



# 2022 Sustainability Report



ENVIRONMENTAL



SOCIAL



GOVERNANCE



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**Progress: to advance or develop toward a better, more complete, or more modern state.**

Progress is the objective at Flogistix, and in 2022 our company reached goals that we could only dream about twelve years ago when the company was founded. We expanded our manufacturing capabilities in response to demand from our customers who have made emissions reduction and environmental protection their top priority. We are proud to partner with them to reach their emissions goals.

Sustainability and corporate social responsibility are the most impactful components of our business. Whether it is emissions reductions, employee safety, or risk management, we continually invest in technologies that improve operational productivity while adding value. We are very proud of the first-class methane capture and detection technologies offered by Flogistix and the positive impact our work is having on the global environment.

**Applying ESG principles to business decisions drives investment and is expected by our customers.** At Flogistix, climate-related risks regarding methane directly affect our business and technology decisions. With targeted investments we have achieved measurable progress that benefits all our stakeholders, from our investors to our customers, our employees, and the local communities where we work.

The World Bank reported that global gas flaring volumes fell by three percent in 2022. The report, prepared jointly with the Global Gas Flaring Reduction Partnership, used satellite-based estimates that showed three countries accounted for the majority of the global reduction: Nigeria, Mexico, and the United States. This reduction was achieved while global oil production increased by five percent. Deployment of emissions abatement solutions is happening globally, and we are proud to be a part of this movement.

**As the global population continues to use 100 million barrels of oil a day or more, solutions are needed to ensure emerging populations have access to affordable and reliable energy.** The elimination of fossil fuels will not happen in our lifetime so developing technologies to manage emissions is key. Capturing these gases is a priority not only for governments and companies, but for society.

**Thank you for your interest in Flogistix.**

# Introduction

**At Flogistix, our main objective is to lead the oil and gas industry to a low carbon future with our cutting-edge technologies.** This includes the deployment of vapor recovery units, use of specialized computing systems and data streams, and instituting methane detection inspections via drone. The deployment of all three components creates a system of protection for the environment using well established protocols.

The backbone of our system is the Vapor Recovery Unit (VRU). The VRU consists of an electric motor or natural-gas fueled engine that supplies power to a compressor which collects and compresses low-volume gas streams for injection into a sales gathering line, fuel gas system, or a meter run. The gas collected is not a waste stream as it is usable gas and therefore is a revenue stream for producers.

As the global push to reduce methane emissions increased in 2022, the team at Flogistix continued to provide options to our customers to eliminate methane emissions and find fugitive leaks throughout the upstream and midstream processes. It's our daily focus, and our employees constantly strive to find better ways to manage emissions. **Our top priority continues to be providing specialized computing systems and data streams to help reduce environmental impacts of oil and gas production, and we are proud of the advances our team made in 2022.**

As regulatory agencies worldwide mandate changes to production processes involving emissions, we have responded by increasing communication with our customers regarding these requirements. Addressing the impact of these changes has become part of our process as our entire team works to understand how each regulation will impact our customers.



“technology developed by the Flogistix team provides vital statistics regarding environmental sustainability”

As ironic as it may seem, the fossil fuel industry is fighting to survive, fending off attacks from every direction while providing innovative technologies to meet regulatory demands. With a political environment based on the idea of an energy transition from traditional forms to renewables as well as financial pressure from investors insisting companies address ESG requirements, traditional drilling and production methods are no longer an option for producers. Finding opportunities to reduce the carbon footprint of extraction and production processes is vital for success, and Flogistix is prepared to lead this progression.

While the current drive to energy transition is changing the oil and natural gas industry in ways many never anticipated, technology developed by the Flogistix team provides vital statistics regarding environmental sustainability. Flogistix data provides prompt and accurate emissions management details suitable for ESG reporting. **This sustainability report highlights the progress made in our work to protect our environment, engage in socially conscious corporate fundamentals, and provide transparent governance of our business functions.**





## Company Overview

Change can be exciting and challenging and in 2022, Flogistix experienced both. Unprecedented growth was the theme of the year as our manufacturing capability was significantly expanded with the opening of our second production location in El Reno, Oklahoma. **The addition of a new facility brought new faces to the organization as our number of employees increased by nearly 100.**

We continue to deploy vapor recovery and compression technology throughout the United States as we work with our customers to meet their emissions and decarbonization goals. With technology in nearly every major U.S. shale play and basin, Flogistix assists our producer partners with all their compression needs while reducing the environmental impact of oil and gas production and transport.

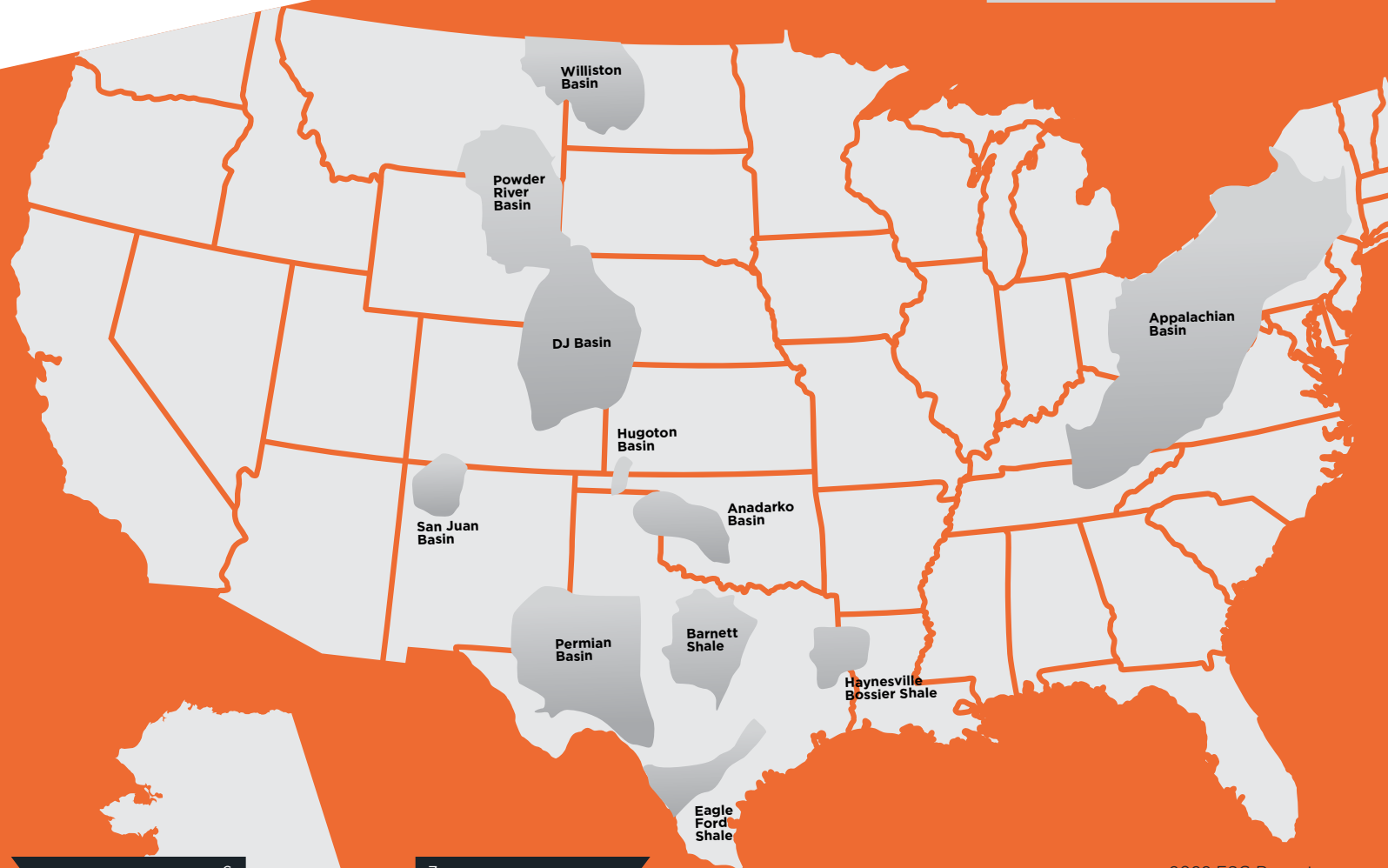
In partnership with emissions capture, our AirMethane program uses state-of-the-art technology to identify fugitive gas leaks significantly reducing emissions. Utilizing drones, our team provides high-quality aerial imagery and precise leak documentation through GPS. As regulatory agencies mandate increased inspections of well sites and equipment, AirMethane offers companies cost-effective technology to meet these requirements while protecting the environment.

EMPLOYEES  
INCREASED  
BY NEARLY  
**100**

## Location map

As our Sustainability program has matured, our employees have embraced our efforts and routinely offer suggestions as they learn about the initiative. Our internal communication efforts have resulted in a workforce that understands and appreciates the global emissions problem, and the need to provide affordable, reliable, and clean energy to the globe.

