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FLOGISTIX



**ESG
REPORT**

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FLOGISTIX



■ LETTER FROM THE CEO

To say that 2021 was a year of change is an understatement. From the historic recovery of crude prices to challenges in the supply chain, improvise, adapt, and overcome has become our mantra. While we all adjusted our work and personal lives to deal with the continuing effects of the global pandemic, the team at Flogistix surged ahead providing new and innovative technologies to our customers. We have, for the first time, compiled an ESG report to shine a light on not only our first-class methane detection and capture technologies, but also our incredible team whose dedication has created a company that values new perspectives, continuous improvement, and superior results.

The company's latest offerings include our AirMethane program designed to identify fugitive methane leaks via a drone equipped with the most technologically advanced detection systems. Utilizing OGI camera, sniffer, and laser detection capabilities, our drones are able to pinpoint leaks with precise accuracy allowing for immediate resolution. We are able to conduct thorough inspections in less time and from the safety of the ground. With our AirMethane program, all inspection reports and videos are available online via Flux, our performance dashboard.

With the current emphasis on ESG, the data our technology provides to oil and gas operators is extremely useful. The emissions our vapor recovery units capture reduce environmental impact while increasing revenues for customers. Flogistix equipment puts an end to the need to vent or flare and provides prompt and accurate emissions management details suitable for ESG reporting.

It has been said, "Openness is a philosophy that stresses transparency and communication." Compiling this report has been a good exercise in openness. It has not only provided our shareholders with detailed outcomes relating to our business, but it has also provided our team the opportunity to see all of our accomplishments detailed on paper in one location. The opportunity to revisit these successes has resulted in an increased sense of pride in our employees. While the past few years have challenged us like never before, our team responded with grit, courage, and determination.

Manufacturing quality vapor recovery equipment and providing excellent methane detection is only part of the narrative. This report shows the other side of the story: our commitment to safety and our dedication to environmental stewardship, our advocacy for those less fortunate, and our loyalty to our local communities. Each effort made represents our company culture and the character of our employees. I am proud to be a part of the Flogistix team.



■ INTRODUCTION

Many consider Flogistix an oilfield service company. While we function in the energy sector, we prefer to call ourselves a technology company because that's what we do, we provide innovation to wellsite providers. There are other companies offering vapor recovery solutions at the wellsite, but only Flogistix is setting the bar above the typical oilfield service company. Technology leads the way for us.

Technology is constantly evolving, providing modern conveniences to mankind with energy powered by fossil fuels leading the way. These advancements also benefit man by providing power and equipment that saves lives, enhances public safety, and thwarts disasters. Every person, business, industry, and government are touched by energy, and our world cannot function without it. Although energy makes a vital contribution to human progress, the production of it is not without its drawbacks which our technology helps to minimize.

Methane is the principal component of natural gas and its greenhouse gas effect is 28 times greater than carbon dioxide. It appears in smaller concentrations than carbon dioxide and has a shorter lifespan. When methane enters the atmosphere and combines with oxygen, carbon dioxide is created. Both methane and carbon dioxide are classified as greenhouse gases which are gases in the Earth's atmosphere that trap heat thus causing the warming of our planet.

Flogistix provides options to companies wishing to eliminate the flaring and venting of greenhouse gases by instituting green completion techniques. Our vapor recovery units combined with our advanced software and technology eliminate greenhouse gases from the wellhead while optimizing oil and gas production. This increases revenues and proven reserves for the producer.

We also enable more environmentally friendly production and transportation of oil and gas through our leak detection program. Our AirMethane solutions provide the safest and most accurate methods for methane leak detection via drones and handheld methods.

Our main objective is to lead the industry to a low carbon future with our cutting-edge technologies. We are advancing efforts to reduce environmental impacts through the use of specialized computing systems and data streams.

Bottom line: We help companies minimize their carbon footprint while safeguarding our planet.

Flogistix is proud to present our inaugural ESG report highlighting the work we do to protect our environment, engage in socially conscious corporate fundamentals, and provide transparent governance of our business functions. This report is our opportunity to share the valuable attributes of our amazing company.

The very nature of what we do is good for the environment.

—Mims Talton, CEO



Vapor Recovery Unit



AirMethane

Flogistix Operation Sites



Company Overview

We are an independent service provider based in Oklahoma City, Oklahoma. With more than 300 employees, we focus on methane capture and detection through innovative and efficient methods. Following our guiding principles of responsibility, employee wellbeing, and sustainability, we pride ourselves on the positive impact our work has in preserving our planet for future generations.

With more than 8,000 compressors deployed, Flogistix operates in nearly every major U.S. shale play and basin. Our 14 regional offices and warehouses are strategically located in seven states to provide our customers with prompt, quality service. Our robust service infrastructure allows for efficient deployment of solutions to customers' problems while reducing the environmental impact of oil and gas production and transport.

Flogistix is committed to participating in the decarbonization of the oil and gas industry through technology and innovation. Providing solutions to today's emissions challenges opens the door to increased production to satisfy not only domestic

demand but global needs as well. We support the responsible development of fossil fuels and believe our technology can help our producer partners do just that while helping to end global energy poverty.

Creating the inaugural ESG report for Flogistix has given our team the opportunity to celebrate successes, but also to identify areas where improvement is needed. While the push for an energy transition of our planet provides our company with opportunities for growth, this progress also presents challenges that must be met head on. The introduction of ESG considerations to our employees has been met with curiosity and a thirst for information. Employees are volunteering positive input and adjusting their mindset around environmental, social, and governance issues. This shift in thinking has given the company opportunities to change in ways never attempted before. We look forward to implementing new standards in the coming year that help us achieve our goals and provide value to our investors.



Temp Checks



Mask Mandates



Remote Work



Social Distancing



Routine Cleaning

■ PANDEMIC RESPONSE

Keeping our employees safe is a top priority at Flogistix and our response to the COVID-19 crisis presented serious challenges for our management team. Not only did the company face the safety concerns surrounding a worldwide pandemic, but also the corresponding economic challenges related to the downturn in the economy and the oil and gas industry.

Details related to the company's response to the pandemic were communicated to employees frequently including details related to the changes in business practices, safety measures undertaken, and resources available to employees during this challenging time. Employees are encouraged to share information and questions with supervisors and this two-way communication has been helpful in the company's effective management of the crisis.



The company's pandemic plan was put into motion to ensure safe and healthful working conditions for our employees. This document was implemented at the start of the declared pandemic and has been modified as needed to address new and changing situations. The company followed all federal, state, and local guidelines, and each area of operation had procedures specific to that area's needs. Precautions included remote work options, masks (provided by the company), gloves, and sanitizing wipes and sprays were made available, and common areas in offices such as breakrooms and restrooms were limited to one staff member at a time. Appropriate social distancing in offices was instituted and where appropriate, business dealings went virtual. Daily health screenings were conducted for our manufacturing staff while weekly testing was required for others in the company. A mental health informational session was held for all employees with special attention paid to those working remotely.

In the event of a positive case or exposure to an infected person, the company's Pandemic Response Procedure called for a 7–21-day isolation depending on circumstances, and a negative diagnostic test was required to return to work. Employees were briefed on the physical conditions that might be an indication of COVID-19 such as a fever over 100.4 F, difficulty breathing, a persistent cough, or a new loss of taste and smell. Employees were also instructed to quarantine if members of their household became ill.

The technology team shifted efforts to help with business continuity as many employees began working remotely from home. This entailed allowing the business networks to be accessible from many remote sites while providing security and reliability of data. The Help Desk continued to provide support from the corporate office while most of the technology team also went virtual.

As the pandemic's negative effect on the economy caused the collapse in oil prices, company executives streamlined business activities in an effort to protect the financial strength of the company. Employees were kept abreast of the situation, and the company assisted as economic adjustments were made.

As the threat of the pandemic lingers, the management team at Flogistix continues to monitor the situation and maintains readiness through the procurement of needed supplies and equipment, constant updates on federal, state, and local requirements, and adjustments to company policies and procedures.

ENVIRONMENTAL



ENVIRONMENTAL

Maintaining quality environmental outcomes provides our customers with exceptional environmental performance. Our equipment maintains an industry-leading 98% runtime preventing the release of emissions due to inoperable equipment and often exceeding Environmental Protection Agency (EPA) requirements. With service locations across the country, we offer preventive and emergency maintenance to ensure equipment is working properly.

