CHAMPION X

2021 Sustainability Report

We are ChampionX.

We bring over a century of expertise and 7,000 global team members who deliver forward-thinking innovations, unmatched global supply chain capability, and market-shaping solutions in reservoir, drilling, production, midstream, and water applications. Our world-class safety culture fuels our purpose of Improving Lives through our commitment to deliver globally sustainable operations.

CHAMPIONX

Featured on the cover of this report are the leaders of the ChampionX Employee Resource Groups (ERGs). Our ERGs support our purpose of Improving Lives by harnessing the energy and creativity of our employees who share common interests. Learn more about our ERG groups on page 28.

On the Cover
1. Wendy Sisco, 2. Alton Lloyd, 3. Mark Zijlstra, 4. Alison Reid, 5. Sunny Lankford,
6. Yolanda De-Abreu; 7. Julie Fidoe, 8. Leanne Hamilton-Thompson,
9. Daniel Watson, 10. Maya El Ojaimi

At a Glance

$3.1B
FY 2021 Net Sales

30+
Manufacturing Locations

$244MM
FY 2021 Free Cash Flow*

1,400+
Patents

$456MM
FY 2021 Adjusted EBITDA*

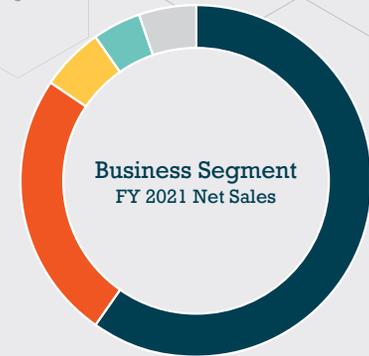**60+**
Countries Where we Serve Customers

14.8%
FY 2021 Adjusted EBITDA Margin*

~7,000
Employees

53%
FY 2021 Free Cash Flow to Adjusted EBITDA*

Business Segment
FY 2021 Net Sales

- Production Chemical Technologies
- Production & Automation Technologies
- Drilling Technologies
- Reservoir Chemical Technologies
- Corporate & Other

Areas of Operation
FY 2021 Net Sales

- United States
- Middle East & Africa
- Latin America
- Canada
- Europe
- Australia & Asia-Pacific
- Other

For more ChampionX news and information, visit www.championX.com.
*Adjusted EBITDA and free cash flow are non-GAAP measures. A reconciliation of these non-GAAP measures is included at the end of this document.

A Letter from Our CEO

It is my pleasure to present the inaugural ChampionX Sustainability Report highlighting our environmental, social, and governance (ESG) priorities and the progress we have made since the transformational merger which formed ChampionX in June 2020. This report represents a milestone in our company's journey to more deeply embed the ESG Priorities most relevant to our internal and external stakeholders into our culture, our strategy, and all facets of our business.

The unified purpose that inspires the ChampionX workforce every day is Improving Lives for our customers, employees, shareholders, and communities, while sustainably Unlocking Energy the world needs. In this way, our very purpose is rooted in ESG. Integrating ESG considerations into our strategic priorities helps ChampionX meet our stakeholders' needs, manage risk, and deliver operational excellence.

Through more than a century of service to the oil and gas industry, ChampionX, including predecessor and acquired companies, has developed and delivered the products, services, and innovation our customers need to achieve their operational and sustainability goals. Our technologies enable customers to reduce their carbon footprint, fresh-water use, and power consumption, while maximizing the safe, efficient, and cost-effective production of oil and gas. As the industry forges ahead toward a lower-carbon future, ChampionX is helping our customers supply the affordable energy the world needs in an environmentally responsible way.

Setting our ESG Priorities
To create value for our stakeholders and our company, we have taken a focused and methodical approach to developing ESG Priorities consistent with our corporate purpose and operating principles. In 2021, our first full calendar year as a combined enterprise, ChampionX made significant progress on our ESG journey.

Our internal GHG emissions workstream developed a Scope 1 and Scope 2 GHG emissions inventory, collecting data from ChampionX-operated or -controlled facilities. Our goal is to set evidence-based emissions reduction targets, while remaining a market leader in emissions reduction solutions for our industry.

> " Our technologies enable customers to reduce their carbon footprint, fresh-water use, and power consumption, while maximizing the safe, efficient, and cost-effective production of oil and gas. As the industry forges ahead toward a lower-carbon future, ChampionX is helping our customers supply the affordable energy the world needs in an environmentally responsible way.

CHAMPIONX

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We view our culture as a source of sustainable competitive advantage and our employee-focused ESG priority holds us accountable for nurturing our positive, purpose-driven culture to make ChampionX a great place to work.

ChampionX is people oriented, and we must attract, retain, and develop talented people to continue to deliver the innovative solutions the industry needs. Additionally, we want talented people to feel a sense of belonging at ChampionX and commit to building their careers around Improving Lives. We view our culture as a source of sustainable competitive advantage and our employee-focused ESG priority holds us accountable for nurturing our positive, purpose-driven culture to make ChampionX a great place to work.

I am proud to chair the Diversity and Inclusion (D&I) Council, established in 2021, to give D&I the attention it merits. One-quarter of our D&I Council members are leaders of our Employee Resource Groups (ERG) that deliver personal and professional development opportunities around gender equality, celebrating diverse cultures, sustainability, and other issues that matter deeply to ChampionX employees. The D&I Council set a goal to increase ERG membership from 15% of employees today to 25% by 2025, with company funding and executive support, among other targets to improve D&I.

ChampionX strives every day to achieve Goal Zero – zero accidents, zero incidents, and zero environmental releases. In 2021, 81% of our locations operated with zero recordable injuries, and our severe vehicle accident rate and process safety event count declined. With leadership from our Health, Safety, and Environmental (HSE) Council, we are rolling out a corporate safe driving policy, a new employee induction process, and other initiatives in 2022 to further safeguard our employees.

Moving Forward

Over the past two and one-half years of pandemic-induced health, safety, market, and supply pressures, the ChampionX workforce showed impressive resilience and dedication to our customers and communities. Along with our Executive Committee, I would like to thank our employees for their commitment to our purpose and success.

We are excited about our growing ability to help our customers achieve their greenhouse gas emissions reduction targets through enhanced emissions monitoring and measurement - two components to effective mitigation. Our SOOFIE® fence-line system, for example, facilitates continuous emissions monitoring, is easily deployed, and provides real-time information needed to better manage field assets. Customer acceptance of this solution is strong, and we are today a leader in wellsite methane emissions monitoring. Our acquisition of Tomson Technologies in 2021 also enhanced our decarbonization-focused product offering and represented a significant step forward as we evolve our portfolio for sustained growth as the energy industry evolves.

We have the full support of the ChampionX Board of Directors (Board) to pursue our ESG Priorities, with specific ESG oversight by the Governance and Nominating Committee. The Board believes that our purpose, operating principles, culture, and ESG Priorities all work together to build greater capacity to create shareholder value. The Board's insights and experiences have been essential to coalescing our merged company and building our ESG foundation. Starting in 2022, the Board's Compensation Committee can recommend adjustments to executive incentive compensation based on our ESG and safety performance.

Thank you for taking the time to learn how ChampionX is moving our ESG Priorities forward to benefit our stakeholders and the environment. We invite you to share your thoughts on our ESG performance and this report.

Sincerely,

S. Somasundaram

Sivasankaran "Soma" Somasundaram
President and Chief Executive Officer

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A Message from Our Vice President, ESG and Investor Relations

At ChampionX, we understand that ESG is about more than just greenhouse gas emissions. Our holistic approach considers how our actions can impact a broad range of environmental, social, and corporate governance factors.

This includes everything from air quality and materials management to employee health and safety, diversity and inclusion, customer aspirations and data security, business ethics and competitive differentiation.

Our cross-functional ESG Working Group completed a comprehensive ESG Priorities Assessment, a key step in developing our ESG framework and roadmap. As a result, we committed to advance four ESG Priorities to address key opportunities and risks:

- Greenhouse Gas (GHG) Emissions
- Decarbonization Technologies
- Sustainable Innovation and Digital Transformation
- Employee Attraction, Retention, and Development

The ESG Working Group and associated workstreams are implementing these priorities in our day-to-day work to help achieve our strategic priorities, including evolving our portfolio for sustained growth.

Progressing our Priorities

Enabling a lower-carbon future is a major driver of changing customer needs and of modifications in our operations. We agree with forecasts that oil and gas will remain a key source of energy for the foreseeable future. As customer advocates, we know that monitoring, detecting, and reducing GHG emissions are core objectives for oil and gas operators.

This priority is evident in our acquisitions and investments in cutting edge technology. Our acquisition of Scientific Aviation, Inc. in July 2021 set the stage for an exciting new emissions management growth platform. As we integrated this real-time solution

for meaningfully reducing methane emissions, we established Advanced Emissions Research Labs as a global center of expertise and solutions for methane emissions. We continue to build out our product portfolio and capabilities for emissions monitoring and detection solutions, as evidenced by our more recent acquisition of the assets of Leak Surveys, Inc., a leader in optical gas imaging technology for emissions detection.

While we believe the biggest environmental impact we can make is by helping our customers reduce their carbon footprint, we are driven to improve

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environmental performance for our company, as well. Our GHG Emissions priority drives us to track and mitigate emissions from ChampionX operations.

Our continuous improvement culture at ChampionX compels us to get better every day, which is what we strive to do on our ESG journey. As the energy industry continues to evolve, we are committed to innovate to help solve our customers' problems, while simultaneously reducing our environmental footprint. We will apply rigor so we can set credible GHG emissions reduction targets in the future. In addition, ChampionX will strive to create an inviting, respectful workplace that supports our employees in their careers and community service. As we move forward, our ESG Priorities and our purpose of Improving Lives and Unlocking Energy will keep us focused on creating value for ChampionX stakeholders.

Sincerely,

Byron Pope
Vice President, ESG and Investor Relations

2021 ESG Highlights

Acquired
Scientific Aviation, a market leader in emissions monitoring solutions for the energy industry

71%
of employees participated in employee engagement surveys, and

Established
Diversity and Inclusion
Council

15%
of employees active in Employee Resource Groups

89%
of the participants reported that they feel very aligned to the company's purpose

Named a
Best ⬡ Energy Workplace
winner by ALLY Energy

81%
of locations operated with
zero
recordable injuries

First
Employee Development Month as ChampionX with more than 700 employees from 32 countries participating

First
internal Continuous Improvement (CI) Conference was attended by approximately 750 employees, reinforcing our company commitment to CI

Provided
18,000+
hours of compliance training in 2021 to strengthen governance

About ChampionX

ChampionX Corporation (Nasdaq: CHX) is a global leader in chemistry solutions and highly engineered equipment and technologies related to oil and gas production around the world. The company's products provide efficient, safe operations throughout the lifecycle of a well with a focus on the production phase of wells.

Our experts and team members around the world deliver forward-thinking innovations, unmatched global supply chain capability, and market-shaping solutions in production, drilling, reservoir, and midstream applications. Our world-class safety culture fuels our purpose of Improving Lives through our commitment to deliver globally sustainable operations.