**Our team is proud of the work they are doing every day to positively affect lives in the United States and beyond.**





## El Reno Opening/Open House

The increasing demand for Flogistix vapor recovery units presented an opportunity for the company to expand in 2022. While manufacturing operations in Pampa, Texas have been the backbone of the company since its inception in 2011, the new facility in El Reno, Oklahoma enables additional capacity that will support demand

increases beyond three times historical run rates once fully scaled. The new operation includes over 165,000 square feet of manufacturing space and could ultimately bring over 200 jobs to the surrounding area located west of Oklahoma City and in the heart of the Anadarko Basin.

OVER  
**165,000**  
SQUARE FEET OF  
MANUFACTURING SPACE

COULD  
ULTIMATELY  
BRING  
**OVER 200 JOBS**

TO THE SURROUNDING AREA LOCATED  
**WEST OF OKLAHOMA CITY** AND IN THE  
HEART OF THE **ANADARKO BASIN**



Flogistix President and CEO Mims Talton, Rep. Frank Lucas, Governor Kevin Stitt, Vice President of Manufacturing Kevin Pollard, El Reno Mayor Matt White, and Ed Davis, Vice President, White Deer, on the stage during our **open house celebration**.

**More than 200** community members, dignitaries, employees, customers, and friends attended the open house celebration.



Flogistix **vapor recovery units** were on display during the open house.



Technology used for Flogistix's **AirMethane program** was on display at the open house.



## Climate Change

As we all know, methane continues to be the main focus of the emissions recorded on production sites. It is the principal component of natural gas, and its greenhouse gas effect is 28 times greater than carbon dioxide. Both are classified as greenhouse gases that exist in the Earth's atmosphere and trap heat thus causing the warming of our planet. The production process of fossil fuels continues to be the main driver of emissions as methane and other gases are released through venting and flaring, and from fugitive leaks.

A recent World Bank report noted that in 2022, the United States **reduced flaring by 9%** and its **flaring intensity by 14%** compared to 2021 levels despite an increase in oil production. Operators are working hard to meet emissions goals that include reduced flaring, and we are proud to help provide them with the tools they need to meet these goals.

## Sustainability Program

As the demand for our products increases, so does the opportunity to expand our sustainability program. As we look to our asset integrity and environmental protection, we are constantly adding new policies to ensure quality operating procedures are in place and care is given to the environment where our units are manufactured and deployed. Social implications focus on employee safety and wellness, which are at the forefront of our daily operations. Transparency in our business practices guides all decisions in relation to our governance program.

For the first time, Flogistix participated in a sustainability questionnaire to assess the company's efforts as set forth by customer expectations. Founded in 2007, EcoVadis is one of the most comprehensive sustainability rating services in the world. The EcoVadis survey benchmarks a company's sustainability performance based on four key themes: environmental impact, labor and human rights standards, ethics, and procurement practices. Using benchmarks set by EcoVadis, we identified areas of strength and weakness that have guided changes in policy, procedure, and results monitoring. The use of this platform allows us to update our input as change occurs within the company providing our customers with up-to-date data about Flogistix.



## INTRODUCTION TO Environmental







## Environmental

The basis of our environmental program is providing our customers with technological solutions to their emissions needs. We are proud of our industry-leading 98% runtime and the impact it has on business. Whether we are helping our clients eliminate potential environmental impacts, meeting the objectives set by stakeholders, or providing peace of mind that the equipment is performing at peak performance levels, our vapor recovery units allow customers to capture valuable associated gas generating a revenue source while meeting state and federal regulatory mandates.

## Emissions Management Overview

Our first goal is to properly manage emissions from our own operations. We rely on technological innovation, operational best practices, and out-of-the-box thinking to achieve this objective. The company's largest source of emissions is the use of natural gas and electricity for power on our fleet of compressors. We are actively exploring energy efficiency technologies such as IoT (Internet of Things) sensors and machine learning to reduce the amount of energy needed by our compressors. This information is used by field service team members to identify compressors in need of adjustments to their recycle systems to achieve maximum efficiency reducing wear and tear on the units and maintenance needs.

Our corporate greenhouse gas (GHG) emissions inventory was conducted by WAP Sustainability Consulting. Several GHG accounting standards and guidance documents including World Resource Institute's (WRI) GHG Protocol, which is the most used and respected international standard for how to measure, manage, and report GHG emissions, were used. Additionally, WRI's Corporate Value Chain Accounting and Reporting Standard was used for this inventory. This standard guides Scope 3 emission categories that are outside the control of an organization but still influenced by the organization's business decisions.

## Scope Emissions

The calculation of GHG Emissions Used recognized emission factors from The Climate Registry, Intergovernmental Panel on Climate Change (IPCC), and the United States Environmental Protection Agency (EPA). Following standard greenhouse gas accounting procedures, calculated emissions were classified as Scope 1, Scope 2, or Scope 3. Scope 1 emissions are direct emissions within an organization's boundary.

Scope 2 emissions are impacts related to the purchase of electricity, and Scope 3 emissions, as stated previously, occur because of outcomes related to business decisions.

SCOPE 1  
**5500 mt CO<sub>2</sub>e**

Direct emissions related to company facilities and company vehicles

SCOPE 2  
**636 mt CO<sub>2</sub>e**

Electricity (Location-Based)

**674 mt CO<sub>2</sub>e**

Electricity (Market-Based)

Indirect emissions related to the purchase of electricity

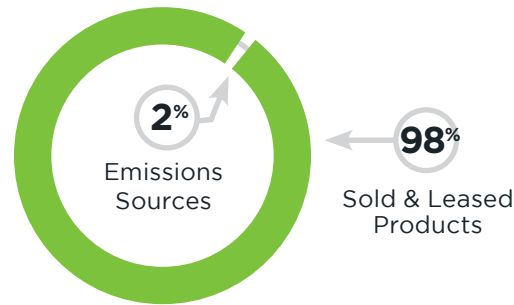


# Emissions Report

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.

The overwhelming majority of emissions from our company's activities are a direct result of the field operation of our products. In total, the use of sold and leased products accounts for 98% of Flogistix's calculated carbon footprint. This value includes the electricity and natural gas used to drive the company's

VRU units in the field. However, it should be noted, the savings from capturing natural gas that would have otherwise been released into the atmosphere far exceeds the emissions associated with the product's energy demands.



**Through the use of vapor recovery units, Flogistix captured an estimated 10.9 MMT CO<sub>2</sub>e in 2022** exceeding the 10.1 MMT captured in 2021. The avoided emissions assessment found that the carbon savings realized from the use of Flogistix's 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 13 times greater than the emissions impact of Flogistix's operation.**

Net Avoided Emissions	Metric Tons (MT) CO <sub>2</sub> e
Flogistix's Total Calculated Carbon Footprint (Total of Scope 1, 2 & 3)	758,000
Avoided Carbon	10,900,000
Net Benefit*	10,200,000

\*Net benefit = Avoided Emissions - Flogistix's Total Calculated Carbon Footprint

Total Avoided Emissions (Units)	Data Point*
[SCF/day] flow rate of flare gas captured, in cubic feet	169,518,184
[MMBTU/MSCF] energy content of captured gas	2.5
KG CO <sub>2</sub> e per MMBTU of thermal energy by combustion of natural gas	71.0
Avoided Natural Gas Combustion Emissions (MT CO <sub>2</sub> e/year)	10,900,000

\*The result of avoided natural gas combustion emission is rounded down to three figures of significance to conservatively account for the uncertainty in the calculation.

Flogistix GHG Emissions 2021 (Metric tons CO <sub>2</sub> e)*			% of Total Emissions	Materiality 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
	Leased Product Use-Electricity	83,700	19.9%	Highly Material
	Leased Product Use-Natural Gas Combustion	88,700	21.2%	Highly Material
	15-Yr's Use of Sold Product-Electricity***	178,000	42.4%	Highly Material
	15-Yr's Use of Sold Product-Natural Gas***	61,100	14.6%	Highly Material
	Product Raw Material Embodied Carbon	2,630	<1%	Immaterial
Total Emissions:		420,000	100%	

\*All the emission value shown in the table has been rounded up to three figures of significance to account for the inherent uncertainty of GHG emission calculation.

Flogistix GHG Emissions 2022 (Metric tons CO <sub>2</sub> e)*			% of Total Emissions	Materiality Level
Scope 1	Company Vehicle Use	4,900	<1%	Immaterial
	Stationary Natural Gas Combustion	554	<1%	Immaterial
	Fugitive Emissions of Refrigerants	47.7	<1%	Immaterial
Scope 2	Electricity (Location-Based)**	636	N/A	N/A
	Electricity (Market-Based)**	674	<1%	Immaterial
Scope 3	Water Use	11.2	<1%	Immaterial
	Wastewater Treatment	57.2	<1%	Immaterial
	Mobile Fuel Combustion	318	<1%	Immaterial
	Leased Product Use-Electricity	99,600	19.9%	Highly Material
	Leased Product Use-Natural Gas Combustion	117,000	21.2%	Highly Material
	15-Yr's Use of Sold Product-Electricity***	468,000	42.4%	Highly Material
	15-Yr's Use of Sold Product-Natural Gas***	59,900	14.6%	Highly Material
	Product Raw Material Embodied Carbon	7,110	<1%	Immaterial
Total Emissions:		758,000	100%	

\*All the emission value shown in the table has been rounded up to three figures of significance to account for the inherent uncertainty of GHG emission calculation.

