



CHAMPIONX

2023 Sustainability Report



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About this Report

The ChampionX 2023 Sustainability Report summarizes our efforts to advance our environmental, social, and governance (“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 relevant to certain disclosure topics in the Sustainability Accounting Standard Board’s (“SASB”) Oil & Gas Services Sustainability Accounting Standard and Chemicals Sustainability Accounting Standard. We intend to review our reporting frameworks and select disclosure topics in the future and update or change them as appropriate to reflect the nature of our business, our ESG progress, and stakeholder needs.

Unless otherwise noted, this report covers ChampionX’s operated assets worldwide from January 1, 2023 through December 31, 2023. Calculations and statistics included in this report are estimates and may also be based on estimates, assumptions, and projections, and therefore are subject to change (including as a result of the development of ChampionX’s own internal standards and policies). 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 usage data is not available.

This report was reviewed and approved by ChampionX internal subject matter experts, Executive Committee members including the President and CEO, the Board of Directors, and the Board Governance and Nominating Committee. This report has not been externally assured or verified by independent third parties.



 [Learn More](#)

You can access detailed information on how we manage key topics by clicking the “Learn more” links found throughout the report. These links will direct you to relevant policies, reports, management approaches, and additional web content.

A Letter From our CEO

I am honored to present ChampionX's Sustainability Report for 2023, which details our efforts during that year to advance our ESG priorities and performance. As you will see throughout this report, our approach to ESG is both strategic and intentional, deeply rooted in our core purpose—to improve the lives of our customers, employees, shareholders, and the communities in which we work and live. At ChampionX, sustainability is not just part of what we do; it is integrated into our purpose-driven culture.

Throughout 2023, we maintained our focus on a culture of continuous improvement, which is essential to fulfilling our mission of improving lives. As a global leader in chemistry solutions, artificial lift systems, and highly engineered equipment and technologies for the energy industry, this mindset has consistently enabled us to develop and deliver innovative products and services to help our customers meet their operational and sustainability goals. As the industry progresses towards a lower-carbon future, we are proud to support our customers in providing the world with affordable energy while aiming to minimize environmental impacts.

In recent years, we have concentrated on building a robust ESG foundation that supports genuine progress and aligns with our values, enabling us to consistently fulfill our commitments. In 2023, we continued to focus our ESG resources on four key Priorities: Greenhouse Gas (“GHG”) Emissions, Decarbonization Technologies, Sustainable Innovation and Digital Transformation, and Employee Attraction, Retention, and Development. The advancements we made in these areas during 2023 are highlighted in this report and are a testament to the dedication of our talented ChampionX team.

In April 2024, we announced that ChampionX agreed to be acquired by SLB in an all-stock transaction. This is an exciting new chapter for both organizations, and I believe that becoming part of SLB will give ChampionX the resources and reach to continue to lead the industry in providing energy to the world in an economically and environmentally sustainable way. Our companies share a vision for the future of energy that leverages technology and innovation to solve our customers' most complex problems and better serve the communities in which we operate.

Thank you for your interest in our ESG journey and for your continued support and trust. We invite you to share your thoughts on our progress and this report.

Sincerely,



Sivasankaran “Soma” Somasundaram
President and Chief Executive Officer



In recent years, we have concentrated on building a robust ESG foundation that supports genuine progress and aligns with our values, enabling us to consistently fulfill our commitments.



Our Business

ChampionX Corporation (Nasdaq: CHX) is a global leader in chemistry solutions, artificial lift systems, and highly engineered equipment and technologies that help companies drill for and produce oil and gas safely, efficiently, and sustainably around the world.

Our expertise, innovative products, and digital technologies provide enhanced oil and gas production, transportation, and real-time emissions monitoring throughout the lifecycle of a well. Our employees power our purpose of improving lives every day – striving to deliver value for our customers, rewarding careers for our employees, sustainable returns for our investors, and enhanced quality of life in the communities where we live and work.

ChampionX was founded in 2020 and is based in The Woodlands, Texas, U.S.A.

Global Locations

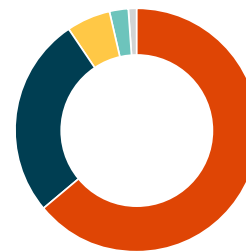
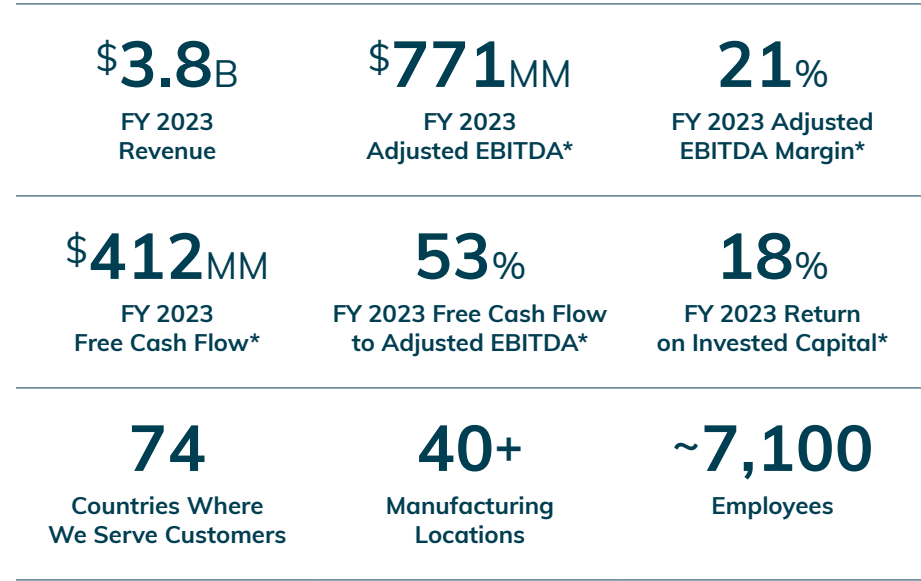
- Global Headquarters: The Woodlands, Texas



*Adjusted EBITDA, adjusted EBITDA margin, free cash flow and return on invested capital (ROIC) are non-GAAP measures. A reconciliation of these non-GAAP measures to the comparable GAAP measures is included at the end of this document.

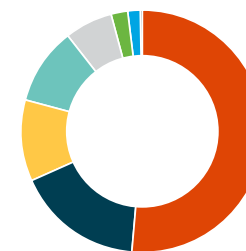
At a Glance

[Learn More](#)



Business Segment
FY 2023 Revenue

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



Areas of Operation
FY 2023 Revenue

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

Our Business Segments

[Learn More](#)


Production Chemical Technologies

Production Chemical Technologies offers products and services covering a broad range of onshore, offshore and oil sands chemical solutions in production and midstream operations that are built upon our foundation of deep expertise and capabilities in chemical 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 GHG emissions, and lowering fresh-water use. We refer to the Production Chemical Technologies and Reservoir Chemical Technologies segments collectively as our Chemical Technologies business.



Production & Automation Technologies

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 other production equipment and methane emissions monitoring solutions. Artificial lift equipment is a key technology for increasing oil and gas production throughout the lifecycle of a producing well. Our comprehensive offering provides customers with cost effective solutions tailored to a well's specific characteristics and production volumes.



Drilling Technologies

Drilling Technologies offers innovative, industry-leading polycrystalline diamond cutter ("PDC") inserts, bearings, valves, nozzles and mining tools to help customers drill the world's most demanding oil exploration and development projects, and for use in other industries. Our polycrystalline diamonds 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 for use in renewable energy applications, mixers, and agitators.



Reservoir Chemical Technologies

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

We Are ChampionX

Our Purpose

Our purpose defines our existence and is rooted in our actions. It encapsulates what ChampionX stands for and enhances our 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 and sustainably operate our global business.

Our Business

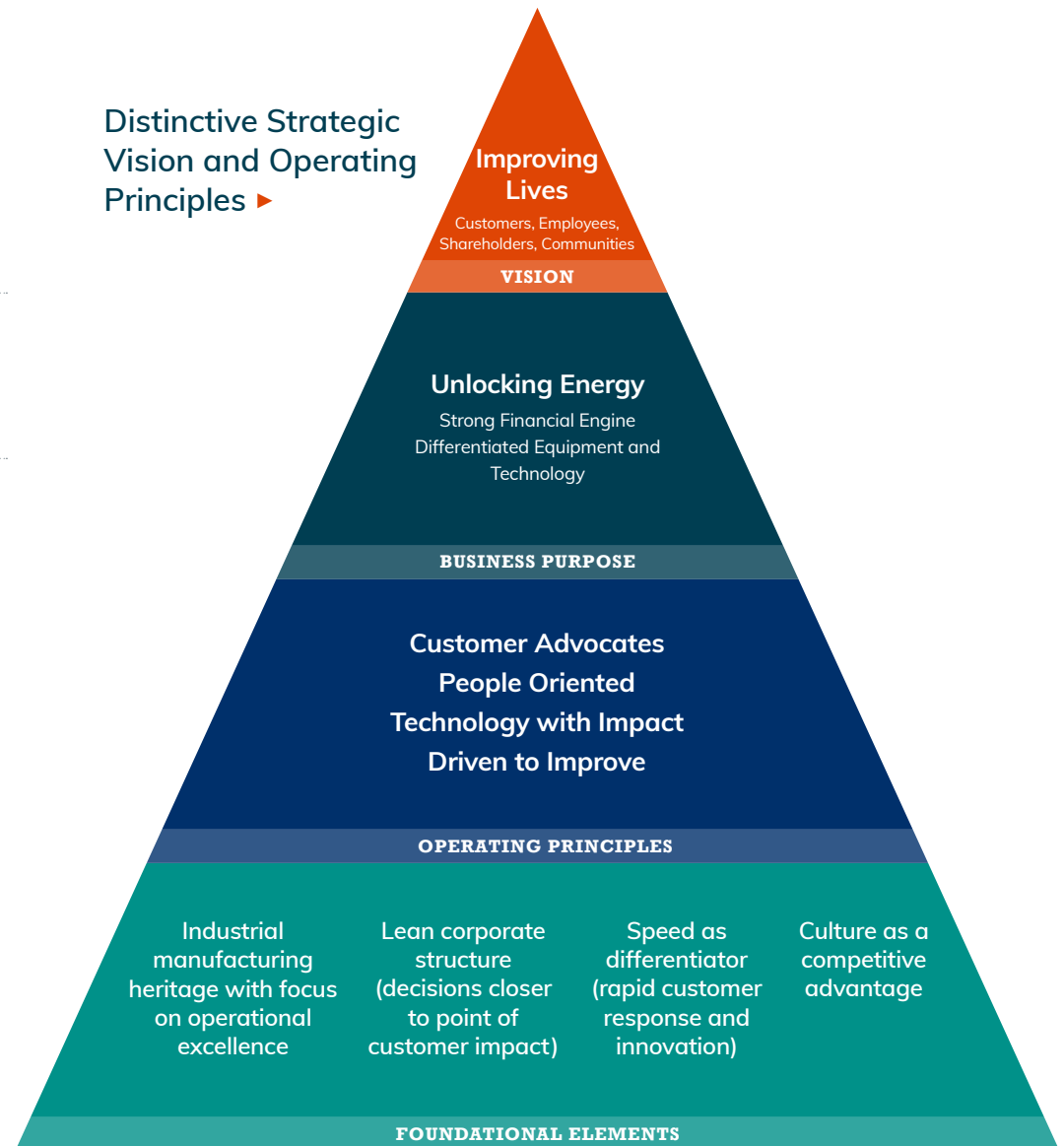
Sustainably unlocking energy is at the core of what we do on a global scale.

Our Operating Principles

Our operating principles detail how we get things done. They define the disciplined approach we take to achieve excellence. Our commitment to these principles helps ensure that every task, no matter how complex, is approached with precision and purpose.

- **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 operations, ethical practices, relationships, and empowerment.
- **Driven to improve:** We are passionate and purposeful about continuously improving our business and delivering energy responsibly.

Distinctive Strategic Vision and Operating Principles ▶



Our Values

- 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 GHG emissions. We work to achieve our own sustainability goals by taking measures to reduce the environmental footprint of our operations, implementing waste-reduction efforts, and innovating solutions that more efficiently use the world’s resources.



Our Strategic Priorities

ChampionX has four clear strategic priorities, which drive our organization and are aligned with our operating principles of being customer advocates, people-oriented, delivering technology with impact, and being driven to improve.

