments in sustainable technologies and innovative processes, we prioritize resource efficiency, waste reduction, and environmental protection. Our initiatives include enhanced water systems, improved emissions control measures, and responsible materials management across our operations. By aligning our practices with industry best standards and environmental regulations, we are dedicated to safeguarding natural resources and fostering a more sustainable future.



100%
of waste produced by Petrosmith in 2024 was non-hazardous



76%
of waste produced by Petrosmith was recycled



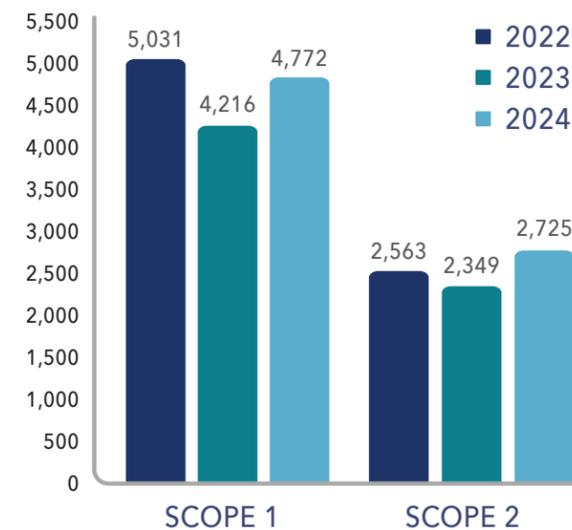
100%
of antifreeze and oil used in operations was recycled



14%
reduction in water consumption due to Petrosmith HydraWater System

MEASURING OUR CARBON FOOTPRINT

PETROSMITH GHG EMISSIONS
(in mtCO₂e)



For the third consecutive year, Petrosmith measured our Scope 1 and 2 greenhouse gas (GHG) emissions footprint as part of our ongoing commitment to transparency and accountability in environmental performance. As part of this process, we also completed a comprehensive baseline emissions assessment, allowing us to better track year-over-year progress and identify areas for operational improvement.

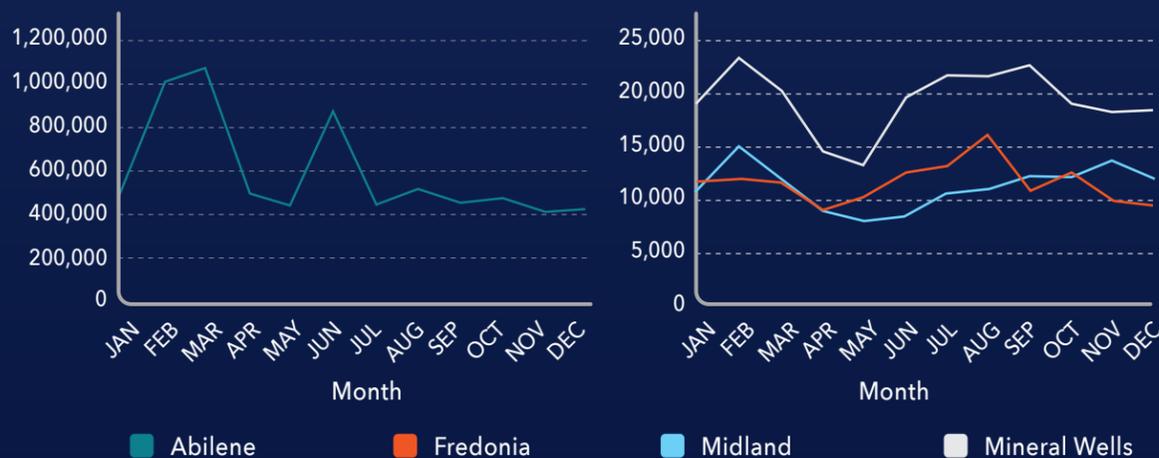
Our combined Scope 1 and 2 emissions increased by 14% in 2024, rising from 6,565 tCO₂e in 2023 to 7,497 tCO₂e. This is primarily attributed to an uptick in coated pipe production within our equipment segment, driven by customer demand for pipe with internal powder coating (IPC). The IPC process requires the use of a natural gas oven to cure the powder, resulting in elevated energy consumption and associated emissions.

While this operational adjustment reflects our responsiveness to customer specifications and market demand, we recognize the environmental impact and are proactively exploring ways to reduce emissions in similar processes going forward. Our teams are evaluating energy-efficient alternatives, process optimization opportunities, and potential investments in lower-emission technologies to support our long-term goal of reducing operational GHG intensity across our facilities.

PROGRESS IN ENERGY EFFICIENCY

Electricity usage increased in 2024, largely driven by heightened fabrication activity and the continued growth of our Tessel™ product line. The number of Tessel™ units manufactured rose significantly, from 12 units in 2023 to approximately 60 units in 2024. These vessels are not only larger in scale but also require more extensive welding processes for spools and pipes, contributing to increased electrical demand. This rise in electricity consumption aligns with higher usage of welding consumables such as gas and wire, further supporting the correlation between increased production complexity and energy use. As we scale our operations to meet customer demand, we remain focused on identifying opportunities to improve energy efficiency across our manufacturing processes.

ELECTICITY USAGE BY MONTH (kWh)

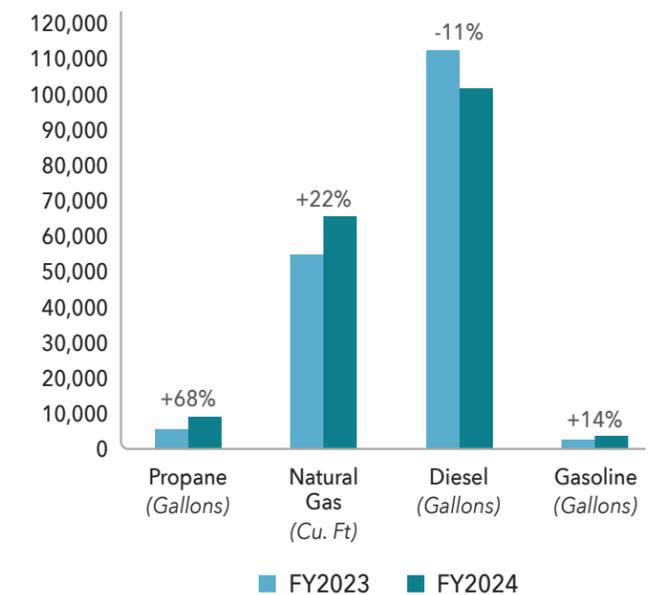


In 2024, Petrosmith experienced shifts in energy and fuel consumption across liquid propane, natural gas, diesel, and gasoline, driven by changes in operational activity. Liquid propane and natural gas, classified as Scope 1 stationary combustion sources, saw notable increases, particularly natural gas. This was due to a significant rise in powder coating processes within our equipment operations for pipe spools associated with ModFlex projects. Additionally, a third natural gas oven used for burn-out processes in our pipe yard was brought online for part of the year after remaining inactive in 2023, further contributing to the increase in stationary combustion emissions.

Diesel and gasoline, classified as Scope 1 mobile combustion sources, reflected fuel use from Petrosmith-owned and operated fleets and equipment across multiple locations. Diesel consumption, which includes usage from industrial and commercial equipment as well as vehicle fleets operating at our Fredonia, Mineral Wells, Abilene, and Midland locations, reduced slightly despite the launch of a fourth plug and abandonment (P&A) rig, as the new rig operated near an existing one, reducing travel requirements. Moreover, this rig was taken out of service from August through December, resulting in lower overall diesel consumption than might otherwise have been expected.