## Noise Management

As a good neighbor, Flogistix is aware of the noise that is associated with our equipment. In partnership with our operator partners, we utilize VRUs with noise canceling capabilities, reducing noise reduction to less than 50 decibels. Construction of walls with sound-absorbing materials around the well site also helps to reduce any disturbance to neighbors.



## Spill Management

Our EHS team has an established policy outlining the proper procedures to follow in the event of a spill as well as best practices to prevent an incident. The team continually educates employees on the proper processes and reporting guidelines, and all incidents are reviewed for possible procedure and educational updates.



## Land Management

While we recognize that the wellsite or tank battery is designed and constructed by the operator, we take our partnership very seriously and work with customers to ensure minimal effect to the landscape. We design the skids on our units to minimize the required footprint of the equipment. The skid sizes range from 4' x 6' to 8' x 20'.



## Recycling

**Flogistix plays a part in reducing pollution and greenhouse gas emissions as well as improving the environment by ensuring we reuse or recycle our materials.** All Flogistix field offices and manufacturing facilities participate in recycling programs; however, our Pampa, Longmont, and El Reno locations have done significant work to increase their efforts.

Our Pampa manufacturing facility has received more than \$10,000 from recycling unused metal parts. Since 2013, recycling scrap metals from standard steel tubing and other material used to build VRUs has generated more than \$7,000. Apart from general metals, the Pampa facility has been recycling large amounts of paint thinner for the past ten years. Paint thinner is used as a clean-up solvent and is recycled by a company that collects used oil and other materials from manufacturing sites, through a program called "Thinner Exchange." Our Pampa location recycles around 330 gallons of paint thinner per month. For nearly 10 years, the Pampa team has been recycling cardboard by creating compressed bales and utilizing a press machine that is located onsite. Six to eight bales weighing nearly 600 pounds each are created each month saving the company approximately \$8,000 a year in disposal costs. Wood from the pallets used for shipping components is also recycled.

**The El Reno manufacturing facility began recycling efforts almost immediately after opening in August 2022.** The facility currently has recycling bins to collect stainless steel, cardboard, plastic, wood, used oil, oil filters, and office paper. Wood is now the most recycled material in El Reno because of the pallets and crates used to transport larger parts for VRUs.

Flogistix's Longmont manufacturing facility also contributes to the great recycling efforts. **Since 2015, nearly 220,000 gallons of used oil have been recycled providing great environmental benefits and providing product for recycling projects that process the oil into raw materials for future use.**



Pampa's Cardboard Baler



**\$10,000**  
received since 2013

**330 gals**  
paint thinner recycled/month

**220,000 gals**  
oil recycled since 2015



# Environmental Technology

## Quality Management System

With the increase in demand for our products, the manufacturing division evaluated current processes and determined an upgrade was needed. Establishing a Quality Management System provides employees with methods to help the team deliver high-quality products as efficiently as possible. This defined system documents processes, procedures, and responsibilities to create an actionable plan for reaching quality management goals.

### Benefits of implementing a plan include:

- Defining, improving, and controlling processes
- Reducing waste
- Preventing mistakes
- Lowering costs
- Facilitating and identifying training opportunities
- Engaging staff
- Setting organization-wide direction
- Communicating a readiness to produce consistent results

In late 2022, Flogistix announced the hiring of a Director of Quality and Operational Excellence to focus on developing a Quality Management System at both our Pampa and El Reno manufacturing facilities.

## ALARM Certification in NM

The Flogistix AirMethane inspection program offers customers monitoring in all working environments where emissions may occur. The testing occurs through handheld and aerial means for both the upstream and downstream sectors. The program achieved ALARM (advanced leak and repair monitoring) certification from the state of New Mexico for the company's laser and sniffer technologies. The ALARM program allows an operator to earn credits that can be used to offset a portion of the company's annual total volume of lost gas by utilizing technology not required by applicable state or federal law, rule or regulation.



## Equipment Features

### Equipment Feature

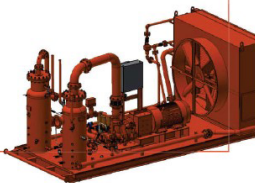
#### FX20V300 IS TOP CHOICE

By Aaron Baker, Vice President of Engineering and Ryan Coe, Production Manager

The FX20V300 has been a superstar in our compressor fleet recently. This is a large screw compressor with a 300hp electric motor and is well-suited to the larger producing locations. The applications for larger machines have been growing, but electricity is not always available on location, so we added a natural gas engine driven version of this 204mm screw compressor, the FX20.

This machine is driven by a Caterpillar GTA3406 engine and is presently the largest standard unit in our fleet that uses a natural gas engine. The Cat engine is rated at 276hp and the LeRoi 204mm screw can handle up to 350 psig. In most vapor recovery scenarios, the FX20 is capable of capturing more than a million standard cubic feet of gas per day!

This big machine weighs about 40,000 pounds and will definitely catch your attention if you see it being transported. Vapor recovery applications about 10 years ago involved gas volumes that were usually 20 times less than what the FX20 can handle, but as drilling technology improves and our clients are grouping multiple wells onto single pads, the role of a vapor recovery unit is growing in size and importance. There's much more gas to be captured and there's much greater concern for the environment, which means we have to get even better at capturing it all. In those short 10 years, Flogistix has become the absolute leader in doing vapor recovery right and helping our energy industry to work cleaner and more responsible. Also in those 10 years, the demand has grown for more and more capacity in the VRUs. With the FX20, we give that critical, precise control that we always have, but with a much higher capacity.



As part of the company's initiative to educate all employees about the technologies developed by the company and how they protect the environment, the Flogistix newsletter *FloLine Digest* includes articles explaining the how and why of vapor recovery, compression technology, and methane detection. SMART Gas Lift, different models of vapor recovery units, as well as successes in the field have been highlighted.



## Environmental Technology



### Production Optimization

In an effort to reduce emissions while capturing as many vapors as possible, Flogistix's production optimization includes Smart Gas Lift. This mechanical design uses full gas compressor automation to achieve the perfect injection rate. The company's LOGIX PLC, which gives devices on the manufacturing floor the capability to interface with a SCADA system, allows for control of our VRUs within sub-ounce pressures.

### Digital Enablers

Flogistix equipment utilizes industrial equipment and an IoT platform to monitor and analyze runtime calculations providing real time operational data. In addition, customers can manage their fleet of compressors using our web-based application, FLUX. Reports acceptable for use in regulatory compliance provide details of downtime events, unit uptime, and

other variables. FloWorks tracks the maintenance and equipment needs of the fleet, giving the company's field service employees valuable data to ensure high run times. Our patented Multi-Stream application allows multiple vapor sources to be regulated by a single gas compressor.

### Atmospheric Solutions

The company's AirMethane program detects vapor leaks utilizing optical gas imaging, sniffers, and lasers attached to drones. As regulatory bodies worldwide continue to update regulations related to methane emissions, our units can pinpoint fugitive leaks accurately and quickly.





## Expansion into the Middle East

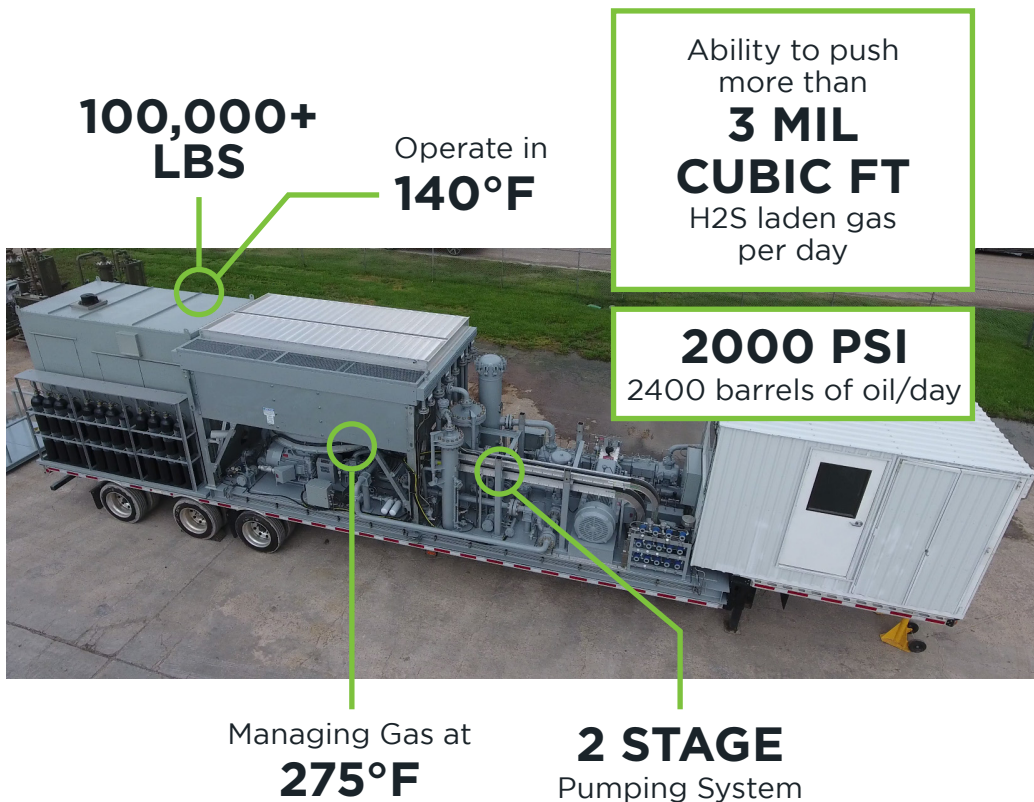
For the past seven years, Flogistix has been committed to a project in Saudi Arabia with our partner in the Kingdom, Petrogistix. Like much of the world, Saudi Arabia is making efforts to reduce emissions in the oil and gas industry by eliminating venting and flaring. The Saudis are addressing this by no longer allowing a well to vent or flare during flowback. The result is a collection of gas wells that cannot produce due to liquid downhole and a lack of pressure to force the liquid into a pipeline. Enter Flogistix.