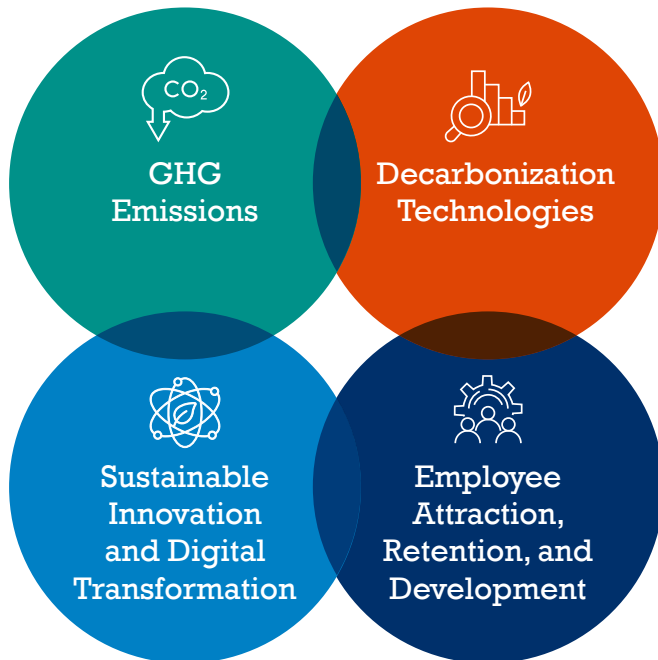
Our strategic priorities include:

- Drive High-Impact, Organic Growth** by continuing to invest in innovation, focus on revenue synergies, and seek opportunities to expand and grow our artificial lift products and chemical offerings in targeted international areas.
- Accelerate Digital and Emissions Growth** by innovating and developing ‘fit for purpose’ modular digital and emissions solutions that help our customers improve efficiency and meet their emissions and sustainability goals. We will also drive growth by identifying opportunities to expand digitally enabled products and digital revenue streams into adjacent markets.
- Build Enterprise-wide Continuous Improvement Rigor** by expanding upon our ChampionX Operational Excellence model, further integrating productivity improvements, and automating workflows to eliminate waste in business processes.
- Evolve Portfolio for Sustained Growth** by seeking opportunities to leverage our core capabilities across the energy industry and natural adjacencies and continuing to allocate capital consistent with our value creation framework to ensure long term success.

Our ESG Approach

We are driven by our purpose to improve the lives of our customers, employees, shareholders, and communities, through our commitment to safely deliver sustainable solutions to our customers. We view ESG considerations as important to achieving our strategic priority to evolve our portfolio for sustained growth. We believe that our performance on key ESG issues significantly influences our reputation as a preferred employer and an industry-leading innovator.

Based on the ESG Priorities Assessment completed by our cross-functional, cross-segment ESG Working Group, we have focused on four ESG Priorities: GHG Emissions, Decarbonization Technologies, Sustainable Innovation and Digital Transformation, and Employee Attraction, Retention, and Development.



ESG Governance and Oversight

Our Board of Directors (“Board”) oversees our ESG strategy and monitors its integration into the broader strategic framework of ChampionX. Our Vice President, ESG and Investor Relations, who reports directly to the President and CEO, provides quarterly updates to either the Board’s Governance and Nominating Committee or the full Board of Directors. These updates offer detailed insights into our progress on the four key ESG Priorities, focusing on how these priorities are being integrated into areas such as strategic development, capital allocation, enterprise risk management, investment decisions, product development, and talent management. Through these regular reports, the Governance and Nominating Committee oversees integration and alignment of our ESG Priorities with the company’s strategic objectives and operating principles, as well as ways in which such priorities, integration, and alignment may enhance, or pose risk to, shareholder value.

In 2023, we established three new roles focused on sustainability: Senior Director of Sustainability, Sustainability Director of Chemical Technologies, and Sustainability Manager for Procurement. These pivotal positions support the advancement of our ESG priorities across different facets of our organization.



As the new Senior Director of Sustainability at ChampionX, I am honored to lead our sustainability initiatives and share our progress with stakeholders. In 2023, we continued to advance our efforts to support our customers and partners in achieving their sustainability goals, while also embedding ESG into the fabric of our operations, reducing our own operational impact and systematically tracking our progress. Our commitment to sustainability, social responsibility, and strong governance is designed to create lasting value for our stakeholders while reinforcing our purpose of improving lives.



– Jim Beaulieu
ChampionX Senior Director of Sustainability

ESG OVERSIGHT ORGANIZATIONAL STRUCTURE



We introduce new employees to our culture and ESG Priorities through a dedicated sustainability training module as part of their onboarding process. This initial focus helps employees align with our core values from the outset. Additionally, we foster ongoing engagement and awareness through “sustainability moments” at the beginning of ChampionX meetings, where specific sustainability practices or successes are highlighted, akin to safety moments that emphasize safety protocols. To further support our commitment, we have launched an internal sustainability website where employees can access information, submit ideas, and find resources related to our sustainability efforts.

In 2023, we strengthened our organizational focus on these initiatives with the establishment of the Sustainability Roundtable. This group brings together key stakeholders from all areas of ChampionX at least quarterly to align on strategic ESG Priorities and share progress and insights. The roundtable has been critical in helping us synchronize our sustainability efforts across the company.

ESG Awards and Recognition



Hart Energy 2023 Energy ESG Award

ChampionX is proud to have been named a recipient of the Hart Energy 2023 Energy ESG Awards. This prestigious recognition is awarded to energy companies that significantly impact ESG objectives within their fields, communities, and business operations. The awards celebrate excellence in six distinct categories, acknowledging proven innovations in reducing environmental impacts, contributing to social and community initiatives, and demonstrating innovative leadership practices.



ALLY Energy 2023 GRIT Award: Best Energy Workplaces

ChampionX was honored to receive the ALLY Energy 2023 Best Energy Workplaces award for the third consecutive year. Held annually in Houston, these awards celebrate individuals and companies in the energy sector that exemplify Growth, Resilience, Innovation, and Talent (GRIT) and are shaping the future of energy.



Governance

At ChampionX, earning and maintaining the trust of our stakeholders is fundamental to our success.

Our culture makes ethics a priority and we have a unified and unwavering commitment to operating with integrity. We prioritize risk management in pursuing our purpose of improving lives. Our Code of Business Conduct & Ethics provides guiding principles for our actions and engagements as we navigate the evolving needs of our stakeholders, protect our reputation, and create long-term value, while doing business with integrity.



Board of Directors

ChampionX is committed to conducting business in accordance with the highest level of ethical and corporate governance standards. The Board of Directors oversees the management and governance of our company to help ensure that the long-term interests of our shareholders are served. The Board periodically reviews its corporate governance practices and takes other actions to address changes in regulatory requirements, developments in governance best practices, and matters raised by shareholders. In addition, the Board adopted, among other codes and policies, a Code of Business Conduct & Ethics setting forth standards applicable to all ChampionX’s companies and employees.

In accordance with Nasdaq Listing Rules and our Corporate Governance Guidelines, our Board consists primarily of independent directors. The Chair of our Board is independent, and independent directors hold all chair and member positions of our standing Board committees. The Board believes that having a chair who is independent from management provides strong leadership for the Board and helps ensure critical and independent thinking with respect to our strategy and performance.

Global Policies

- [Code of Business Conduct & Ethics](#)
- [Supplier Code of Conduct](#)
- [Corporate Governance Guidelines](#)
- [Code of Ethics for Chief Executive Officer & Senior Financial Officers](#)
- [Speak Up Policy](#)
- [Policy Regarding Hiring from Independent Auditor](#)
- [Related Person Transactions Policy and Procedures](#)
- [Securities Trading Policy](#)
- [Conflict Minerals Policy](#)
- [Global Anti-Human Trafficking Policy](#)
- [Human Rights Policy](#)
- [Anti Corruption Policy](#)
- [Executive Compensation Clawback Policy](#)

Our CEO serves as the management representative on the Board. The Board believes that its current leadership structure provides an appropriate, well-functioning balance between non-management and management directors that combines experience, accountability, and effective risk oversight.

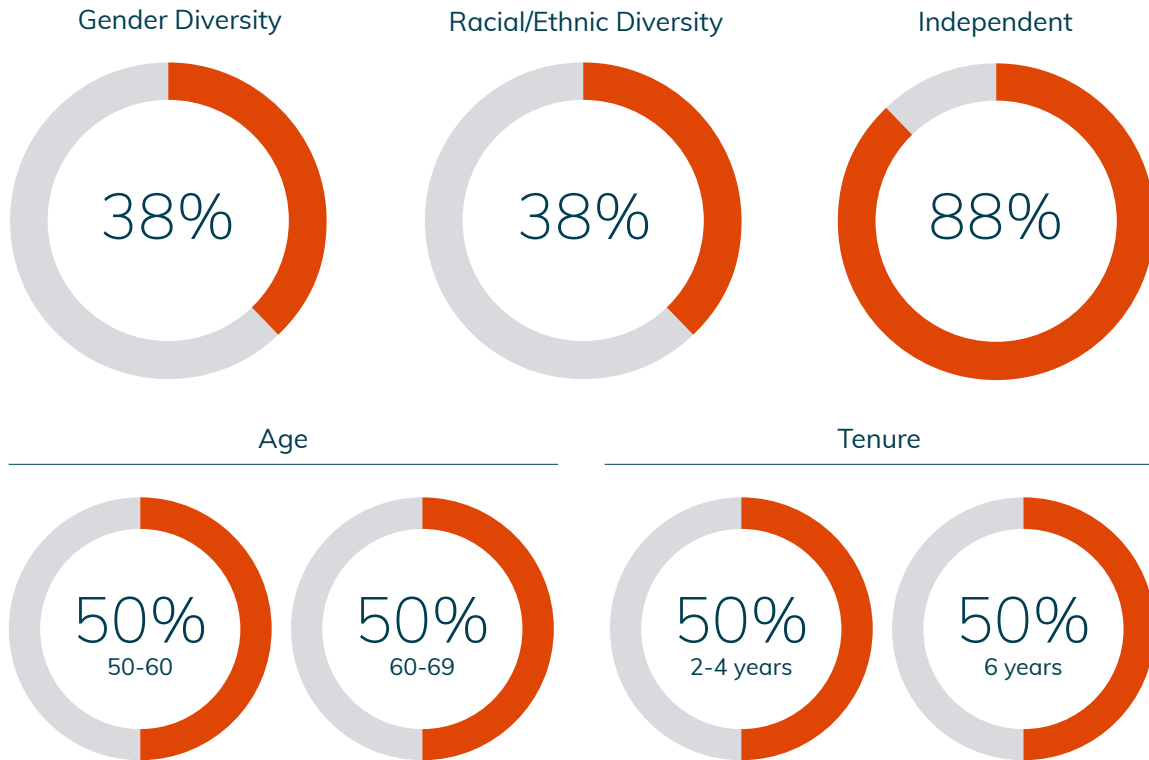
The Board currently has three standing committees: the Audit Committee, the Governance and Nominating Committee, and the Compensation Committee. Each committee assists the Board in its oversight responsibilities.

Oversight of specific risks is undertaken within the committees of the Board, including:

Audit Committee	Compensation Committee	Governance and Nominating Committee
Risks related to financial and other regulatory reporting	Risks related to compensation practices, including performance criteria and responding to shareholder “Say-on-Pay” votes	Risks related to sustainability/ESG strategy, initiatives and policies
Risks related to internal controls and enterprise risk assessment and management	Risks related to CEO and management succession	Risks related to CEO and management performance and emergency CEO succession
Risks related to compliance and legal matters, including complaints from whistleblowers	Risks related to talent recruitment, development and retention	Risks related to conflicts of interest and compliance with the Code of Business Conduct & Ethics
Risks related to cybersecurity and data and information technology systems	Compliance with stock ownership guidelines by directors and management	Risks related to Board composition, suitability and performance

The ChampionX Board believes diversity in the broadest sense is important for a well-functioning Board. Diversity of viewpoints, backgrounds, and experience, including a consideration of gender, race, and age, are among factors considered when evaluating candidates for Board director positions and during succession planning. Three of our directors are women and three are of Asian or Hispanic descent.