To reach our high-performance goals, our team is proactive in developing new and cutting-edge technology. As an industry leader in vapor recovery, the goal of our technology is to capture greenhouse gas (GHG) emissions eliminating the need to flare or vent. Feedback from our customers guides our efforts to eliminate potential environmental impacts while providing a reliable and effective product. As our vapor recovery units (VRU) remove or recover fugitive vapors, customers can meet emission regulations while recovering valuable gas. Vapor recovery is the only fugitive gas solution that is both profitable and in compliance with state and federal air regulations.

According to the U.S. Energy Information Administration (EIA), in 2019, 80% of domestic energy production was from fossil fuels. Of the indirect emissions associated with the combustion of fossil fuels, methane is the largest single component of these indirect emissions, and it is more than 28 times as potent as carbon dioxide at trapping heat in the atmosphere. The Biden-Harris Administration has launched an initiative, the U.S. Emissions Reduction Plan, to reduce emissions across the economy using innovative technologies, transparent data, and financial incentives.

Reflecting on the United States' commitment to cleaner air, we participated in the EPA's rulemaking in response to President Biden's Executive Order "Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis." This order called on the EPA to develop a new rule to strengthen standards for methane emissions from new, reconstructed, and modified oil and natural gas sources and

to address methane emissions from existing sources. We participated in the agency's virtual workshop that focused on methane-sensing technologies highlighting the innovations of our AirMethane detection program. As the premier provider of not only methane capture technology, but also methane detection methods, we urged the EPA to utilize performance-based standards allowing for the most cutting-edge technologies to be utilized by upstream and midstream companies.

Emissions Management

Our commitment to environmental sustainability is not a response to the latest trends. Our GHG emissions are a business risk that could affect the company's long-term success, and therefore, an important factor to our success. Given our core business is the elimination of GHGs, our team is focused on the emissions of our own operations.

The company's largest source of emissions is the use of natural gas and electricity for power on our fleet of compressors. Currently, one-half of our compressor fleet is powered by electricity. Our engine-driven units are outfitted with a nine-point Air Fuel Ratio (AFR) controller and catalyst system capable of achieving very low engine emissions, far below the most stringent federal, state, and local requirements. While we have not yet set targets for reducing the emissions from this activity, we are actively exploring innovative ways to increase the energy efficiency of our compressors through data generated by IoT (Internet of Things) sensors and machine learning technology. The company is using data from the units to identify compressors in need of adjustments to their recycle systems. These adjustments will prevent the unit from shutting down, allowing tank vapors to escape while the unit is starting back up. The data also reduces the number of site visits our field mechanics make because the machine learning data allows our mechanics to replace not only damaged parts but also components that are nearing the end of their life. The more continual and smooth operation of the equipment will help reduce wear and tear, and hence, major maintenance or failure events that would result in more venting and/or flaring. These

adjustments will significantly reduce electricity usage as restarting an electric unit requires substantially more energy than constant operation at a low speed. The company continues to research ways to use instrument air for its pneumatic valves on the compressors.

Regarding our electricity usage, we are monitoring the source of power related to the various electricity grids to see how they impact the emissions profiles related to our electric units. For example, it may be better for emissions reporting to have a natural gas drive compressor on a particular site versus an electric unit that could be powered by a coal fired electrical plant.

Emissions

To protect our planet for the future, addressing the company's emissions has become paramount so Flogistix has compiled the data needed to truly review the carbon footprint of our company. Corporate GHG emissions inventories were conducted for the years 2019, 2020, and 2021 by WAP Sustainability Consulting. This inventory used several GHG accounting standards and guidance documents. Primarily, the inventory followed requirements defined by the World Resource Institute's (WRI) Greenhouse Gas Protocol (GHG Protocol). WRI's GHG Protocol is the most used and respected international standard for how to measure, manage, and report GHG emissions. The latest statistics indicate that 92% of Fortune 500 companies that report to the Carbon Disclosure Project (CDP) utilize the WRI GHG Protocol. This standard is global in scope and widely

recognized by domestic and international reporting schemes. Utilizing WRI GHG Protocol is the first step toward a credible inventory.

Additionally considered for this inventory was WRI's Corporate Value Chain Accounting and Reporting Standard. This standard guides emission categories that are outside the control of an organization but are still influenced by that organization's business decisions and behavior. These emissions are referred to as "Scope 3" emissions and evaluating them shows that a company is willing to look beyond its direct sphere of influence to improve its carbon footprint.

The calculation of GHG emissions used was based on emission factors from The Climate Registry, Intergovernmental Panel on Climate Change (IPCC), and the United States EPA. Following standard GHG accounting procedures, calculated emissions were classified as Scope 1, Scope 2, or Scope 3.

Furthermore, the inventory considered a materiality threshold of 2%. As such, the initial inventory aimed to include, at a minimum, any emissions sources anticipated to contribute more than 2% to the company's total footprint. Once data was collected, we found that several emissions sources fell below this materiality threshold. Even so, the results of these immaterial impact categories are included in our inventory report.

Scope 1

4651.2 mt CO₂

direct emissions related to company facilities and company vehicles

Scope 2

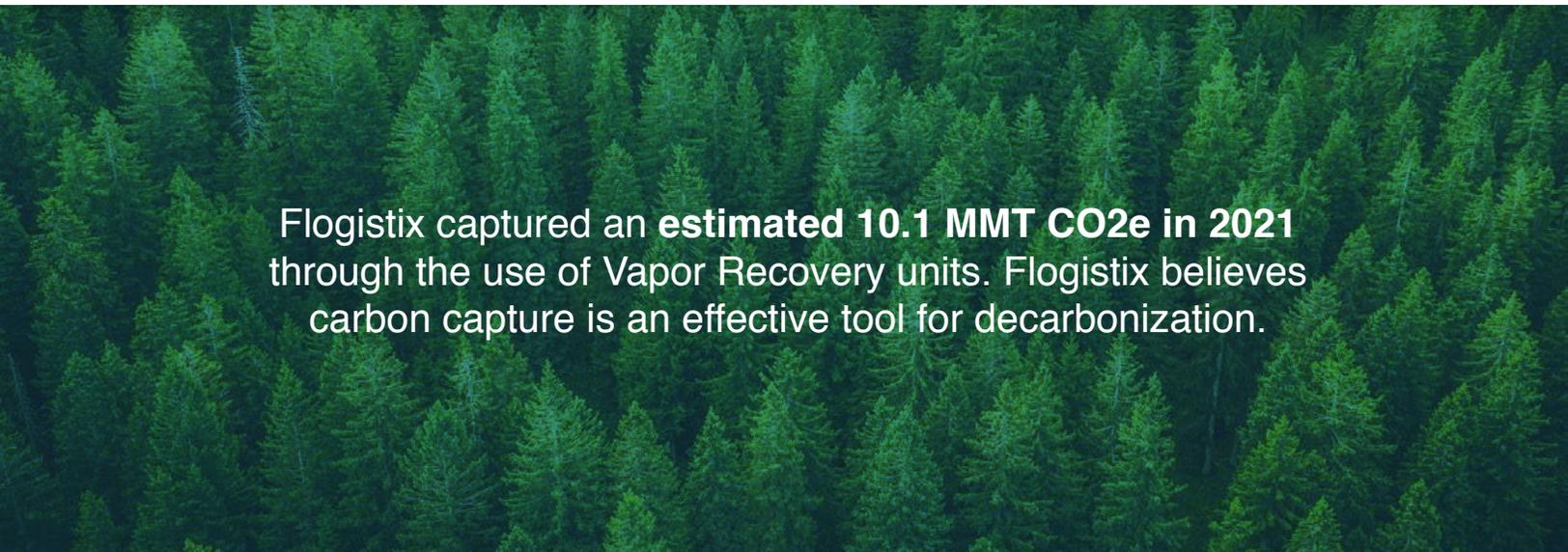
1043 mt CO₂e

indirect emissions related to the purchase of electricity

Scope 3

414,305.8 mt CO₂e

indirect emissions related to transportation and distribution of products, use of sold products, leased assets, waste from operations, employee commutes, etc.