Gasoline consumption saw a modest increase, primarily due to the support operations required for the fourth rig. This included increased activity from Petrosmith's fleet of company-owned cars and light-duty trucks based in Abilene, along with additional crew and service vehicles such as mechanical trucks traveling to and from field locations. Although the rig itself had limited movement, additional crew trucks and service vehicles, including those operated by field mechanics, were active throughout the year. These trends in both stationary and mobile combustion sources reflect the variability of project-specific needs and underscore the importance of continuous monitoring and strategic planning to drive fuel efficiency and reduce Scope 1 emissions over time.

PETROSMITH FUEL CONSUMPTION



ENHANCING RESOURCE EFFICIENCY

PREVENTING EMISSIONS THROUGH REMEDIATION

Plugging and Abandonment (P&A) services play a crucial role in employing advanced techniques to safely and effectively seal inactive wells, preventing the release of harmful emissions and protecting surrounding ecosystems. This essential process not only mitigates environmental risks by containing hydrocarbons and greenhouse gases but also safeguards freshwater aquifers from potential contamination.

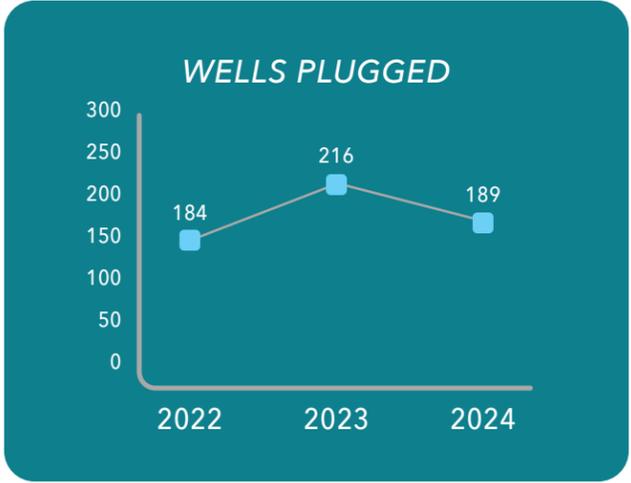
In 2024, Petrosmith plugged 189 wells, a 13% decrease since 2023. The decrease in plugged well count was primarily due to the low natural gas prices in the first half of 2024. During this period, many companies opted to delay plugging wells and instead put up bonds to conserve cash until natural gas prices improved. Petrosmith, which typically plugs gas-oriented wells because the salvage pipe quality is better than that of oil wells, was affected by this trend. Companies usually use the revenue from gas sales to fund the plugging of old wells they are obligated to plug. However, when gas prices are low, they lack the additional cash needed to cover the operating expenses

(OPEX) associated with plugging wells. By putting up a bond, which costs significantly less than the actual cash required for plugging, they can delay the process, resulting in a decrease in well count for 2024.

ENVIRONMENTAL COMPLIANCE

Petrosmith complies with environmental regulations such as the Texas Waste Reduction Policy Act (WRPA) is a Title V permit holder for air emissions, and is subject to strict regulation and oversight. In 2024, Petrosmith successfully completed its Title V permit audit and renewal process. The permit was renewed without issue, as we remained fully compliant with all recordkeeping requirements and operated well below the emissions thresholds governed by the Title V program. We partner with a third-party environmental services firm, R2M, based in Lubbock, Texas, to support all of our TCEQ and EPA regulatory requirements. R2M assists with environmental calculations, data submissions, compliance reporting, and ongoing program management, including our recent Title V permit renewal.

Additionally, at the end of 2023 and into early 2024, Petrosmith underwent a comprehensive Phase I Environmental Site Assessment conducted by Terracon. This assessment was a routine requirement as part of our ongoing relationship with PNC Bank, which provides our Asset-Based Lending (ABL) facility. Because the facility is secured in part by our real estate assets, the audit was necessary for the renewal process. We were pleased to receive a clean report with no Recognized Environmental Conditions (RECs), a strong validation from a respected national firm like Terracon.



“At Petrosmith, we are committed to developing and delivering innovative solutions that reduce waste and adopt smarter resource management strategies. These efforts enable us to operate more efficiently, support industry sustainability goals, and create lasting positive impacts for our stakeholders.”

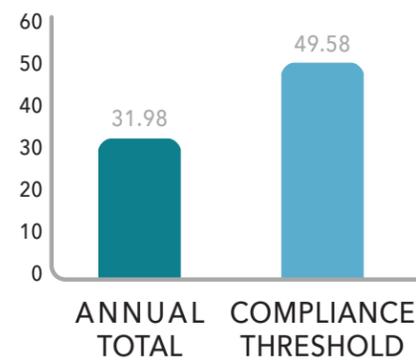
JOSE LUIS MALVICINO
Chief Financial Officer, Petrosmith

MITIGATING AIR POLLUTANTS

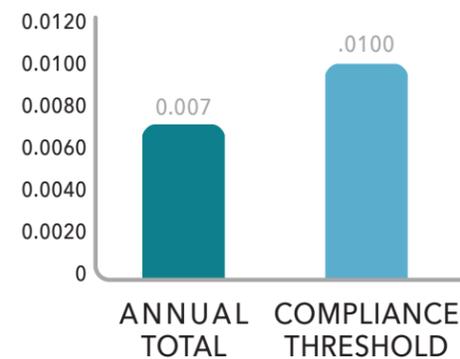
Petrosmith is dedicated to reducing non-GHG air pollutants, including particulate matter (PM) and volatile organic compounds (VOCs). To manage these emissions, we conduct blasting operations in enclosed buildings equipped with dust collectors and utilize vertical exhaust stacks with dry filters in our paint and coating processes to control PM from overspray.

We measure our hazardous air pollutant emissions semi-annually¹. In 2024, our emissions remained well below regulatory thresholds, with 31.98 tons of VOCs and just 0.007 tons of PM. With regard to chemicals utilized in our production, certain best management practices (BMPs)² are employed for our Stormwater Pollution Prevention Plan (SWP3) which outlines specific practices, procedures, and controls to prevent pollution of nearby water bodies from stormwater discharge including identifying potential sources of pollution, implementing BMPs to reduce pollutants, and minimizing the impact of outdoor storage of steel parts onsite and protecting the environment while supporting safe and efficient operations.

VOC EMISSIONS (TONS)



PM EMISSIONS (TONS)



DISPOSING WASTE RESPONSIBLY

Petrosmith is dedicated to minimizing our production of waste and responsible disposal where possible. Our Environmental, Health, and Safety Program adheres to our Universal Waste Management Plan, which details our methods for proper recycling and disposal of universal waste.³ In 2024, 100% of our scrap metal was recycled, making up a total of 427.5 tons, with all other landfilled waste from our offices totaling 132.2 tons. Of the waste we produce, 100% is non-hazardous, according to the Texas Commission on Environmental Quality (TECQ) and US Environmental Protection Agency (EPA) definitions.

As outlined in our Hazardous Materials and Waste Management Program, appropriate supervision and training is required for all situations in which hazardous materials are utilized at Petrosmith. All employees who

may handle or be potentially exposed to hazardous materials in the course of their work must take the applicable hazard communications and safety training on an annual basis.