DIRECTOR HIGHLIGHTS



Enterprise Risk Management

Senior management at ChampionX is responsible for day-to-day risk management, including developing appropriate risk management policies and procedures. The Board and its Audit Committee oversee management’s execution of these responsibilities and evaluates our overall approach to risk management. The Board and its standing committees regularly assess significant risks to the company during their review and oversight of our strategy and annual operating plan. Additionally, the Board and its standing committees frequently review material strategic, operational, financial, legal, compensation, and compliance risks with executive officers.

Our Enterprise Risk Management Committee plays a crucial role in identifying material risks through our comprehensive Enterprise Risk Management (“ERM”) process. The committee, co-chaired by the Chief Compliance Officer and the Vice President and Chief Auditor, includes members from executive management, corporate compliance, and internal audit. This structure ensures a broad representation of key functional areas within the company. The Committee’s primary responsibility is to report regularly to senior management and the Board on its processes and the most significant risks that could impact the company’s objectives, which may include environmental risks as appropriate. For additional information on these risks, see our [2023 Annual Report](#).

Compliance

Compliance with all applicable laws, rules, and regulations in the countries where we operate is central to good governance and ChampionX's culture. We maintain a robust, risk-based compliance program to establish controls and mitigate risks tailored to our business, including third-party and country-level risks. Our program is designed to meet or exceed regulatory standards on elements of an effective compliance program.

Managed by our Chief Compliance Officer, the program includes our Code of Business Conduct & Ethics, Anti-Corruption Policy, Antitrust Guidance, Human Rights Policy, Global Trade Compliance Policy, trade sanctions, and other policies and guidelines. Each year, the Chief Compliance Officer reviews and assesses the design of the ChampionX compliance program with the full Board. Additionally, the Board's Audit Committee oversees compliance matters and receives quarterly updates from the Chief Compliance Officer. In 2023, we updated our Global Trade Compliance Policy to ensure alignment with evolving regulatory frameworks.

In line with our commitment to compliance, we have established a network of Compliance Champions in each country where we have an employee staffing an office. Nominated by our Human Resources team and business leaders, these individuals serve as links between our global compliance initiatives and our local teams, playing a pivotal role in fostering a compliance culture within their regions. They disseminate essential compliance-related information and resources, such as training materials and updates on regulatory changes. Additionally, these champions address employees' compliance questions and assist in the rollout of new policies to facilitate a smooth transition and drive adoption of new procedures.

Ethics and Integrity

Our culture makes ethics a priority and we expect every employee to act with honesty and integrity. To reinforce this priority, all employees, including executive officers and the Board receive annual ethics, compliance, and anti-corruption training. Our Chief Compliance Officer is responsible for the development, implementation, and effectiveness of ChampionX's ethics and compliance program, helping to ensure alignment with legal standards and with our values. Our Ethics and Compliance Executive Committee has oversight of the ethics and compliance program and meets quarterly with the Chief Compliance Officer.

Our Code of Business Conduct & Ethics guides our commitment to responsible and ethical business practices. The Code is available in the eight languages spoken in ChampionX facilities around the world. We also maintain an Anti-Corruption Policy, Human Rights Policy, Global Anti-Human Trafficking Policy, and other policies that drive responsible business practices. These policies are regularly reviewed and updated to reflect the latest legal standards and ethical expectations and are supported by comprehensive training programs that promote a deep understanding and adherence across our global workforce.

Each employee, officer, and director at ChampionX is responsible for having a fundamental understanding of our Code of Business Conduct & Ethics and our policies, with a detailed understanding of those that apply directly to their roles. All employees receive comprehensive training on our Code upon hiring and annually thereafter, certifying that they have read and understood the Code. Furthermore, both employees and third parties conducting business on our behalf are obligated to promptly report any concerns regarding potential

Code or policy violations. These concerns can be reported to internal resources or through our global Hotline, which is accessible 24/7 via telephone or online in multiple languages. Reports can be made confidentially or anonymously, ensuring protection and confidentiality. ChampionX strictly prohibits retaliation against anyone who makes a report in good faith, reinforcing our commitment to maintaining an ethical and transparent workplace.

Our commitment to ethics is reinforced through various initiatives, such as monthly Ethics Spotlights on our intranet and Integrity Moments at the start of meetings, where participants reflect on or discuss ethical practices and principles or lessons learned.

These Integrity Moments are designed to reinforce our commitment to integrity and ethical behavior by encouraging team members to consider how these values apply to their daily work. They serve as a reminder to uphold the organization's standards and often involve real or hypothetical scenarios that prompt discussion or reflection.

SPOTLIGHT

Integrity Week

In 2023, ChampionX launched its first Integrity Week, a week-long event filled with enriching activities, guest speakers, engaging discussions, and a celebration of the values that define our company. Over 1,400 employees from around the globe participated in live sessions, engaging in open dialogue about ethics and compliance and enhancing our collective commitment to these principles. The event featured a series of inspiring sessions, including a fireside chat with our CEO, where he shared his personal views on the importance of ethics and integrity, and a round table discussion with our leadership team on ethics and compliance. We also welcomed external speakers, including former and current representatives from the U.S. Department of Justice, who provided valuable insights on pressing issues like human trafficking and regulatory developments. The events were livestreamed and recorded, ensuring accessibility for all employees.



During the event, we presented our newly established Integrity Awards, recognizing six outstanding employees for their unwavering commitment to ethical practices. These individuals exemplified our values, inspiring their colleagues and reinforcing the importance of integrity across ChampionX.



Integrity is fundamentally about doing the right thing, not just when it is easy, but also when it is hard. It is about the consistency between what we say and what we do, maintaining transparency, and holding ourselves accountable. At ChampionX, integrity is the cornerstone of our foundation; without it, everything we build is at risk. It is about being honest, open, and responsible, even when no one is watching, and it is about owning our mistakes and learning from them. This commitment to integrity is what holds ChampionX together, ensuring we stand strong and true in everything we do.

– Sivasankaran “Soma” Somasundaram
ChampionX President and Chief Executive Officer

Supply Chain Management

We seek to work with suppliers and third parties who align with our culture, values, and ethical business practices, while also providing high-quality, cost-effective solutions. Our Supplier Code of Conduct outlines our global expectations and requirements for doing business with ChampionX. During onboarding, suppliers receive this code and are required to read, understand, and agree to adhere to it. Intermediaries dealing with government agencies undergo thorough third-party screening to identify any issues that could disqualify them from working with ChampionX. Additionally, we conduct technical or quality audits on high-risk manufacturing suppliers to ensure compliance.

Our Human Rights Policy clearly outlines our commitment to respecting human rights and dignity. We expect our suppliers to comply with our Supplier Code of Conduct, which strictly prohibits human trafficking, forced labor, child labor, and slavery. Suppliers are required to cooperate with any audits conducted or commissioned by ChampionX to ensure compliance with our policies. Any potential violations must be reported through our internal channels or the ChampionX Global Hotline. Confirmed violations may result in corrective actions, including termination of the business relationship. All supplier resources are accessible on our website in eight languages.

As we endeavor to further embed ESG performance in all aspects of our business, we strive to enhance our understanding of our suppliers' ESG practices. In 2023, we vetted and signed a contract for a management platform that will help us assess our suppliers based on ESG and specific human rights factors. This platform enables us to rate our suppliers and develop and track action plans. Additionally, we periodically review our suppliers' human rights risk assessments, supply chain practices, conflict minerals, GHG emissions, and diversity practices.

In 2023, the Chemical Technologies procurement team, including our full-time employee responsible for addressing procurement-related ESG issues, rolled out a pilot for our automated source-to-pay platform intended to facilitate supplier collaboration and onboarding, as well as help us track key ESG information. Through the platform, suppliers must acknowledge receipt of and compliance with our Supplier Code of Conduct and human rights standards. Although it is still in the pilot phase, the platform has been successful, and we plan to integrate it with our new supply chain human rights assessment management platform and deploy it to other regions and businesses through 2025.

Also in 2023, we initiated third-party intermediary summits, focusing on assessing the overall risk and reward of third-party relationships, including resellers, sales agents, and distributors. These summits bring together executives, salespeople, finance, and internal audit teams to collaborate and review various parameters. Participants are required to provide detailed information about their country, risk factors, value contribution to our business, and ensure proper ethics language in their contracts. This comprehensive review allows us to evaluate third-party relationships from a holistic risk perspective. As a result of these summits, we have refined our operational footprint, increased our awareness of potential risks, and implemented measures to mitigate and reduce those risks effectively. This initiative has become an annual event, with the second summit successfully conducted in 2024.



As a result of our third-party intermediary summits, we have refined our operational footprint, increased our awareness of potential risks, and implemented measures to mitigate and reduce those risks effectively.

In 2023, we reinforced our efforts to address supplier-related modern slavery risks by implementing regional quarterly compliance meetings, enabling senior leaders to discuss and manage associated risks. Our supplier investigative framework has been significantly enhanced through the incorporation of root cause analysis into an updated guide and the establishment of a dedicated internal Investigations Center of Excellence. In addition, we have begun to evaluate our supply chain emissions to better understand our environmental footprint and develop mitigation strategies. Moreover, we have started tracking our supply chain diversity through a dedicated platform to help us access a more inclusive and diverse vendor network.

Human Rights

At ChampionX, we recognize that human rights are fundamental rights and freedoms to which every person is entitled without discrimination. In line with this belief, it is our responsibility to avoid human rights infringements and to address adverse human rights impacts with which we are involved. With the support and approval of our Board, we introduced the ChampionX Human Rights Policy in February 2023. This policy underscores our commitment to respecting the dignity and rights of all individuals, requiring compliance from our employees, officers, directors, and representatives.

Our Chief Compliance Officer serves as the executive sponsor for human rights, with oversight provided by the Ethics and Compliance Executive Committee, Audit Committee, and the full Board. Our Human Rights Policy extends through our supply chain, complemented by our Global Anti-Human Trafficking Policy, which together promote ethical sourcing practices.

In 2023, raising awareness and training our workforce on issues such as modern slavery and human trafficking was one of our focus areas. We implemented targeted training initiatives, including short-burst videos and materials, to enhance employee understanding of human rights. All employees and ChampionX representatives are expected to report any human rights concerns promptly through the channels outlined in our Human Rights Policy and Speak Up Policy.

During the calendar year 2023, the ChampionX Compliance and Ethics Department conducted comprehensive online training covering the Code of Conduct, Global Sanctions, Human Rights, and Anti-Corruption. These topics were assigned to the overall employee population as well as specifically focusing on roles involving high risk such as HR, logistics, supply chain, finance, and legal departments. Additionally, in compliance with Norway’s Transparency Act, we have prepared a detailed report on our human rights initiatives and their impact.

SPOTLIGHT

Truckers Against Trafficking

We launched specialized training for our U.S. fleet on human trafficking, in partnership with Truckers Against Trafficking, a leading organization in this field. This training aims to empower our drivers and logistics personnel with the knowledge and tools to recognize and respond to human trafficking incidents, potentially turning them into frontline advocates in the fight against this global issue.



Cybersecurity

Technology is essential to operating and growing our business, serving our customers, and continuing our digital transformation. ChampionX’s cybersecurity structure and strategic efforts are designed to protect our assets, information, and reputation, as well as the privacy of employee, customer, and supplier data.

The Board’s Audit Committee oversees our global cybersecurity risk environment, strategy, and priorities. Our Senior Vice President and Chief Information Officer (“CIO”), together with other senior leaders, regularly reviews our global information technology (“IT”) system with the Audit Committee. In 2023, the Audit Committee reviewed the CIO’s assessment of our IT and cybersecurity capabilities and continuous improvement plan.

We are committed to deploying recognized cybersecurity systems, methods, and best practices. ChampionX uses the National Institute of Standards & Technology Framework (“NIST Framework”), a toolkit to make an internal assessment of our cybersecurity capabilities and to develop priorities. We take several actions to assess and manage our technology and cybersecurity environment, as well as to identify material risks from cybersecurity threats aimed at ChampionX and those linked to our use of third-party service providers, including:

- Enterprise cybersecurity maturity assessments performed periodically by a qualified third-party entity which we use to develop a multi-year strategy, investment, and project roadmap focused on improving and enhancing the company’s security posture;
- An annual cybersecurity tabletop exercise and assessment, facilitated by an independent third party, focused on testing our incident response processes and capabilities; and
- Regular cybersecurity assessments of various components of our technology environment to help ensure we continuously improve and strengthen our cybersecurity posture.