Flogistix captured an **estimated 10.1 MMT CO₂e** in 2021 through the use of Vapor Recovery units. Flogistix believes carbon capture is an effective tool for decarbonization.

Emissions Overview and Materiality

Flogistix GHG Emissions 2020 (Metric Tons CO2e)		Percent of total Emissions	Material Level	
Scope 1	Company Vehicle Use	4,009.24	<1%	Immaterial
	Stationary Natural Gas Combustion	411.35	<1%	Immaterial
	Fugitive Emissions of Refrigerants	31.24	<1%	Immaterial
Scope 2	Electricity (location-based)	476.68	N/A	N/A
	Electricity (market-based)	547.74	<1%	Immaterial
Scope 3	Water Use	5.01	<1%	Immaterial
	Wastewater Treatment	17.57	<1%	Immaterial
	Mobile Fuel Combustion	112.50	<1%	Immaterial
	Product Use - Electricity	245,250.19	54.2%	Highly Material
	Product Use - Natural Gas Combustion	200,060.92	44.22%	Highly Material
	Product Raw Material Embodied Carbon	2,024.17	<1%	Immaterial
Total Emissions		452,469.92	100%	

Flogistix GHG Emissions 2021 (Metric Tons CO2e)		Percent of Total Emissions	Material Level	
Scope 1	Company Vehicle Use	4,140	<1%	Immaterial
	Stationary Natural Gas Combustion	480	<1%	Immaterial
	Fugitive Emissions of Refrigerants	31.2	<1%	Immaterial
Scope 2	Electricity (location-based)	503	N/A	N/A
	Electricity (market-based)	540	<1%	Immaterial
Scope 3	Water Use	9.21	<1%	Immaterial
	Wastewater Treatment	44.4	<1%	Immaterial
	Mobile Fuel Combustion	169	<1%	Immaterial
	Product Use - Electricity	261,700	62.3%	Highly Material
	Product Use - Natural Gas Combustion	149,800	35.8%	Highly Material
	Product Raw Material Embodied Carbon	2,630	<1%	Immaterial
Total Emissions		420,046.81	100%	

The overwhelming majority of emissions from Flogistix activities are a direct result of the field operation of our product. In total, the use of sold and leased products accounts for 98% of the company's calculated footprint. This value includes electricity and natural gas used to drive our VRUs in the field. However, the savings from capturing natural gas that would have otherwise been released into the atmosphere far exceed the emissions associated with the product's energy demands.

In addition to measured carbon emissions from operations, our GHG inventory also estimated the amount of avoided

carbon from the use of our VRUs. Values used in the avoided emissions carbon assessment included the million cubic feet (MMSCF) of annual natural gas captured by all Flogistix VRUs in field operation. The calculation is reflective of the benefit of collecting flared gas. Some units collect gas before it's flared, however, by using a flared gas-only approach, we have calculated a conservative estimate of the benefits. The approach results in a lower estimation of a carbon saving, which leads to more credible claims. The tables on the next page outline the results of our avoided emissions calculations.

Total Avoided Emissions

Data Point	Units
140,399,379	[SCF/day] flow rate of flare gas captured, in cubic feet
2.5	[MMBTU/MSCF] energy content of captured gas
78.9	KG CO ₂ e per MMBTU of thermal energy by combustion of natural gas
10,100,000	Avoided Natural Gas Combustion Emissions (MT CO₂e/year)

Net Avoided Emissions Compared to Total Product Carbon Footprint

	Metric Tons (MT) CO ₂ e
Flogistix's Total Calculated Carbon Footprint (Total Scope 1, 2, & 3)	420,000
Avoided Carbon	10,100,000
Net Benefit*	9,690,000
Difference	23x
*Net Benefit = Avoided Emissions - Flogistix's Total Calculated Carbon Footprint	

The avoided emissions assessment found that the carbon savings realized from the use of Flogistix VRUs are significantly higher than the carbon impact of both the manufacture and the field operation of the units combined. Specifically, the avoided emissions are 23 times greater than the emissions impact of the production and use of the product.

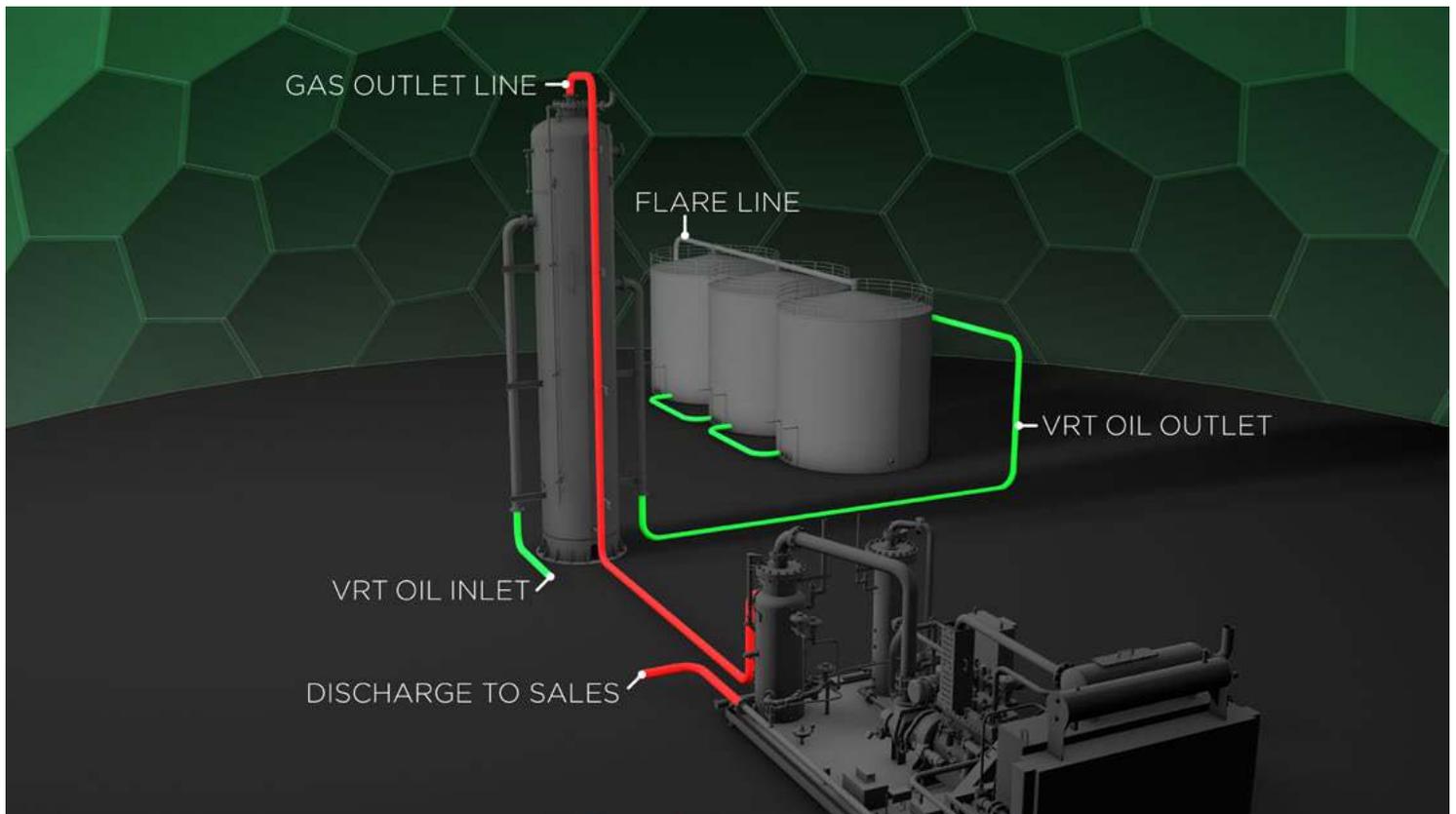
The company's carbon footprint is equal to the annual emissions from 91,150 typical passenger vehicles in the United States. Considering there are more than 273,000,000 cars registered in the U.S., the impact of Flogistix's operations appears to be low considering this common comparison point

It is important to note that reporting requirements often vary, and this can make reporting emissions a problematic task. Often, organizations want to summarize their emissions with a single number that includes Scope 1, 2, and 3 values combined. However, we at Flogistix believe subscribing to a combined GHG footprint number is dangerous for several reasons. First, it does not provide accurate insight into the sphere of influence that a company has over its emissions footprint. Second, it does not account for inventory inclusion choices, particularly those related to Scope 3 emissions, that a company has the flexibility to make under accounting standards and can lead to double-counting emissions. Third, it can lead to inappropriate and inaccurate comparisons between competing organizations and distrust in GHG accounting practices.