ChampionX was formed in June 2020 when Apergy Corporation combined with Ecolab's Upstream Energy Services business to create a global leader in production optimization solutions. The company is based in The Woodlands, Texas, U.S.A.

Our business is organized into four segments:

1. **Production Chemical Technologies** offers products and services covering a broad range of onshore and offshore chemical solutions in production and midstream operations that are built upon our foundation of deep expertise and capabilities in applications across the oil and natural gas value chain. The largest product lines in this segment include corrosion inhibitors, scale inhibitors, emulsion breakers, and biocides. These offerings help enable our customers to achieve their environmental goals through maximizing production, minimizing environmental footprint, reducing emissions, and lowering fresh-water use. We refer to the Production Chemical Technologies and Reservoir Chemical Technologies segments collectively as our Chemical Technologies business.

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2. **Production & Automation Technologies** offers products, technologies, and services that facilitate safe, efficient, and cost-effective extraction of oil and gas. We design, manufacture, market, and service a full range of artificial lift equipment, end-to-end automation and digital solutions, and methane emissions monitoring solutions. Artificial lift equipment is critical for increasing pressure within the reservoir and improving oil and gas production. Our product offerings include electrical submersible pumping systems, gas lift systems, jet pumps, and multiplex surface pumps supporting hydraulic lift, plunger lift equipment, progressing cavity pumping systems, downhole rod lift systems, and methane emissions monitoring solutions.

3. **Drilling Technologies** offers innovative, top-quality synthetic polycrystalline diamond cutter (PDC) inserts, bearings, valves, and mining tools to help customers drill the world's most demanding oil exploration and development projects, and for use in other industries. We press our own synthetic diamonds that meet the highest standards and match the requirements of the most demanding engineering projects. Our highly trained team members work with customers to develop custom-designed PDC inserts and bearings through a consultative process to generate the best outcome for their operations. We manufacture long-lasting diamond bearings for downhole drilling motors, pumps, and turbines, and that customers also use in renewable energy applications, mixers, and agitators.

4. **Reservoir Chemical Technologies** offers chemistry-oriented solutions and technologies to help customers meet their performance, efficiency, sustainability, and financial objectives for well drilling, cementing, fracturing, acidizing, and other well interventions. We design high-performance integrated fracturing fluid systems to improve the customer's operational efficiency, lower chemical program costs, and enhance well productivity. We assist our customers in achieving their sustainability goals relating to fresh-water use by increasing their ability to use recycled water, while mitigating the impact of fluid problems that can shorten the life of the well. The largest product lines in this segment include fracturing fluid packages, drilling additives, cement additives, and products that support acidizing activities.

We are ChampionX

Our purpose is why we exist, and is defined by what we do and why it matters. Purpose describes what ChampionX does in an inspirational way, elevating the brand by communicating how our business results serve the greater good. Our unified purpose is to improve the lives of our employees, customers, shareholders, and communities through our commitment to safely deliver globally sustainable operations.

Our operating principles detail how we get things done, efficiently and with focus. They define the culture of ChampionX and how we work.

- **Customer advocates**
  We provide value to customers by understanding their challenges and delivering responsive, innovative solutions.

- **Technology with impact**
  We use the power of science, insights, and experience to design and deliver technology with impact.

- **People oriented**
  We prioritize our people and value a culture based on safe, ethical practices, relationships, and empowerment.

- **Driven to improve**
  We are passionate and purposeful about continuously improving our business and delivering energy responsibly.

Our culture guides how we work together. These are the fundamental beliefs on which our business is based.

- **Health, safety, and the environment**
  The safety of our employees, customers, shareholders, and communities is vitally important.

- **Corporate responsibility**
  ChampionX believes that our performance as a corporate citizen is important to our success as a purpose-driven company.

- **Diversity and inclusion (D&I)**
  ChampionX is committed to building and fostering a diverse and inclusive workplace where all employees feel a sense of belonging to our organization's culture and purpose.

- **Sustainability**
  At ChampionX, we are passionate and purposeful about the safe and sustainable provision of energy for the world. Through our innovative products and processes, we help our customers and industry partners meet their goals of reducing their carbon footprint, overall waste production, and greenhouse gas emissions.

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CHAMPIONX

Improving Lives

Why we exist, defined by what we do and why it matters. Purpose describes what ChampionX does in an inspirational way, elevating the brand by communicating how our business results serve the greater good.

Unlocking Energy

The "what" of our work, defining what we are focused on achieving and what makes us different.

Customer advocates
People oriented
Technology with impact
Driven to improve

Our operating principles define the culture of ChampionX and how we work.

Our Purpose

Our Business

Our Operating Principles

United behind a common purpose

Guided by our shared culture and operating principles

Our Strategic Priorities

ChampionX focuses on five strategic priorities that guide our capital and resource allocations. Our priorities are aligned with our operating principles of being customer advocates, people-oriented, delivering technology with impact, and being driven to improve.

Realizing our Better Together Potential
Since our 2020 merger, ChampionX has advanced our cultural, revenue, and cost-savings opportunities, while building on our purpose of improving lives and maintaining a purpose-driven culture. We continue to use our collective expertise to bring differentiated production, digital, diamond sciences, and emissions monitoring solutions to our customers. We made progress again in 2021, expanding our pipeline of production-oriented joint sell opportunities in North America and internationally, despite the challenges of the ongoing COVID-19 pandemic and supply chain and logistics bottlenecks.

Accelerating Digital and Digitally-enabled Revenue Streams
We remain focused on using our digital capabilities to support existing sales and expand our base of new digital revenue streams. These streams are natural extensions to our production optimization expertise, such as monitoring, modeling, failure analysis, and analytical services. Our digital offering is a full stack digital platform of hardware, software, and services to deliver best-in-class solutions for our customers that help them meet their ESG goals, including reducing methane emissions. We continue to establish partnerships to leverage the industry digital ecosystem. We increased digital revenue by 17% in 2021, and expect attractive future growth as we continue to execute on our digital strategy.

Leveraging our Global Footprint to Expand International Sales
We are expanding our artificial lift business in key international geo-markets by leveraging the global footprint of our Chemical Technologies business. We are encouraged by the reception we are receiving from integrated energy companies, national oil companies, and independent upstream customers around the world. As global oilfield activity levels expand in 2022 and beyond, ChampionX anticipates organic growth opportunities for our artificial lift and production chemical businesses.

Building Enterprise-wide Continuous Improvement Rigor
Continuous improvement is core to our culture and a key business advantage. We are expanding the ChampionX Operational Excellence model, further integrating productivity improvements, and automating workflows to eliminate waste in business processes. In addition, we established a dedicated continuous improvement team that is working with each of our business segments and functional areas. This team is sharing learnings and fostering the application of best practices across the company. ChampionX held our first Continuous Improvement Conference, as a merged company, in May 2021 where leaders and teammates across business segments and around the world shared best practices in a virtual setting.

Evolving our Portfolio for Sustained Growth
To evolve our portfolio, ChampionX is leveraging our core capabilities across the energy industry value chain and natural adjacencies, and is integrating our ESG Priorities with our corporate purpose and strategic objectives. We continue to allocate capital consistent with our value creation framework to drive success through the evolving energy landscape.

In sharing their operational and ESG goals, customers have told us that reducing GHG emissions is one of their highest priorities. In 2021, we acquired three innovative and disruptive growth companies – Scientific Aviation, Inc., Tomson Technologies LLC, and Group 2 Technologies LLC – and invested in two promising energy technology companies, QLM Technology Ltd and Ping Things. These acquisitions and investments benefit our customers by contributing to the drive toward decarbonization or providing ways to optimize their producing assets, which we believe will lead to sustained growth opportunities for ChampionX.

In addition, innovation by our Chemical Technologies, Production & Automation Technologies, and Drilling Technologies teams also helps our customers reduce their carbon footprint. These teams are working on environmentally friendly chemical solutions, energy-efficient artificial lift systems, digital solutions that enable customers' assets to operate more efficiently, diamond cutters that improve drilling productivity, and technologies that detect and help reduce GHGs.

Better Together in the Permian Basin

In 2021, ChampionX brought together our portfolio of strong brands, deep experience, and technical expertise in our Permian Basin Geo Market. This focus is helping us improve lives for our customers, employees, and communities in the New Mexico and Texas Permian Basin.

With our operations consolidated into approximately 20 locations, about 900 employees are sharing knowledge, discussing technical challenges, and solving customer problems together. Reducing the number of facilities we own and operate benefits our shareholders by lowering costs and

environmental impacts, and improving productivity, while allowing us to upgrade our facilities with amenities that contribute to our employees' physical and mental well-being.

Collaboration and Cohesive Solutions

When ChampionX subject matter experts from the pumps and digital solutions businesses had a chance to collaborate, they developed new chemical treatment skids to replace diesel-powered treater trucks. The skids improve the efficiency of chemical treatment, which can enhance production. These skids also

take trucks off the road, which helps to reduce carbon emissions and traffic safety risk.

Our artificial lift and production chemicals groups are working with a customer to develop a chemical treatment that prolongs the life of their artificial lift equipment and measurably improves lifting costs per barrel of oil. The treatment helps prevent artificial lift failures that require a diesel-powered workover rig for intervention, which in turn reduces the carbon footprint and lost revenue from downtime. Because we are a trusted advisor, customers are more willing to work with us on innovative solutions.

ChampionX's new emissions business is helping customers in the Permian Basin with one of their primary challenges: addressing methane emissions. Our solutions, like the continuous ground-based emissions monitoring devices, known as SOOFIE®, help customers find, measure, and mitigate leaks to the local environment.

Investing in our Employees and Communities

ChampionX has cumulatively provided over 3,000 hours of continuous improvement, leadership development, and customer salesperson training.

We have hosted purposeful collaboration sessions where different teams work on solutions to specific customer challenges in a systematic way that allows us to track progress. Chemical and artificial lift teams have worked together on mitigating sand in mechanical systems, and chemical and hydraulic pumping teams have cross-trained on their respective systems.

Employees are having a positive impact on communities through volunteerism, partnerships, and charitable giving. They volunteer to clean a stretch of highway near one of our largest office buildings every other month to keep roads free of debris. To improve lives for children, they have sponsored a STEM (science, technology, engineering, and mathematics) day at a local school and are partnering with customers to provide a trailer to cook food for children in local areas during the summer. They have also donated to the West Texas Food Bank to address local food insecurity and to honor customers at Christmas.

We believe our strong Permian Basin Geo Market presence will continue to open up opportunities to be Better Together.

Our solutions, like the continuous ground-based emissions monitoring devices, known as SOOFIE®, help customers find, measure, and mitigate leaks to the local environment.

ABOUT THIS REPORT

This *ChampionX 2021 Sustainability Report* is the company's inaugural report summarizing our efforts to advance our ESG strategic priorities and performance. It reflects our commitment to communicate transparently with our stakeholders about our focus on corporate citizenship, which includes ESG matters, to deliver results that increase shareholder value.

This report provides information on our key policies, programs, and results for relevant disclosure topics in the Sustainability Accounting Standard Board's (SASB) Oil & Gas Services Sustainability Accounting Standard and Chemicals Sustainability Accounting Standard. ChampionX will review our reporting frameworks and selected disclosure topics in the future and update or change them to reflect our ESG progress or stakeholder needs.