In 2024, we enhanced our MEK recycling program with new equipment, significantly reducing MEK purchases and minimizing environmental impact. We reduced our consumption of MEK, a solvent and paint thinner used in our operations by 50%. This was achieved through the purchase of an MEK recycler last summer, enabling us to separate and reuse about 50% of the MEK utilized, with the remainder recycled. Last year, we were able to recycle 2500 gallons of MEK. Other used materials, including used 675 gallons of oil and three used 55-gallon drum oil filters were recycled via a third-party in 2024.



100%
of scrap metal
recycled in 2024

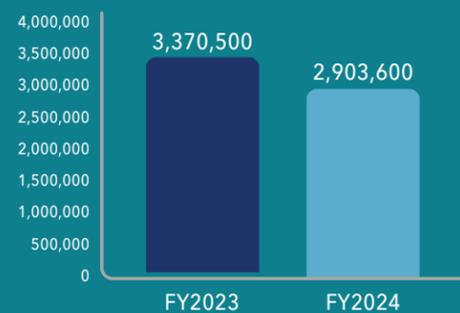


50%
reduction in
consumption of MEK
in our operations

OPTIMIZING WATER MANAGEMENT

In 2024, Petrosmith advanced its commitment to sustainable water management by implementing the HydraWater System, an innovative solution designed to optimize water use across our operations. This system enhances our ability to reclaim and reuse water during key processes, such as equipment cleaning, pipe preparation, and hydro testing, reducing both consumption and waste. As a result, we achieved a 14% year-over-year reduction in total water usage, saving 466,900 gallons.

PETROSMITH'S WATER CONSUMPTION



Petrosmith's HydraWater System added a total of 280,000 gallons of rainwater saving capacity, contributing to a decrease in water consumption of over 460,000 gallons, or 14%, since 2023

Rainwater harvesting initiatives further support conservation efforts by capturing rainfall for operational reuse. By implementing the HydraWater System and rainwater harvesting practices, Petrosmith reduces reliance on potable water, alleviating demand on municipal supplies while facilitating year-round operational efficiency



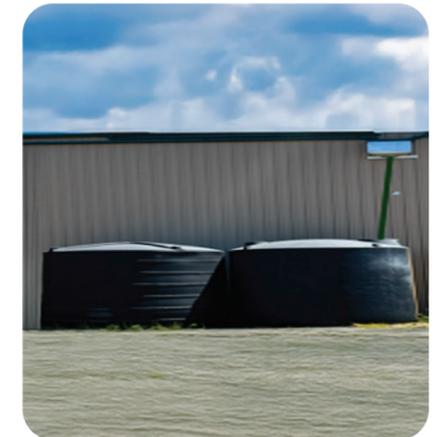
ABILENE BUILDING S18

Incorporates three 750-barrel tanks that store a total of 94,500 gallons for hydro testing, collecting 11,214 gallons of water per inch of rainfall. An additional 1,000-barrel tank captures 42,000 gallons for dust control and replenishing test tanks.



ABILENE BUILDING S12

Incorporates four 750-barrel tanks with a total storage capacity of 126,000 gallons for hydro testing, collecting 19,188 gallons of water per inch of rainfall to support flood control and aid dust suppression.



MINERAL WELLS FACILITY

Incorporates two 5,000-gallon storage tanks for hydro testing, plumbed to collect 1,557 gallons per inch of rainfall.

IMPLEMENTING CIRCULAR PRACTICES

Our tubing and casing operations are central to our sustainability initiatives. For over 30 years, Petrosmith has specialized in the inspection, reclamation, recycling, threading, and distribution of oil and gas tubing and casing. Our advanced pipe center includes a comprehensive reclamation process that restores materials to optimal conditions.

Our Plugging and Abandonment (P&A) division supplies our Casing and Tubing division with used piping recovered from decommissioned wells. This supports a consistent supply of reclaimed OCTG and structural pipe while helping to address abandoned or underutilized field assets. Additionally, we source used piping from third-party operators and service companies, all of which undergo our comprehensive reclamation process. Through this integrated approach, Petrosmith extends the lifecycle of finished goods, conserves natural resources, reduces waste, improves operational efficiency, and advances and promotes sustainability within the oil and gas industry.

Our tubing and casing operations play a vital role in our sustainability efforts, and in 2024, we successfully reclaimed over 3,622 tons of casing and 1,706 tons of tubing. Approximately 75% of this reclaimed and refurbished casing is returned to the oilfield for continued use, while the remaining 25% is repurposed for construction and fencing applications.



3,622 tons of casing and 1,706 tons of tubing reclaimed in 2024





DELIVERING SUSTAINABLE PRODUCTS & SERVICES

Our ongoing commitment to delivering sustainable products and services helps us better serve our customers, who produce the energy that powers our economy and our lives. At Petrosmith we integrate advanced engineering, expertise, and a rigorous quality assurance process into the design, fabrication, and production of our oil and gas production equipment.

In 2024, we continued to diversify into adjacent infrastructure markets, including water filtration for municipal systems and PFAS removal, as well as the supply of ASME vessels and API tanks for bulk fluid storage. These products support a wide range of applications—from data centers and industrial cooling to clean energy technologies and advanced recycling operations.

Our Quality Management System, supported by certifications from the American Society of Mechanical Engineers (ASME) and the American Petroleum Institute (API), includes multiple checkpoints to ensure compliance with engineering standards, safety protocols, and industry-wide expectations throughout the product lifecycle.



PRODUCTS & SOLUTIONS



Vessels



Modflex Modular Equipment Packages



Tanks



Internal Pipe Coating



Pipe Coating & Reclamation



Premium Threading Services



Plug & Abandonment



Casing & Tubing



Steel Wall Containment



Piping Systems




**5X
GROWTH**
in Tessel™ units sold
in 2024

TESSEL™ TECHNOLOGY

As industries increasingly prioritize energy security alongside sustainability, Petrosmith continues to lead the way with cutting-edge solutions that drive efficiency and environmental responsibility. Our innovative Tessel™ technology combines the functionality of a production vessel with the storage capacity of an API 12F tank, all within the same footprint.

Designed to help reduce or eliminate fugitive methane emissions, the Tessel™ achieves this by eliminating the traditional thief hatch commonly found on API 12F and API 650 tanks. With a higher allowable operating pressure and improved vacuum pressure rating, the Tessel™ optimizes vapor recovery without the need for a VRT. This enhanced gas reclamation capability prevents gas buildup in tanks, reducing the risk of fugitive gas emissions and supporting cleaner operations and more efficient operations leading to enhanced oil recovery.

MODFLEX™ MODULAR SOLUTIONS

Petrosmith's innovative Modflex™ Modular Solution is transforming the energy industry with integrated facility solutions that deliver cost savings, efficiency, and environmental benefits. By streamlining manufacturing and operations, Modflex™ allows sites to be brought online in as little as ten days, meeting customer timelines and delivery demands with ease.

The Modflex™ system's high-quality modular production equipment is designed for flexibility, enabling operators to expand, repurpose, or relocate equipment as needed. This adaptability reduces the need for extensive field construction, lowering total cost of ownership and minimizing on-site environmental impact. By accelerating time to production and optimizing resource utilization, Modflex™ supports more sustainable energy practices while improving operational efficiency.

"From design to installation, the Modflex system by Petrosmith provides customers an efficient project execution solution with substantial technical and economic advantages."