Because of these reasons, reporting entities such as the Carbon Disclosure Project (CDP), The Climate Registry (TCR), the Global Reporting Initiative (GRI), and the Dow Jones Sustainability Index (DJSI) do not request single carbon footprint values. Rather they require that emissions be reported by Scopes.

Based on this line of thinking, the following statements are considered appropriate based on best practices related to GHG reporting:

- Flogistix's combined corporate Scope 1 and Scope 2 emissions in 2021 were 5,290 Metric Tons of Carbon Dioxide Equivalents (CO₂e); the inventory followed the WRI GHG Protocol.
- Flogistix has also calculated Scope 3 emissions based on WRI's Accounting Standard (Scope 3). The total Scope 3 emissions calculated were 414,000 Metric Tons of Carbon Dioxide Equivalents (CO₂e). Most of these emissions (98%) are a result of vapor recovery unit field operation. The second-largest impact category is from the sourcing of the raw materials used in the production of Flogistix products.



Spill Management

Flogistix has a Spill Prevention and Response procedure that establishes the minimum requirements set by the company for the prevention of spills, the response to non-hazardous spills, and how to manage the release of hazardous chemicals applicable to the specific facilities/work areas. The provisions of the policy apply to all Flogistix employees as well as contractors and temporary employees.

To eliminate the potential for spills, chemicals are stored in proper containers that must be closed when not in use. These products are stored in a location where impact to stormwater is prevented or minimized if a spill does occur and good housekeeping practices are followed.

Each facility maintains an adequate number of spill kits that include absorbent booms, socks, pads, and/or other materials to contain, manage, neutralize, and control spills that may occur at that location, and each Flogistix vehicle is equipped with the appropriate spill response absorbents or equipment to address a spill on location. All employees are familiar with the proper spill response procedures relevant to their responsibilities. Proper procedure includes reporting the fluid and quantity spilled to the National Response Center (NRC). Work area management coordinates cleanup activities as required after the NRC notification. Spills, no matter the quantity, are reported using the incident report located on KPA EHS, the company's EHS management software.

Employees receive training on spill management procedures prior to starting their job assignments and refresher training is also provided.

Strategies are in place to address chemical-related risks, opportunities, and impacts. For spill containment, the company has environmental rails integrated into the skid design of the VRUs and double-walled storage tanks are used to protect diesel and oil tanks. Spill containment pallets are used for drums and plastic totes, absorbent material such as oil dry granules and hydrocarbon microbial-based granules and liquids are also used, and rigid spill containment systems are utilized to contain leaks and drips with above-ground storage tanks. In areas where required by local regulations, spill liners are used.

Land Management

Flogistix is cognizant of the temporary impact oil and gas development has on the landscape and works in partnership with operators to preserve the land used for production. Since the wellsite or tank battery is constructed by the operator, the terrestrial acreage is determined by the operator; however, we design our skids to minimize the unit's footprint. Our skid sizes range from 4' x 6' to 8' x 20'.

Climate Change

While the discussion surrounding climate change and oil and gas production has, at times, become adversarial, Flogistix focuses on the solutions the company can provide to producers to capture GHGs while improving the climate and providing reliable and affordable energy to the world. Making energy accessible especially to the less fortunate is a driving force within the company.

From the company's inception, Flogistix has been a proponent of cleaner energy, and the very nature of our business promotes the capture of methane. We believe our input in the development of regulations affecting methane, our area of expertise, helps not only the regulators but also the operators. Who better than the experts to guide the development of rules affecting our sector of the business? In 2021, the company hired its first ESG Director to not only compile this report but also monitor local, state, and federal regulations affecting the business. Through this process, Flogistix has developed policies associated with environmental, social, and governance concerns to collect all data and information related to our efforts in those areas.

The company also, for the first time, engaged in the regulatory rulemaking process. We participated in the EPA's rulemaking on methane emissions through our contributions to the agency's Methane Detection Technology Virtual Workshop and Exhibit Hall and the submission of comments to the docket in advance of the proposed rulemaking. We will supply comments in response to the final rule announcement when it is released sometime in 2022. We support the establishment of performance-based standards to help companies meet

regulatory requirements and believe we can help domestic operators produce the cleanest barrels of oil in the world.

In order to protect our employees from extreme weather events caused by climate change, the company uses a text app to warn of impending dangerous weather conditions. In addition, employees are encouraged to download weather and local news apps and set alerts for changing weather conditions. With potentially life-threatening weather occurring at our manufacturing facility in Pampa, Texas, we have an audible alarm system to warn staff of lightning and tornadoes near work activities.

Since the company provides vapor recovery and leak detection and repair services to the upstream and midstream segments of the oil and gas industry which help to reduce the emissions profile of its customers, the demand for our equipment and services has grown substantially over the past few years. Management and the Board of Directors monitor equipment demand and adjust capital expenditures based on industry conditions. In addition, Management and the Board monitor the company's leverage ratio to make sure the business does not take on too much debt.

The company's efforts are guided by operators' initiatives to address climate change. This includes helping to fulfill the desire to have a smaller footprint on the wellsite, educating the operator on how they can reduce their impact on climate change through methane capture and detection, and helping to calculate the amount of carbon they are using through vapor recovery units.





Wifi



Drones



Cloud Access



Cameras



Mobile



Computer

Technology

Our culture of innovation has led the company to develop cutting-edge technologies resulting in revolutionary business outcomes. Through Production Optimization, Digital Enablers, and Atmospheric Solutions, our team works to eliminate emissions across the oil and gas value chain.

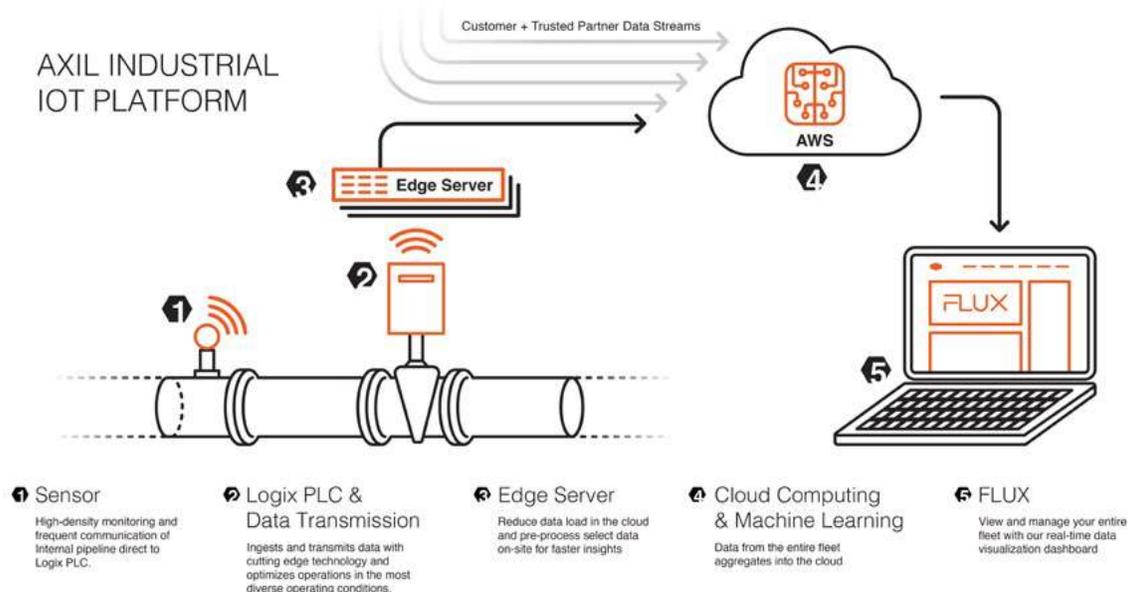
Production Optimization includes Smart Gas Lift, a mechanical design that uses full gas compressor automation to achieve the perfect injection rate, and computerized petroleum engineering. The company’s LOGIX PLC provides and allows for control of our VRUs to within sub-ounce pressures. This automation and tight control are vital to providing an effective VRU solution that captures as many vapors as possible. Our Wellhead Compression helps mature wells increase gas flow rates. Flogistix’s equipment is designed with an engineering approach that reduces emissions and protects the environment.