Our engineering team developed a version of our FX series to help the Saudis with their problem. The FX series was updated for the needs of this client and renamed the FXZ series with the Z standing for zero flaring.

This unit is mounted on a trailer that weighs more than 100,000 pounds and

is designed to operate in temperatures up to 140 degrees Fahrenheit and managing gas from the well at an incredible 275 degrees. The unit includes a high-pressure Ariel reciprocating compressor, an FX12V125 screw compressor, a 2-stage pumping system, and all the supporting equipment needed to create the ability to push more than three million cubic feet of H<sub>2</sub>S laden gas per day into pressures exceeding 2000 psi in addition to 2400 barrels of oil per day into the same high-pressure outlet.

The unit successfully unloaded the initial test well which is now able to flow on its own into a high-pressure pipeline with no venting or flaring needed. We expect to be utilizing this technology on more wells in Saudi Arabia and the surrounding area.



## INTRODUCTION TO Social





## Social

The social value of a company is focused on the impact of the business on its employees, communities, and local economies. Making an impact in these areas is vital to the success of a business, and Flogistix takes this aspect of our business very seriously. Whether it is offering a quality benefits package to employees or creating projects that positively impact local communities, we are invested.

## Employees

The success of Flogistix can be attributed to one factor: our employees. Their drive to deliver innovation helps operators produce much needed energy for populations worldwide while reducing harmful emissions from the extraction process. Our people live our company culture of kindness and inclusion every day. They trust and respect each other while embracing their diverse backgrounds and experiences, and they are focused on quality and improvement.

With the end of the pandemic and a substantial increase in demand for our products, our workforce grew to a new record total of 385 employees in 2022. The bulk of the increase was seen at the company's new manufacturing location in El Reno, Oklahoma, where we anticipate the workforce will continue to grow in the coming years. Also reflective of our growth is the total number of hours worked by our employees. In 2021, the total was close to 530,000 hours. In 2022, the number jumped to nearly 775,000 hours.

As we strive to hire and keep the best talent, we monitor statistics such as average years of service. With competition for employees high in this era of low unemployment, we see this data as a very positive metric. While our average went down slightly in 2022, we attribute this to the large increase in new hires. The added growth also affected our turnover rate which increased slightly from 35% in 2021 to nearly 39% in 2022.

## Average Years of Service

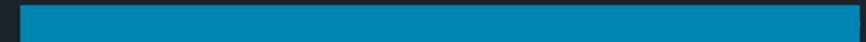
**2022** *3 years, 6 months*



**2021** *4 years, 2 months*



**2020** *5 years*



**2019** *4 years, 2 months*





# Demographics

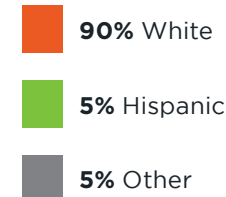
At Flogistix, we strive to diversify our workforce in all areas. In 2022, 14% of our personnel was female including 15% at the executive management level, 22% at the management level, and 15% at the professional/technical level. While the executive management and management percentages were slightly lower than in 2021, the number of women increased for the company as a whole.

As the company has grown, so has our ethnic diversity. In 2022, the

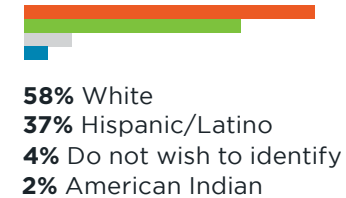
overall proportion of racially diverse employees increased by six percent as we added unique talent to our locations nationwide. Our hiring team is passionate about advancing diversity at all levels of the company and works with intention to identify those individuals who add quality to the company while embracing our culture of respect and inclusion. We have learned through past successes that varied life experiences lead to innovation and creative problem-solving.

## 2022

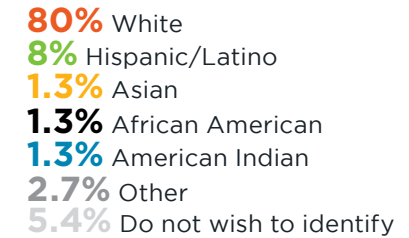
### Executive Management



### Management

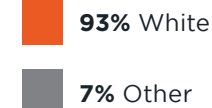


### Professional/Tech

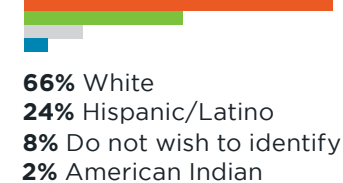


## 2021

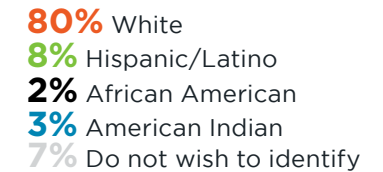
### Executive Management



### Management

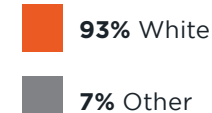


### Professional/Tech

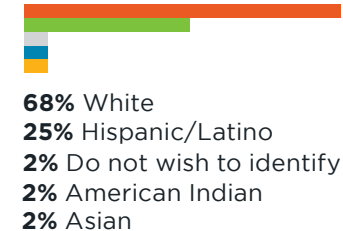


## 2020

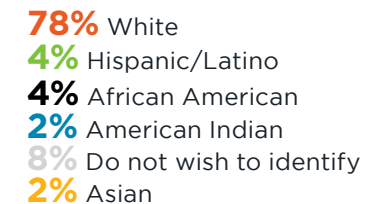
### Executive Management



### Management



### Professional/Tech



## Diversity, Equity and Inclusion

At Flogistix, we believe our culture of kindness goes hand-in-hand with the elements of diversity, equity, and inclusion. As we engage various communities, our hearts and minds are open to new ideas that benefit our workforce both on and off the job. By focusing on these values, our team understands the importance of embracing our differences and the opportunities this outlook presents.

As a team, our commitment to addressing diversity includes:



Providing documents such as our **employee manual and safety skills training** in Spanish for those employees who prefer that option. We also offer financial wellness and 401k informational sessions in Spanish.



Requiring leaders in the company to participate annually in the company's **anti-harassment training**.



Quarterly, **diversity training** on topics such as What is Diversity?, Fostering Inclusion, and Determining Diversity's Impact.