Our CIO and senior leaders regularly review the results of the assessments, tabletop exercises, cybersecurity roadmap progress, and monthly operational metrics. They share this information with the Audit Committee and Enterprise Risk Management Committee as appropriate, together with measures to be implemented to further strengthen our IT environment.

As explained in our Code of Business Conduct & Ethics, the Global Information and Acceptable Use Policy, and other policies, each employee is responsible for taking proper security precautions when using the ChampionX network and IT systems. ChampionX provides IT and cybersecurity training to employees at least once a year, regularly distributes cybersecurity tips, and conducts regular education campaigns to heighten employee awareness of phishing and other cybersecurity threats.

A photograph of two men in an industrial setting, likely a factory or refinery. Both are wearing white hard hats and safety glasses. The man on the right is wearing a grey work shirt and has a tool belt with orange and green tools. He is smiling broadly at the camera. The man on the left is also smiling and looking towards the other man. The background shows complex industrial machinery with blue and yellow structural elements.

Social

At ChampionX, we are driven by a purpose that transcends our day-to-day operations: to improve lives. This mission extends beyond our products and services, influencing every interaction with employees, customers, communities, and other stakeholders.

Our culture, defined by our operating principles of being customer advocates, people-oriented, and driven to improve using technology with impact, is not just a part of what we do—it is our competitive advantage. At the heart of our efforts is a commitment to the health and safety of our employees, responsibly managing our supply chain, and positively impacting the diverse communities where we live and work. With a visionary leadership team, we prioritize an inclusive, supportive, and healthy workplace where every team member is valued and empowered and where purpose and performance go hand in hand.

Our People

At ChampionX, we believe that our purpose and our people together create a true competitive advantage. Our “purpose-first” approach is our biggest differentiator. It unlocks the energy of our people and anchors us as an organization. We aim to create an inclusive, supportive, and dynamic workplace where every employee thrives. By investing in talent development, training, and leadership, we help our team excel. We prioritize health, safety, well-being, diversity, inclusion, and corporate responsibility.

All members of our Board have skills and experience in human capital and talent development. The Board’s Compensation Committee oversees risks related to recruitment, development, and retention. Our Senior Vice President and Chief Human Resources Officer (“CHRO”) is a member of our Executive Committee and is responsible for managing our talent strategy and outcomes. The CHRO updates the Compensation Committee quarterly on D&I, leadership succession planning, and other talent-related matters.



“

Our people are the only asset that appreciates over time.

– Eric Pope
ChampionX VP & Senior Coach, ChampionX Way

Our Culture

Our culture shapes how we interact, make strategic decisions, and foster innovation. It is anchored in integrity and respect. We recognize everyone’s contributions and maintain open communication so that ideas and feedback flow constructively at all levels. Continuous improvement is not just encouraged but expected. Our leaders are steadfast in their commitment to our values and mission. This foundation attracts and cultivates exceptional talent. By promoting adaptability, we empower our teams to respond rapidly to market shifts and technological advancements, unlocking their energy and driving excellence.

“

At ChampionX, our commitment to being a purpose-driven company is at the heart of our strong culture of integrity. We strive to create an environment where continuous improvement, humility, and personal empowerment are not just encouraged—they are expected. Every day, we work to foster this culture, grounding our actions in the belief that leading with integrity is not just our responsibility; it is our privilege. By consistently communicating the ‘why’ behind our decisions, we hope to engage and inspire every member of our team to uphold these values and contribute to our shared success.

– Sivasankaran “Soma” Somasundaram
ChampionX President and Chief Executive Officer



Continuous Improvement Leadership

At ChampionX, continuous improvement (“CI”) is at the core of everything we do. We are relentlessly committed to enhancing every aspect of our business, from our products and services to our employee development programs and interactions with stakeholders. From our earliest days as a company, we recognized that CI leadership efforts increase efficiency, foster a culture of innovation, promote employee engagement, improve customer satisfaction, and positively impact our communities. In short, our focus on CI makes us a more successful company.

Continuous Improvement

is the ChampionX Way



The ChampionX Way is a culture of continuous improvement wherein every employee is aligned in their daily work to purpose, business strength, and customer value. It is a culture where every employee is engaged and empowered every day to do their best work AND improve their work. We strive to align, engage, and empower each employee to see and solve problems daily, resulting in a world-class customer experience delivered in an increasingly efficient way. This continuous effort improves the lives of all our stakeholders. This is the ChampionX Way.

– Eric Pope
ChampionX VP & Senior Coach, ChampionX Way



2023 CI LEADERSHIP ACHIEVEMENTS

225

people leaders*
completed
CI training

500+

people leaders
completed training
on the foundations
of CI leadership

1,800+

employees
participated in
regional CI
conferences globally

* People leaders are employees who manage one or more employees.

Employee Attraction, Retention, and Development

At ChampionX, our workforce is central to our success, making employee attraction, retention, and development a key ESG priority. As the energy sector evolves, we are focused on attracting and nurturing top talent to tackle the complexities of producing fossil fuels safely, efficiently, and responsibly. Our commitment is to build a future-ready workforce that drives innovation and meets these ongoing challenges head-on.

Our talent policies and practices reflect our commitment to respect the rights and dignity of all people, as described in our Human Rights Policy. As an equal opportunity employer, we comply with all applicable employment laws in the countries where we operate, and strictly prohibit discrimination, retaliation, or harassment.

Attraction

Our recruitment strategy is designed to attract the best candidates who meet our standards and align with our core values and culture. Our approach includes posting jobs on leading online platforms, actively participating in job fairs, and forging strong partnerships with key educational institutions. By tapping into diverse talent pools, we have strategically added to our global workforce and today, we employ over 7,000 team members worldwide.

We firmly believe that fair and equitable wages and benefits are fundamental human rights, a commitment explicitly stated in our Human Rights Policy. Our pay philosophy is grounded in performance-based compensation and competitive pay for all employees, regardless of gender, ethnicity, or other characteristics. We determine new hire pay by assessing the candidate's qualifications, market factors, and the established salary ranges for specific roles and levels within each country. We also provide competitive benefits, which we regularly review in relation to industry standards and the evolving needs of our employees.

Our talent philosophy underpins our people-oriented operating principle, defining the way we work and produce results. Achieving our strategic goals and vision is built on attracting the most capable talent and then driving their engagement and development by anchoring our talent strategy to the below guiding principles:

ATTRACTION

- Culturally aligned and diverse workforce
- Top talent in all roles
- Campus outreach and recruiting for early career roles
- Internships
- Industry competitive compensation and benefits

RETENTION

- Best-in-class New Hire Experience Program
- Employee Resource Group (ERG) membership and engagement
- "Improving Lives" community volunteering
- Mentoring programs
- Peer recognition program
- Multiple employee listening channels
- Employee well-being
- Inclusive leadership culture
- Internal career hub for open jobs
- Industry competitive compensation and benefits

DEVELOPMENT

- Year-round talent planning
- Talent development primarily through diverse experiences
- In-person and virtual trainings
- LinkedIn Learning
- Leadership training and development
- Continuous Improvement Conferences
- Annual Development Month



University Champions

In 2023, we designed and implemented a University Champion (“UC”) role for our Employee Resource Groups (“ERGs”) to help attract talent from diverse backgrounds and underrepresented populations. During the year, we hosted events at Texas Southern University (“TSU”) and Prairie View A&M University, two of Houston’s Historically Black Colleges and Universities. At TSU, our UCs hosted a Meet the Employer event, providing STEM program students an opportunity to learn more about ChampionX and participate in a Q&A with a panel of ChampionX professionals. At Prairie View A&M University, our UCs participated in annual homecoming festivities with more than 10,000 students, alumni, and staff. Our Essence ERG helped lead the event, making connections with diverse students and leaders.

Best-in-Class New Employee Onboarding

At ChampionX, we have implemented a best-in-class three-day New Hire Experience Program. Through the program, new employees are immersed in our company history, operating principles, Goal Zero safety practices, and inclusive culture. They also learn safe driving habits and participate in community giving events. In 2023, we held 11 in-person onboarding sessions across North America, Europe, and Asia Pacific, in addition to virtual sessions. To support our global growth, we are expanding this onboarding experience to new regions in 2024.



I appreciate the time, effort, commitment, dedication and all the people involved in this program and company. I cannot stop sharing this experience with friends and family. I am happy to be a part of this culture.

– ChampionX 2023 New Hire



Retention

Employee retention is a critical focus at ChampionX. We aim to create an engaging work environment where our exceptional employees feel valued, supported, and connected to our mission. Our retention strategies include competitive compensation packages, comprehensive benefits, a wealth of career advancement opportunities, and comprehensive professional development programs. We also emphasize the importance of a healthy work-life integration with hybrid work arrangements where possible. We have a culture of recognition and reward that celebrates individual and team achievements. Salary increases and promotions are determined by performance, internal equity, and overall company performance.

Development

The continuous growth and development of our employees is important to our success. We believe that a world of opportunity can be found within our growing company. We develop people through experiences and continuously invest in their and our future.

Talent development and effective performance management are integral to our growth strategy. Performance management is a year-round process that includes continuous conversations, feedback, annual performance reviews, and mid-year check-ins. Through the process, managers provide employees with essential feedback, coaching, and development opportunities. We utilize individual development plans (“IDP”) and provide various tools and resources to help our employees grow and develop.

Our employees participate in end-of-year performance assessments



SPOTLIGHT

Employee Listening

Listening to our employees is essential to their active engagement. It allows us to tap into their innovative potential and gain firsthand insights. Continuous improvement ideas from the front lines keep us competitive and adaptive in today’s fast-paced market. In 2023 we conducted a global employee survey to measure both employee engagement and our culture.

An impressive 84% of global employees completed the survey, responding with an overall engagement score of 77%, which was 2% higher than the global benchmark median score and 8% higher than the median oil & gas industry benchmark.*

From the nearly 10,000 comments, we learned that ChampionX employees value our culture of non-discrimination, authenticity, and appreciation for diversity. They also recognize our commitment to safety and safety training as industry differentiators.

Using feedback from the survey, leadership swiftly identified top enterprise focus areas and initiated actions towards meaningful improvements. For example, we are working to strengthen our communication and are finding ways to celebrate great work more regularly. Action on survey feedback and accountability for improvements is localized through leadership roundtables across our various business segments.

In addition to the survey, employees are encouraged to give feedback and ask questions at any time, including anonymously, through our online “Pipeline to the CEO.” Our CEO is committed to reading

*ChampionX engagement scores are based on industry-standard questions administered in our employee survey which are comparable to median results published by Culture Amp (Insights | Culture Amp) which include ~645,000 responses among ~25 organizations in the Oil & Energy industry.

84% employee response on 2023 engagement survey

and responding to every message submitted, and the responses are made available to all employees through our internal intranet. In addition, our CEO leads quarterly Town Hall meetings, which are held virtually to allow our global employee population to participate.



ChampionX is the best company I have worked for, hands down. The culture here is phenomenal. Management does care about the people working in the field, and it shows. That is a rarity in West Texas. I believe ChampionX does a good job of taking care of the people here.

Thank you ChampionX for being a leader in regard to culture, safety initiatives, engaging employees, developing employees, and ultimately, improving lives.

I am so grateful to work for a company who cares about their employees. I am supported extremely well by my manager and really enjoy the collaborative environment I work in both from a location perspective (Permian) and a functional perspective (HR).

– 2023 Survey Respondents

Our Career Hub is a marketplace for internal jobs. Additionally, we offer over 500 opportunities for technical training, behavioral training, leadership development, and more. Our 70-20-10 tool recommends on-the-job training, networking, mentoring, and formal learning opportunities for employees.

2023 LEARNING AND DEVELOPMENT HIGHLIGHTS



“

When leaders are transformed, they transform cultures, systems, and business results – improving lives and customer experiences.

– Travis Russell, ChampionX Director, Leadership Development

Our Leadership Development Series is designed to enhance the skills of emerging leaders through comprehensive training sessions that focus on strategic thinking, effective communication, and team management.

In 2023, we recorded our highest completion of self-study and facilitator-led training through our Leadership Foundations and Manager Essentials courses. These courses were offered in-person across multiple U.S. locations, as well as in Buenos Aires, Aberdeen, Dubai, and Brisbane, with additional virtual courses available in North America. This comprehensive approach helps ensure our leaders are well-equipped to drive our mission forward.