RON FARMER
Operations Manager - Equipment





ADVANCING SOCIAL RESPONSIBILITY

At Petrosmith, we believe our employees are our greatest asset. Their expertise, dedication, and innovation fuel our success, which is why we're committed to fostering a culture where every employee feels valued, supported, and empowered to excel. By investing in their growth, well-being, and development, we empower them to make meaningful contributions both within our organization

and in their communities. We understand that when employees feel valued and engaged, they become ambassadors of our values, driving positive change that extends far beyond the workplace. Through initiatives that promote safety, education, and community support, Petrosmith remains committed to advancing social responsibility in a way that creates lasting impact.



154

hours of community service by Petrosmith employees



6,000+

hours of employee EHS training



\$21,000+

invested in tuition reimbursement



\$42,000+

invested in employee recognition programs

At Petrosmith, advancing social sustainability means adapting to industry demands and hiring needs while prioritizing our employees' growth through resources, training, and promotions. By investing in our people and delivering exceptional support to our customers, we ensure long-term success and stronger relationships.

PRIORITIZING SAFETY & WELL-BEING

Our commitment to safety goes beyond compliance — it's deeply embedded in our culture, and we empower employees to take an active role in safety practices by fostering open communication, accountability, and teamwork. Through consistent training, clear protocols, and ongoing engagement, we ensure that safety remains a top priority in every aspect of our work.

To strengthen this commitment, we partner with independent third-party experts who assess our health and safety performance across all business areas and provide valuable insights that allow us to refine processes, adopt best practices, and drive continuous improvement. By sharing these findings with our teams, we ensure consistent safety enhancements across our operations.

In accordance with our Environmental, Health, and Safety (EHS) program, supervisors managing employees in areas involving hazardous materials or waste must provide detailed, site-specific training. This training includes hazard identification, PPE requirements, proper control procedures, and the location of key resources such as safety plans, chemical inventories, and Safety Data Sheets (SDS).

Petrosmith is proud to report the efforts of our EHS team, safety committee, as well as all our employees have allowed us to achieve first-quartile performance for five consecutive years with regard to TRIR and LTIR metrics. In 2024, we proudly maintained our record of zero fatalities among employees and contractors, in addition to zero vehicle accidents, reinforcing our unwavering commitment to safety and the effectiveness of our proactive safety measures.

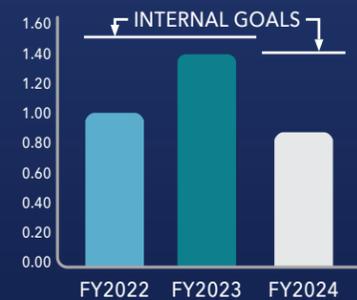
 <p>.82 Total Recordable Incident Rate</p>	 <p>3.6 Near Miss Frequency Rate</p>	 <p>.20 Lost Time Incident Rate (LTIR)</p>	 <p>0 Vehicle Incidents</p>
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2024 Texas Mutual Agency Platinum Award

In 2024, Petrosmith received the Texas Mutual Insurance Agency Platinum Award, which recognizes companies that go above and beyond to ensure employee safety by providing the resources necessary to protect their workforce from workplace hazards.

TOTAL RECORDABLE INCIDENT RATE



NEAR MISS FREQUENCY RATE*



LOST TIME INCIDENT RATE



*Unlike TRIR and LTIR, where lower rates indicate stronger performance, there is no OSHA benchmark for Near Miss Frequency Rate, and a higher rate can actually signal a healthier safety culture.

In 2024, Petrosmith's increased near miss rate reflects a deliberate and positive shift toward greater transparency and accountability. By encouraging proactive reporting, we are capturing a broader range of potential hazards before they result in incidents. This increase is an expected and welcomed outcome of our behavior-based safety approach, which focuses on recalibrating risk tolerance and empowering employees to recognize and report unsafe conditions early, ultimately strengthening our overall safety performance by fostering a proactive, rather than reactive, safety culture.



INVESTING IN OUR PEOPLE

At Petrosmith, we understand that investing in our people goes beyond the workplace — it means supporting their well-being, security, and future. Petrosmith strives to provide our employees and their families with a comprehensive and valuable benefits package designed to meet the diverse needs of our employees and their families. To promote financial stability and work-life balance, we also provide retirement savings options, paid time off, and wellness programs.

In 2024, 72% of our workforce enrolled in dental insurance, 69% in vision coverage, and 67% in medical insurance. By prioritizing employee well-being, we encourage our team to thrive both personally and professionally, strengthening our workforce and driving Petrosmith's long-term success.

We believe in empowering our employees through education. We offer tuition reimbursement for those pursuing higher education or continuing education credits to enhance their skills and advance their careers.

\$21,000
in tuition reimbursement
committed to support
eight employees in 2024

HEARING CONSERVATION PROGRAM

Our Hearing Conservation Program, enacted in 2023, protects our employees against potential effects of occupational noise exposure. This program was stood up in response to comprehensive third-party audit in 2021 that acted as a baseline for ongoing hearing conservation efforts. Our program closely follows the OSHA regulation 29 CFR 1910.95. In alignment with this standard, we evaluate the noise level in our employees' work environments, provide adequate protective measures, implement controls, conduct audiometric testing, and keep records.

During our tests, we use dosimeters to evaluate the thresholds of decibel exposure our employees experience during their shifts. If the test indicates a dBA above 90, employees are required to wear hearing protection. To measure the effectiveness of our protocols, we conduct annual hearing health checkups to see if any major shifts have occurred to our employees' hearing health YoY. The test undertaken last year revealed no major shifts in our employees' hearing health.

MOBILE BOOT PROGRAM



\$112,700+
invested in the Mobile Boot
Trust Footwear Program

We recognize that employee well-being is crucial to maintaining productivity and job satisfaction. An estimated 22% of lost time and work productivity is due to shoe discomfort, nearly double the amount of lost time caused by injuries.

To address this issue, we have implemented the Mobile Boot Truck Footwear Program to ensure that each employee receives a custom-fitted, brand-new pair of work boots annually. Employees can choose from over 15 brands and styles of work boots and insoles, guaranteeing they find the best fit for comfort and safety during their work.

UNIFORM SERVICES & PRESCRIPTION GLASSES



\$319,500+
invested in the
Uniform Program



\$9,000
invested in the
Prescription
Glasses Program

In 2024, we continued to prioritize employee well-being by providing uniform services that ensure our team members have access to clean, durable, and properly fitted work attire. This initiative not only enhances comfort and professionalism but also reinforces safety by ensuring employees are equipped with appropriate clothing for their roles.

Additionally, we partnered with EyeMart Express to offer complimentary prescription safety glasses, enabling employees who require corrective lenses to perform their tasks safely and effectively without compromising vision or protection.



CELEBRATING EMPLOYEE EXCELLENCE

We recognize and reward our employees for their hard work and dedication. To show our appreciation, we've introduced the Swag Shop, an online store powered by Cintas. Each manager is provided with credits to award employees who go above and beyond.

Employees who receive these credits can redeem them at the Petrosmith Cintas store to "purchase" branded items such as t-shirts, sweatshirts, coolers, polos, tumblers, and hats. The Petrosmith Swag Shop is more than just a reward system — it's part of our broader initiative to boost employee engagement, foster pride in our team, and expand brand awareness within our workforce, community, and beyond.

In 2024, Petrosmith invested in employee appreciation by providing a year-end bonus totaling \$105,000, distributed as a gesture of goodwill rather than being tied to specific performance metrics.