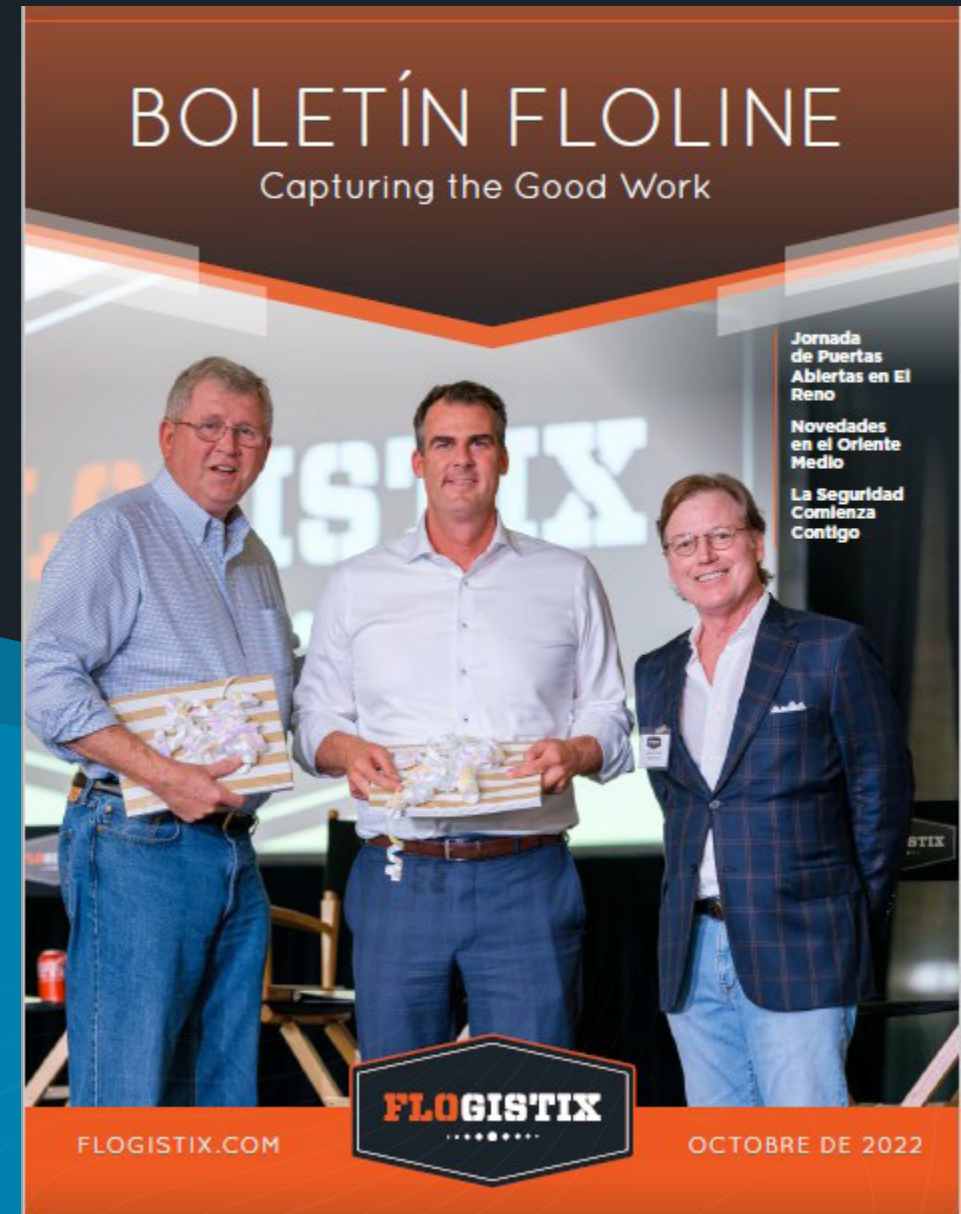
Sharing the company's **Code of Conduct** with all employees annually as a reminder of the company's expectations.



The rollout of a companywide **Ethics Hotline** in 2022 that was instituted to provide employees with an avenue to report abuses anonymously.



Participation in **diversity groups** such as Women in Energy that provide support and resources to minorities in the company.



Spanish Floline Digest





## The Flogistix Experience

The Human Resources team prioritizes the employee experience at Flogistix and works to support each team member through meaningful change. The growth of our company necessitates updates to company policies and benefits. Awareness of challenges and constant employee feedback present opportunities to make positive changes in how the company manages behavior, benefits, training, and employee development.

### Code of Conduct

In 2022, the company updated the Employee Code of Conduct. This document communicates the expectations management has for each employee regarding their behavior and is essential to protecting the company's culture. This document encourages discussions of ethics and compliance and leaves no room for doubt providing a sense of security for employees and managers alike.

### PTO

Historically, Flogistix has not allowed unused PTO to be rolled over to the next year. This practice was put in place to encourage employees to take much deserved time off in order to relax and recharge. In 2022, this policy was updated giving employees the opportunity to roll over up to 64 hours of PTO each year allowing for more flexibility and less stress for employees.

### Disability Coverage

Employees are offered disability insurance at the time of hire. This is a protection plan in the event an employee is injured or becomes ill and must be off work for an extended period of time. New in 2022, Flogistix shortened the time frame required before short-term disability benefits are available providing coverage to employees earlier after an incident.

### HSA

The company offers a Health Savings Account (HSA) to all employees. The HSA is a tax-advantaged account participants can use to pay for qualified health expenses they incur while covered under a High Deductible Health Plan. In an effort to help employees with healthcare costs, the contribution Flogistix makes to this benefit increased by 50% for calendar year 2022.





## Employee Wellness

Employee Wellness is essential not only to the workforce but also to the company. At Flogistix, we believe resources are necessary to help our employees manage their physical, mental, social, and financial well-being, and we work to arm our team with the tools needed to face these challenges head on. **It is our goal to encourage prevention in order to reduce the stress and absenteeism associated with employee wellbeing.**

Communication is key to establishing a connection between an employee and a business. During 2022, our human resources team sent monthly emails addressing various employee wellbeing topics such as mental health, relationships, and financial wellbeing and providing resources to assist with problems.

### Topics Covered in the emails included:

- Coping with Grief
- Destigmatizing Mental Health
- Suicide Awareness
- Signs of Depression
- Substance Abuse
- Beating Stress
- Financial Budgeting
- Tips for Saving Money

Prioritizing employee wellness helps our workforce feel supported and acknowledges that sometimes life is hard. We want to be a support system to help our team members manage stress, solve problems, build relationships, and improve their health each and every day.

# Benefits

We understand the importance of a quality benefits package, and we are proud of the robust plan offered to our employees. Our benefits include:



**Paid time off**



**Paid holidays**



**Health insurance**  
*with dental and vision plans*



**Life insurance**  
*(paid by Flogistix)*



**Disability coverage**  
*(paid by Flogistix)*



**Flexible work schedule**



**EAP**



**HSA**  
*(paid by Flogistix)*



**Training**



**Tuition reimbursement**



**Retirement plan**  
*(with company match)*

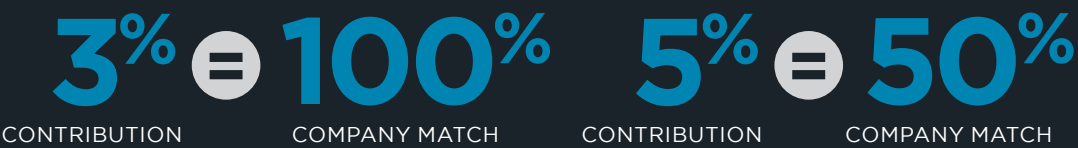


**Health and Wellness**  
*Discount Program*

# Retirement Plan

Flogistix 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%.

The education regarding retirement offered to our employees has resulted in an amazing 91% participation rate in the company's 401K plan with the average deferral at 5%.



401K PARTICIPATION RATE		
<div>91%</div> <div>2022</div>	<div>86%</div> <div>2021</div>	<div>94%</div> <div>2020</div>
AVERAGE DEFERRAL PERCENTAGE		
<div>5%</div> <div>2022</div>	<div>4.29%</div> <div>2021</div>	<div>4.49%</div> <div>2020</div>



## Employee Recognition

Research shows that employee recognition has a direct tie to improved business outcomes. When employees feel appreciated and heard, they are more likely to be a top performer, to feel they're paid fairly, and they are less likely to look for other job opportunities.

Recognizing quality work has always been a priority at Flogistix, and we are extremely proud of our employees who were honored in 2022.

NEW EMPLOYEES		
NAME	POSITION	LOCATION
Luke Johnson	Warehouse Associate	El Reno Manufacturing
Danny Wilkins	Warehouse Operations Manager	El Reno Manufacturing
Steve Gieringer	Welder-Buttfit	El Reno Manufacturing
Mat Dredley	Quality Engineer	Permian Production
Eric Gieringer	Director of Manufacturing	Permian Production
Jaime Martinez	Finish Technician	El Reno Manufacturing
David Tuck	Parts & Service Mechanic	Field Shop Bakken
Clinton Taylor	Field Service Tech	Powder River
William Carrell	Welder-Assembly	El Reno Manufacturing
Edgar Bertran	Welder-Assembly	El Reno Manufacturing
Travis Ottomano	Welder-Assembly	El Reno Manufacturing
Joel Perez	Finish Technician	El Reno Manufacturing
Cristopher Alvarez	DOT Truck Driver	El Reno Manufacturing
Stewart Poulak	DOT Technician-Field Service	Field Shop Permian Delaware
Ryan Zungel	Welder-Assembly	El Reno Manufacturing
Rhonda Castillo	Welder-Buttfit	El Reno Manufacturing
Chad Moore	Welder-Buttfit	El Reno Manufacturing
Victor Garcia	Welder-Buttfit	El Reno Manufacturing
Rafael Puentes	Cost Accountant	Corporate
Paige Shale	Accounts Receivable Specialist II	Corporate
Lyle Buckle	Welder-Assembly	El Reno Manufacturing
Roberto Pineda	Welder-Buttfit	El Reno Manufacturing
Nathan Gonzalez	Welder-Assembly	El Reno Manufacturing
Fabian Trujillo-Bautista	Finish Technician	El Reno Manufacturing
Nathan Gaudet	Field Service Tech	Field Shop Permian Delaware
Adrian Magda	Field Service Tech	Field Shop Permian Delaware
Jaime Cuevas	Welder-Assembly	El Reno Manufacturing
Jose Tatin	Welder-Assembly	El Reno Manufacturing
Jose Carrasco Rivera	Welder-Buttfit	El Reno Manufacturing
Frank Armijo	Finish Technician	El Reno Manufacturing
Robbie Yeach	Machine Functional Analyst	Corporate
Yareth Gonzalez	Parts & Service Mechanic	Field Shop Bakken
Robbie Yeach	DOT Truck Driver	El Reno Manufacturing
Emmanuel Gaudet	Heavy Equipment Op	El Reno Manufacturing
Willy Neri	Field Service Tech	Field Shop Permian Delaware
Roberto Reyes	Field Service Tech	Field Shop Permian Delaware
Jaime Reyes	Field Service Tech	Field Shop Permian Delaware
James Soto-Reyes	Field Service Tech	Field Shop Permian Delaware
Samuel Soto	Welder-Assembly	El Reno Manufacturing
Jose Alvarado	Welder-Assembly	El Reno Manufacturing
Edwin Hernandez	Welder-Assembly	El Reno Manufacturing
Ruben Amadorado	Welder-Assembly	El Reno Manufacturing
Fabian Escobar	Welder-Buttfit Shop	Permian Field
Isaac Samaniego	Panel Builder	El Reno Manufacturing
James Gonzalez	Field Service Tech	Field Shop El Reno
Maximus Pineda	Field Service Tech	Field Shop Permian Delaware
Jonathan Galtgans	Quality Control Tech-Fabrication	El Reno Manufacturing
Cesar Garcia	Welder-Assembly	El Reno Manufacturing