Digital Enablers include a full feature Industrial IoT (IIoT) platform and equipment to monitor and analyze runtime calculations providing up-to-the-minute operational data. Flux, a web-based application, allows the user to view and manage a fleet of compressors, VRUs, and other specialty equipment by providing real-time text messaging alerts for downtime events which may result in venting or flaring as well as reports on unit uptime and downtime providing valuable data for customers to utilize in EPA and locally required environmental reports. FloWorks, a field service platform, tracks equipment maintenance needs while the Multi-Stream application allows a single gas compressor to regulate the flow of multiple vapor sources. Our 3D Digital Twin application offers both Flogistix

Field Services and customers alike the ability to interact with any fleet unit in a hands-on, 3-dimensional model and review up to 300 current and historical sensor data points. Future plans include our soon-to-be-released mobile app that allows the user to view all Flux information as well as view the 3D Digital Twin.

Atmospheric Solutions provide vapor recovery and leak detection technologies to ensure wellsites are emissions-free. With tighter regulations on the release of GHGs from federal and state regulators, these technologies identify gas leaks and capture fugitive gas vapors significantly reducing or eliminating harmful emissions. Vapor recovery units capture fugitive gas vapors including methane through a compressor at the wellhead. Using data analytics and targeted technology, these units mitigate the need to vent gasses creating a safer work environment and better air quality. The AirMethane program detects vapor leaks utilizing optical gas imaging via handheld and drone methods. The aerial inspections also deploy methane sniffers and laser detection systems. Flogistix’s Responsibly Sourced Hydrocarbons (RSH) project takes production data and, using best-in-class simulation software, identifies the difference between the simulated capture amount and the actual volume revealing possible emission leaks.

Our environmental stewardship begins with our employees. Their dedication and care for the environment positively affect lives every day. We continue to learn from the data collected in order to develop best practices and further reduce emissions from our operations and that of our customers.



SOCIAL

SOCIAL

Our employees are the heart of Flogistix, and their support of our company culture results in quality service and cutting-edge products for our customers. Flogistix strives to achieve a culture of loyalty and kindness while promoting creative thinking and innovation. Our team is dedicated to developing advanced solutions to today's production challenges while supporting our operator partners in their quest to provide reliable and affordable energy to our country in the safest manner possible.

With operations all over the United States, our company embraces the diversity of our workforce by promoting an inclusive and respectful work environment. With set goals for financial and operational success, our team works together motivating each other to reach these objectives.

Employees

In an industry that is historically male-dominated, Flogistix strives to diversify employee populations in all areas. While females made up 7% of executive management positions in 2020, the company has made strides in expanding representation at the executive level by promoting its first female to the Vice President level and adding several female managers and directors during 2021 pushing that number to 20%. While minority representation at the executive management level was 7% in 2020, these changes also positively affected the company's minority representation at the director level.

Female representation at the management level was 22% in 2021 with nearly 30% of these managers identifying as Hispanic/Latino, Asian, or American Indian. At the Professional Technical level, 12% were women with 13% identifying as Hispanic/Latino, Asian, or American Indian.

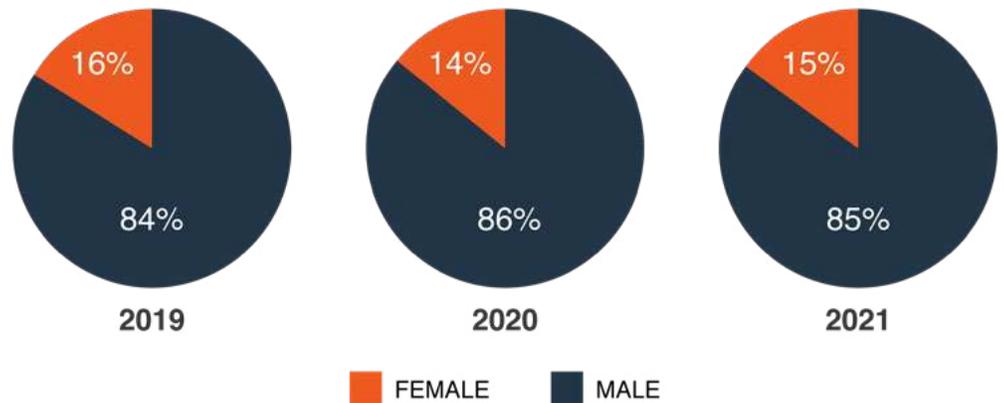
Female representation for all other employees in 2020 was encouraging at 14%. Of this group, 39% identify as Hispanic/Latino, 2% two or more races, and 1% American Indian or Black/African American. In 2021, female representation for all other employees dipped slightly to 13% with 25% identifying as Hispanic/Latino and 8% as two or more races. Due to the global pandemic and

industry downturn, the company only had 25 new hires in 2020. Likewise, the average number of layoffs was unusually high at nearly 64%. However, our employees stepped up and kept the business moving with nearly 470,000 hours worked in 2020. Our turnover rate was 35% in 2021, and with the addition of 93 new hires, our employees worked nearly 530,000 hours. Our average years of service for 2021 was 4 years and 2 months, slightly lower than the 2020 average of 5 years.

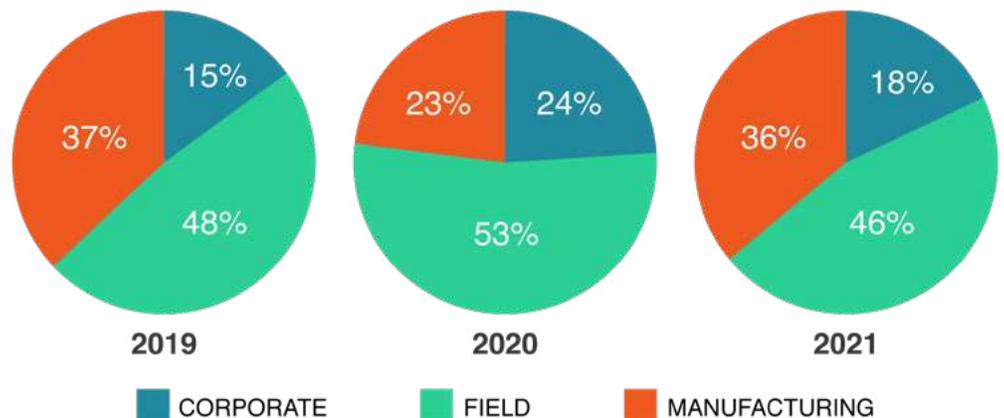
AVERAGE YEARS OF SERVICE



EMPLOYEES BY GENDER



BREAKDOWN OF EMPLOYEES





Diversity and Inclusion

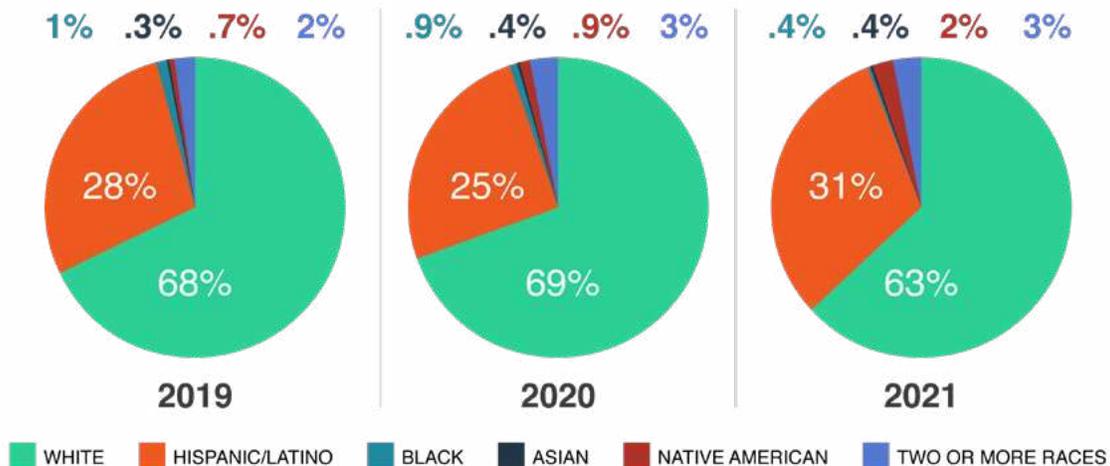
Building a diverse workplace involves creating an environment of fairness and openness. We value diversity in our company and believe this leads to success as each employee shares his or her experiences and opinions. These differences provide opportunities for innovation and problem-solving.