In 2024, Petrosmith invested
\$30,500
for employee gifts and
\$12,100
for swag shop purchases
as part of the employee
recognition program

\$105,000
in year-end bonuses allocated
to employees in 2024

ATTRACTING & RETAINING TALENT

We recognize that developing our employees is key to driving innovation, ensuring operational excellence, and achieving our sustainability goals. We are committed to providing ongoing training and development opportunities that empower our team to expand their skills, enhance safety practices, and adopt sustainable work methods. From leadership programs to hands-on technical training, we equip our workforce with the knowledge and tools they need to excel in their roles and contribute to a safer, more efficient, and environmentally responsible future. By investing in our people, we are building a stronger Petrosmith and advancing our commitment to long-term sustainability.



WELDING PROGRAM

A unique feature of Petrosmith is our specialized welding program, designed to provide new hires with the essential technical skills and training needed for entry-level welding roles. This comprehensive program covers a variety of critical competencies such as weld geometry, mathematics, blueprint reading, procedures, and equipment maintenance to ensure participants are fully prepared to meet industry standards.

This year, Petrosmith enhanced its welding training program by expanding it to 10 weeks, followed by a 2-week shadowing apprenticeship. The new curriculum combines internationally recognized methodologies tailored to meet business needs and product requirements and features industry-specific content focused on developing welding skills, character, and professionalism with a strong emphasis on safety.

19

students completed the welding training program and received a certification in 2024



PETROSMITH JOB FAIR

In response to increased demand and business growth, Petrosmith launched a significant hiring initiative in Q3 and Q4 of 2024, demonstrating our dedication to supporting the Abilene community. Recognizing the challenges of recruiting in an isolated geographic area, we took proactive steps to attract talent by hosting a Job Fair that delivered impressive results. Approximately 150 individuals pre-registered for the event, with around 80 attending in person to interview and participate in welding tests. As a result, we successfully hired approximately 55 new employees, strengthening our workforce and reinforcing our commitment to creating meaningful job opportunities in Abilene.

50+
NEW JOBS
in Q3 & Q4

40
INTERNAL
PROMOTIONS
including 18 Lead or Supervisory
Position Promotions

100%
OF PROMOTIONAL
OPPORTUNITIES
filled with in-house candidates

FOSTERING AN INCLUSIVE & EQUITABLE WORKFORCE

We are committed to fostering an inclusive workplace where every employee feels valued, respected, and empowered to contribute their unique perspectives. By promoting equality, embracing diverse backgrounds, and encouraging open dialogue, we cultivate a culture of collaboration and innovation. This commitment to inclusivity strengthens our workforce and drives Petrosmith's continued growth and success. By bringing together different viewpoints, shared ideas, and unique characteristics, we work collectively toward common goals and build a more dynamic, collaborative organization.

Petrosmith is an equal opportunity employer committed to fostering a diverse and inclusive workplace. We uphold a comprehensive Human Rights Policy and maintain a strict Anti-Harassment Policy within our Employee Handbook to ensure a safe, respectful, and supportive environment for all employees.



ENSURING PAY EQUITY & FAIR COMPENSATION

At Petrosmith, we are committed to paying our employees fairly, recognizing their experience, work ethic, and the unique skills they bring to our organization. In 2024, we conducted our inaugural assessment of hourly employees' wages to evaluate pay equity and ensure alignment with our values. This assessment examined how wages vary by gender, tenure, and department, as well as how they compare to the local living wage standard.

The U.S. oil and gas industry generally sees men earning approximately 17% more than their female counterparts. Upon comparison of our employees' wages, adjusting by department and tenure, we found our female employees were paid an average of 2.5% more per hour. While this 2.5% difference is considered statistically insignificant, it highlights Petrosmith as a champion for pay equity in an industry historically marked by wage disparities. By continuously monitoring wage data and maintaining our focus on equity, we are proud to be setting a standard for fair pay practices in the oil and gas industry.

OUR LIVING WAGE COMMITMENT

As part of our expanded Business Responsibility program, Petrosmith conducted a comprehensive assessment of our hourly employees' wages against the local living wage standard. Paying a living wage is not only an ethical practice but has also proven to reduce turnover, improve retention, and enhance job satisfaction. Unlike the minimum wage, a living wage represents the income required for a worker and their family to meet essential needs, including food, healthcare, education, housing, and other critical expenses. According to the World Benchmark Alliance, only 4% of global companies currently meet this standard.

In 2024, 82% of Petrosmith employees earned wages above the local living wage. As part of our commitment to supporting our employees both at work and in their daily lives, we aim to reduce the percentage of employees earning below the average living wage to 0% by 2027.



455
Total Employees



60%
of Employees
Come from Diverse
Backgrounds



5%
of Total Workforce
are Female



14%
of Workforce in
Leadership Type
Roles



5%
of Diverse
Employees in
Leadership Roles



7%
Veteran
Employees

24%

Women at Petrosmith earn approximately 24% more than the average female employee in the oil and gas industry

82%

of Petrosmith employees earned wages above the living wage standard and we are committed to raising this percentage to 100% by 2027

SUPPORTING OUR COMMUNITIES

Petrosmith is committed to community engagement initiatives that help sustain direct groups within our community network. By fostering a culture of service, we are dedicated to making a positive impact and supporting the well-being of the communities we proudly serve. We encourage all employees to participate in both internal and external volunteer programs. To support this commitment, Petrosmith provides employees with 8 hours of paid time off per quarter to participate in community service activities.



This year, Petrosmith hosted a toy drive for the Abilene Chapter of **Toys for Tots**, collecting **70 bicycles** and over **400 toys**. These contributions, along with monetary donations, helped provide gifts to 1,000 children across the Big Country.



Petrosmith proudly participated in the “Shelter Pet Rep” initiative with **ALL KIND Animal Initiative** in Abilene, Texas, hosting a Doggy Day Out event at our location and sponsoring the adoption fees for nine dogs, helping them find loving homes.

Petrosmith is committed to standing by our employees during difficult times, helping them navigate challenges while prioritizing their well-being. We offer financial and other assistance to team members facing financial hardships or other personal difficulties, ensuring they have access to the resources and support they need.

\$30,000+
given to employees experiencing financial and other hardships in 2024

64
people were employed through the Second Chance Program in 2024

Since 2019, Petrosmith has been a second-chance employer and partnered with Abilene’s Substance Abuse Treatment Facility to offer participants opportunities to merge back into the community with a paid job. As part of the individual’s recovery and rehabilitation, residents must have gainful employment in the last three months of their stay.

Petrosmith is proud to continue our partnership with the **Development Corporation of Abilene (DCOA)** as we work together to expand its operations with a **\$25 million** capital investment that is expected to maintain **415 existing jobs**, as well as create an additional **250 skilled jobs** with market-leading competitive wages over the next seven years. As a vital economic development driver, the DCOA plays a key role in generating job opportunities, attracting investments, and recruiting businesses to strengthen the local economy.

\$20,000+
TOTAL DOLLARS DONATED TO CHARITY

154
HOURS OF COMMUNITY SERVICE

ADDITIONAL COMMUNITY PARTNERS SUPPORTED:



ASSOCIATED MEMBERSHIPS:



GUIDING GOVERNANCE

At Petrosmith, we are committed to upholding the highest standards of integrity, accountability, and transparency. Central to this commitment is maintaining a culture of integrity where ethical behavior guides every aspect of our operations. Our governance framework is designed to support responsible decision-making, ensure regulatory compliance, and align our business practices with our core values.