Unless otherwise noted, this report covers ChampionX's operated assets worldwide from January 1, 2021, through December 31, 2021. Calculations and statistics included in this report may be based on estimates, assumptions and projections and therefore subject to change. There are estimation uncertainties resulting from the limitations inherent in the methodologies used to calculate ESG information for the subset of our facilities and activities where actual use data is not available.

This report was reviewed and approved by ChampionX internal subject matter experts, Executive Committee members including the President and CEO, and by the Board of Directors' Governance and Nominating Committee in its ESG oversight role.

This report has not been externally assured or verified by independent third parties.

ESG Priorities Assessment

Since the Company's transformational merger in June 2020, we have taken a methodical approach to developing our ESG roadmap. Under the direction of our Vice President of ESG and Investor Relations, who reports directly to our CEO, senior leaders formed our cross-segment, cross-functional ESG Working Group to advance our ESG journey.

In 2021, the ESG Working Group engaged with customers to understand their sustainability journeys and with shareholders to learn their views on ESG best practices. These discussions informed an ESG Priorities Assessment the group undertook together with an external consultant. The consultant also benchmarked peers, customers, and industry ESG leaders. Based on this assessment, the ESG Working Group identified four ESG Priorities that will guide us on our ESG journey, and address our stakeholders' needs for ESG disclosures and ways to monitor our progress. Our ESG Priorities are:

- GHG Emissions
- Decarbonization Technologies
- Sustainable Innovation and Digital Transformation
- Employee Attraction, Retention, and Development

In 2021, the ESG Working Group helped select leaders for ESG workstreams that were formed to embed ESG into our culture and strategic objectives, starting with the critical issues identified in our ESG Priorities Assessment. The goal is to utilize our ESG framework to increase value for and provide a differentiated offering to our customers, employees, shareholders, and communities. We also plan to use the framework to identify and execute opportunities to evolve our portfolio for sustained growth.

Disclaimer

This Sustainability Report contains "forward-looking statements" or information. All statements other than statements of historical fact contained in this report are forward-looking statements. Forward-looking statements are often identified by the words "believe," "expect," "anticipate," "plan," "intend," "foresee," "should," "would," "could," "may," "estimate," "outlook," "guidance," "potential," "target," "forecast" and similar expressions, including the negative thereof. The absence of these words, however, does not mean that the statements are not forward-looking. These forward-looking statements are based on our current expectations, beliefs, and assumptions concerning future developments and business conditions and their potential effect on us. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that we anticipate.

All of our forward-looking statements involve risks and uncertainties (some of which are significant or beyond our control) and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections. We caution you not to place undue reliance on any forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any of our forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise, except to the extent required by law.

The data and information in this Sustainability Report, which has been prepared by ChampionX, are presented for informational purposes only. Nothing contained herein constitutes investment, legal tax or other advice nor is it to be relied upon in making an investment or other decisions. This Sustainability Report should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any securities. Certain information contained herein relating to any goals, plans, intentions or expectations, including with respect to climate-related goals and related timelines, is subject to change, and no assurance can be given that such goals, plans, intentions or expectations will be met. Similarly there can be no assurance that our ESG policies and procedures as described in this Sustainability Report will continue; such policies and procedures could change, even materially. ChampionX is permitted to determine in its discretion that it is not feasible or practical to implement or complete certain of its ESG initiatives, policies and procedures based on cost, timing or other considerations. Certain information contained herein has been obtained from third parties (and, in certain cases, has not been updated through the date hereof). While these third party sources are believed to be reliable, ChampionX makes no representation or warranty, express or implied, with respect to the accuracy, fairness, reasonableness or completeness of any of the third party information contained herein and expressly disclaims any responsibility or liability therefore.

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Governance and ESG Oversight

Earning the respect and trust of our stakeholders is fundamental to our success as a global enterprise and to realizing our purpose of Improving Lives. Strong corporate governance policies and practices enable ChampionX to achieve these ends by supporting high standards of ethics and integrity, decision-making, and risk management by our employees, officers, directors, suppliers, and third parties who conduct business on our behalf.

Board Structure, Independence, and Diversity

The ChampionX Board oversees management and governance of the company to help ensure that the long-term interests of shareholders are served. We have an independent Board in accordance with Nasdaq Listing Rules and our Corporate Governance Guidelines and an independent Board chair. Independent directors hold all chair and member positions of our standing Board committees: Audit, Compensation, and Governance and Nominating. Our CEO serves as the management representative on our Board, a structure that balances internal information and insights with non-management experience, accountability, and risk oversight.

Our Board believes that diversity in the broadest sense is an important aspect of a well-functioning board, requiring diversity to be a central component in director candidate searches and a consideration in succession planning. As of December 31, 2021, three of eight ChampionX director seats (approximately 37%) are held by women or persons of color.

Board and Executive Compensation

The Board's Compensation Committee designs our executive compensation program to drive behaviors and actions consistent with shareholder interests, prudent risk-taking, and a long-term perspective. The program includes policies and best practices such as pay for performance, clawback, anti-pledging and anti-hedging, and annual review of base salaries.

Our named executive officers receive a combination of base salary, and short-term and long-term incentives. Incentive awards are based on achieving company and segment targets for financial, safety, productivity, and strategic performance. Going forward, progress on our ESG Priorities, key performance indicators, and safety performance will factor into a portion of executive officers' incentive compensation.

Board compensation includes cash and stock-based incentives to attract and retain qualified candidates. Stock ownership guidelines for executives and non-employee directors align the interests of our independent directors with our shareholders.

DIRECTOR HIGHLIGHTS

25%	25%	88%	AGE			TENURE	
Gender Diversity	Racial/Ethnic Diversity	Independence	3 of 8	3 of 8	2 of 8	25%	75%
			< 60	60-69	70+	< 3 years	3-4 years

Environmental, Social, and Governance Oversight

Our ESG Priorities require close alignment with the company's corporate strategy and purpose, while meeting our stakeholders' needs for ESG reporting and disclosures. Through stakeholder engagements, we have learned that our performance on key ESG issues impacts our standing as a preferred employer, industry-leading innovator, and prudent investment.

Additional guidance on our ESG-related activities is found in our Global HSE Policy signed by the President and CEO and other executives, the Code of Business Conduct and Ethics (code), the Code of Ethics for CEO and Senior Financial Officers, Supplier Code of Conduct, Global Anti-Human Trafficking Policy, and Conflict Minerals Policy. We also maintain certifications to ISO 9001 for Quality Management, ISO 14001 for Environmental Management, and ISO 45001 for Safety Management. Meeting the stringent ISO certification obligations demonstrates our commitment to sustainability, continuous improvement, and to fulfilling customer requirements.

ORGANIZATIONAL STRUCTURE

Board of Directors
(oversight)

↓

Board Governance and Nominating Committee
(monitoring and review of progress on ESG Priorities)

↓

Vice President of ESG and Investor Relations
(corporate accountability, quarterly ESG reporting to Governance and Nominating Committee)

↓

ESG Working Group
(developing ESG roadmap)

↓

ESG workstreams
(embedding ESG into our culture and business strategy)

Enterprise Risk Management (ERM)

To manage business risks proactively and effectively, our Board and its Audit Committee, our senior management team, and relevant subject matter experts are actively involved in the ChampionX ERM process.

The Enterprise Risk Committee has broad responsibility for identifying material risks and for the risk management process. It is composed of members of our executive management, corporate compliance, and internal audit teams. The committee reports regularly to senior management and the Board regarding its processes and the most significant risks to achieving the Company's objectives.

The ChampionX senior management team is responsible for managing the risks facing our company and creating appropriate risk management policies and procedures. The Board is responsible for overseeing management's execution of these responsibilities, and along with its standing committees regularly reviews material strategic, operational, financial, legal, compensation, and compliance risks with executive officers.

The Audit Committee oversees the ERM process, including regularly reviewing major risk exposures and steps management has taken to monitor and control them. The committee reports its assessment of financial, legal, cybersecurity, enterprise, and compliance risks at each regularly scheduled Board meeting.
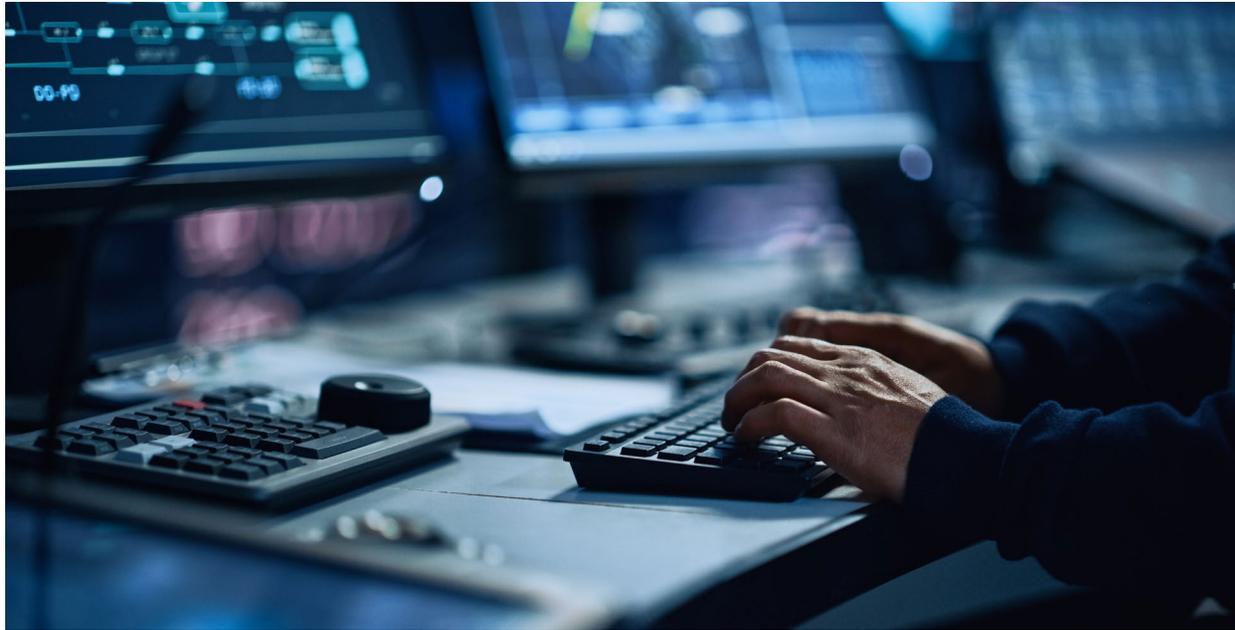
Ethics and Integrity

In our positive culture, ethical business practices are prioritized. The code guides us on complying with applicable laws, rules, and regulations; maintaining a safe and healthy workplace; and protecting the company's assets, information, reputation, and best interests. The code is available in the eight languages spoken in ChampionX facilities around the world. We also maintain an Anti-Bribery and Anti-Corruption Policy, Securities Trading Policy, and other policies that drive responsible business practices.

Each employee, officer, and director is responsible for having a basic understanding of the code and our policies, as well as a detailed understanding of policies that apply to their job. All employees receive training on our code upon hiring and then at least once a year, and must certify to reading and understanding the code annually.