The inclusion of all employees in the decision-making processes conducted daily leads to an environment of teamwork and belonging. At Flogistix, we understand that our corporate culture is the driver behind inclusion in the company, and we are proud of our reputation as a kind company. We consistently receive feedback that our employees are kind, and they are. Whether it is a customer, vendor, community member, or co-worker, our employees share their caring

hearts while performing their jobs at the highest level of professionalism.

As our workforce becomes more diverse, we witness the benefits of our differences in producing creative and positive changes. In our culture of kindness, we value others and include each other in business decisions. We work to identify challenges and find innovative solutions utilizing our relationships both in and out of the company. Providing learning opportunities surrounding diversity and inclusion will be a part of the employee training program in 2022. These classes will include topics such as fostering inclusion, determining diversity's impact, and bias.

EMPLOYEES BY ETHNICITY



-  **Health Insurance** with Dental & Vision Plans

-  **Life Insurance**

-  **Disability Coverage**

-  **Parental Leave**

-  **Retirement Plan** with Company Match

-  **Tuition Reimbursement**

-  **Remote Work Opportunities**

-  **Training**

-  **EAP**

-  **Paid Holidays**

-  **Paid Time Off**

Benefits

The success of the company is directly related to the quality of our workforce. Our efforts to build and maintain an exceptional team require a competitive benefits package. Robust medical and retirement plans are offered to employees working 30 hours or more and are effective upon the date of hire. Life insurance, as well as short-term and long-term disability coverage, is also offered.

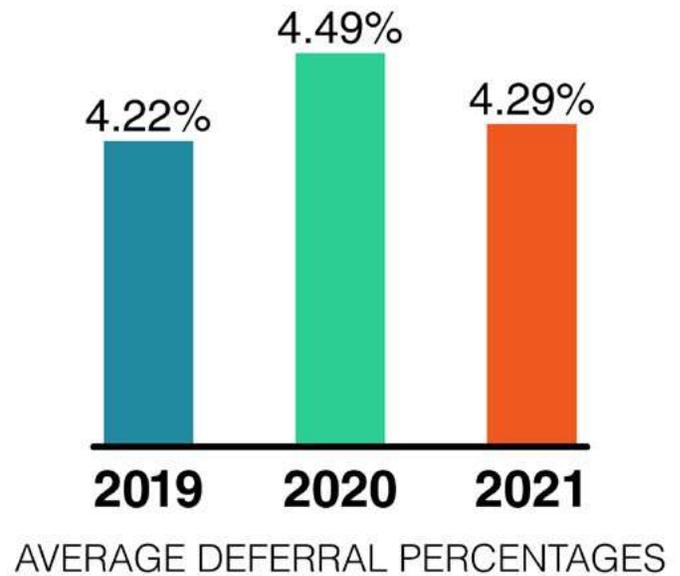
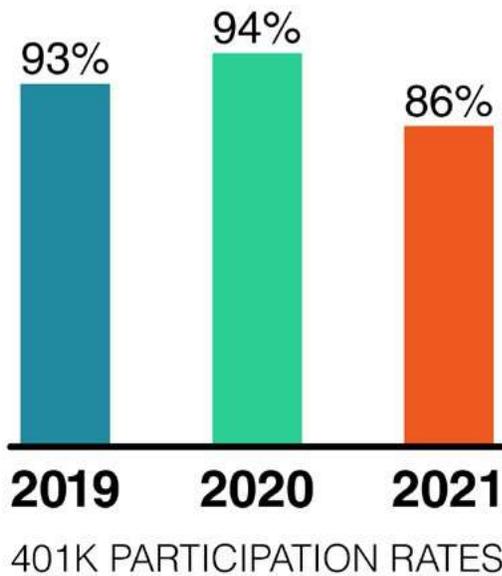
Medical

Comprehensive and preventative healthcare coverage is important in protecting our employees and their families from the financial risks of unexpected illness and injury. The company's medical offerings include two ACA-qualified plans for individual or family coverage. The company also offers dental and vision care as well as health savings accounts. The company contributes to employee health savings accounts and for 2022, the contribution was increased by 50%.

Retirement

The company provides the opportunity for employees to participate in a 401K retirement plan both pre- and post-tax deduction. The company matches employee contributions 100% on a 3% contribution and provides a 50% match on employee contributions up to 5%. Emphasis is placed on employee financial security and our workforce has taken that message to heart as more than 85% of our employees participated in the 401K plan in 2021. The average deferral percentage for 2021 was 4.29%.

RETIREMENT





Training

Our employees are encouraged to expand their knowledge and skillsets, and Flogistix provides opportunities to help them do just that. The company provides support for employees to take relevant courses provided by third parties to upgrade their job skills. In addition to paying for these courses, the company has a tuition reimbursement plan for college-level courses. Our Field Service Group has a formal training program for its employees which, upon completion, makes employees eligible for advancement. In our manufacturing business unit, we have previously offered English classes to Spanish-speaking workers, and we plan to resume these classes in the future.

Other Benefits

Unique added benefits set Flogistix apart from our competitors and help us attract and retain the best and brightest workforce. Comprehensive benefits and amenities lessen employee turnover and increase productivity.

Remote work opportunities are available for those who qualify. Although some of the company's staff have worked remotely for years, the pandemic provided other employees the opportunity to experience the remote work world. This arrangement has not only been popular with employees but has also helped to reduce the company's carbon footprint with

workers commuting to the office less often. Safety is always our top priority and driving is a daily hazard for our workforce. Remote work reduces the amount of time our employees spend behind the wheel improving safety.

Employee Assistance Program (EAP) provides confidential assistance to employees in resolving personal problems that may be adversely affecting the employee's work performance. Traditionally, EAPs have addressed issues such as alcohol or substance abuse but can also offer help and resources in the areas of child or elder care, relationship challenges, financial or legal problems, and wellness.

Life Insurance options are provided for the employee and spouse. At Flogistix, we believe the financial security of a family is paramount for financial freedom and future success, so the company covers the cost of the premiums for employees.

Disability Coverage for short-term and long-term needs provides our employees with income protection and peace of mind in the event they cannot work for an extended period of time due to illness or injury. In order to assure Flogistix families have this protection, the company covers the cost of disability insurance for employees.



Safety

Providing a safe work environment is our most important objective, and we are proud of our safety record. We believe it is our responsibility to provide a safe work environment for our employees, and we take this duty very seriously. Our employees are like family so ensuring their health and welfare is our top concern. We are proud of the fact that our EHS (Environment, Health, and Safety) Monthly Performance Goals were met consistently during 2021.

The company has an active EHS Program led by the EHS Director. Safety practices are updated continuously based on advances in technology and new understandings in health, safety, and environmental science. The company has a Corporate Safety Involvement Team that meets once a month to discuss a current safety issue, leading performance indicators, incident reviews, and regulatory activity.

The company also utilizes a Safety Improvement Committee, comprised of employees from field offices and manufacturing shops, to make recommendations to management for the betterment of the overall EHS Program. When an issue is identified, a plan is developed to address and resolve the risk. We intend to make consistent, measurable progress in implementing these changes.

Our safety program for employees begins on day one during our comprehensive orientation and continues every day after through training, mentoring, protective equipment, proper tools, certifications, and recognition. Employees are expected to follow all safety guidelines and are encouraged to stop work when dangerous conditions are present. Safety practices are important not only during work hours but on personal time as well. The company encourages employees to use proper

precautions no matter when they might be driving, using heavy equipment, or working with tools. We prioritize the use of best practices, the latest technologies, and quality materials to safeguard our employees in our manufacturing facilities and in the field. Our safety program is designed to promote a positive EHS culture for all staff and management.

