FTS INTERNATIONAL, INC. ("FTSI")

2019 SUSTAINABILITY REPORT









STRONGER. SAFER. BETTER.



# SUSTAINABILITY AT FTSI

We maintain a great reputation for safety and value of service in our industry, in part due to our core values. The foundation of corporate responsibility at FTSI is our commitment to perform our jobs ethically, fairly and as good stewards to our environment and communities.

The way we achieve our goals is to start each management meeting with a "Safety Moment" and each day of work in the field with a safety meeting. In every decision we face, we make the safety and wellness of our employees the highest priority, and we demand the same from those working with us.

We take pride in giving back to local communities as a responsible corporate citizen. For example, this year we partnered with the Tarrant County American Heart Association, which was a perfect community partner to promote a culture of health and wellness. We are proud that FTSI raised about \$100,000 to fight heart disease and stroke.

We strive to deliver results by being accountable to our stakeholders. Our commitment to safety and protection of the environment should never be sacrificed in pursuit of profitability. In looking towards the future, we will continue to operate through our core values to ensure our commitment to corporate responsibility.

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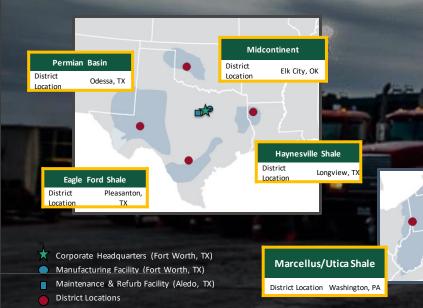
Michael J. Doss Chief Executive Officer

# FTSI OVERVIEW

FTSI was originally formed in 2000. We are one of the largest providers of hydraulic fracturing services in North America. Our services enhance hydrocarbon flow from oil and natural gas wells drilled by E&P companies primarily in shale resource formations. We have 1.7 million total hydraulic horsepower across 34 fleets.

We manufacture and refurbish many of the components used by our fleets, including consumables, such as fluid-ends. We designed and assembled all of our existing fleets and are able to assemble new fleets and perform all maintenance in-house.

We operate in five of the most active major shale basins in the United States: the Permian Basin, the SCOOP/STACK Formation, the Marcellus/Utica Shale, the Eagle Ford and the Haynesville Shale.







## SAFETY PERFORMANCE

We are an industry leader in safety performance. Safety is a core value from which we do not deviate. All employees participate in our comprehensive safety programs and processes to help ensure the safest workplace possible.

- ✓ Total Recordable Incident Rate (TRIR) of 0.23 is less than 1/4 of industry average
- ✓ LTIR is 0.06, which is over 10 times lower than the industry average
- ✓ Experience Modification Rate (EMR) of 0.63 shows low workers compensation claims
- ✓ Zero OSHA or Environmental citations during the past six years
- ✓ Managed by safety executive with more than 40 years of industry experience

## Some of the safeguards that have led to our safety success are:

✓ Annual goals communicated to reduce incidents and severity

✓ Management led safety audits for every district & work location

- ✓ Comprehensive onboarding training program
- ✓ Fit for duty Worksteps verification
- ✓ Decision driving training program
- Training program accredited by Safeland USA
- ✓ Mentoring program for new employees (SSE)
- ✓ FTSI safety cycle "Think Safety" initiative
- ✓ Comprehensive drug and alcohol program
- ✓ Well defined emergency response plan
- ✓ Multiple safety briefings on each work location, every day
- ✓ STOP work authority and incident management protocols
- ✓ Robust standard operating procedures (SOP) and JSA program
- ✓ Over 60,000 documented behavior-based safety observations annually
- ✓ Safety Communications Tailgate Topics, Safety Bulletins and Incident Tracking
- Salety Communications rangate ropics, Salety Bulletins and incident Tracking
- $\checkmark$  Highly effective fire suppression systems (compressed air foam) at every well site

We are an active member in these Safety Consortiums:











"We operate our services
with respect for the
communities and
environment where we
work and live"

# ENVIRONMENTAL PARTNER

We are committed to continuously improving our operations by considering sustainability and protection of the environment in all aspects of our business.