Both the code and our Whistleblower and Non-Retaliation Policy require employees and all third parties engaged in conducting business on our behalf to promptly report any concerns they have about possible code or policy violations. Concerns may be reported to internal resources or our Global Hotline available via telephone

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ChampionX performs a full independent third-party cybersecurity maturity assessment every 36 months. This assessment is used to develop a multi-year strategy, investment, and project roadmap focused on improving and enhancing the ChampionX security posture.

or online. The hotline is available 24 hours a day, 7 days a week, and reports may be made confidentially and anonymously. ChampionX does not allow retaliation for reports made in good faith. Our General Counsel and Chief Compliance Officer are responsible for investigating reports and presenting a quarterly update to the Board's Audit Committee.

Cybersecurity
Technology is essential to operating our business and serving our customers. The Board's Audit Committee oversees our global cybersecurity risk environment, strategy, and priorities. Our Senior Vice President and Chief Information Officer (CIO) regularly reviews the company's global information technology (IT) issues with the committee.

ChampionX uses the National Institute of Standards & Technology Framework for Improving Critical Infrastructure Cybersecurity (NIST Framework) to internally assess our cybersecurity capabilities and develop priorities. ChampionX performs a full independent third-party cybersecurity maturity assessment, which is used to develop a multi-year strategy, investment, and project roadmap focused on improving and

enhancing the ChampionX security posture. In addition, ChampionX performs an annual independent third-party facilitated cybersecurity tabletop exercise and assessment focused on testing our incident response processes and capabilities. The results of both the maturity assessment and the annual tabletop exercise, along with cybersecurity roadmap progress and monthly operational metrics, are regularly shared with the Audit Committee, ChampionX senior leaders, and the company's Enterprise Risk Management Committee.

As explained in our code, each employee is responsible for taking proper security precautions when using the company's network and IT systems. We provide IT and cybersecurity training to employees at least once a year, regularly distribute cybersecurity safety tips, and conduct regular education campaigns to heighten employee awareness of cybersecurity threats.

Embedding ESG in the Chemical Technologies Supply Chain

Suppliers of raw materials, products, and services are essential to achieving our business purpose of Unlocking Energy and positioning ChampionX as a leader in every market we serve.

We want to work with diverse suppliers and other third parties who share in our culture, values, and ethical business practices, as well as provide us with high-quality, cost-effective solutions. ChampionX refuses to do business with third parties who violate our high standards or detract from our values.

Our Supplier Code of Conduct explains our expectations and requirements for doing business with ChampionX around the world. Suppliers receive the code during onboarding and are required to read, understand, and follow it. In addition, intermediaries who interact with government agencies undergo third-party screening to identify issues that would disqualify them from working with ChampionX.

We respect human rights and dignity and require suppliers to adhere to our Global Anti-Human Trafficking Policy that prohibits human trafficking, forced labor, child labor, and slavery. Suppliers must cooperate with any audits to confirm compliance with both policies. Potential violations of either policy must be reported through our internal channels or the ChampionX Global Hotline, and potential disciplinary action for confirmed violations include termination of the business relationship with ChampionX. All of these supplier resources are available on our website in eight languages.

As we further embed ESG performance into all aspects of our business, we are working to improve our understanding of our suppliers' ESG practices. Our marketing and procurement teams are piloting a survey to collect baseline information about the carbon footprint and human trafficking policies of certain key vendors across different regions. We expect to use the results of this survey to encourage our suppliers to improve their ESG performance.

The procurement team also is implementing an automated source-to-pay platform that will facilitate supplier collaboration and onboarding, and help us better track our suppliers' key ESG-related information, such as GHG emissions, modern slavery and anti-human trafficking activities, and diversity. This platform is part of our broader effort to deliver savings for ChampionX through more efficient operations across the global value chain and improve ESG performance throughout our global value chain.

Our procurement team is implementing an automated source-to-pay platform that will facilitate supplier collaboration and onboarding, and help us better track our suppliers' key ESG-related information.

Our ESG Priorities

ChampionX is driven by our purpose to improve the lives of our customers, employees, shareholders, and communities, through our commitment to deliver sustainable solutions to our customers. We are embedding ESG considerations into our work to help our customers responsibly maximize their operations, as well as to reduce our operational footprint, implement waste reduction efforts, and innovate solutions for efficient resource use.

Our key stakeholders expect ChampionX to continuously improve our performance on our ESG Priorities. We routinely provide our environmental and safety metrics to customers during the tender process, while striving to create innovative products and processes to help them meet their own sustainability goals. Our stockholders want disclosures about our ESG progress, which is considered an indicator of our ability to create long-term value. Our employees want to be part of an organization that is not only committed to being a responsible corporate citizen, but also gives them opportunities to support the communities where they live and work.

We view ESG considerations as important to achieving our strategic priority to evolve our portfolio for sustained growth. We have taken a methodical approach to integrating ESG considerations into our corporate purpose and strategic objectives. Based on the ESG Priorities Assessment our ESG Working Group completed in 2021, we are concentrating on four ESG Priorities: GHG Emissions, Decarbonization Technologies, Sustainable Innovation and Digital Transformation, and Employee Attraction, Retention, and Development. Details about our ESG Working Group and Priorities Assessment are discussed on pages 28 and 12 of this report.

GHG Emissions

Decarbonization Technologies

Employee Attraction, Retention, and Development

Sustainable Innovation and Digital Transformation

Employee-led, cross-functional ESG workstreams are helping embed these priorities into our culture and business strategy. Their initial focus has been on GHG emissions, customers, innovation, culture, communications, and governance and reporting frameworks.

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GHG Emissions

Reducing greenhouse gas (GHG) emissions is a focus for ChampionX customers, investors, and employees, and is consistent with our corporate purpose and Global HSE Policy to reduce our environmental footprint. For customers, reducing GHG emissions contributes to their ability to protect air quality, comply with regulations, meet investor expectations, and keep their licenses to operate. We see significant growth opportunity in effective emissions management, and acquired Scientific Aviation, Inc. to help meet our customers' urgent need to detect, measure, and reduce methane emissions.

We believe our largest impact will come from helping our customers reduce their emissions, but we are also committed to tracking and reducing GHG emissions from our operations. We are actively working toward our goal to set credible emissions reduction targets and will provide updates on our progress in forthcoming Sustainability Reports.

Scope 1 emissions are direct GHG emissions that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles). Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. Although scope 2 emissions physically occur at the facility where they are generated, they are accounted for in an organization's GHG inventory because they are a result of its energy use.

Our GHG emissions workstream developed a Scope 1 and Scope 2 GHG emissions inventory for 2021, which involved collecting data from ChampionX-operated or controlled facilities and vehicle fleets around the world. This data includes GHG emissions from electricity, natural gas, and some diesel and propane consumption at manufacturing facilities and other locations, as well as diesel and gasoline fuel for our fleet of approximately 2,500 owned and leased vehicles for sales, technical service and product delivery.

We would also like to develop an appropriate measure to quantify our Scope 3 upstream and downstream impacts, consistent with our belief that our greatest contribution to reducing the industry's carbon footprint will come from providing our customers equipment and technologies that reduce emissions from their operations.

GHG Emissions

Metric	2021 Disclosure
Scope 1	76,396 t CO_2-e
Scope 2	64,266 t CO_2-e

Environmental Management

At ChampionX, we are passionate about improving lives in the communities where our employees live and work, and a clean environment is vital to the health of our communities. We actively seek to conduct our business in a manner that protects the environment and continuously improves our performance.

Goal Zero is our belief that zero environmental releases is possible because all incidents are preventable.

Our Global HSE Policy calls for the company to reduce our environmental footprint and effectively manage the life cycle of our products, promote healthy living, and improve our results. This policy and our code emphasize compliance with applicable regulations, laws, customer requirements, company policies, and voluntary efforts to protect the environment across our business segments. In

addition, we demonstrate our commitment to compliance with environmental laws, regulations, and client requirements by maintaining global ISO 14001 Environmental Management certification.

Taken together, these environmental and safety management systems help reduce risk exposure from low-probability, high-impact accidents and emergencies.

Air Quality

To be a steward of the environment, we seek to minimize air emissions by enhancing our operational effectiveness and taking other actions.

Metric	2021 Disclosure
Nitrogen oxides (NO_x excluding N2O)	104.66
Sulfur dioxides (SO_x)	0.94
Volatile organic compounds (VOCs)	75.72
Hazardous air pollutants (HAPs)	32.24

ENVIRONMENTAL PERFORMANCE OVERSIGHT

Board of Directors' Governance and Nominating Committee

↓

Executive Committee

↓

HSE Council

↓

Regional and local teams

Energy Management

ChampionX continuously monitors energy consumption at our facilities around the world to reduce our impact on the environment, conserve resources, and save costs.

Metric	2021 Disclosure
Total energy consumed	1,975,048 GJ
Percentage grid electricity	23.9%
Percentage renewable	0.2%
Total self-generated energy	0 GJ

Water Management

Water is a vital resource that we share with the communities where we operate. ChampionX seeks to consume fresh water responsibly to shrink our environmental footprint and support the sustainability of our business and our communities.

Metric	2021 Disclosure
Total water withdrawn	618 thousand m³
Total water consumed in sold products	121 thousand m³
Percentage of water withdrawn from regions with high or extremely high baseline water stress	25%
Number of incidents of non-compliance associated with water quality permits, standards, and regulations	0

Hazardous Waste Management

Our waste reduction efforts focus on diverting waste and conserving operational resources. All ChampionX manufacturing and distribution sites must manage waste responsibly. We actively seek opportunities to recycle operational materials where possible and within acceptable practice. ChampionX also partners with our vendors to implement recycling programs that allow us to collectively reduce our environmental impact.

Metric	2021 Disclosure
Amount of hazardous waste generated	22,609 t
Percentage recycled	8.3%

Safety & Environmental Stewardship of Chemicals

As a provider of chemistry programs and services to the energy industry, ChampionX is committed to managing chemicals safely, responsibly, and in compliance with applicable regulations and laws wherever we operate. Requirements for the safe production, blending, storage, handling, and delivery of chemicals are described in our Global Integrated Management System (IMS). We apply the principles of process hazard communication and evaluation to all phases of chemical use in our business, including making available Safety Data Sheets (SDS) across our value chain. Our facilities that handle, store, or process hazardous chemicals must have programs in place to prevent unintentional chemical releases. The IMS also provides requirements for reporting, investigating, and communicating any chemical-related incidents.

Metric	2021 Disclosure
Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances	52%
Percentage of such products that have undergone a hazard assessment	0%

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CASE STUDY

Voice of the Customer: SOOFIE® Emissions Monitoring Program Helps Chesapeake Energy Achieve Grade "A" MIQ and EO100™ Certification in Legacy Haynesville Shale Operations

Certification supports Chesapeake's pledge to reduce methane and greenhouse gas (GHG) intensity and achieve net-zero direct greenhouse gas emissions

Challenge

ChampionX customer Chesapeake Energy Corporation (NASDAQ: CHK) has made a public commitment to a lower-carbon future through environmental stewardship and responsible production across its gas basins, including a pledge to reduce methane intensity[1] to 0.09% company-wide by 2025.