Establishing and maintaining a strong safety culture is vital to the team at Flogistix. There are several aspects of our safety program designed to promote a positive EHS culture for all staff and management. We look to the following considerations to guide us each day as we promote safety throughout the company:

Communication: We hold regular meetings as a group and arrange one-on-one discussions as needed. Safety policies are easily accessible electronically through our intranet to employees and our expectations are shared frequently. The EHS team interacts one-on-one with staff during work reviews and behavioral observations, providing staff coaching opportunities daily.

Training: We focus on maintaining our positive safety culture by educating employees on the risks and how to mitigate them. This hazard awareness causes employees to embrace our safety culture more readily resulting in safer operations. Our training program includes new employee orientation, monthly group training, monthly computer-based instruction, and specialized training addressing not only internal procedures but customers and governmental requirements. Specialized training includes H2S certification, first-aid/CPR, emergency procedures, and Smith Driving techniques to name a few.



EHS “Stand Down” meetings are held after significant safety incidents. All staff, companywide, are provided with an overview of the incident and the causative factors. Best practices are discussed, and proper procedures are reviewed. If needed, certifications are pulled, and retraining is conducted.

The EHS Team addresses Target Topics such as back to school safety, winter driving tips, and the potential for heat-related injury and illness during the summer months. The company also includes the children and grandchildren of our employees in our safety initiatives. Each fall, these children are given the opportunity to enter our Kid’s Calendar Contest submitting their own artwork depicting a safety theme such as Always Wear Your Hard Hat or Stay Hydrated on Hot Days. The top 12 are chosen by a volunteer committee, and those children receive a gift card. Their artwork is then featured in a company safety calendar.

Safety Statistics: Safety metrics are a fundamental part of EHS reporting, as they offer insight into the effectiveness of our safety program and activities. Our safety performance metrics are reviewed frequently by our EHS staff to make better-informed decisions regarding training and the tools needed for a safe workplace as well as identify gaps and deficiencies in our safety program. As a company, we have not had an OSHA citation resulting in a fine in the past five years.

Leadership: Our team leads by example. Management follows all safety policies and encourages employees to follow suit. Company leadership understands that employees prioritize safety because they do.

Reporting: Employees are encouraged to report safety hazards and concerns. Our **Brake for Safety** program rewards employees for stopping work when a safety issue is identified.

Our Total Recordable Injury (TRIR) rate went down from a respectable .43 in 2020 to an even lower .37 in 2021. Our DART (Days Away Restricted or Transferred) rate, which is an OSHA calculation that determines how safe a business has been in a calendar year, is an amazing 0.00. Our combined working hours increased drastically from 469,263 in 2020 to 529,896 in 2021. This is the result of the economy responding to the pandemic and commodity prices rebounding. This increase in hours makes the DART rate even more notable.

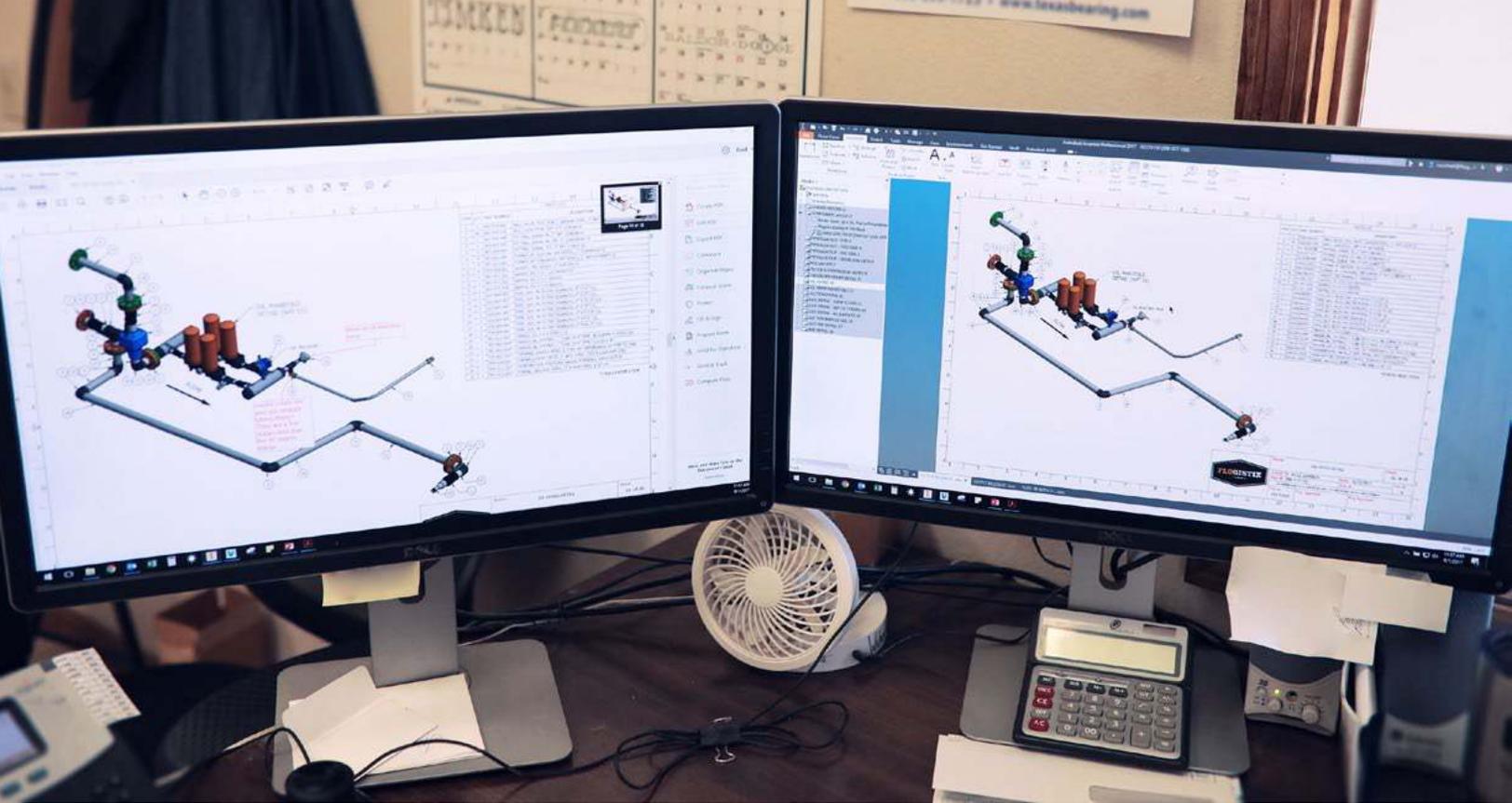


Brake for Safety

Employees feel comfortable and empowered to stop work on a job when an unsafe situation arises. Our Near Miss program, which is also initiated by staff, provides valuable leading indicator information allowing the EHS group to focus on at-risk actions or processes to prevent future incidents.

Involvement: Including employees in the evolution of our safety program gives them a stake in the policies and procedures they must follow. Who better to suggest safety processes than those performing the functions? Our Behavioral Based approach includes all staff in the development of policies and procedures. Their feedback is essential to maintaining a positive safety culture.

The nature of our business requires many of our employees to drive every day; therefore, road safety is a priority. Statistics show that more oilfield workers are killed in highway collisions than in any other on-the-job accident. OSHA reports that roughly four out of every 10 workers killed on the job in the oil and gas industry are killed as a result of a highway vehicle accident. Our Total Vehicle Incident Rate increased from .21 in 2020 to .40 in 2021 as our total miles driven increased from 4,760,830 to 4,908,240. Our Chargeable Vehicle Accidents did increase from one in 2020 to two in 2021; however, no fatalities resulted from these accidents.



Cybersecurity

As a technology company, data security risks exist every day. Cybersecurity is a priority, and our team understands the real-life cost a breach can mean to an organization. Investing in highly skilled IT professionals provides our customers with the expertise to maintain secure data maintenance and deployment. This team meets weekly and discusses cyberthreats, safety plans, deterrence measures, and procedures. Our security plan includes quarterly automated and manual scans for vulnerabilities. We employ both Google and Crowdstrike tools, analyzing and assessing any threats. We convert any necessary remediation work to tickets in our Agile tool (JIRA) to address permanently. This applies to both custom software we write and infrastructure changes. We had no data breaches in 2020 or 2021.