### **Environmental Policy**

- ✓ All key employees are required to understand and sign off
- ✓ We maintain an Environmental Management System

#### **Environmental Stewardship**

- We conduct environmental assessments of all properties before acquisition to evaluate for environmental impacts and environmentally sensitive areas
- We avoid impacts to wetlands and other sensitive areas
- We comply with environmental requirements across all operational areas
- We continuously look for opportunities to recycle used materials and improve operations by reducing waste
- We conduct daily site inspects aimed at preventing spills

#### **Green Chemistry Solutions**

- ✓ Dry Powder Chemistry We have developed chemistries that reduce environmental risk and carbon footprint
- ✓ Elimination of carrier fluids reduces energy use and spills
- ✓ High Brine Chemistry We continuously develop chemistries that work with high brine and flowback water to reduce freshwater requirements and eliminate waste

## Technology and Innovation - Emissions Reductions

- Dual Fuel Ready Fleets We offer service fleets that can operate on both diesel fuel and natural gas, helping to reduce emissions
- ✓ Diesel Idle Reduction Policy We are working to reduce the unnecessary idling of our equipment in order to reduce diesel consumption and emissions
- ✓ "Smart Start" Remote Start Systems We are rolling out these systems on our pumps allowing for the remote start-up/shut-down of our equipment, reducing fleet idle time, emissions, component wear/tear and frequency of equipment maintenance



## **Community Investment**

- ✓ Our community investment program embodies our commitment to give back and focus on these criteria:
  - Health improvement
  - Rehabilitation
  - Human services and
  - Community development
- ✓ Our employees frequently volunteer in our communities in the following ways:
  - After natural disasters, volunteers repaired homes and provided supplies
  - We created a fund after Hurricane Harvey to help impacted employees and their families get back on their feet, contributing through payroll deductions
  - We support Tarrant County Habitat for Humanity, annually helping build homes or paint houses for the Cowtown Brush Up

- In 2019, we chaired the Go Red luncheon in Fort Worth for the Tarrant County Heart Association, supporting prevention of heart attacks and strokes
- We volunteer at the Tarrant County food bank
- Employees nationwide collect gifts during holiday season for those less fortunate in the community

## **Recruiting from Communities**

- ✓ Another way we support communities is in our hiring efforts. For example, we:
  - Hire veterans who bring broad experience in cultures and skills from the military from bases across the country
  - Hire employees from the Prison Entrepreneurship Program
- ✓ In 2019, we were awarded the North Texas "Employer of the Year" award for its commitment to hire graduates of the Prison Entrepreneurship Program, which has established proven solutions for preventing recidivism, maximizing self-sufficiency and transforming broken lives after serving time.



# EMPLOYEE EMPOWERMENT



## **Developing Future Leaders**

- ✓ We take pride in our training programs for employees to create a stronger, safer and better operational environment for our customer and community partners.
- ✓ Examples of our programs include:
  - Leadership Readiness Program
  - Advanced Leadership Program
  - Service Supervisor Development Program
  - Crucial Conversations Training
  - Mentoring Program
  - National Operations Center establishment and training
  - We have a yearly summer internship program to develop the next generation of engineers
- ✓ These programs invest in participants by developing and enhancing the leadership skills needed to improve FTSI through innovative thinking, program solving, decision making, safety and building relationships.
- ✓ This experience enhances our culture and prepares our leaders for critical leadership positions.

## **Supporting FTSI Employees**

- ✓ The success of our operations depends on a healthy workforce. We provide voluntary health benefits and programs to our employees that promote safety and enhanced well-being, while also improving productivity and resilience.
- ✓ We support the health and wellness of our employees in the following ways, for example:
  - Comprehensive health and wellness benefits
  - Incentives for employees and their spouses to get an annual wellness checkup, resulting in improved health
  - The Employee Assistance Program is available to anonymously help our team members cope with stress and other emotional issues, receive life event counsel, and improve mental health
  - Annual ethics and compliance training is mandatory, including a speaking up policy for employees who bring concerns forward in good faith
  - "The Crew" app for employees' phones for easier crew communication, training in the field and sharing