We prioritize responsible leadership and cultivate this culture through clear policies, regular employee training, and accessible reporting mechanisms that empower our workforce to speak up when concerns arise. By reinforcing ethical conduct at all levels of our organization, we build trust with our stakeholders and drive sustainable growth.



6

Independent Directors



600

Total Hours of Cybersecurity Training



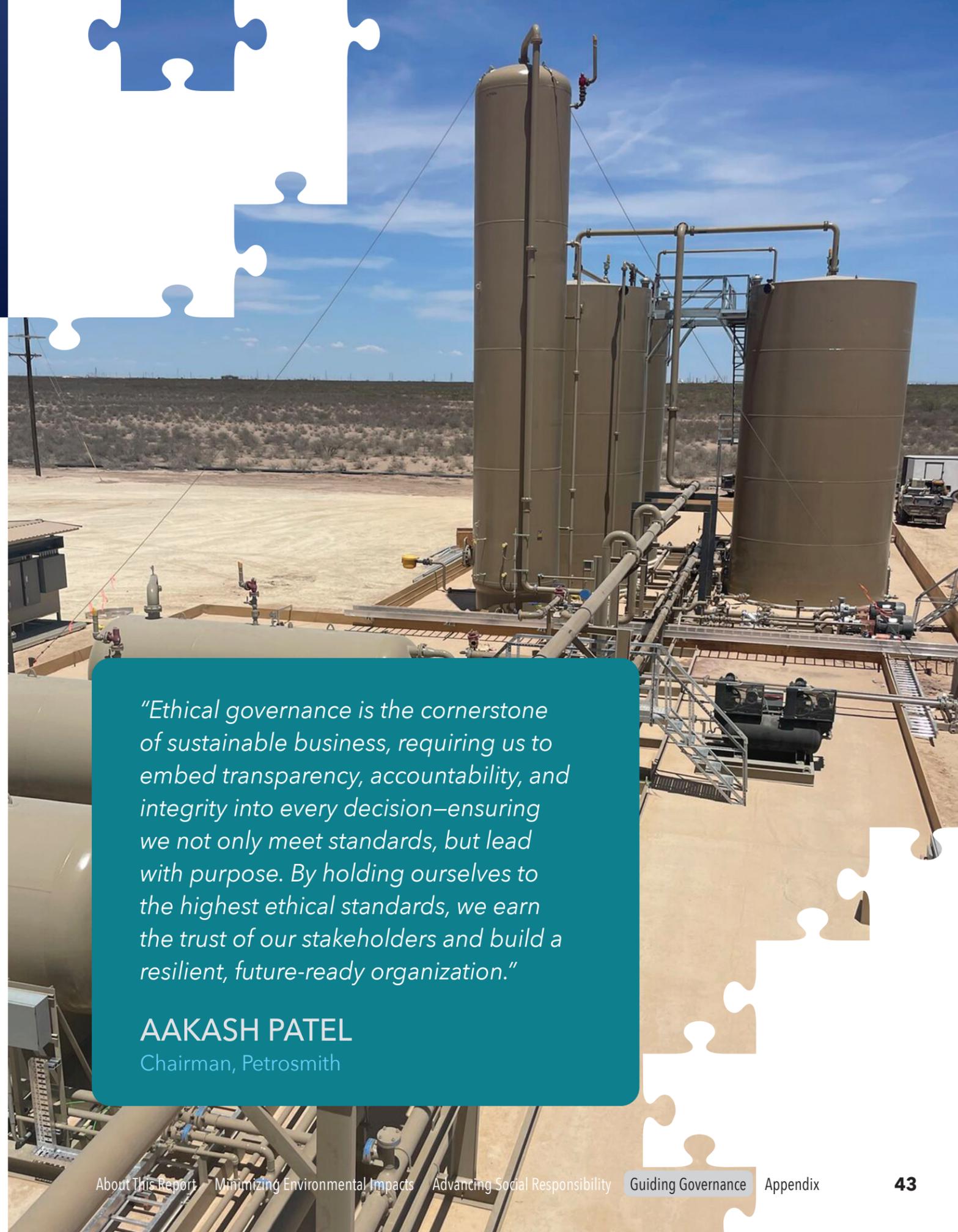
6

Years Average Board Tenure



56%

of total employees completed Ethics Training



“Ethical governance is the cornerstone of sustainable business, requiring us to embed transparency, accountability, and integrity into every decision—ensuring we not only meet standards, but lead with purpose. By holding ourselves to the highest ethical standards, we earn the trust of our stakeholders and build a resilient, future-ready organization.”

AAKASH PATEL
Chairman, Petrosmith

ENSURING ETHICAL BUSINESS

BOARD OF DIRECTORS

The Petrosmith Board of Directors are the highest governing body of our organization. It oversees our policy frameworks, risk management processes, and sustainability priorities. Our Board consists of our CEO, former management members, independent members from the energy industry, as well as Partners from our investment group.

A part of our governance structure, Petrosmith has several committees that operate as part of our governance structure. Among these include the Audit Committee, Safety Committee, Compensation Committee, and Business Responsibility Council.



MICHAEL DUFFY
*CEO & President,
Petrosmith*



AAKASH PATEL
*Chairman, Partner,
Blue Wolf Capital*



CHARLES MILLER
*Partner,
Blue Wolf Capital*



RICHARD KOBOR
*Operating Partner,
Blue Wolf Capital*



CHRIS THOMAS
*Operating Partner,
Blue Wolf Capital*



KEVIN KUYKENDALL
*Independent
Board Member*



CLIFF SMITH
*Independent
Board Member*

BUSINESS RESPONSIBILITY COUNCIL

The Petrosmith Business Responsibility Council is a cross-functional group of employees representing all areas of the company—including Executive Management, Finance, Supply Chain, Human Capital Management, Operations, Quality, and Environmental, Health, and Safety. This collaborative council plays a vital role in shaping our sustainability strategy by integrating diverse stakeholder perspectives into pragmatic, actionable plans.

In addition to guiding data collection and analysis, the Council supports initiatives that improve employee engagement and strengthen company culture serving as a key resource for educating both internal and external stakeholders on Petrosmith’s company-wide sustainability efforts.

MEASURES TO PREVENT CORRUPTION & BRIBERY

Petrosmith has multiple measures in place to detect and prevent corruption and bribery in our business. We have control over key areas of the financial statements, including monthly inventory counts, and we maintain restricted access to accounts. These controls are audited annually by a third-party auditor. In the event that corruption and bribery are suspected, our stakeholders have access to our whistleblower hotline. All reports of concerns to the whistleblower hotline are kept anonymous to the best of our ability and fully investigated. In 2024, zero instances of corruption or bribery were reported.

ETHICS POLICY

In 2024, 56% of Petrosmith employees received training on ethics-related issues. Notably, 100% of employees in key functions sales, finance, management, human resources, and supply chain—completed ethics training ensuring that those in critical decision-making and compliance roles are fully aligned with our ethical standards.

As part of our overarching whistleblower program, each employee is encouraged to report an activity they deem to be illegal or dishonest. In 2024, Petrosmith received zero whistleblower reports.