Understanding the importance of the data analytics we provide to our customers necessitates constant training and updating for all employees, Flogistix is committed to giving our employees all the tools necessary to protect our computing systems, data assets, and infrastructure. An annual refresher course on cybersecurity is required of every Flogistix employee. Additionally, in response to the change in work environments due to the pandemic, all employees are required to attend training on cybersecurity for remote work. Company expectations in regard to information systems are also outlined in the Employee Manual where details surrounding data confidentiality, communication system usage, privacy, and appropriate data management are outlined in the Employee Code of Conduct.

Management and protection of company technology are also addressed in the Employee Manual. As Flogistix develops its own technologies, safeguards must be put in place to protect

the company and the customer from theft and fraud. This includes proprietary and patented software packages, mobile applications, and field equipment.

Whether it is information provided by our vapor recovery units, compression technology, or methane detection program, our employees understand that in order to improve our data security program, action must be taken to prevent breaches by adopting best practices as necessary and creating an atmosphere of collaboration in order to solve problems. This digital mindset is vital to advancing our carbon capture mission and disciplined management is essential to protecting it.



Community Support

Our community-giving efforts are focused on at-risk youth. We look for opportunities to demonstrate strong corporate citizenship, and we invest in initiatives that have hands-on programming for these young people. Providing options to those who might not otherwise have them is at the core of our giving. We support the youth in the communities where we work because it is the right thing to do for our neighbors. This support was especially important as the country continued to navigate a pandemic.

In 2021, we gave more than \$60,000 in charitable donations to nonprofits in our local communities.

We believe our future is in the hands of the young, and we must provide support and encouragement to all youth in order to support growth and success in the future.



In 2021, the company supported **The Genesis Project**, a nonprofit treatment facility. Located in the Oklahoma City metro area, this organization strives to provide the highest quality residential services and trauma-informed treatment to abused and neglected boys.



We supported the **Lynn Institute's Count Me In 4 Kids** program that provides resources to children in foster care, those aging out, and their families. This program not only works to match services with needs, but the group is also constantly recruiting Oklahomans to become foster parents.



Our support of youth extended to the Pampa, Texas community where the company's main manufacturing facility is located. Flogistix supported **The Bridge Children's Advocacy Center** in both Pampa and Amarillo. The Bridge was formed in 1984 to streamline efforts to address child abuse in the Texas Panhandle. Law enforcement agencies, Child Protective Services, medical professionals, and the judicial system came together to establish the first Case Review Team in the state to help reduce the trauma suffered by children affected by abuse cases.



Support for the arts continues to be a priority for the company, and employees supported Oklahoma City's **Allied Arts** community programming again in 2021. This initiative ensures that a variety of local arts organizations have the tools and resources they need to remain strong and to offer quality programming to the public. Together these agencies touch the lives of more than one million people annually, including more than 462,000 arts experiences for school-age children last year.



The company also supported **FARA, the Friedreich's Ataxia Research Alliance**. Friedreich's ataxia is a debilitating, life-shortening, degenerative neuro-muscular disorder affecting mostly children between the ages of 5 and 18. FARA is supporting research that will improve the quality and length of life for those diagnosed with Friedreich's ataxia and will lead to treatments that eliminate its symptoms.

Flogistix also supported:



OU Football donation



Toy Donation for Children's Hospital

GOVERNANCE

GOVERNANCE

As a company led by a private equity partner, Flogistix is guided by a team whose interest in the company is personal. The expectations are high for transparency, integrity, and accountability. As experienced industry professionals, the Board brings specific expertise and knowledge to the table in an effort to produce maximum results from their investment. Good corporate governance is a priority, so they meet regularly and maintain a very active role in the control of the business by closely managing risk and reducing the opportunity for fraud and corruption. By maintaining strong governance, the Board is able to ensure value is returned to investors.

Leadership within Flogistix is guided by appropriate corporate governance principles. Established values and philosophies direct all company decisions leading to an environmentally, socially, and financially responsible organization. Company best practices include effective risk management, proper financial accounting, comprehensive insurance coverage, and superior reputational integrity.

Utilizing the Enterprise Risk Management methodology, company leaders have examined risk from a top-down strategy aiming to identify, assess, and prepare for potential losses or hazards. Plans involving risk management include cybersecurity protections, a robust safety program including training for all employees, appropriate safety reporting, and the compilation of monthly safety statistics.

Proper fiscal accounting procedures are followed to provide accurate financial reporting and internal controls to safeguard the company's assets. In order to manage sustainable risk and internal controls, duties are segregated to disperse critical functions to more than one person. This structure lessens the risk of errors and fraud while providing better protection of company assets.

Audits conducted by an international accounting firm are also part of the company's risk management plan. This process allows the company to anticipate and balance financial risk while planning accordingly to stay ahead of the competition. Appropriate audit practices ensure the company's operations are effective, that financial information is reliable, and that applicable regulations are being followed.

Comprehensive insurance coverage is a priority in all aspects of the business. The coverage protects company assets from risk involving employees, customers, the general public, or natural occurrences. Our employees, the physical properties, and the intellectual properties of the company are all protected providing long-term financial value for the company.

Maintaining reputational integrity drives all risk management initiatives. Ensuring Flogistix is a safe, fair, and honest company guides all decisions made within the organization. The oil and gas industry has its reputational challenges, so maintaining a high code of ethics is a priority. The exceptional brand that is Flogistix generates loyal customers, and the market value of the company reflects the high level of excellence associated with the brand's products.



ESG Program

The focus of adding value to the company required the identification and development of a cohesive ESG effort. This began with the hiring of the company's first-ever ESG Team consisting of a Director and Assistant Director, and the establishment of an ESG Committee to provide direction, define goals, and recommend initiatives to drive improvement. The committee is comprised of leaders from various departments across the company including Finance, Operations, Human Resources, EHS, Sales, Engineering, Manufacturing, and IT. Company processes are constantly evaluated and updated to reflect the ESG mindset now established within the company.

Looking through an ESG lens, the team has helped the company improve with initiatives such as:

- Reviewing performance trends and recommending changes to drive improvement.
- Reviewing and recommending corporate-level ESG policies.
- Promoting ESG-related best practices.
- Evaluating changes needed for future success.

The ESG Committee has informed management on regulatory and legislative issues that could impact business strategies and operations. The team has engaged with both national and state officials in an effort to positively affect outcomes related to methane management.

As an internal ESG Committee was assembled, outside consultants were leveraged to help in the compilation of data for the company's first-ever ESG report.

Public Advocacy

In order to better understand how governmental action can affect our business, an effort was started to focus on public advocacy regarding government policies, legislation, regulations, and executive actions that impact our business. As the conversation continues regarding the environmental sustainability of fossil fuel production, Flogistix began public advocacy efforts at the state and federal levels to share our expertise with decision-makers regarding methane emissions and other issues pertinent to our company.



Capitol

In 2021, our team engaged federal lawmakers in thoughtful discussions concerning legislation and agency rulemakings affecting the oil and gas industry. Topics discussed ranged from methane capture and detection to drone use and climate change. Select members of Congress were provided facts and figures to educate them on our segment of the industry and how they can help provide leadership on issues.

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Regulations

We encouraged the development of sensible, realistic energy policy and emphasized the value of fossil fuels through our participation in various regulatory rulemakings. We believe our participation is vital to ensuring that important decisions about energy production and use are made with adequate information and data. Our participation in the political process is consistent with federal and state rules and regulations.

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Leaders

We are supportive of thoughtful, robust, and balanced energy policy resulting in sensible, realistic, and environmentally responsible energy solutions. Company leaders support the use of performance-based standards in the formulation of government standards thus encouraging companies to use their best skills to advance technology and achieve outcomes that make a difference.

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Membership

The company expanded memberships in industry coalitions and trade associations in order to share expertise on emissions issues and to collaborate with other oil and gas companies to address legislative and regulatory challenges facing the industry. We actively seek opportunities to engage with regulators and legislators to proactively shape policies that are beneficial to all stakeholders.

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Rep. Stephanie Bice & Flogistix

Employees are active in industry groups such as the:



ESG
REPORT
2021



FLOGISTIX
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