Dave is pictured with Flogistix President and CEO Mims Talton.

### Employee of the Year

**David Martinez**, Director, AirMethane, was recognized as the 2022 Flogistix Employee of the Year. Dave oversees the team conducting aerial methane inspections, the reporting requirements for customers, and the regulatory compliance mandated for this program. He has been with Flogistix since its inception 12 years ago, but his days with the company date back 16 years to the company's predecessor. His career in the oilfield began in 2001 when he took a job as a field mechanic. Dave is from Farmington, New Mexico and enjoys the hunting, fishing, and four wheeling in his Jeep on his off time.

### Carlsbad Mayor's Energy Summit

The Carlsbad Mayor's Energy Summit brings members of the community and industry together to discuss important issues around the oil and gas industry and enjoys a growing audience each year. As part of the Summit, the "Spirit of the Oilfield" award is announced. This honor is designed to recognize hardworking individuals who help "maintain America's energy independence." Out of a record-number of nominations, Flogistix's own Cesar Retana, was awarded a "Spirit of the Oilfield" award at the 2022 Summit. Cesar was recognized for his support of community projects, his work ethic, and his positive attitude. He has worked for Flogistix for four years as a Field Service Technician in Carlsbad, New Mexico.

### Employee Recognition

Mechanic of the Month

Employee of the Year and other awards

Employee Anniversaries in newsletter

New Employees in newsletter

Employee Profiles in newsletter

Employee promotions, retirements, life events in newsletter

Employee event at beginning of the year to recognize excellence in sales, field service, and inventory control.



Cesar is pictured with Congresswoman Yvette Herrell of New Mexico and Jaime Baylon, Area Manager, Permian-Delaware for Flogistix.





## Safety

Providing a safe work environment for our employees, communities, and the environment is our number one priority at Flogistix. The emphasis we place on safe work practices is woven into our culture, and our employees and their families expect the safety program to be robust and comprehensive. **The workforce is our company's most important asset, and our success depends on their safety.**

Communication is key, and the safety team uses various methods to share information and best practices. Safety tips and notices are shared in each issue of the employee newsletter as well as in emails from the Vice President of EHS. Topics include winter driving tips, the dangers of heat, the hazards of distracted driving, and other timely messages. Safety policies are easily accessible electronically through our intranet, and the safety team interacts with employees daily through reviews, behavior observations, and coaching opportunities.

The company has a Corporate Safety Involvement Team (CSIT) that meets monthly to discuss current safety issues, leading performance indicators, incident reviews, and regulatory activity. The committee includes team members from different departments and members are rotated each year. The company's employee Safety Improvement Committees are comprised of employees from field offices (FSIT) and manufacturing (MSIT). These groups make recommendations to management for the betterment of the safety program. **New technologies are deployed when appropriate and employees are encouraged to speak up when they observe a safety issue.**

“ **The workforce is our company's most important asset, and our success depends on their safety.** ”



## Safety Outcomes

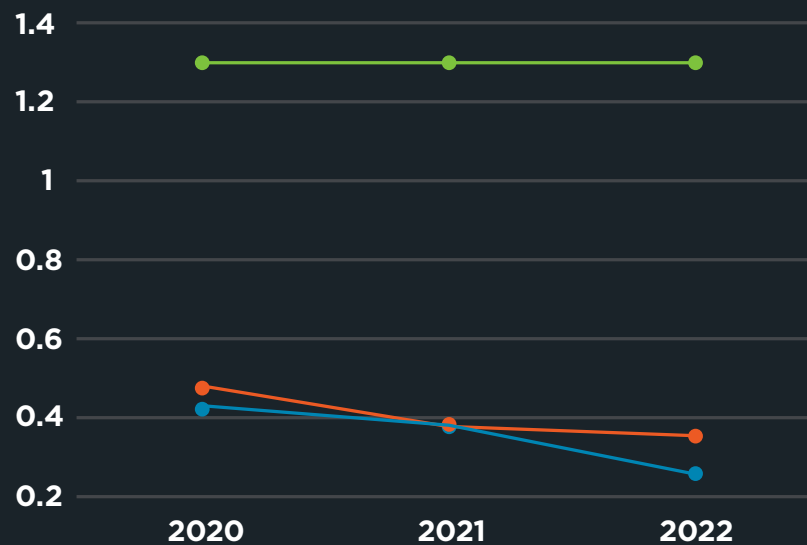
During 2022, corporate safety performance goals were set for the company, and we are proud that once again each of these metrics was achieved. With a comprehensive safety plan, we are able to meet our objectives and maintain a safe and healthy workplace. Our plan incorporates a constant emphasis on safety including a robust training program that begins with new employee orientation and continues with monthly group training and computer-based instruction, and specialized training addressing not only internal procedures but customer expectations and regulatory requirements. Specialized training includes H2S certification, first-aid/CPR, emergency procedures, and driving techniques to name a few. Mentoring is also an important aspect of our plan as is personal protective equipment, proper tools, certifications, and employee recognition.

Our Total Recordable Injury (TRIR) rate went down again from .37 in 2021 to .26 in 2022. 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 for the 4th year in a row.

TRIR RATE DOWN  
FROM .37 TO  
**.26**  
IN 2022

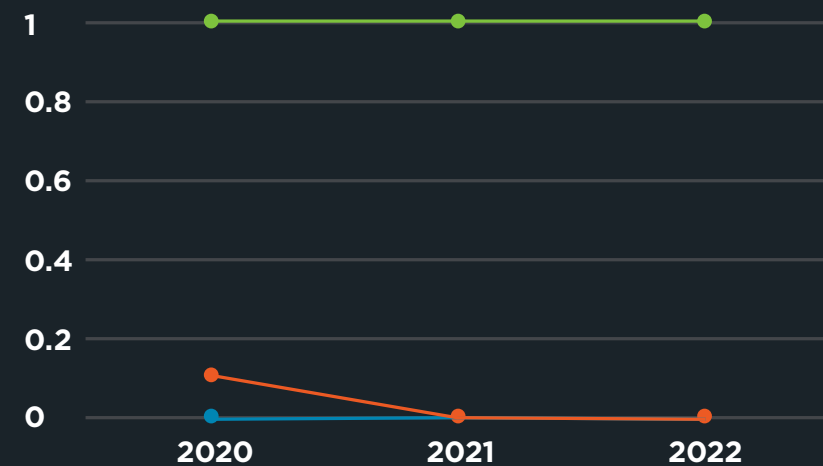
DART RATE  
**0.00**  
4 YEARS  
RUNNING

### US TRIR



● TRIR ● Industry Avg ● 3 Yrs Avg

### US DART



● DART ● Industry Avg ● 3 Yrs Avg

## Safety Team

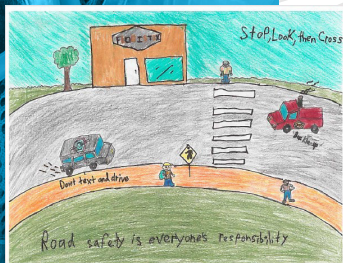
**Maintaining pace with the growth of our workforce required the addition of several new EHS team members in 2022.** Ensuring all employees have safety leadership nearby is instrumental in instilling our safety culture at each job site. Adding EHS professionals is an investment that benefits our employees as well as our customers, and we will continue to recruit the best and brightest as our company grows.

### Brake for Safety

At Flogistix, we promote proactive responses to safety concerns. To encourage safe work practices, we created our Brake for Safety program to support greater engagement in safety by empowering workers to pause or stop work when a safety hazard is identified. When work is stopped, employees complete a report detailing the issue. These submissions are reviewed monthly, and **employees chosen as Brake for Safety Champions receive a \$100 gift card** as a thank you for maintaining a safety-first workplace.