Developing People at Scale

Each May, we host Development Month to encourage personal and professional development, with events and workshops built around themes aligned with our culture and development needs. During Development Month in 2023, over 1,700 employees from around the globe participated in approximately 76 virtual or in-person sessions. Employees participated in events covering a wide range of topics, including career development planning, enhancing financial acumen, applying continuous improvement principles, and challenging implicit bias. Additionally, participants engaged in fireside chats focused on resilience, overcoming adversity, and practicing allyship.

Over 1,700 employees from around the globe participated in approximately 76 sessions during our 2023 Development Month

CASE STUDY

Supply Chain Career Frameworks

In 2023, we strategically embarked on an initiative to build a comprehensive career framework for our supply chain team. This career framework is designed to provide clear pathways for professional development, empower career progression, and cultivate leadership capabilities through structured career tracks, competency frameworks for all supply chain job roles, and tools to create individual development plans.

We finalized the framework design in 2023 and implementation is planned for 2024. Early feedback from pilot programs and initial training sessions has been promising. Looking ahead, we are committed to refining and expanding our career framework initiative across all business units. We intend to monitor and adapt the framework to meet evolving industry demands, maintaining it as a foundation for sustainable business practices and long-term success.

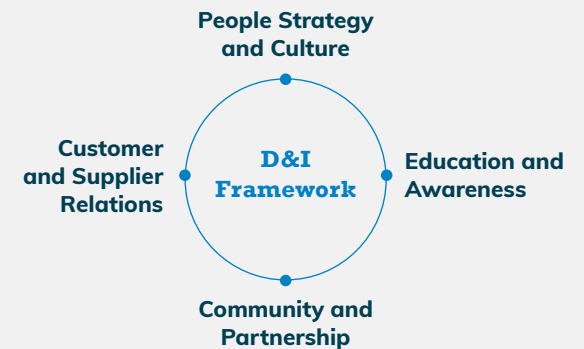


Diversity and Inclusion

In today's globalized and interconnected economy, a diverse workforce is strategically important for sustainable growth and building agility useful in tackling global risks and challenges. Our diversity is an invaluable asset. Our vision is to create and continuously nurture an inclusive workplace culture where every employee feels a sense of belonging and alignment to our purpose of improving lives, providing an environment that allows them to do their best work and unlock their full potential.

We are committed to:

- Attract, support, develop, and retain employees from diverse backgrounds
- Appreciate all cultures through mentoring, training, and coaching
- Champion ERGs through the promotion of and engagement in D&I activities and initiatives in the communities where we live and work
- Promoting continuous improvement by setting meaningful objectives and consistently measuring our performance



DIVERSITY AND INCLUSION GOVERNANCE STRUCTURE



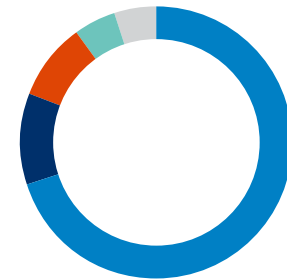
In 2023, the Council piloted a new company-wide D&I training curriculum for people managers focused on building and nurturing inclusion, which was fully launched in 2024. While we recognize the value of training, we also believe that when it comes to behaviors, people need processes to guide their decisions in the moment. Therefore, we introduced checks and balances into the hiring process and implemented consistent processes for leaders to recognize and address bias in performance management and improve objectivity.



Without inclusion there is no diversity. Inclusion is essential to the realization of all our cultural commitments – be it a culture of continuous improvement where every employee is seeing and eliminating waste in the pursuit of value for the customer, or our commitment to Goal Zero where we review worksites and stop work when needed – all require people who feel they belong. Only then can we expect them to observe, engage, speak up, and take action.

– Madhuri Kumar, PhD
ChampionX Global Head of Talent Management

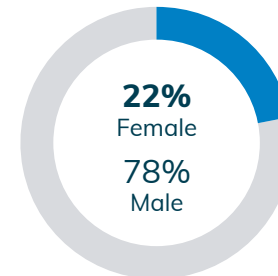
2023 WORKFORCE METRICS



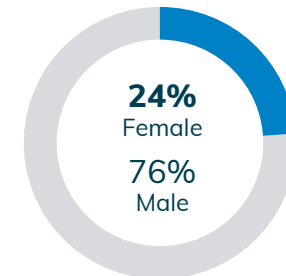
Total employees: 7,100
Countries: 38

- North America: 70%
- Latin America: 11%
- Middle East/Africa: 9%
- Europe: 5%
- Asia Pacific: 5%

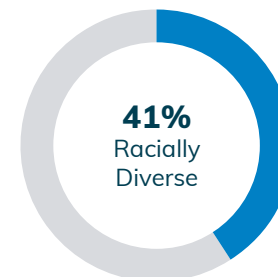
Global Gender Diversity



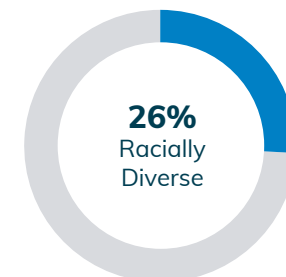
Global People Manager Gender Diversity



U.S. Employee Diversity*



U.S. Manager Diversity*



* Diversity is measured based on individuals who differ in terms of ethnicity and race and who do not identify as non-Hispanic White.

Employee Resource Groups

ChampionX proudly supports 10 ERGs that are voluntary, employee-led, and leadership-supported. Open to all employees, ERGs facilitate purposeful alignment with our business strategy, enhance recruitment efforts and our talent pipeline, support professional development, and improve retention. They also offer opportunities for skill building, training, mentorship, and guidance, and boost engagement levels across the organization and within the communities where our employees live and work.

By the end of 2023, over 1,300 employees, or 19% of our workforce, participated in ERGs compared to 16% of the workforce in 2022.

We provide each ERG with an executive sponsor and a budget based on membership size. We also hold quarterly support meetings for ERG leaders. Notably, in 2023, five ERGs expanded their reach by launching new chapters. Additionally, our RISE (Recognize, Inspire, Share, Engage) ERG received dual accolades from ALLY Energy, earning the Best ERG and Best Energy Team awards.

In addition to winning the Best Workplace in the Energy Industry award for the third year in a row, four of our ERGs were finalists, and our RISE ERG was named the Best ERG by ALLY Energy in 2023.

Business Resource Groups

RISE (Recognize Inspire Share Engage) – gender equity

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

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

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

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

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

Community Resource Groups

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

ARC (Appeal Relate Connect) – intergenerational connections

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

Professional Development Group

Toastmasters – a professional development group, which serves as an avenue for our employees to learn and practice better communication and leadership skills



Growing our ERG Membership

Our SEED (Sustainability, Environment, Energy, and Development) ERG aims to help promote a sustainable culture and values within our organization. The group drives initiatives aimed at improving lives in the communities we serve, increasing understanding of the energy transition, and delivering sustainable business improvements. At the end of 2023, the SEED ERG had more than 400 members, an increase of approximately 40% compared to 2022.

Our ARC (Appeal, Relate, Connect) ERG aims to engage new employees and bridge generational gaps through events that foster connection and professional development. In 2023, ARC launched a new chapter in Calgary, Canada, expanding their membership to 360 members, representing a 77% increase compared to 2022.

Our PLAN (Promote, Leverage, Accelerate, Navigate) ERG aims to provide employees with the tools, skills, and relationships needed to build successful careers and gain recognition as experts in their specific operational roles. In 2023, PLAN increased their membership to 291 members, a 30% increase compared to 2022.

Health and Safety

At ChampionX, we believe that every incident is preventable and we strive for Goal Zero—no accidents or incidents. Our commitment to safety extends to every aspect of our operations, from developing advanced technologies to implementing rigorous safety protocols.



SAFETY PERFORMANCE OVERSIGHT



Safety Management

Effective safety management and oversight ensure that risks are systematically identified, addressed, and mitigated to maintain a safe and compliant working environment. Safety management is guided by our Global Health, Safety, Environment (“HSE”) Policy, which emphasizes personal leadership, engagement, and empowerment within our safety culture. The policy underscores our commitment to achieving Goal Zero, exercising Stop Work Authority, managing risks, promoting healthy living, and collaborating to improve results.

The ChampionX Global Integrated Management System (“IMS”), currently used in our Chemical Technologies business, consists of 14 elements designed to enhance performance in Safety, Health, Environment and Quality and achieve our objectives through a Plan, Do, Check, and Act process for continuous improvement.

We provide comprehensive training and enforce Life Saving Rules to prevent serious injuries or fatalities associated with 10 key hazards. Our Goal Zero journey emphasizes constant awareness and education of safety principles, consistent safety behaviors and practices, and preventing and learning from incidents. Proactive initiatives supporting our Goal Zero culture include discussing safety before meetings, conducting pre-job briefings, and holding toolbox talks before job tasks. Additionally, we maintain ISO 45001 Safety Management certification, demonstrating our compliance with globally recognized occupational health and safety standards.

In 2023, under the guidance of our HSE Council, we focused on the following safety initiatives:

- Transitioning to a common integrated management system (safety, health, environment, quality) for all business segments
- Introducing human performance and human factor concepts, starting with leadership training, to enhance our people-based approach to improving safety, reducing risks, and preventing incidents
- Establishing a new team to enhance and harmonize training and competency programs, initially focusing on the Permian Basin, with an emphasis on safety for all employees as they serve our customers in the field
- Developing a standard to define, prevent, and investigate potential severe injuries and fatality events, enhancing our proactive approach to mitigating risk



GLOBAL IMS CONTINUAL IMPROVEMENT CYCLE



Safety Performance

In 2023, we reduced our Total Recordable Incident Rate to 0.63 from 0.68 in 2022. We again recorded zero fatalities in 2023 and 79% of ChampionX locations achieved Goal Zero for recordable injuries. While our Total and Severe Vehicle Accident Rates remained relatively steady, we significantly improved our process safety performance, with zero Tier 1 incidents compared to four in 2022 and nine Tier 2 incidents compared to 14 the previous year.

Metric	2021	2022	2023
Total Recordable Incident Rate (TRIR)	0.48	0.68	0.63
Lost Time Incident Rate (LTIR)	0.20	0.24	0.26
Fatality Rate	0	0	0
% of locations Goal Zero for Recordable Injuries	81%	81%	79%
Total Vehicle Accident Rate (TVAR)*	1.55	1.53	1.58
Severe Vehicle Accident Rate (SVAR)*	0.02	0.11	0.14
Process/Distribution Safety – Tier 1 Events	1	4	0
Process/Distribution Safety – Tier 2 Events	13	14	9
Hours, thousands	15,140	15,953	15,487
Miles, thousands*	61,469	73,641	77,932
Recordable Injuries	36	54	49
Vehicle Incidents – All	95	113	123
Vehicle Incidents – Severe	1	8	11

*See End Note #28 for information about adjustments to prior year data



Process Safety

We recognize that process safety measures are foundational to ensure the safety of our operations, well-being of our employees, and protection of the environment. Process safety involves the prevention and mitigation of process-related incidents that could result in fires, explosions, or toxic releases. Our approach is proactive, focusing on the identification, evaluation, and control of hazardous processes.

Each year, our Chemicals Technologies business develops a detailed process safety improvement plan to address emerging process safety risks. In 2023, one of our key initiatives was the revalidation of compliance with static electricity standards to mitigate the risk of fires at our facilities and remain compliant with industry best practices.

To enhance internal capacity and resources, the Chemical Technologies process safety team at ChampionX has developed and implemented a comprehensive training program for conducting process hazard analyses (“PHA”). This initiative, rolled out globally in 2023, includes specialized training sessions in both the Eastern and Western Hemispheres. An innovative, employee-specific learning path was created to support this training, allowing each participant to engage with the material in a manner suited to their role and responsibilities. Trained employees are now equipped to facilitate PHA sessions within their regions, with the guidance and support of regional process safety leads.



ChampionX Recognizes Process Safety Engineer Sezer Ozelik

Sezer Ozelik, an Eastern Hemisphere Process Safety Engineer at ChampionX, was honored in 2023 with the League of Champions award, the highest recognition for employees who make a significant impact throughout the year. Sezer demonstrated an unwavering commitment to process safety through extensive work in static electricity revalidation reviews and compliance audits globally. Additionally, he spearheaded a priority project on flammable packaging standards and created a decision tree to help with the correct selection of packaging for flammable materials, thereby mitigating risks associated with improper container usage. Thanks in part to his dedication, ChampionX recorded zero Tier 1 process safety events in 2023, representing a decrease from four in 2022. Sezer's efforts exemplify his commitment to fostering a safer work environment for all.