MiQ Certification provides a verified approach to tracking this commitment, as well as supporting Chesapeake in reaching its overall objective of achieving net-zero direct greenhouse gas emissions by 2035. Chesapeake's commitment to all aspects of environmental, social and governance excellence will be verified annually against the EO100™ Standard.

Solution

Quickly detecting and repairing methane leaks is crucial as Chesapeake works to reduce its GHG emissions and continuously test and deploy new methods to mitigate methane emissions.

Chesapeake is deploying ChampionX's SOOFIE stand-alone real-time methane leak detection system to achieve the certification. Chesapeake has set a goal to certify all of its Marcellus production under the MiQ methane standard,

> **In our Haynesville and Marcellus operating areas, we utilize Scientific Aviation's SOOFIE continuous methane monitoring technology to detect emissions at our production sites. We are currently utilizing more than 800 sensors in the Haynesville and more than 1,200 sensors in the Marcellus.**

and the EO100™ Standard for Responsible Energy Development, by the end of 2022.

Results

Chesapeake reported, "In 2022, we are expanding our continuous monitoring systems to include at least 50% of our recently acquired Marcellus assets. Specific to the Eagle Ford, we are piloting a portable methane monitor capable of identifying releases in real time and a fixed methane monitoring system."

Source: Chesapeake Energy Corporation (NASDAQ: CHK) press release issued December 21, 2021.

Decarbonization Technologies

ChampionX is focused on developing and building technologies and solutions that will help our customers achieve a lower-carbon future through GHG emissions reductions, while creating safer and more efficient operations.

We are strengthening our portfolio with strategic, bolt-on acquisitions and technology investments to build our capabilities and accelerate our progress, and by fostering our culture of innovation and continuous improvement.

After adding Scientific Aviation's emissions detection and monitoring capabilities to our portfolio, ChampionX launched Advanced Emissions Research Labs to focus on applied research in emissions. We intend to become an industry thought leader and global center of expertise for methane emissions, while continuing to offer capabilities for monitoring emissions from planes, drones, and continuous fence-line systems to address customer needs. Our continuous fence-line monitoring system (SOOFIE®) is considered to be a market-leading solution in its category and is helping our customers reduce methane leaks and emissions.

Strategic Acquisitions Expand our Emissions Detection and Decarbonization Portfolio

+ **Scientific Aviation**
  Emissions detection and monitoring

+ **Tomson Technologies** and **Group 2 Technologies**
  Decarbonization and nanotechnology

+ **Leak Surveys**
  Optical gas imaging (OGI) technology

+ **QLM Technology** and **Ping Things**
  Decarbonization

Our acquisition of Tomson Technologies and Group 2 Technologies in December 2021 expanded our decarbonization product offerings. They are leaders in nanotechnology platforms with proven commercial applications to lower the carbon footprint and operating expenses of oil and gas production operations. In February 2022, we acquired the assets of Leak Surveys, a leader in OGI technology that provides aerial and ground-based emissions leak detection to the oil and gas industry.

ChampionX also invested in QLM Technology in April 2021 and Ping Things in September 2021. These promising energy technology companies further our efforts to evolve our portfolio, specifically by supporting decarbonization.

As an organization driven to improve, ChampionX learns from each acquisition and internally generated innovation. We continue to grow our team of dedicated professionals and colleagues and are investing capital to build new solutions. Sharing our knowledge with our customers and our industry on the options and advantages of our solutions is an important part of our work.

CASE STUDY

Novel Scale Inhibitor Extends Treatment Lifetimes in Permian Enhanced Oil Recovery

Challenge

Scale buildup in producing wells can cause significant performance impairment and reduce overall well efficiency. Squeeze treatments prevent or control the formation of mineral scale in production tubing, completion perforations, and the reservoir formation near the wellbore. While helpful in restoring production levels by preventing scale formation, in some cases, squeeze lifetimes can be short, leading to frequent re-squeezing and production decreases, lowering overall economic recoveries.

Solution

Longer squeeze treatment lifetimes are critical to reducing operator downtime, lowering total cost of operations, and increasing incremental protected oil. The application of a scale squeeze treatment using ChampionX's Extended Release (XR) nanoparticle-enabled platform technology, which was deployed in 70 vertical conventional wells in the Permian Basin, has shown treatments lasting three times longer compared to traditional squeezes.

Results

Slowing the release of scale inhibitor results in extended squeeze lifetimes, which means operators will require less chemical over the lifetime of the producing well. By reducing chemical volume used during operations, chemical handling, manufacturing, and shipping needs decrease and CO_2 emissions are lowered.

The product has now been widely applied in vertical conventional wells in the area with great success. The XR platform technology is currently in use in more than 200 onshore and offshore wells, where the technology has been proven to work in both sandstone and carbonate reservoirs with a wide range of well conditions and compositions.

We continue to work with our operator partners to develop other XR platform-enabled chemicals that significantly improve the performance of existing production chemicals, especially in those areas where squeezing currently cannot be performed or is underperforming. Multiple other applications for this technology have been identified by operators and are being developed.

DELIVERING TANGIBLE VALUE TO THE CUSTOMER

LOWER CO$_2$ EMISSIONS
3 times the carbon reduction advantage

FEWER CHEMICALS
with prolonged performance – 3 times the application lifetime

REDUCED DOWNTIME,
simplified logistics, and minimized risk

### LOWER TOTAL COST
of operations

Sustainable Innovation and Digital Transformation

Delivering technology with impact is an operating principle that drives innovation at ChampionX. We seek to develop chemistries, artificial lift equipment, and other products that reduce Scope 1 and Scope 2 emissions and improve other areas of our customers' environmental performance. We also look for innovative ways to reduce ChampionX's impact on the environment and shrink our footprint.

As ChampionX business units work closely with our customers to understand their needs and develop effective solutions, our ESG innovation workstream team works to further embed ESG considerations into our product and service development. Our collective innovation efforts benefit from customer and internal interactions, research and development processes, internal and external trainings, innovation sessions and symposia, and external conferences.

For example, Chemical Technologies developed a sustainability scorecard to help employees evaluate suppliers' products for ESG value and an ESG strategy survey for key chemical suppliers. The segment is also considering innovation metrics that add value both internally and for our customers. Employees are enthusiastic about these tools that build sustainability into their day-to-day work.

Our Drilling Technologies segment applies a lean systems approach that considers environmental, safety, health, human rights, and quality factors at the front end of the product design and development process. This approach identifies potentially negative impacts, such as generating waste or requiring the use of conflict minerals, so our products can be designed to avoid them.
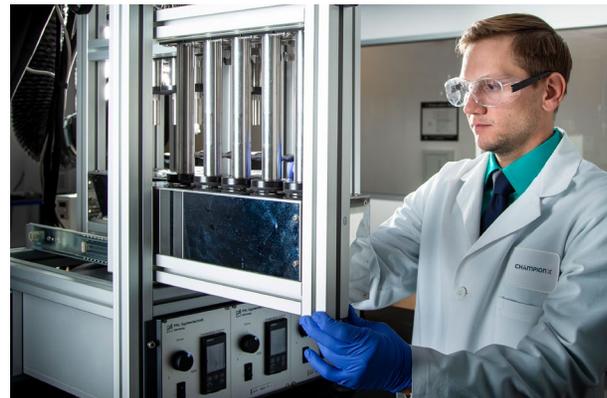
Digitization can reduce carbon emissions, cut operating costs, increase production, and improve productivity, operating efficiency, and safety. Across our business units, we develop fit-for-purpose digital solutions that deliver tangible value from our monitoring, predictive analytics, failure analysis, and optimization software products. Our digital portfolio brings together modular solutions for production optimization, asset integrity management, process control, downhole monitoring, and more in a single, easy-to-deploy secure platform.

Embedding Sustainability

Improving Lives and Unlocking Energy require new tools and programs with sustainability at their center.

Our internal methodology for calculating our carbon footprint gives us a measurable understanding of the baseline to gauge performance and progress. As a result, we can better understand the carbon impact of our current and future products and services and of the transport of products to our customers. This transparent and tangible assessment creates insight for innovating new technologies and sharing opportunities to deliver real value, and can help us develop a holistic carbon impact assessment across the value chain.

In addition, company subject matter experts use the ChampionX Sustainability Impact Assessment to identify actionable insights and guidance about an asset's performance that help customers meet their sustainability goals.

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CASE STUDY

UNBRIDLED ESP Systems' HIGH RISE Pump Solution Increases Customer's Production, Reduces Costs

Challenge

A Permian basin operator was unable to achieve its 2,200 BFPD production target with a competitor's larger 3,000 BFPD electrical submersible pump (ESP) system. The well was producing on average 450 BOPD – well below the operator's expected oil production rate – and the competitor's ESP failed in just four months.

Solution

After the competitor's failure, ChampionX installed an UNBRIDLED® ESP System featuring a HIGH RISE™ pump with our proprietary Oculus™ technology. The target production rate was near the extended upper end of the pump's flow range, allowing the operator to downsize the pump. Only three HIGH RISE pump sections were required to achieve the operator's target production rates while four pump sections in the competitor's ESP fell short of the target; fewer pumps mean less iron in the well, and faster installation. The HIGH RISE pump provided more lift with a smaller pump size and less horsepower, reducing the power requirements to operate the ESP.
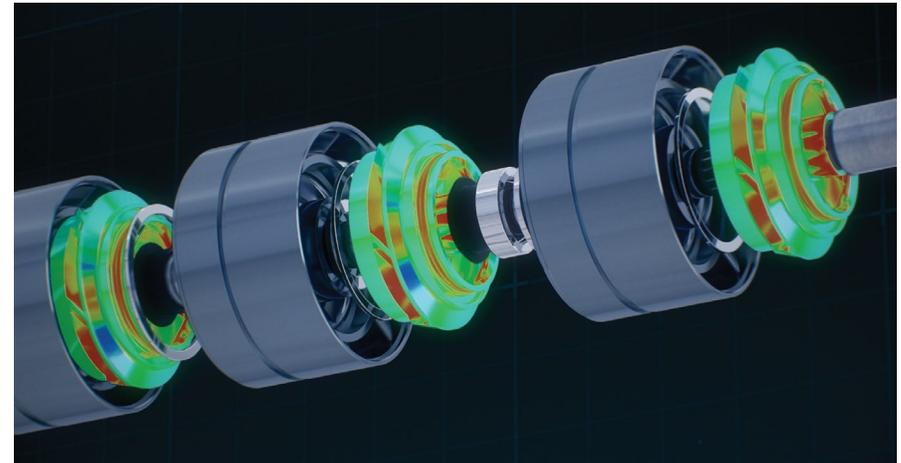
Results

The HIGH RISE pump, which has been operating for more than eight months, increased production by an average of 150 BOPD, increasing the operator's daily revenue by $9,000*. Mechanical improvements in the HIGH RISE pump design have more than doubled run life versus the competitor's systems, saving $200,000 in workover costs to date. The operator saved over $170,000* in revenue by avoiding 10 days of deferred production to conduct a workover.