### Kid's Safety Calendar Contest

**It's never too soon to start teaching safety,** and at Flogistix, we encourage the children and grandchildren of our employees to get involved in safety. Every October, the kids are invited to draw, color, paint, or even scribble a picture with a safety caption for entry in our calendar contest. A team of employees has the difficult task of judging each design and picking a dozen that will be featured in a calendar made available to employees and our customers. The calendar is a constant reminder that safety is as important at home and school as it is at the workplace.



## Safety Programs

As the company prioritizes safety, utilizing technology becomes a valuable tool. The EHS team is constantly assessing new innovations to help ensure we provide the best workplace for our employees. As we assess risks and address solutions, all decisions are based on one goal: "Work Safe – Home Safe."



## Safety Systems

- Personal 4-gas monitors for detection of hazardous gases.
- Orange hard hats designating new employees.
- Flags on fleet vehicles to ensure a 360 degree walk around of the vehicle prior to movement.
- Smith System Driver Improvement Program
- Samsara System for tracking fleets
- Cameras at manufacturing facilities
- Badging System



# Cybersecurity

**Just the nature of our technology makes cybersecurity a priority for Flogistix.** Whether it is internal documentation or customer data, ensuring its protection is the responsibility of every team member. Our highly skilled IT professionals meet weekly and discuss cyberthreats, safety plans, deterrence measures, and procedures. Our security plan includes quarterly automated and manual scans for vulnerabilities. We utilize cloud-based information systems reducing the number of threats as the amount of hardware actually on-site is limited.

Cybersecurity awareness training tests employees on their understanding of potential threats and appropriate preventative measures. This instruction is held during new employee orientation and annually for employees and includes education on general data protection regulations. Team members with access to sensitive data have additional training specific to their access. Company expectations regarding information system protection are outlined in the Employee Manual where details surrounding data confidentiality, communication system usage, privacy, and appropriate data management are detailed in the Employment Section.

The tech team communicates with employees in many different ways. Best practices are shared in the employee newsletter and in emails addressing issues such as password protocol, VPN usage, and new IT products available to customers. In 2022, upgrades including Multi-Factor Authentication were installed adding another layer of protection to the system. Employees were randomly tested during the year when phishing emails were sent by the IT team as a test of vulnerability.

“Just the nature of our technology makes cybersecurity a priority for Flogistix.”

**In order to protect our operations and the data we collect on a daily basis,** our Information Technology Team utilizes an array of tools and services to protect our organization from cyber-attack including data breaches, identity theft, and other cybercrime.



Security awareness training by Knowbe4 educates users on phishing, email security, and information security best practices. This training is required several times per year.



Email filtering is built into the company's Google G-Suite for added security.



CrowdStrike services are utilized for cloud workload and endpoint protection with complete 24/7 monitoring and remediation.



Employee network access requires mandatory password complexity and a rotation cycle.



Lockout policies are in place for failed login attempts.



The company's VPN restricts access to private resources only.



Weekly backups of physical servers and snapshots of cloud resources are performed.



## Risk Assessment

A third-party risk assessment, aligned with the federal National Institute of Standards and Technology (NIST) Cybersecurity Framework, was conducted where the protective controls of our organization were tested, and technical recommendations for improvement were made. This exercise increased awareness among executive leadership, predicted the impact of current threats, and established options for recovery if an incident did occur. Possible compliance gaps were also identified. In addition, a physical security assessment of locations was also conducted, and security processes were updated based on the findings.

The company emergency response plans (EAP) were updated to reflect changes and growth within the company

during 2022. **The EHS team works hand-in-hand with operations and manufacturing to alert employees to risks such as extreme weather events and potential emergency scenarios.** Emergency Action Plans are in place for each company location to provide instructions for workplace emergencies. This plan applies to emergencies such as fire, tornado/severe weather, violent threat, etc. and is specific to each work area. Staff assignments, emergency supply lists, and notification procedures are also included in the EAP.

Evacuation plans are in place for all locations including assembly locations, and where possible, emergency shelters are available to house employees during severe weather incidents such as tornados.



## Communications

Spreading the word about emissions reductions and the solutions Flogistix offers to producers was a focus in 2022. As companies focus on ESG-related initiatives affecting methane capture, finding solutions that can generate revenue while meeting those goals is paramount. **Our involvement in the rulemaking process at EPA opened doors for us resulting in coverage of our technologies in several national publications including the Wall Street Journal.** Being noticed for our efforts is very rewarding, and we hope companies will now understand how Flogistix provides solutions that reduce the environmental impact of production activities through vapor recovery and other compression technologies.

Our communications efforts included issuing several press releases related to

company expansion, new partnerships, and the growth of our team. This outreach has created additional name recognition in new industries and locations and led to additional sales opportunities.

The most impactful addition to our communications strategy was the revitalization of our employee newsletter. This quarterly publication includes updates on company expansion, new product launches, and policy changes. Employee recognition and profiles comprise a good portion of the newsletter that is also available in Spanish. **This vehicle has proven to be very popular with employees and as a result, they are sharing ideas and news to be included in future issues.**





# Industry Relations

Educating our customers and other industry personnel about vapor recovery and methane detection is an ongoing initiative at Flogistix. By attending conferences and speaking at industry events, we hope to advance the methane discussion and reach those not familiar with this side of the servicing industry.



New Mexico Workforce Solutions and Carlsbad Chamber Job Fair



Data+AI Summit October 2022 newsletter



Oklahoma Venture Forum



El Reno Chamber of Commerce Legislative Breakfast



Devon Hackathon



GPA Midstream Association



SPE Annual Technical Conference



## Corporate Giving

The company's focus on at-risk youth continued in 2022 as the corporate giving program, Flogistix for Kids, expanded. Total corporate donations increased nearly threefold as support was given to nonprofit organizations in our home state of Oklahoma and in the local communities where we operate across the United States. A committee for oversight of charitable giving meets regularly to review requests made by employees on behalf of nonprofit organizations they personally support.

**This support of our employees and their passion projects has been met with increased participation in community activities.**



## Allied Arts

This initiative ensures that local arts organizations have the tools and resources they need to remain strong and to offer quality programming to the public. Together the agencies that make up Allied Arts touch the lives of more than one million people annually, providing nearly half a million art experiences to children each year. Flogistix is a longtime supporter of this nonprofit and believes access to the arts is vital in the lives of all children.

**Thanks to relationships built with Enterprise Rent-A-Car, a donation was made to Allied Arts of Oklahoma in honor of Flogistix. Each geographic group within the rental car company is allowed to request an annual donation from the Enterprise Foundation on behalf of a customer. The geographic group for Central Oklahoma includes 200 companies so this was indeed an exceptional honor.**



## STEM Center Partnership

In 2022, Flogistix proudly partnered with the Cal Ripken Sr., Foundation, and other partners to bring **Science, Technology, Engineering, and Mathematics (STEM)** Centers to Dickinson, North Dakota, and to expand the number of STEM Centers in Carlsbad, New Mexico. The Ripken Foundation's goal of providing access to STEM education to underserved elementary school youth in disadvantaged neighborhoods aligns perfectly with Flogistix's values and focus. Through this collaboration, every elementary school in the Carlsbad Municipal Schools is now equipped with a Ripken STEM Center, and Dickinson, North Dakota now boasts the first ever Ripken STEM Center.



“every elementary school in the Carlsbad Municipal Schools is now equipped with a Ripken STEM Center”

Each STEM Center is equipped with the latest technology, equipment, and furniture and can be customized to fit the needs of the individual school. Students who attend schools with a STEM Center learn circuitry, coding and practical applications, how to program robots, engineering concepts, and more, through hands-on learning. Students develop soft skills such as leadership, teamwork, and networking. In addition to furniture and equipment, teachers receive personalized training from the Ripken Foundation staff on how to implement the STEM Center's tools to their classroom and in after school learning opportunities.

As technology continues to expand and grow and as new technologies are discovered, STEM education becomes even more vital. By providing and expanding access to STEM education through our collaboration with the Ripken Foundation and other partners, Flogistix believes we are equipping, educating, and empowering future leaders and are developing our future workforce.



## Community Relations

Flogistix employees were out in their local communities, volunteering their time and talents to a wide array of groups helping kids and those less fortunate.



### Bikes for Kids

This organization teaches students bike and road safety. We hosted the group for pizza at our Corporate Headquarters.



### Genesis Project

This nonprofit provides residential services to abused and neglected boys. The company provided tickets to a University of Oklahoma football game for the kids.



### Oklahoma Children's Hospital

The state's top ranked hospital for children provides care for those in the Sooner State and the surrounding areas. Flogistix delivers toys annually as part of the hospital's Christmas Toy Cart program.



### El Sistema

The company hosted a summer camp for students involved with El Sistema, a program that provides music lessons and life skills to children in after school and summer break settings.