I am proud to have contributed to advancing process safety at ChampionX. While I am honored to be recognized, this achievement is a testament to the collaborative efforts of our dedicated team and the support of our company. Together, we continuously improve for a safer work environment and set new standards in safety excellence towards our journey to Goal Zero!

– Sezer Ozelik
ChampionX Process Safety Engineer



Employee Well-Being

Employee well-being is integral to our safety philosophy, and it remains a cornerstone of our workplace culture. In our 2023 engagement survey, safety, health, and well-being emerged as highly positive themes, reflecting our successful efforts to create a supportive and safe environment. Our comprehensive well-being programs go beyond physical safety to support the mental and emotional health of our team members.



Improving Lives at ChampionX by Embracing Well-Being

At ChampionX, our mission is to improve lives. On October 10, 2023 – Mental Health Day – we launched a comprehensive Embrace Well-Being initiative to raise awareness about the importance of holistic well-being. Through Embrace Well-Being, we strive to address four pillars of well-being: physical, emotional, social, and financial. The program encompasses a wide variety of initiatives to support the well-being of our employees, including:

- **Regional Well-Being Committees:** These committees focus on local and regional well-being needs. They are encouraged to focus on one well-being pillar per quarter to ensure that a holistic approach is considered on an annual basis.
- **Embrace Well-Being Toolkit:** This toolkit is available to help regional teams create and maintain well-being committees and it gives employees reliable and effective resources that support mental health and overall well-being.
- **Mental Health First Aiders:** We train Mental Health First Aiders to offer initial support and guidance to employees facing mental health challenges. They guide employees to appropriate resources and collaborate with well-being committees to promote emotional well-being and foster a supportive work environment.

Emergency Response and Incident Management

At ChampionX, our commitment to crisis management and emergency response planning is essential for sustaining operations in the face of unpredictable disruptions. Our comprehensive Crisis Management Plan addresses the array of potential crises—such as natural disasters, cyber-attacks, supply chain disruptions, and reputational damage—that could affect both immediate operations and long-term sustainability. By identifying risks, developing response strategies, and establishing clear communication protocols, we aim to improve operational resilience by swiftly and effectively mitigating impacts, protecting our workforce, preserving stakeholder relationships, and minimizing downtime during critical situations.

In the event of an emergency, decision-makers often face difficult choices regarding the allocation of limited resources among multiple 'mission-critical' functions. To address this challenge, ChampionX applies a triage concept to business continuity, which provides decision-makers with a simplified framework based on objective criteria relevant to the nature of the emergency. If our Crisis Management Plan is triggered, our corporate crisis triage team would quickly assemble to assess the unfolding emergency and provide necessary response resources. The multi-disciplinary team includes representatives from Legal, HR, Finance, Operations, HSE, and Communications, and can expand to include other subject matter experts as needed.



Expansion and Community Impact in the Permian Basin

The Permian Basin, the largest unconventional basin in the U.S., covering 86,000 square miles across West Texas and New Mexico, is an important area for us, our customers and our employees. We are dedicated to enhancing lives in the region while growing to meet our customers' evolving needs.

Growth and Expansion

In 2023, we expanded our chemical plant, integrated advanced automation, and enhanced capabilities to better support our customers' operations. Additionally, we added incremental capabilities in Pecos and Hobbs, resulting in an expanded headcount as our business grew in the region.

Employee Engagement and Culture

Our employees' increased engagement is evident through higher ERG participation in the Permian Basin. Additionally, our employee engagement score in the region reached an impressive 86% in 2023. This high level of involvement has fostered a positive work culture and improved 2023 employee retention by four points year over year in the Permian Basin.



As our twenty-first member, ChampionX is now an essential part of the PSP and our vision, bringing with them an outstanding reputation of innovation and a steadfast commitment to improving the community. The team at ChampionX will help fuel transformative initiatives that further PSP's mission, leaving a lasting mark on countless lives in the Permian Basin.

– Tracee Bentley
President and CEO, PSP



Community Involvement through PSP

In 2023, we joined the Permian Strategic Partnership ("PSP") as its twenty-first member, joining an impressive roster of top-tier companies committed to responsibly developing resources in the Permian Basin while improving residents' quality of life in West Texas and Southeastern New Mexico.

Community Involvement

Community involvement is fundamental to realizing our purpose of improving lives. Through volunteerism and community engagement, ChampionX harnesses the energy, skills, and excitement of our employees to make a difference in the lives of people around the world.

Our purpose drives and defines us – and helps us focus our activities so they can have a significant and lasting impact. We rely on our local facilities to identify and respond to the most pressing needs in their communities. In 2023, our efforts focused on four areas of corporate citizenship:

Food Security

Proper nutrition is vital to the sustainability of society. The rise in food insecurity – lacking enough food to live a healthy, active life – continues to be a challenge in many communities. ChampionX is doing our part to address this significant issue. In the Houston area, where our headquarters, Chemical Technologies business, and two additional facilities are located, we volunteer throughout the year. For example, during ChampionX’s annual Days of Improving Lives, the Sugar Land Research, Development and Engineering group, teaming with other organizations in the community, packed 792 boxes, equaling 19,626 pounds of food or roughly 16,355 meals.

Human Services

ChampionX supports humanitarian services across the U.S. and beyond. These efforts include home improvement projects in lower-income neighborhoods and meal deliveries for the elderly. We also recognize the importance of ensuring mental and emotional support services are available to those in need. For example, in 2023, our Quartzdyne employees joined hands with the Sound of Hope for Suicide Prevention 5K near Salt Lake City, Utah to cover entry fees for the race. The proceeds from this event directly supported the American Foundation for Suicide Prevention (“AFSP”). Quartzdyne’s support aligns with AFSP’s core strategies of funding scientific research, spreading mental health awareness, advocating for supportive policies, and offering a hand to those touched by the profound loss which stems from suicide.



Education

We support educational programs that aid teachers, contribute to building tomorrow’s workforce, and provide role models and mentors for students. In Houston, we partner with Genesys Works and Cristo Rey High School to give local students with limited economic resources an introduction to a corporate business environment. Through Genesys Works, high school seniors worked at a ChampionX facility part-time during the 2022-2023 school year to learn business, technical, and communications skills that support career readiness. This internship model has a positive impact not only on the students, but on their extended families and communities.

Environment and Conservation

At ChampionX, we believe that achieving our purpose is inseparable from our responsibility to protect the environment. Each year, our employees participate in numerous clean-up and restoration projects to enhance the neighborhoods we call home. For instance, in 2023, our SEED ERG in the Asia Pacific region organized a series of events aligned with World Cleanup Day. These activities focused on revitalizing local environments, such as beaches and parks, to foster a healthier and more vibrant ecosystem for the future.

In celebration of Earth Day 2023, themed “Invest in Our Planet,” all ChampionX employees were invited to join the SEED ERG Global Earth Day event, where ChampionX leadership discussed our sustainability efforts. For every attendee, ChampionX committed to planting a tree through The Canopy Project. Also aligned with Earth Day, our team in Angola donated and helped plant approximately 80 trees in public schools in Luanda. In Azerbaijan, the team organized a soil digging event to improve soil quality and encourage community members to care for neglected areas. This initiative aimed to raise awareness about the importance of soil health and its critical role in sustaining our planet.



Stakeholder Engagement

In all our stakeholder engagement efforts, we prioritize transparency, dialogue, and collaboration. Our approach helps us engage meaningfully with a diverse range of stakeholders, including local communities, customers, suppliers, and employees. We maintain open and transparent communication channels through various methods such as stakeholder consultations and communication hotlines. These avenues allow us to address concerns, gather feedback, and work collaboratively towards common goals.



Sugar Land Community Advisory Panel

The ChampionX Sugar Land Community Advisory Panel (“CAP”) has a rich history of fostering community engagement and transparency. Established in December 1992, the panel was initially formed when several Sugar Land citizens met with representatives of the company to create a forum for open dialogue. The Steering Committee nominated and invited 12 citizens to join the panel, and CAP was launched.

The mission of the ChampionX Sugar Land CAP is to establish and utilize networks within the community to ensure effective two-way communication between plant management and various groups, including businesses, schools, churches, homeowners’ associations, and private citizens. The CAP assists ChampionX in developing action plans to disseminate more information about the plant to the public through frank and open discussions. Ultimately, we want the voices of the Sugar Land residents to always be heard and respected.

Environment

At ChampionX, we are passionate and purposeful about the safe and sustainable provision of energy for the world.

As the oil and gas industry continues to navigate the evolving energy transition, we are developing and implementing innovative technologies designed to support our customers' environmental goals and initiatives, including minimizing emissions, enhancing operational effectiveness, and leveraging digital technologies to optimize logistics and monitor performance. We recognize the complexity of balancing the need for reliable, affordable energy with the imperative to reduce environmental impacts. By leveraging advanced technology and digital solutions, we seek to help our customers meet that dual challenge.

Sustainability is fundamental to our culture. In addition to helping our customers reduce their environmental impact, we work to achieve our own sustainability goals by taking measures to reduce the environmental footprint of our operations, implementing waste-reduction efforts, and innovating solutions that more efficiently use the world's resources. Our goal is to continually improve our practices in line with industry standards, advancing towards more sustainable and responsible energy solutions.



Driving Customer Sustainability with Innovation, Technology and Marketplace Solutions

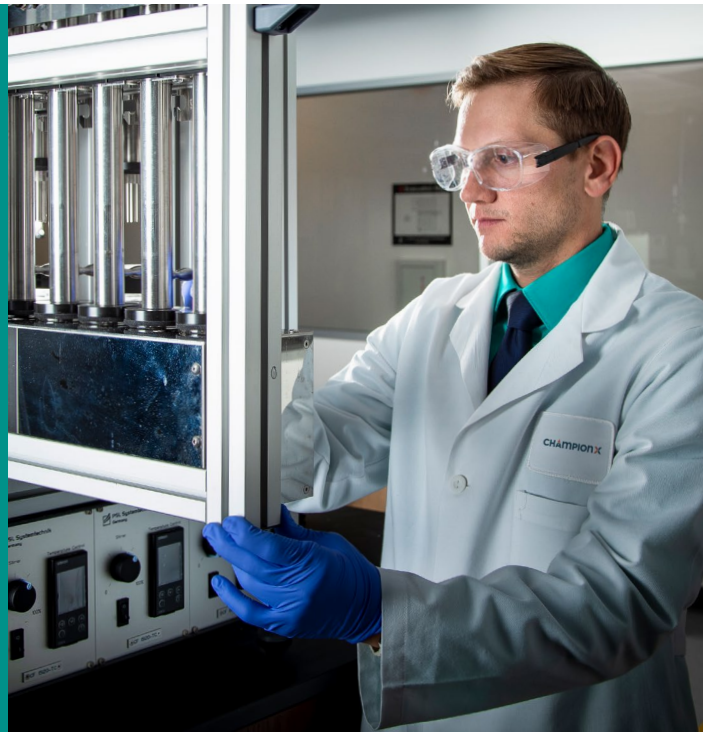
As decarbonization technologies and solutions continue to evolve rapidly, we work closely with our customers to understand their needs and develop solutions designed to support their sustainability goals. Key decarbonization challenges identified by our customers that we are working to address include scaling technologies from the lab to the field, providing capacity to service a substantial number of production well sites, and reducing the costs associated with emissions reduction initiatives.

Our research and development (“R&D”) efforts help support our customers’ environmental efforts through technology development and sustainable innovation. Our dedicated teams of specialists, including a growing number of experts in data science, are committed to advancing our R&D initiatives. From designing cutting-edge sensors to developing sophisticated data analytics tools, we continually push the boundaries of what is possible. Our R&D efforts not only address current challenges but also anticipate future needs, helping to ensure we remain at the forefront of technological advancement.

“

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.

– Sivasankaran “Soma” Somasundaram
ChampionX President and Chief Executive Officer



SPOTLIGHT



New Global Technology Center in India

In 2023, we opened a new Global Technology Centre in Chennai, India, to accelerate our digital innovation opportunities, provide greater access to key digital skills and technical engineering expertise, and enhance the development of new offerings to our customers. Chennai is an ideal location for the new center, given its reputation for IT innovation, numerous government educational and research institutions, and its hub of engineering and manufacturing expertise.

From designing cutting-edge sensors to developing sophisticated data analytics tools, we continually push the boundaries of what is possible.