By installing the HIGH RISE pump with three sections versus a pump with five sections to meet the production target, carbon emissions were reduced by 1 ton per install, the equivalent of 2,280 miles driven by a passenger car**. With fewer pumps, the HIGH RISE series pump line also reduces metal content by an average of 20%**. The greater lift per unit length of pump with HIGH RISE technology, at the same or less horsepower, reduced power consumption and electrical utility costs.

*Based on $60 per barrel
**Based on comparable pumps with five sections and EPA calculations

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DELIVERING TANGIBLE VALUE TO THE CUSTOMER	
DOUBLED RUN LIFE vs. Competitor Systems	**1 TON** Carbon emissions reduction per install
20% Average Metal Content Reduction**	**REDUCED POWER** Consumption

Employee Attraction, Retention, and Development

As a purpose-driven organization, our North Star is improving the lives of our stakeholders. Our operating principles of being customer advocates, people oriented, delivering technology with impact, and being driven to improve propel us toward our purpose each day. We view our purpose and operating culture as a source of sustainable competitive advantage. Our leadership team shapes our culture and experiences for employees, and we invest in leadership development programs to build and strengthen our leaders.
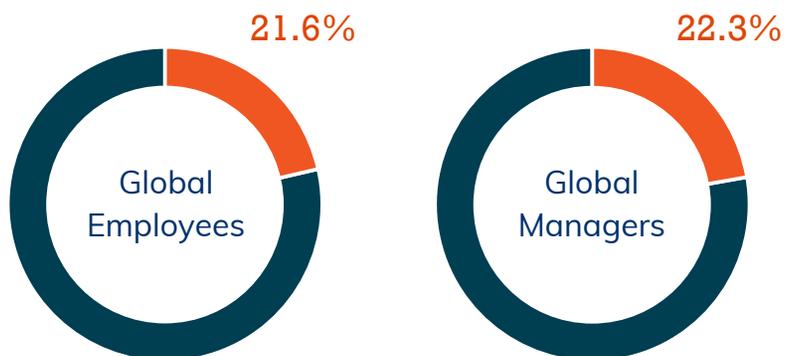
Across ChampionX and at all levels of the enterprise, we seek to develop a team of talented, motivated employees to support our customers, drive innovation, and create lasting impact. Our vision is to build and nurture a diverse and inclusive workplace where all employees feel a sense of belonging and alignment to our purpose of Improving Lives. We believe this allows us to do our best work, unlock our full potential, and build the workforce we need to achieve our strategic objectives and ESG Priorities.

Training and development, extensive employee engagement initiatives, and opportunities to help our communities all reinforce our culture. In addition, our ESG Working Group is helping to integrate our ESG considerations into our talent and D&I processes to improve lives through a passion for people and our planet.
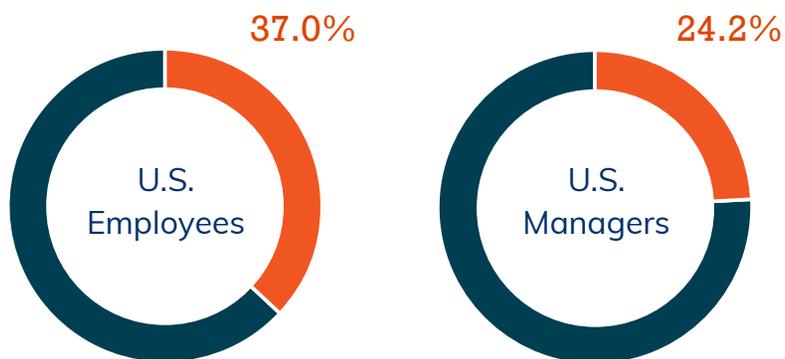
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Female Workforce in 2021

21.6%

Global
Employees

22.3%

Global
Managers

Racial Diversity in 2021

37.0%

U.S.
Employees

24.2%

U.S.
Managers

Diversity & Inclusion Council

The company established the D&I Council in 2021 to support D&I best practices and strategies to create an inclusive environment. Our CEO demonstrates his personal commitment to D&I by chairing the council, which also comprises senior leaders and leaders of three ERGs. This structure gives employees a direct voice in strengthening our culture of belonging. ERG leaders rotate off of the council every two years.

The council works to diversify our workforce, cultivate an appreciation for all cultures, and collaborate with ERGs on D&I activities and initiatives in the communities where we live and work.

With the D&I Council's guidance and support, ERG membership grew 54% from October 2020 through November 2021, and the company has forged partnerships with three industry D&I organizations: ALLY Energy, Energy Workforce & Technology Council, and Women's Energy Network.

D&I Metrics

- Female representation and U.S. minority representation improved in 2021
- At year-end 2021, women accounted for 21.6% of all employees (up 0.8% from 20.8% in 2020) and 22.3% of all managers globally (up 0.7% from 21.6% in 2020)
- At year-end 2021, 37.0% of U.S. employees (up 1.6% from 35.4% in 2020) and 24.2% of U.S. managers (up 0.8% from 23.4% in 2020) identified as racially diverse

Best Energy Workplace

ALLY Energy named ChampionX a Best Energy Workplace based on our culture, employee survey feedback, family-friendly and flex-work programs, D&I efforts, community projects, and other efforts to be an employer of choice. The global competition drew nearly 400 nominations of leaders, teams, and companies within the industry.

Learning and Leading

At ChampionX, our continuous improvement mindset empowers our employees to take charge of their learning experiences and fosters a culture of learning companywide. We believe this mindset is a clear competitive advantage.

For example, our Development Month held each May encourages personal and professional growth with unique events and workshops. Weekly themes are aligned with our culture and development needs, including our 2021 themes: Unlocking Your Potential, Continuous Improvement, Resiliency, and Inclusion & Allyship. Many employees volunteered their time and talents to teach others in 2021, and our ERGs hosted events focused on important diversity and inclusion topics like Imposter Syndrome, Gender Identity and Pronouns, and A Conversation About Allyship. The high level of engagement was a testament to our people-oriented culture focused on our purpose of Improving Lives.

2021 Development Month
- 10% of our workforce participated
- Participants from 32 countries, every business segment and every geographic region
- Approximately 20 sessions held virtually
- 60 facilitators
- Supplemented over 18,000 hours of compliance training

Employee Resource Groups Connect our Colleagues Worldwide

ASIA (Asian Society Inspiring Action) – engaging in Asian culture and communities

ARC (Appeal Relate Connect) – intergenerational connections

Essence – positively influencing all aspects of employment of associates of African descent

IMPACTO! – fostering intercultural understanding among those of Hispanic/Latino descent

MIL-SPEC (Military Support Program Employee Community) – for veterans, service members, those impacted by military service, and supporters

PLAN (Promote Leverage Accelerate Navigate) – building successful careers and gaining expertise

PRIDE – strengthening an inclusive culture for everyone, regardless of sexual orientation or gender identity

RISE (Recognize Inspire Share Engage) – gender equity

SEED (Sustainable Energy Empowers Development) – improving the environmental impacts our business makes on communities and the planet

Employee Resource Groups

ERGs representing our employees' rich cultures, experiences, backgrounds, and ethnicities are a key avenue for driving D&I progress at ChampionX. The company provides each group with an executive sponsor, a budget based on membership, and quarterly meetings to support ERG leaders. ERG membership is voluntary, popular, and growing.

ERGs provide members with professional and personal development content, book clubs, technical talks, and other opportunities to connect and learn. Several ERGs led popular sessions during our first annual Development Month in May 2021, attended by about 10% of our employees around the world. Development Month included weekly focus areas supporting the "Champion Your Career" theme. During Inclusion and Allyship Week, Pride ERG members and senior leaders held conversations about allyship and microaggressions. Other participating ERGs included RISE and Essence.

The ESG Working Group is making ESG content available to our workforce so they can learn and share information on sustainability. We are also evaluating an app that encourages employees to reduce their carbon emissions, measure impact, and track progress in building a culture of sustainability.

Community Involvement

In our people-oriented culture dedicated to Improving Lives, we want to meaningfully engage the communities where we live and work. Our community focus areas of education and health allow our employees to share their passion and expertise, strengthen their professional and leadership skills, and deepen their sense of belonging, while helping their neighbors. In June 2021, employees around the world got involved in their communities to celebrate the one-year anniversary of our merger to become ChampionX, and we plan to make this an annual tradition.

Earth Day observances around the world are a cause for celebration and an opportunity for ChampionX employees to volunteer in their local communities.

ChampionX riders in the Texas MS 150 raise donations to support medical research, education, and outreach to those living with multiple sclerosis.

Supporting Education and Health

In 2021, ChampionX employees volunteered for a STEAM (science, technology, engineering, art, and mathematics) event in the Permian Basin that connects sustainability and STEM, and STEM programs in Utah. As part of our commitment to build a strategic partnership with Texans by Nature, a non-profit working to unite business and conservation, several employees attended the organization's Conservation Summit.

We also support Genesys Works, which provides eight weeks of rigorous business technology training to students from underserved communities. When the students complete their training, they apply their skills in information technology and business operations in a paid, year-long internship at a ChampionX facility.

ChampionX hosted two events in 2021 for Days for Girls, which prepares and distributes sustainable menstrual health solutions to girls who would otherwise miss school during their monthly period. We also sponsor an employee team for the Texas MS 150, an event that draws thousands of bike riders raising money to support a world free of multiple sclerosis.

Contributing technical expertise and volunteers to provide clean drinking water is one of our key health-related social investments. ChampionX employees traveled to Kenya in February 2022 to use the Village Drill built by our diamond cutters to drill water wells. The Village Drill can drill up to 270 feet, disassemble easily, and fit into the back of a small truck. The project, sponsored by WHOlives, an organization that uses innovation to provide clean water to communities around the world, will serve approximately 1,000 people.

We continue to identify ways to connect our employees to volunteer opportunities in environmental stewardship and conservation, STEM, and other social impact areas that strengthen our ESG performance.

Constructive Engagement

At ChampionX, we support public awareness of the vital role we and our industry play in the global economy. As such, we support organizations such as the World Affairs Council of Greater Houston, the Greater Houston Partnership, and the Energy Workforce & Technology Council, as well as local and regional coalitions where we operate. These organizations are well aligned with our purpose of improving lives and enhance public understanding of our industry. We also participate in local community advisory panels – including one that has been a valuable part of our outreach activities at our Sugar Land, Texas, operation for many years.

Safety Management

ChampionX has a goal of zero accidents and incidents and believes Goal Zero is achievable because all incidents are preventable. Safety is a top operational priority and also considered when we are developing technology with impact for our customers.

SAFETY PERFORMANCE OVERSIGHT

Board of Directors' Governance and Nominating Committee

↓

Executive Committee

↓

HSE Council

↓

Regional and local teams

HSE Council

The HSE Council seeks to continuously improve our safety performance and align policies and practices for consistency across the enterprise. The council chair – the Vice President of HSE and Quality – reports to the Chemical Technologies president, both of whom serve on the executive committee. The chair presents the annual HSE plan and quarterly performance updates to the Board. Representatives from all company business segments, multiple levels of regional safety organizations, regulatory affairs, and quality serve on the council.