### Computer Science Teacher Training

Flogistix participated in the Oklahoma Computer Science Education Program that trains and certifies teachers in computer science instruction. Geared toward rural schools, the program incentivizes teachers to learn new skills in information technology to meet a state mandate requiring a certified computer science teacher in every school.



### Grace Rescue Mission

Food donations including Thanksgiving hams were given to this organization that provides emergency shelter for homeless men and families.





## Operation Christmas Train Set

Flogistix supports this nonprofit that provides toys, including train sets, and other necessities to local children during the holiday season.



## El Reno Veterans Day Parade

The AirMethane team along with other employees drove vehicles and passed out candy to kids during the annual parade that celebrates our veterans.



## CV Tech

Director of Manufacturing Sean Ingram currently sits on the advisory committee for Industrial Automation and Robotics Technology at CV Tech in El Reno. The group reviews course content, facility equipment, and assists with instructional guidance.



## El Reno Chamber Annual Banquet

Team members attended the group's annual banquet where they handed out snacks and talked with members about Flogistix.



## Road Safety Day

We sponsored lunch for 600 high school students at the event hosted by our neighbor CV Tech. Students learned about road safety in the oilfield.



## Food Distribution

At Flogistix, we believe providing food to those less fortunate is the ultimate act of kindness. In 2022, we were able to provide meals to the following organizations:

House of Healing, God's Helping Hands, Canadian County Youth & Family Services, Lord's Harvest, Senior Citizens Center, Blessing Boxes, Mobile Meals of El Reno



## 60th Annual Children's Shopping Tour

Flogistix sponsored the tour which provides Christmas gifts for families and children in the Pampa area who would otherwise not have them.



## Celebration of Lights

Employees volunteered at this annual event that provides a holiday light display for city residents in Pampa.



### Kicking Bear Camp

This Christian camp in the Texas Panhandle provides opportunities for kids to experience the great outdoors through activities such as archery, fishing, rock climbing, and water slides.



### Running River Benefits (Bond Family donation)

Flogistix donated to this nonprofit that provides financial assistance to families in Northern Colorado who have children with health-related challenges.



### Pampa Chamber Golf Tournament

Flogistix was pleased to support the event as a hole sponsor. The annual event benefits Meals on Wheels.



### Altrussa International of Pampa

Flogistix donated to this volunteer service organization that assists with projects for underserved youth in the community.



### Carlsbad Municipal Schools

Flogistix answered the call when local schools had a dire need for school supplies just as the school year was starting. We were recognized at a school board meeting for stepping up when the need was identified.

### Flogistix is proud to also support these nonprofits



Lynn Institute



Redline4Kids



Run West Texas



Pampa Fire Department



The Bridge Children's Advocacy Center



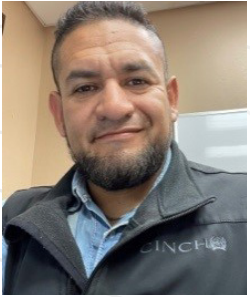
## Flogistix Star Volunteers

We are proud of our team and their dedication to local community endeavors. As a company, we work to fill the needs of the local communities where we have operations. Whether it's providing meals for senior citizens or school supplies for our youth, Flogistix answers the call. Many of our exceptional employees devote hours of their personal time to their local communities, and we'd like to highlight the work of two of these generous employees.



### Whitney Davis

Payroll/HR Administrator, has been volunteering in her community along with her family for more than 40 years. Her passion is the Children's Shopping Tour, an annual event sponsored by the Pampa Kiwanis and Optimist Club, that provides underprivileged children the opportunity to shop for holiday gifts for their families. Pampa's Celebration of Lights, a display enjoyed by many each holiday season, is another annual event close to Whitney's heart that benefits her hometown.



### Nick Alcozer

Purchasing Manager in Pampa, volunteers his time to coach the Run West Texas track team. He started a branch of the organization in Pampa to help spread the group's goal to give children the opportunity to train and compete in track and field events. He helps them develop correct running techniques, running stamina, and confidence. In 2022, his team attended a regional track meet in Lubbock where one of his runners took second place in the 800-meter dash in the 10-year-old girl division. She went on to compete against 10,000 athletes at the state meet in Corpus Christi, Texas.



## INTRODUCTION TO Governance



## Governance

Our Board of Directors provides strategic oversight in support of our operations including the monitoring of business performance, fiscal responsibility, growth opportunities, and potential risk. The senior leadership team supports the governance guidelines set by the board and provides expertise that allows for the successful management of the company.

Good corporate governance reduces the chance for fraud and corruption by conducting audits, following proper fiscal accounting, and providing proper insurance coverage. **By maintaining strong governance practices, the company is able to ensure value is returned to our investors.**

Conducting appropriate accounting practices was a goal for 2022. The team uses NetSuite, a cloud-based enterprise software program known for its project management functionality. **The real-time visibility of the data provided by NetSuite gives our team the collaboration tools, customizable options, and mobile accessibility we need.**

“By maintaining strong governance practices, the company is able to ensure value is returned to our investors.”

FLOGISTIX

## ETHICS AND INTEGRITY



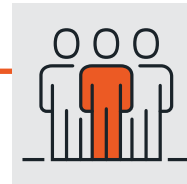
**Maintaining proper ethics and integrity drives our business.** We are proud of our reputation as a kind company and ensuring our customers continue to see us in this light requires honesty and honor in all we do. Our exceptional brand demands a high code of ethics, and our employees are proud of the culture that has resulted from these ideals and expectations. Our employees support high ethics and integrity because they see it on display every day in their management team, senior leadership, and in each other.

## SUSTAINABILITY PROGRAM



**In an effort to ensure sustainability initiatives are shared with all stakeholders, updates regarding regulatory changes, company processes, and industry practices were shared with the board and with employees.** During 2022, employee meetings were held in all field areas and the team was educated on ESG and company sustainability initiatives. This open forum resulted in feedback from employees that directly affected company policy and sustainability reporting.

## ESG COMMITTEE



**The Flogistix ESG Committee meets regularly to discuss company policy, sets goals for company growth, and reviews issues and incidents in an effort to learn and grow from experiences.** Members include a cross-functional, senior management team led by the Vice President of ESG & Public Policy. The committee makes recommendations based on the company's commitment to environmental stewardship, employee health and safety, proper corporate governance, and overall social responsibility.



## Public Advocacy

Our company's efforts to assess the impact of government policies, legislation, regulations and executive actions on our business and our customers continue to be a focus. Looking at both federal and state activities, company leaders take every opportunity to educate officials on methane emissions and our efforts to help operators reduce their environmental impact. Encouraging employees to engage in the political process by providing them with election information and incentives continues to be a top priority at Flogistix.

### State Level Efforts

Flogistix worked with the Petroleum Alliance of Oklahoma to craft the "Emission Reduction Technology Incentive Act" which Gov. Kevin Stitt-(R-OK) signed into law on May 26, 2022. This legislation encourages emissions reduction activities in the oil and gas industry by providing tax rebates. Team members also met with lawmakers in New Mexico and discussed a possible tax incentive for companies utilizing methane abatement equipment. Discussions also included the New Mexico Precursor Rule and Methane Waste Rule and their implications on production in the state. Feedback was provided in Texas on TCEQ's New Technology Implementation Grant Program for methane abatement, and in Pennsylvania on the state's new emission requirements for marginal wells.

### Federal Level Efforts

Team members working in conjunction with state oil and gas associations provided feedback on a range of legislation and proposed rules including the Inflation Reduction Act, the Methane Waste Rule proposed by the BLM, EPA's ongoing update of the Methane Rule, new rules finalized by the Pipeline Hazardous Materials Safety Administration, and the FAA's BVLOS proposed rules.

### Customer Education

Educational one pagers were developed on legislative and regulatory issues affecting methane capture and detection on both the state and federal level. Team members shared this information with customers and provided guidance surrounding new rules and legislation affecting methane reduction and detection.

### GOTV Campaign

Flogistix launched its first-ever internal Get Out the Vote (GOTV) campaign designed to encourage employees to vote. Team members were provided information on how to register to vote, important dates and deadlines, information on candidates, opportunities to meet with candidates in-person, and time off to vote. The goal of the campaign was not to tell employees how to vote, but to encourage them to exercise their right to vote.

### One-on-one Meetings

Flogistix employees had the opportunity to meet one-on-one with several local, state, and federal elected officials and their staff in 2022. In addition, we welcomed many community leaders and elected officials for on-site visits where they were able to view our VRUs and learn more about our technology.

### Election updates

In order to keep our employees informed in the months leading up to the election, staff received regular updates on key dates and deadlines, candidate information, voting locations, ballot initiatives, and more through our company newsletter and through company-wide email blasts.

## Trade association memberships

Participation in trade associations has given Flogistix the opportunity to share our expertise and experience in methane abatement as these groups work with local and state officials to develop reasonable methane regulations. **As a company, we believe reducing emissions can be accomplished in a way that incentivizes adoption, encourages innovation, and expands global fossil fuel use safely, economically, and efficiently.** By engaging in this process, our customers, the industry, and the environment all benefit from our input.