100%
of employees in key sales, finance, management, human resources, and supply chain roles completed ethics training in 2024

STRENGTHENING CYBERSECURITY

Petrosmith is committed to safeguarding the sensitive data of our stakeholders through robust and comprehensive cybersecurity practices. We have adopted the Center for Internet Security (CIS) Critical Security Controls v8 and are actively implementing its protocols to enhance our overall security framework.

Our trusted service provider manages critical IT functions, including data backups and recovery, IT inventories, access controls, endpoint security, and configuration management. Remote access is primarily secured through a virtual private network (VPN), with multi-factor authentication (MFA) required to ensure secure connectivity.

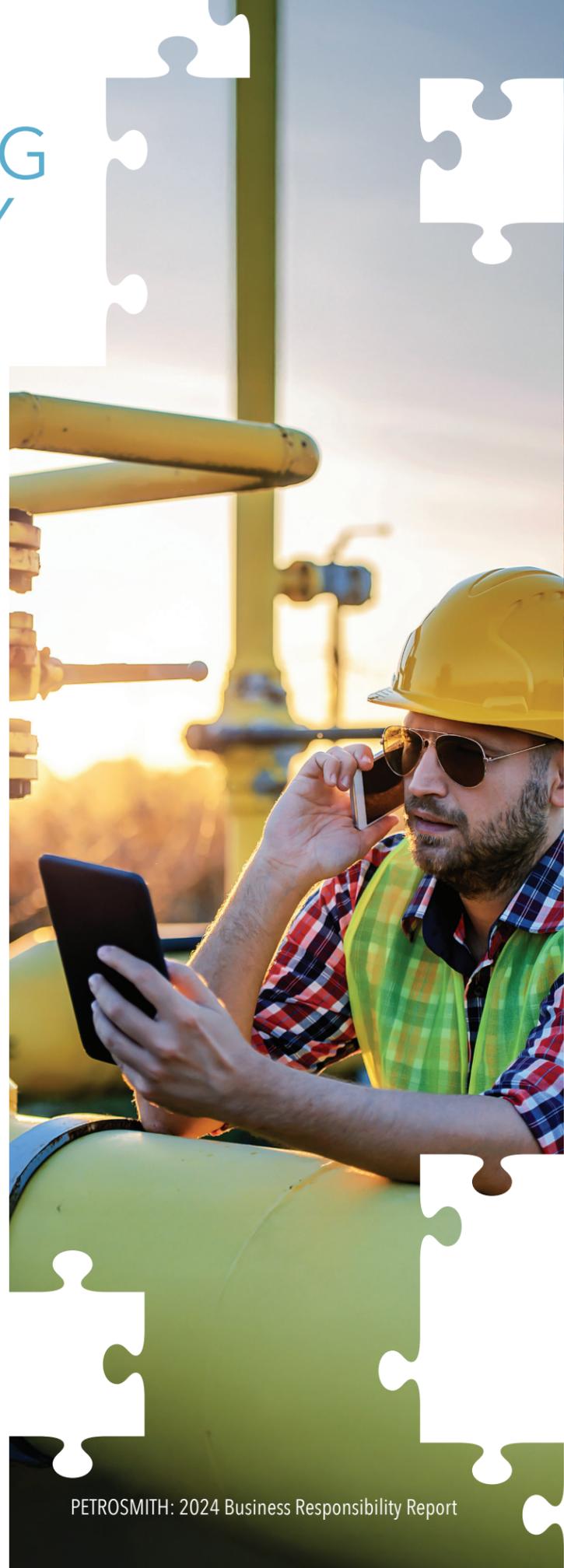
To maintain system resilience, data recovery tests are conducted quarterly. In addition, we engage an independent third-party firm to perform an annual Information Security Protocol Review (ISPR), conducted in alignment with our published ISPR guidelines to ensure the integrity and continuity of our business operations.

To further strengthen our cybersecurity posture, all employees participate in a comprehensive end-user security awareness training program delivered by a third-party provider.



600

Total Hours of Cybersecurity Training



SUPPLY CHAIN MANAGEMENT

Petrosmith is committed to fostering a responsible and ethical supply chain. In 2024, we introduced our first Supplier Code of Conduct, which all new and existing suppliers must acknowledge before conducting business with us. This effort is a key element of our broader sustainable procurement program and reflects our ongoing dedication to integrity throughout our operations and value chain.



1ST

Supplier Code of Conduct developed and implemented

This Code outlines the responsible business practices material to Petrosmith, including human rights, health and safety, ethical business operations, fair labor, privacy and protection of confidential information, and a duty to report legal obligations.

As part of our Supplier Code of Conduct, suppliers are expected to protect the sensitive data of our employees and contractors. Within our own operations, we gain consent regarding the processing, sharing, and retention of confidential information of our stakeholders before hire and engagement, as applicable.

APPENDIX

GLOBAL REPORTING INITIATIVE (GRI) INDEX

GRI STANDARD & DISCLOSURE	LOCATION
GRI 1: FOUNDATION 2021	
GRI 1: Statement of Use	In reference
GRI 1 Used:	GRI 1: Foundation 2021
GRI 2: GENERAL DISCLOSURES	
2-1 Organizational details	Petrosmith LLC is a privately controlled company. In 2018, Blue Wolf Capital Partners, a private equity firm, acquired a majority stake in Petrosmith LLC, a leading provider of oilfield production equipment and tubular goods. As a result, Petrosmith is not publicly traded and does not have shares listed on any stock exchange.
2-2 Entities included in the organization's sustainability reporting	2024 Business Responsibility Report, About This Report, Page 3; Our Business, Page 7
2-3 Reporting period, frequency and contact point	Annual Fiscal year 2024 (January 1, 2024-December 31, 2024) 2024 Business Responsibility Report: About This Report, Page 3
2-4 Restatements of information	Restatements are included throughout the 2024 Business Responsibility Report as required
2-5 External assurance	Fiscal year 2024 (January 1, 2024-December 31, 2024)
2-6 Activities, value chain and other business relationships	2024 Business Responsibility Report: Supply Chain Management, Page 47
2-7 Employees	2024 Business Responsibility Report: Fostering an Inclusive & Equitable Workforce, Page 38
2-9 Governance structure and composition	2024 Business Responsibility Report: Ensuring Ethical Business, Page 44
2-11 Chair of the highest governance body	2024 Business Responsibility Report, Ensuring Ethical Business, Page 44
2-14 Role of the highest governance body in sustainability reporting	2024 Business Responsibility Report: Ensuring Ethical Business, Page 44
2-19 Remuneration policies	2024 Business Responsibility Report: Fostering an Inclusive & Equitable Workforce, Page 39
2-20 Process to determine remuneration	2024 Business Responsibility Report: Fostering an Inclusive & Equitable Workforce, Page 39
2-22 Statement on sustainable development strategy	2024 Business Responsibility Report: Letter from CEO, Page 5: Focusing on a Stronger Future, Page 11 Environmental Policy
2-23 Policy commitments	Key policies listed in Appendix A
2-24 Embedding policy commitments	2024 Business Responsibility Report
2-27 Compliance with laws and regulations	2024 Business Responsibility Report: Supply Chain Management, page 26, Corporate Governance, Page 43; Ethical Business, Page 44; Cybersecurity, Page 45; Data Privacy and Risk Management, Page 46;
2-28 Membership Associations	2024 Business Responsibility Report: Supporting Our Communities, Page 26
GRI 3: MATERIAL TOPICS	
3-1 Process to determine material topics	Petrosmith conducted a materiality assessment with the help of an outside consultancy to better understand the relevant issues facing the company and industry from a multi-stakeholder perspective including employees, management, board members, customers, suppliers and others.
3-2 List of material topics	Page 7 - 2023 Business Responsibility Report
3-3 Management of material topics	Our sustainability strategy is guided by the results of the materiality assessment, along with management considerations, and reflects a diverse range of perspectives from various stakeholders across multiple disciplines, including our employees, customers, communities, board of directors, and investors.