HSE Council activities in 2021 included:

- Implementing a corporate safe driving program
- Launching an enterprise-wide HSE IT platform for safety data such as recordable and lost time incidents, near misses, and safety observations
- Initiating the effort to evaluate and reduce ChampionX's GHG emissions
- Actively managed employee risks related to the COVID-19 pandemic through education, quarantining, contact tracing, reporting infections, returns to work and workplace modifications.

Employees are required to exercise Stop Work Authority for their safety and the safety of others, and to manage risk.

GOAL ZERO
YOU LEAD

Supporting Goal Zero

Safety management starts with our Global HSE Policy that emphasizes employees' personal leadership, engagement, and empowerment in our safety culture. The policy covers compliance with safety policies, procedures, applicable job requirements, regulations, and customer requirements. We provide training, Life Safety Rules to prevent serious injury or death associated with 10 key hazards, and the Journey to Zero program focused on constant awareness and consistent safety behaviors and practices. Key initiatives to support our Goal Zero culture include communicating about safety before meetings, pre-job briefings, and tool-box talks before carrying out job tasks.

To put our HSE, quality, and security policies and principles into action, our employees, contractors, and third parties follow the ChampionX Global Integrated Management System (IMS). The IMS encompasses 14 elements intended to help us enhance

performance and achieve our objectives by following a Plan, Do, Check, and Act process for continuous improvement.

Protecting the health and safety of our employees, customers, communities, and the environment is a critical success factor at ChampionX. IMS elements drive safe behaviors and operations with a focus on managing risk and preventing personal safety incidents and injuries, process safety events, and environmental incidents like chemical spills. If incidents do occur, the Incident Management element requires planning for emergency preparedness and response; incident reporting, investigation and communication; and business continuity.

**GLOBAL IMS
CONTINUAL IMPROVEMENT CYCLE**
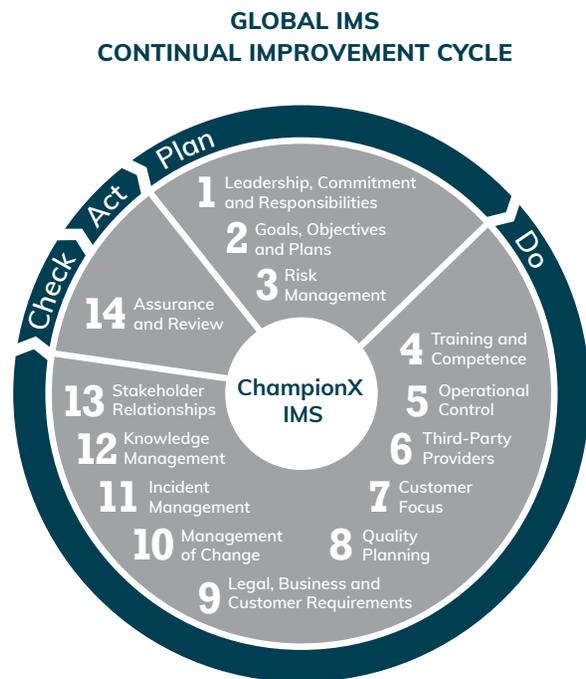
3-Year Safety Metrics*

	2019	2020	2021
TRIR - Total Recordable Incident Rate	0.63	0.36	0.48
LTIR - Lost Time Incident Rate	0.15	0.11	0.20
Fatality Rate	0	0	0
% of locations Goal Zero for Recordable Injuries	N/A	N/A	81%
TVAR - Total Vehicle Accident Rate	2.67	1.79	1.86
SVAR - Severe Vehicle Accident Rate	0.02	0.06	0.02
Process/Distribution Safety - Tier 1 events	4	1	1
Process/Distribution Safety - Tier 2 events	6	15	13
Hours	17,080,905	14,949,828	15,140,027
Miles	57,595,226	50,409,445	51,050,778
Recordable Injuries	54	27	36
Vehicle Incidents - All	154	90	95
Vehicle Incidents - Severe	1	3	1

*Includes historical data from our Chemical Technologies business acquired in June 2020.

Protecting our People During the Pandemic

As a company classified as critical infrastructure, ChampionX took significant precautions to protect the health and safety of our workforce while serving our customers in a vital industry. Our crisis management team leads our pandemic response, providing corporate guidance and delegating some decisions to our regional operations so they can manage their business effectively and continue operations.

To safeguard employees and manage risk related to the COVID-19 pandemic, the team established policies for managing isolation, quarantining, contact tracing, reporting infections and returns to work, wearing masks, and other precautions. The crisis management team gave our Executive Committee weekly status updates that included key metrics.

ChampionX was able to do business and deliver to our customers throughout the pandemic. We believe our ability to sustain operations resulted in part from minimizing infections among our employees, managing our workplaces effectively, and communicating consistently with employees, customers, and suppliers.

CASE STUDY

Improving Lives by Relieving Water Scarcity

Providing Clean Water in the Developing World Using the Innovative Village Drill

Challenge

It is not an exaggeration to say that almost every African is impacted by water scarcity, both directly and indirectly. Those directly affected have no immediate access to water and must travel long distances to provide water for their households and businesses.

Poverty and access to water are interlinked, as a lack of water increases vulnerability and leads regions further and further away from achieving several goals that work together to end extreme poverty, including issues like access to nutritious food and health care.

Solution

Although many well-meaning organizations work every day to bring clean water to those who need it, most do so at an incredibly high cost. That is where WHOlives, a non-profit organization with a primary focus on water relief efforts on the continent of Africa, makes a real difference. WHOlives provides clean water in the developing world using the innovative Village Drill. At the same time, WHOlives empowers people by providing technical and economic solutions, creating opportunity, not dependency, and implementing sustainable impacts for communities.

The WHOlives Village Drill project is a three-way partnership between US Synthetic, our customer Ulterra, and WHOlives. In most developing regions, there is not a lack of water, but a lack of access. The goal of the project is to help bring fresh water to villages that are lacking accessibility using the innovative technology of the Village Drill. The Village Drill can penetrate nearly all substrates and can be manually transported. For many years, US Synthetic has partnered by donating the diamond cutters with Ulterra donating the drill bits used for each Village Drill.

As part of our Engineering Good community outreach program, our US Synthetic organization pays for half of the expenses for employees to participate in humanitarian mission trips, with the employees funding the other half.

Results

During 2021, our partnership with WHOlives helped deliver 13 Village Drills to impoverished communities in nine different countries around the world. In total, ChampionX helped more than 1 million people gain access to clean water in 2021. By connecting with great partners like WHOlives, we leverage and maximize our impact for good by working together on our purpose of Improving Lives.

13
Village Drills delivered to impoverished communities in nine different countries around the world

1MM+
people gained access to clean water in 2021

CHAMPIONX
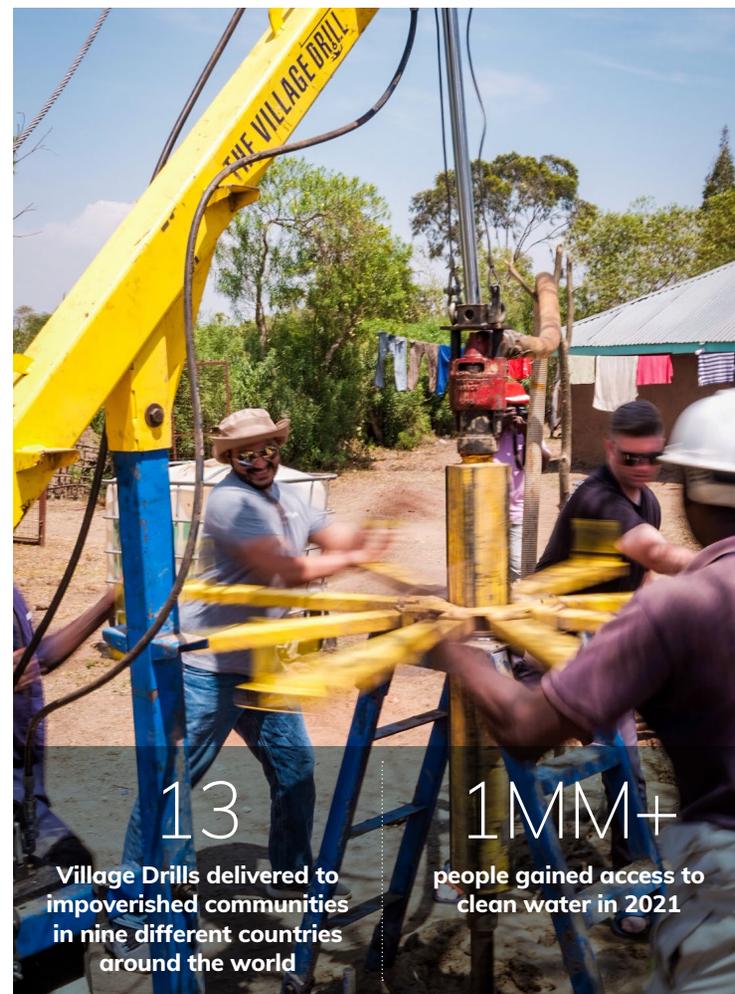
The information included in the index below is based on the best available data as of the date of this report and is subject to change. In some cases, data is estimated and is based solely on our interpretation and judgment. The index below lists indicators from SASB and GRI. We strive to continually improve our data performance reporting and continue to assess alignment with other emerging frameworks.

APPENDIX 1

2021 ESG Performance Data and Sustainability Accounting Standards Board (SASB) Index

Chemicals

Topic	Accounting Metric	2021 Performance and Disclosures	Code
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	76,396 t CO_2-e [1] 0% [2]	RT-CH-110a.1
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	For discussion relating to emissions reduction targets, see page 18.	RT-CH-110a.2
	Gross global Scope 2 emissions	64,266 t CO_2-e [3]	
Air Quality	Air emissions of the following pollutants: (1) NO_x (excluding N2O), (2) SO_x, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	(1) 104.66 t [4] (2) 0.94 t [5] (3) 75.72 t [6] (4) 32.24 t [7]	RT-CH-120a.1
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	(1) 1,975,048 GJ [8] (2) 23.9% [9] (3) 0.2% [10] (4) 0 GJ [11]	RT-CH-130a.1
Water Management	(1) Total water withdrawn, (2) total water consumed in sold products, (3) Percentage of water withdrawn from regions with high or extremely high baseline water stress	(1) 618 thousand m^3 [12] (2) 121 thousand m^3 [13] (3) 25% [14]	RT-CH-140a.1
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	0 [15]	RT-CH-140a.2
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Not disclosed	RT-CH-140a.3
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	Generated: 22,609 t [16] Recycled: 8.3% [17]	RT-CH-150a.1

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Topic	Accounting Metric	2021 Performance and Disclosures	Code
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	For discussion relating to this metric, see page 29.	RT-CH-210a.1
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	(1) 0.48 [25] (2) 0 [26]	RT-CH-320a.1
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	For discussion relating to this metric, see page 28.	RT-CH-320a.2
Product Design for Use-phase Efficiency	Revenue from products designed for use-phase resource efficiency	Not disclosed	RT-CH-410a.1
Safety & Environmental Stewardship of Chemicals	(1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	(1) 52% [18] (2) 0% [19]	RT-CH-410b.1
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	For discussion relating to this metric, see page 16.	RT-CH-410b.2
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	0% [20]	RT-CH-410c.1
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Not disclosed	RT-CH-530a.1
Operational Safety, Emergency Preparedness & Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	PSIC: 1 [21] PSTIR: 0.021 [22] PSISR: 0.062 [23]	RT-CH-540a.1
	Number of transport incidents	1 [24]	RT-CH-540a.2
Activity Metric	Production by reportable segment	Not disclosed	RT-CH-000.A