Production & Automation Technologies

In 2023, ChampionX's Production & Automation Technologies segment delivered advancements for our customers focusing on efficiency, adaptability, and environmental responsibility. By leveraging advanced control algorithms, we delivered solutions designed to be used to optimize our customers' pump operations to reduce energy use and related GHG emissions. This included the integration of sensors for real-time monitoring, predictive analytics for proactive maintenance, automated control systems for optimal performance, and remote monitoring to reduce site visits and associated emissions.

CASE STUDY

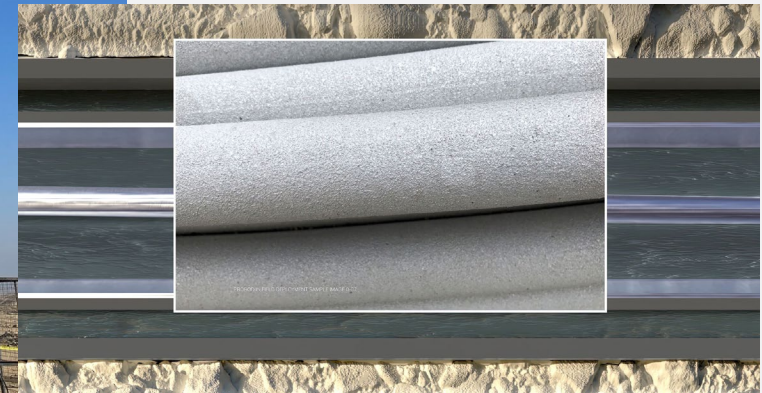
Tackling Corrosion in Rod Strings

Corrosion is a common cause of rod string failures and is a costly issue in all well types. The industry has been challenged to develop a solution that withstands high temperatures, aggressive environments, and diverse production chemistry programs to prevent failures and reduce downtime.

In 2023, our Production & Automation Technologies segment released a new approach to prevent corrosion damage with the patent-pending Pro-Rod AnX™ coiled rod. Developed by ChampionX's Pro-Rod division, AnX™ features an anodic coating technology

that prevents metallic corrosion damage. Field trials demonstrate its ability to prevent corrosion damage even after 30-40% circumferential loss. Additionally, AnX™ coiled rod provides protection to other steel-based wellbore components.

A high-CO₂ content well in Western Saskatchewan, Canada, with a historical mean runtime of 12 to 14 weeks due to corrosion-related rod failures, was equipped with an AnX™-coated coiled rod string. After five months of operation, an inspection revealed the coated rod string was unaffected by corrosion. A second inspection, conducted after nine months, found evidence of rod string wear but no corrosion damage. The well has now been in operation more than 200 weeks, marking a tenfold improvement in average runtime and significantly reducing the frequency of costly workovers, thereby contributing to a reduction of certain GHG emissions associated with maintenance operations and enhancing worker safety through decreased equipment failures.



Drilling Technologies

Our Drilling Technologies segment is a leader in developing and producing innovative, top-quality polycrystalline diamond cutter ("PDC") inserts, bearings, valves, and mining tools. With more than 500 patents in advanced diamond technology, our team of experienced scientists, engineers, and technicians drives our efforts to advance our diamond solutions for oil exploration and development projects.

Diamond bearings are highly durable, efficient, and resistant to wear, heat, and chemical damage. Consequently, they are ideal for demanding applications in various industries, including:

- Oil and Gas: Enhancing the productivity and longevity of drilling equipment
- Wastewater Treatment: Resisting chemical corrosion and improving operational efficiency
- Renewable Energy Applications: Promoting high performance and reliability in harsh environments such as hydrokinetic power systems
- Advanced Manufacturing: Providing stability and efficiency to optimize production processes
- Chemical Mixing Applications: Offering superior resistance to aggressive chemicals, promoting precise and improved operational efficiency



Chemical Technologies

At ChampionX, our Chemical Technologies segment offers products and services covering a broad range of onshore, offshore, and oil sands chemical solutions for production and midstream operations. Built upon deep expertise and capabilities in chemical applications across the oil and natural gas value chain, our solutions help our customers maximize production, minimize their environmental footprint, reduce GHG emissions, and lower freshwater usage. Our chemical sustainability efforts are led by our newly appointed Chemical Technologies Sustainability Director.

We continue to optimize our existing portfolio of solutions and products to help our customers meet their sustainability goals. Recently, we tackled the challenge of more efficiently separating oil and water emulsions during hydrocarbon production by optimizing one of our key emulsion breakers. The new formulation replaces xylene with methanol, which generally has lower toxicity, is safer to handle and store, has lower VOC emissions, and

has a lower life-cycle impact on GHG emissions. This new formulation has been successfully implemented in four customer locations.

In addition, in 2023, our R&D efforts focused on developing sustainable chemical solutions for our customers in the oil and gas industry and promoting the use of more biodegradable and less toxic chemicals, referred to as green chemistry. We are also actively assessing and working to appropriately communicate the environmental impacts of materials commonly used in our operations. We have developed a tool that enables our research teams to compare various chemical formulations from an environmental perspective. Additionally, we are enhancing our ability to determine the carbon footprint of the raw materials used in our chemical formulations and calculate the cradle-to-gate GHG emissions of our products. These efforts help us provide products to our customers that are not only effective but minimize negative environmental impacts.

SPOTLIGHT

Helping Customers Recycle Produced Water

Water is an essential resource for many purposes, including oil and gas operations. With increasing demand and limited supply, especially in water-scarce regions, the industrial sector is exploring alternative strategies to prevent potential shortages. In response, the oil and gas sector has begun recycling produced water from wells to reduce reliance on freshwater.

20 million barrels of freshwater usage offset because of produced water treatment

As unconventional completions technology has advanced over the past decade, the use of higher concentrations of clean produced brines as fracturing fluid has become more feasible. ChampionX continues to help our customers reduce freshwater usage by recycling produced water from oil and gas wells. This is especially crucial in the Permian Basin due to regulatory limits on disposal, freshwater consumption, and seismic activity in some areas. We offer two primary solutions: the “floc and drop” method and automated Dissolved Air Flotation units. Over the past 12 months, we have deployed both types of solutions and treated over 20 million barrels of produced water in the Permian Basin, providing consistent water quality and enabling our customers to minimize freshwater use and disposal needs.

Emissions Technologies

As pioneers with over 140 years of service excellence, we are partnering with our customers to advance emissions solutions with innovative technology. We have redefined emissions monitoring, offering a comprehensive suite of services that encompass optical gas imaging (AURA OGI™) cameras and surveys, continuous emissions monitoring (SOOFIE®), leak detection and repair (“LDAR”) surveys, aerial surveys, and software and analytics.



AURA OGI™ Camera

In 2023, we commercially introduced the AURA OGI™ camera, a groundbreaking advancement in midwave infrared (MWIR) OGI technology with superior imaging capabilities and resolution. Designed for efficient and consistent leak detection, the AURA OGI™ offers resolution that is four times higher than any other cameras currently available, allowing customers to navigate a comprehensive approach to methane gas leak detection and recording. In laboratory tests, the AURA OGI™ demonstrated its precision by detecting emissions as low as six grams per hour, meeting Environmental Protection Agency (“EPA”) New Source Performance Standard 0000a for oil and gas methane emissions.



Continuous Monitoring with SOOFIE®

Our SOOFIE® system offers a comprehensive solution for continuous methane monitoring, providing real-time emissions data and actionable alerts. The system is customizable to meet the specific conditions of each site and is equipped with advanced machine learning capabilities to ensure precise analytics and robust data security. Designed with an intuitive interface, SOOFIE® allows both technical and non-technical users to efficiently manage and respond to emissions insights around the clock.



Aerial and Drone Monitoring

Our advanced aerial OGI systems, which include drone-operated and helicopter-mounted options, can be used to monitor, quantify, and diagnose emission hotspots at industrial facilities. Equipped with high-resolution cameras, these systems can detect a broad spectrum of VOCs and GHGs offering precise, real-time data. Additionally, we offer aerial monitoring using fixed-wing aircraft equipped with advanced technology such as wavelength-scanned cavity ring-down spectroscopy. This technology is designed to rapidly cover large areas, identifying methane concentration enhancements that signal emission sources upwind of the aircraft, thus providing an effective solution for extensive industrial sites.

Environmental Management

We prioritize conducting business in a manner that protects people, assets, and the environment. This commitment is integrated into our business activities and sustained by establishing plans and achieving goals for continual improvement. The Board’s Governance and Nominating Committee oversees risks related to sustainability and ESG strategy, initiatives, and policies, including environmental matters as appropriate. Our Executive Committee monitors environmental performance, ensuring that resources are allocated for continuous improvement.

ENVIRONMENTAL PERFORMANCE OVERSIGHT



In the Chemical Technologies business, requirements for the safe production, blending, storage, handling, and delivery of chemicals are outlined in our Integrated Management System (“IMS”). We demonstrate our commitment to compliance with environmental laws, regulations, and customer requirements by maintaining a global ISO 14001 Environmental Management certification. Collectively, our environmental and safety management systems are designed to help reduce risk exposure from low-probability, high-impact accidents and emergencies.



Our Environmental Performance

At ChampionX, we monitor our environmental performance across key metrics, including Scopes 1 and 2 GHG emissions, air quality, energy use, water conservation, and waste management. This systematic tracking enables us to assess our progress and continuously enhance our efforts.

GHG Emissions

While we believe the largest impact on our overall GHG footprint comes from helping our customers reduce their emissions, we are also committed to tracking and reducing Scopes 1 and 2 GHG emissions from our operations. Scope 1 emissions are direct GHG emissions that occur from sources controlled or owned by our organization. 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 our GHG inventory because they result from our energy use.

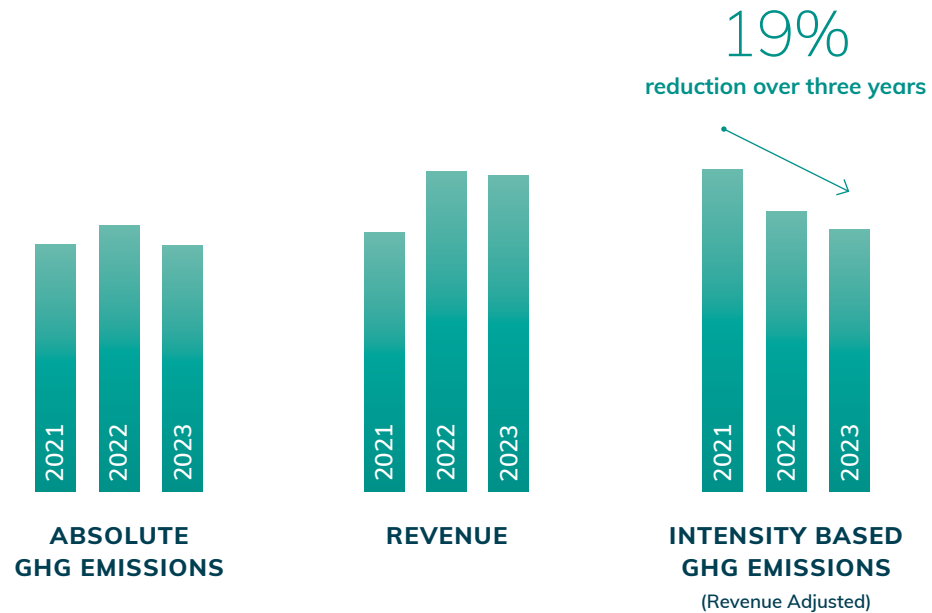
To develop our Scope 1 and Scope 2 GHG emissions inventory for 2023, data was collected from our operated or controlled facilities and vehicle fleets around the world. We utilized new data management software to capture our emissions metrics. Our sources included electricity, natural gas, diesel, and propane consumption at manufacturing facilities and other locations, and diesel and gasoline fuel for our fleet of approximately 2,200 owned and leased vehicles for sales, technical service, and product delivery.

In 2023, our absolute Scope 1 emissions decreased by approximately 5% compared to 2022. Our Scope 2 emissions on an absolute basis decreased approximately 12% between 2022 and 2023. Our total combined Scope 1 and Scope 2 emissions decreased approximately 8% on an absolute basis over the same period. On a revenue adjusted basis, our total Scope 1 and 2 GHG emissions intensity decreased from 41.6 in 2022 to 38.9 in 2023 (tonnes CO₂e/\$million revenue), representing a 6% decrease. Since 2021, ChampionX Scope 1 & 2 GHG emissions intensity has decreased 19%.