GRI 205: ANTI-CORRUPTION

205-2	Communication and training in anti-corruption policies and procedures	2024 Business Responsibility Report: Ensuring Ethical Business, Page 44-45
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GRI 301: MATERIALS

301-3	Reclaimed products and their packaging materials	2024 Business Responsibility Report: Sustainable Product and Services, Page 24; Implementing Circular Practices, Page 22
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GRI 302: ENERGY

302-1	Energy consumption within the organization	2024 Business Responsibility Report: Progress in Energy Efficiency, Page 16-17
302-3	Energy Intensity	16.48 mtCO2e (Scope 1 & Scope 2) emissions per employee
302-4	Reduction of energy consumption	2024 Business Responsibility Report: Progress in Energy Efficiency, Page 16-17
302-5	Reductions in energy requirements of products and services	2024 Business Responsibility Report: Progress in Energy Efficiency, Page 16-17

GRI 303: WATER AND EFFLUENTS ENERGY

303-2	Management of water discharge-related impacts	2024 Business Responsibility Report: Optimizing Water Management, Page 21
303-5	Water consumption	2024 Business Responsibility Report: Optimizing Water Management, Page 20-21

GRI 305: EMISSIONS

305-1	Direct (Scope 1) GHG emissions	2024 Business Responsibility Report: Measuring Our Carbon Footprint, Page 13
305-2	Energy indirect (Scope 2) GHG emissions	2024 Business Responsibility Report: Measuring Our Carbon Footprint, Page 13
305-5	Reduction of GHG emissions	2024 Business Responsibility Report: Preventing Emissions Through Remediation, Page 14: Mitigating Air Pollutants, Page 18

GRI 306: WASTE

306-2	Management of significant waste-related impacts	2024 Business Responsibility Report: Disposing Waste Responsibly, Page 19:
306-3	Waste generated	2024 Business Responsibility Report: Disposing Waste Responsibly, Page 19;

GRI 404: EMPLOYMENT

401-1	New employee hires and employee turnover	31% (not including Second Chance Employees) Second Chance Employees had an 18% turnover. 2024 Business Responsibility Report: Attracting & Retaining Talent, Page 36-37
401-3	Parental leave	Petrosmith complies with the federal Family and Medical Leave Act (FMLA), which requires employers to grant unpaid leaves of absence to qualified workers for certain medical and family-related reasons. In addition, the company adheres to all applicable state and local leave laws, applying the most generous provisions where overlap exists. Given the varying eligibility criteria and exceptions, employees are encouraged to contact Human Resources to discuss their individual leave options.

GRI 403: OCCUPATIONAL HEALTH AND SAFETY

403-1	Occupational health and safety management system	2024 Business Responsibility Report: Prioritizing Safety & Well-Being, Page 30-31 Additional policies related to Petrosmith's EHS management available by request
403-2	Hazard identification, risk assessment, and incident investigation	2024 Business Responsibility Report: Prioritizing Safety & Well-Being, Page 30-31 Additional policies related to Petrosmith's EHS management available by request Stop Work Authority
403-3	Occupational health services	2024 Business Responsibility Report: Prioritizing Safety & Well-Being, Page 30-31 Additional policies related to Petrosmith's EHS management available by request
403-4	Worker participation, consultation, and communication on occupational health and safety	2024 Business Responsibility Report: Advancing Social Responsibility, Page 28; Prioritizing Safety & Well-Being, Page 30-31 Additional policies related to Petrosmith's EHS management available by request



GRI INDEX CONT'D.

GRI STANDARD & DISCLOSURE	LOCATION
403-5 Worker training on occupational health and safety	2024 Business Responsibility Report: Prioritizing Safety & Well-Being, Page 30-31 Additional policies related to Petrosmith's EHS management available by request
403-6 Promotion of worker health	2024 Business Responsibility Report: Investing in Our People Page 32-35
403-9 Work-related injuries	2024 Business Responsibility Report: Prioritizing Safety & Well-Being, Page 30-31
GRI 404: TRAINING AND EDUCATION	
404-2 Programs for upgrading employee skills and transition assistance programs	2024 Business Responsibility Report: Attracting & Retaining Talent, Page 36-37
404-3 Percentage of employees receiving regular performance and career development reviews	100%
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY	
405-1 Diversity of governance bodies and employees	2024 Business Responsibility Report: Inclusive Workforce, Page 29: Guiding Governance, Page 42
GRI 413: LOCAL COMMUNITIES	
413-1 Operations with local community engagement, impact assessments, and development programs	2024 Business Responsibility Report: Supporting Our Communities, Page 40
GRI 414: SUPPLIER SOCIAL ASSESSMENT	
414-1 New suppliers screened using social criteria	Petrosmiths Supplier Code of Conduct was updated in 2024 and is available by request
GRI 415: PUBLIC POLICY	
415-1 Political contributions	\$0

APPENDIX A: KEY POLICIES

Environmental Policies:

Environmental Policy	Hazardous Material and Waste Management
Ethic Sustainability Policy	Universal Waste Management

Social Policies:

Employee Handbook	Visitor Safety Policy
EHS Management System	Safety Committee
Health & Safety Policy	Stop Work Authority
Safety and Education Policy	Emergency Response Plan

Governance Policies:

Information Security Policy
Supplier Code of Conduct

APPENDIX B: ASSUMPTIONS AND FOOTNOTES

Reporting Scope and Boundary

- All data included in this report covers operations owned and controlled by Petrosmith as of the fiscal year ending December 31, 2024, unless otherwise noted.
- Environmental metrics reflect our Odessa and Abilene facilities, including fabrication, threading, and field services operations.

Emissions and Energy Reporting

- Emissions factors are sourced from the U.S. Environmental Protection Agency (EPA)
- Scope 1 and 2 greenhouse gas (GHG) emissions are reported in metric tons of carbon dioxide equivalent (tCO₂e).
- Scope 1 denotes natural gas and fuel emissions (both vehicle and equipment).
- Scope 2 denotes electricity emissions.

Water and Resource Use

- Water usage data is based on municipal utility records and on-site metering.
- Hazardous and non-hazardous waste figures are tracked by volume (gallons or pounds) through certified third-party disposal partners.
- Workforce and Social Impact Metrics
- Workforce diversity metrics represent U.S.-based employees and are self-reported on a voluntary basis.
- Turnover rate includes voluntary and involuntary separations compared to average headcount.
- Training metrics reflect completed safety and compliance courses through our internal training system.

Philanthropic Contributions

- Donation totals include direct corporate giving, employee matching gifts, and in-kind support

¹ 40 CFR Part 63, Subpart Mmmm

² Best Management Practices (BMPs) are measures designed to prevent or minimize the potential contamination of stormwater discharges.

³ The US EPA's universal waste regulations streamline the hazardous waste management standards for certain categories of hazardous waste that are commonly generated by a wide variety of establishments. These include batteries, pesticides, mercury-containing equipment, lamps, and aerosol cans.

DISCLAIMER

The contents of this Sustainability Report are the property of Petrosmith. 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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