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Oil & Gas - Services

Topic	Accounting Metric	2021 Performance and Disclosures	Code
Emissions Reduction Services & Fuels Management	Total fuel consumed, percentage renewable, percentage used in: (1) on-road equipment and vehicles and (2) off-road equipment	For discussion relating to this metric, see page 19.	EM-SV-110a.1
	Discussion of strategy or plans to address air emissions-related risks, opportunities, and impacts	For discussion relating to this metric, see page 18.	EM-SV-110a.2
	Percentage of engines in service that meet Tier 4 compliance for non-road diesel engine emissions	Not disclosed	EM-SV-110a.3
Water Management Services	(1) Total volume of fresh water handled in operations, (2) percentage recycled	For discussion relating to this metric, see page 20.	EM-SV-140a.1
	Discussion of strategy or plans to address water consumption and disposal-related risks, opportunities, and impacts	For discussion relating to this metric, see page 20.	EM-SV-140a.2
Chemicals Management	Volume of hydraulic fracturing fluid used, percentage hazardous	ChampionX does not conduct hydraulic fracturing as part of our contracting services to the oil & gas industry.	EM-SV-150a.1
	Discussion of strategy or plans to address chemical-related risks, opportunities, and impacts	For discussion relating to this metric, see page 20.	EM-SV-150a.2
Ecological Impact Management	Average disturbed acreage per (1) oil and (2) gas well site	ChampionX does not own, lease or operate oil or gas well sites as part of our contracting services to the oil & gas industry, and does not provide drilling, completion, fracturing, or decommissioning services.	EM-SV-160a.1
	Discussion of strategy or plan to address risks and opportunities related to ecological impacts from core activities	For discussion relating to this metric, see page 19.	EM-SV-160a.2
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), (4) total vehicle incident rate (TVIR, or TVAR), and (5) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	(1) 0.48 [25] (2) 0 [26] (3) 87.68 [27] (4) 1.86 [28] (5) 4.8 [29]	EM-SV-320a.1
	Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle	For discussion relating to this metric, see page 27.	EM-SV-320a.2

Topic	Accounting Metric	2021 Performance and Disclosures	Code
Business Ethics & Payments Transparency	Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	13% [30]	EM-SV-510a.1
	Description of the management system for prevention of corruption and bribery throughout the value chain	For discussion relating to this metric, see page 14.	EM-SV-510a.2
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Not disclosed	EM-SV-530a.1
Critical Incident Risk Management	Description of management systems used to identify and mitigate catastrophic and tail-end risks	For discussion relating to this metric, see page 14.	EM-SV-540a.1
Activity Metric	Number of active rig sites	ChampionX does not own, lease or operate any offshore or onshore rig or well sites.	EM-SV-000.A
	Number of active well sites	ChampionX does not own, lease or operate any offshore or onshore rig or well sites.	EM-SV-000.B
	Total amount of drilling performed	ChampionX does not conduct any drilling operations.	EM-SV-000.C
	Total number of hours worked by all employees	15,140,027 hours [31]	EM-SV-000.D

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APPENDIX 2

2021 ESG Performance Data - Additional Metrics

GRI Standard	Disclosure	Location
GRI 2: General Disclosures	2-9 Governance structure and composition	For discussion related to this metric, see page 13 and 14.
	2-12 Role of the highest governance body in overseeing the management of impacts	For discussion related to this metric, see page 12, 13, and 14.
	2-13 Delegation of responsibility for managing impacts	For discussion related to this metric, see page 13.
	2-16 Communication of critical concerns	For discussion related to this metric, see page 14.
	2-22 Statement on sustainable development strategy	CEO Letter
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	For discussion related to this metric, see page 27.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	For discussion related to this metric, see page 24.

Reconciliations of GAAP to Non-GAAP Financial Measures
(UNAUDITED)

ChampionX Corporation presents our financial results in accordance with U.S. GAAP. However, management believes that adjusted EBITDA reflects the core operating results of our businesses and helps facilitate comparisons of operating performance across periods. In addition, free cash flow is used by management to measure our ability to generate positive cash flow for debt reduction and to support our strategic objectives.

The following tables reconcile our U.S. GAAP financial information with non-GAAP financial information used in this report for the year ended December 31, 2021.

(in thousands)	Year Ended December 31, 2021
Free Cash Flow	
Cash provided by operating activities	$ 328,219
Less: Capital expenditures	(84,464)
Free cash flow	$ 243,755

(in thousands)	Year Ended December 31, 2021
Revenue	$ 3,074,990
Net income attributable to ChampionX	$ 113,299
Pre-tax adjustments:	
Gain on sale of Corsicana plant	(38,131)
Merger integration costs	35,233
Acquisition-related adjustments	(14,048)
Acquisition costs	412
Restructuring and other related charges	14,624
Loss on extinguishment of debt	11,098
Intellectual property defense	6,622
Latin America tax matters	(2,968)
Separation and supplemental benefit costs	1,559
Tax impact of adjustments	(3,024)
Adjusted net income attributable to ChampionX	124,676
Tax impact of adjustments	3,024
Net income attributable to noncontrolling interest	941
Depreciation and amortization	237,285
Provision for income taxes	38,445
Interest expense, net	51,921
Adjusted EBITDA	$ 456,292

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1. Scope 1 emissions are derived from utility consumption data for natural gas in global manufacturing sites, utility natural gas consumption data for most small sites in North America, diesel and gasoline and aviation gasoline consumption for fleet vehicles in North America and Latin America, estimated natural gas consumption for small facilities globally (based on headcount or square footage), estimated fuel consumption for fleet vehicles outside North America and Latin America, combined purchasing data and estimates for propane consumption, estimated refrigerant losses from fleet vehicles using EPA methods, estimated refrigerant losses for site assets by extrapolation, and estimated combustion of volatile organic compounds for sites with thermal oxidizers or flares.

2. ChampionX does not have operations in any country where GHG emissions are above a threshold that triggers GHG Cap and Trade regulations.

3. Scope 2 emissions are derived from regional emission factors combined with: electricity consumption data for global manufacturing sites, consumption data for most sites in North America, estimated electricity consumption for small sites and office locations globally (based on headcount or square footage), and consumption data for purchased steam at applicable manufacturing sites.

4. NOx emissions combine data from manufacturing sites in countries where regulations require annual reporting (e.g., USEPA Toxic Release Inventory and National Pollutant Release Inventory in Canada) and standard EPA factors for non-GHG emissions for gasoline and diesel vehicles applied globally.

5. SOx emissions reflect data for manufacturing sites in countries where regulations require annual reporting (e.g., USEPA Toxic Release Inventory and National Pollutant Release Inventory in Canada).

6. VOC emissions combine data from manufacturing sites in countries where regulations require annual reporting (e.g., USEPA Toxic Release Inventory and National Pollutant Release Inventory in Canada) and standard EPA factors for non-GHG emissions for gasoline and diesel vehicles applied globally.

7. HAP emissions reflect data for manufacturing sites in countries where regulations require annual reporting (e.g., USEPA Toxic Release Inventory and National Pollutant Release Inventory in Canada).

8. Total Energy consumed includes global site and vehicle consumption of electricity, natural gas, purchased steam, gasoline, diesel, propane, and aviation fuel. See footnote 1 and 3 regarding estimated elements.

9. Percent grid electricity is derived from energy value of electricity consumption relative to total energy consumed. See footnote 1 and 3 regarding estimated elements.

10. ChampionX purchased 100% renewable electricity for operations in Aberdeen, UK.

11. ChampionX did not produce electricity for internal consumption at any site in 2021.

12. Water withdrawn data includes consumption data globally for large manufacturing sites and estimates for small sites (based on headcount).

13. Water sold in products is derived from sales volume of chemical products and consumption of water from bill of material data for the majority of our business and estimates for the remaining sites.

14. Water withdrawn in high or extremely high baseline stress locations is derived from water withdrawn data for sites located in high stress zones, as defined and classified by the World Resources Institute's (WRI) Water Risk Atlas tool.

15. ChampionX had no formal enforcement actions taken by regulatory authorities related to water discharge permits at its global sites.

16. Hazardous waste generation captures global data for manufacturing sites and warehouse sites, where hazardous waste is generated.

17. Hazardous waste recycled captures global data per SASB definition (i.e., excluding waste consumed with energy recovery).

18. Revenue from finished chemical products classified as GHS Category 1 and 2 normalized to total revenue of ChampionX.

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19. ChampionX hazard assessment of chemical products complies with Global Harmonization System SDS requirements rather than the expansive and additive SASB definition of risk assessment and methodologies referenced therein.

20. ChampionX products and its operations do not involve genetically modified organisms.

21. Process Safety Incidents reported globally that meet the Tier 1 definition per ANSI/API RP 754. Additional metrics within the report for Process Safety Events utilizes the Tier 2 definition per ANSI/API RP 754.

22. Process Safety Total Incident Rate is normalized to 200,000 hours based on our Chemical Technologies business headcount.

23. Process Safety Incident Severity Rate applies the severity-weighted factor for Tier 1 incidents and is normalized to 200,000 hours based on our Chemical Technologies business headcount.

24. ChampionX globally incurred one transportation incident, with a contracted third party, that meets the criteria as defined by SASB.

25. Total Recordable Incident Rate includes all global incidents and hours worked for employees and supervised contractors, according to OSHA definitions for recordable injuries, for 2019, 2020 and 2021. A related metric within the report for % of locations with Goal Zero for Recordable Injuries in 2021 normalizes the recordable injury events to the number of global company sites that have more than five employees.

26. ChampionX experienced no fatalities in 2019, 2020, and 2021.

27. Near Miss frequency rate reflects events from the Chemical Technologies business Safety Observation reporting system, normalized to 200,000 hours worked basis in Chemicals Technologies business, where events were tagged by the user as "Near Miss".

28. Total Vehicle Incident Rate for 2021 reflects globally reported vehicle incidents, according to API definitions, per million miles of travel, where miles is calculated from fuel consumption and estimates of gas mileage per vehicle type. Vehicle Incident Rate metrics for prior years use the 2021 approach, but includes estimated mileage from headcount ratio changes, and also estimated vehicle incidents for 2019 for certain business segments where data was not available.

29. Average Safety Training Hours per person is conservatively estimated from centralized data for company-required safety training for Chemical Technologies field-based personnel, and excludes additional training that is managed locally or nominated by customers.

30. Calculated from revenue from countries with the lowest 20 rankings in the Transparency International's Corruption Perception Index normalized to enterprise revenue.

31. Hours worked combines work hours data (where available) with monthly headcount data for employees and supervised contractors, where company-established factors are utilized to estimate work hours per month per job role, consistent with OSHA injury rate reporting.

CHAMPIONX

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