GHG Emissions (tonnes CO₂e)

Metric	2021*	2022*	2023
Scope 1 GHG Emissions	83,923	98,818	93,951
Scope 2 GHG Emissions	62,994	59,491	52,339
Total Scope 1 & 2 GHG Emissions	146,917	158,309	146,290
Revenue, \$000	3,074,990	3,805,948	3,758,285
Tonnes Scopes 1 and 2 GHG Emissions per \$MM	47.8	41.6	38.9

*See End Notes #1 and #3 for information about adjustments to prior year data





Leveraging AI to Optimize Transportation Routes and Reduce Emissions

At ChampionX, we are harnessing the power of artificial intelligence (“AI”) to transform how we manage logistics and reduce our environmental footprint. Delivering chemicals to our customers when and where they need them, in the right quantities, requires the sophisticated coordination of a large vehicle fleet and complex logistics. Our Chemical Technologies digital team is at the forefront of redefining and optimizing our delivery processes, with the goal of significantly lowering our Scope 1 GHG emissions.

Optimization is achieved through the use of advanced tools that combine internal proprietary technology and external AI-driven components. These tools help us facilitate real-time delivery planning, navigate logistical challenges, and align the compatibility of chemical products with transportation resources. For example, our chemicals are delivered using flatbed trucks and totes, which, because of their size and design, are non-stackable. One of our AI tools provides specialists with data-driven insights into chemical compatibility and the optimal arrangement of each load. Another tool uses AI to plan delivery routes, while another identifies issues that prevent or slow down deliveries and helps drivers navigate. Additionally, our custom route mapping technology captures delivery routes in unmapped areas, creating proprietary navigation solutions.

Air Quality

We seek to minimize air emissions by enhancing our operational effectiveness and maintaining and monitoring pollution control equipment in our manufacturing plants.

Metric	2021	2022	2023
Nitrogen oxides (NOx), t	105	120	107
Sulfur dioxide (SOx), t	0.9	1.4	0.8
Volatile organic compounds (VOCs), t	76	136	139
Hazardous air pollutants (HAPs), t	32	30	18

Energy Management

At ChampionX, we monitor energy consumption across our global facilities to reduce our impact on the environment, conserve resources, and lower operational costs.

Metric	2021	2022*	2023
Total energy consumed (GJ)	1,975,048	2,228,628	2,117,204
Percentage grid electricity	23.9%	20.5%	20.1%
Percentage renewable	0.2%	0.3%	0.3%
Total self-generated energy (GJ)	0	0	0

*See End Note #3 for information about adjustments to prior year data

As part of our effort to reduce our energy consumption and the associated Scope 1 and 2 emissions, we have implemented a range of projects across our global facilities. For instance, we replaced conventional lighting with energy-efficient LEDs at our facilities in Aberdeen, UK, and Utah, United States. In November 2022, we launched a collaborative solar power generation project that supplies more than 100% of the electricity needed for our Jebel Ali facility in Dubai, including the manufacturing plant and the adjacent regional office.† This project, powered by 943 photovoltaic (“PV”) panels mounted on the roof, represents our first Purchase Power Agreement and supports the Dubai Clean Energy Strategy 2050, which aims to increase the share of renewable energy in Dubai to 25% by 2030.

† As of February 2023. In certain months the facility receives credits for solar power returned to the local utility grid in prior months where generated solar power exceeded the needs of the facility

Additionally, it has been a full year since we implemented a new energy management system at our Singapore manufacturing facility. This process involved identifying significant energy users, establishing performance indicators, and adopting a Plan, Do, Check, Act framework, leading to substantial energy efficiency improvements. One key enhancement was the control system logic modification in the alkoxylation reactors, which improved temperature control during heating and cooling cycles. This adjustment alone has reduced steam consumption in 2023 by 18% compared to 2022 and cut GHG emissions at this facility by about 1,300 tonnes of CO₂e annually in 2023 compared to 2022.[†]

[†] Determined from steam flow meters at the reactors and applying EPA emissions factors for the energy content of purchased steam.

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Energy costs make up a significant portion of our plant’s annual expenditure, so optimizing utilities usage and reducing waste are crucial. This focus has yielded both cost savings and reduced carbon emissions, supporting ChampionX’s sustainability objectives. We will continue to seek opportunities to lower our energy consumption and strive for maximum efficiency in our energy use.

– Ivan Yip
ChampionX Engineering
Manager, Singapore Plant



Water Management

Water is a vital resource that we share with the communities where we operate. We seek to use fresh water responsibly to reduce our related environmental footprint and thereby support the sustainability of our business and communities.

Metric	2021*	2022*	2023
Total Water Withdrawn (thousand m ³)	749	916	979
Total Water Consumed in Sold Products (thousand m ³)	121	111	111
Percentage of Water Withdrawn from Regions with High or Extremely High Baseline Water Stress	20%	18%	38%
Number of Incidents of Non-Compliance Associated with Water Quality Permits, Standards, and Regulations	0	0	0

*See End Notes #12 and #13 for information about adjustments to prior year data

Waste Management

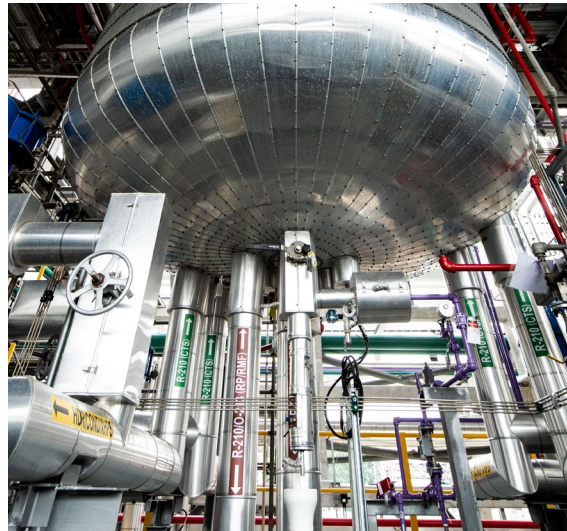
Our waste reduction efforts emphasize diverting waste and conserving operational resources. All manufacturing and distribution sites are expected to manage waste responsibly. We actively seek opportunities to recycle operational materials where possible and within acceptable practice. Additionally, we partner with our vendors to implement recycling programs, collectively working to reduce our environmental impact.

Metric	2021	2022	2023
Amount of Hazardous Waste Generated (t)	22,609	17,653	17,618
Percentage of Hazardous Waste Recycled (%)	8%	11%	16%

Chemical Safety and Stewardship

As a provider of approximately 7,000 chemical products to energy customers across the globe, we are committed to managing chemicals safely, responsibly, and in compliance with applicable regulations and laws. Our global IMS outlines the requirements for safe production, blending, storage, handling, and delivery of chemicals. We seek to apply the principles of process hazard communication and evaluation throughout all phases of chemical usage, including the provision of Safety Data Sheets (“SDS”) throughout our value chain. Furthermore, our facilities that handle, store, or process hazardous chemicals are expected to implement programs aimed at preventing unintended releases. The IMS also provides requirements for reporting, investigating, and communicating any chemical-related incidents.

Our Regulatory Affairs team supports the safe and responsible use of chemicals. The team manages approximately 1,800 active chemical registrations globally as part of our regulatory compliance efforts for the individual substances used in manufacturing our products. The team is also responsible for creating hazard communications, including SDS and labels, advising on the classification and transportation of dangerous goods, securing ingredient approvals in conformance with regulations, and conducting toxicology analysis and classification. Ingredient profiles are compiled for the chemicals we manufacture, which are reviewed to determine hazard levels.



Moreover, the team collects regulatory information for raw materials from our suppliers through a standardized form. This practice aids in identifying environmentally responsible materials and guiding the selection of raw materials for new product development. Additionally, the team stays apprised of regulatory changes and monitors chemical substances to assess their potential impact on the ChampionX portfolio and implements chemical release prevention programs.

Metric	2021	2022	2023
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%	44%	49%

CASE STUDY

Enhancing Safety and Efficiency with QR Codes

ChampionX Chemical Technologies products are stored by customers in hazardous chemical tanks across the U.S. Traditionally, health and safety documents for the tanks’ contents were stored in plastic tubes attached to each tank. This method was inefficient and created safety risks, as the tubes often got lost, the paper documents quickly deteriorate, and the tubes became habitats for spiders.

This initiative has enhanced health and safety practices by providing up-to-date information instantly and reducing risks associated with the loss or deterioration of physical documents.

In response, ChampionX’s sales, marketing communications, and IT teams collaborated to design adhesive labels with QR codes that, when scanned, provide instant access to the necessary health and safety information. The new QR codes were launched in the U.S. in 2023, with plans to expand into Gulf of Mexico, and Canada. This initiative has enhanced health and safety practices by providing up-to-date information instantly and reducing risks associated with the loss or deterioration of physical documents. Additionally, it has delivered environmental benefits by eliminating paper waste and reducing the time, mileage, and transportation-related emissions required to replace paper documents.

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 as described in the endnotes (pages 48 and 49). The index below lists indicators from the Sustainability Accounting Standards Board (“SASB”) and the Global Reporting Initiative (“GRI”). We strive to continually improve our data performance reporting and assess alignment with other emerging frameworks. To learn more about these standards, visit globalreporting.org and sasb.org.

APPENDIX 1

2023 ESG Performance Data and SASB Index

Chemicals

Standard Code	Topic	Metric	Value	Units
RT-CH-110a.1	Greenhouse Gas Emissions	Gross global Scope 1 emissions ¹	93,951	Metric tons (t) CO ₂ -e
		Percentage covered under emissions-limiting regulations ²	0%	Percentage (%)
		Gross global Scope 2 emissions ³	52,339	Metric tons (t) CO ₂ -e
RT-CH-120a.1	Air Quality	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O) ⁴	107	Metric tons (t)
		Air emissions of the following pollutants: (2) SO _x ⁵	0.8	Metric tons (t)
		Air emissions of the following pollutants: (3) volatile organic compounds (VOCs) ⁶	139	Metric tons (t)
		Air emissions of the following pollutants: (4) hazardous air pollutants (HAPs) ⁷	18	Metric tons (t)
RT-CH-130a.1	Energy Management	(1) Total energy consumed ⁸	2,117,204	Gigajoules (GJ)
		(2) Percentage grid electricity ⁹	20.1%	Percentage (%)
		(3) Percentage renewable ¹⁰	0.3%	Percentage (%)
		(4) Total self-generated energy ¹¹	0	Gigajoules (GJ)
RT-CH-140a.1	Water Management	(1) Total water withdrawn ¹²	979	Thousand cubic meters (m ³)
		(2) Total water consumed in products ¹³	111	Thousand cubic meters (m ³)
		Percentage of each in regions with High or Extremely High Baseline Water Stress ¹⁴	38%	Percentage (%)
RT-CH-140a.2	Water Management	Number of incidents of non-compliance associated with water quality permits, standards, and regulations ¹⁵	0	Number
RT-CH-150a.1	Hazardous Waste Management	Amount of hazardous waste generated ¹⁶	17,618	Metric tons (t)
		Amount of hazardous waste percentage recycled ¹⁷	16%	Percentage (%)

Standard Code	Topic	Metric	Value	Units
RT-CH-320a.1	Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	see SASB O&G Health Safety	
RT-CH-410a.1	Product Design for Use-phase Efficiency	Revenue from products designed for use-phase resource efficiency	not disclosed	Reporting currency
RT-CH-410b.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 ¹⁸	49%	Percentage (%) by revenue
		(2) Percentage of such products that have undergone a hazard assessment ¹⁹	0%	Percentage (%)
RT-CH-410c.1	Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs) ²⁰	0%	Percentage (%) by revenue
RT-CH-540a.1	Operational Safety, Emergency Preparedness & Response	Process Safety Incidents Count (PSIC) ²¹	0	Number
		Process Safety Total Incident Rate (PSTIR) ²²	0.000000	Rate
		Process Safety Incident Severity Rate (PSISR) ²³	0	Rate
RT-CH-540a.2	Operational Safety, Emergency Preparedness & Response	Number of transport incidents ²⁴	0	Number
RT-CH-000.A	Activity Metric	Production by reportable segment	not disclosed	Cubic meters (m ³) and/or metric tons (t)
Oil and Gas Services				
EM-SV-110a.1	Emissions Reduction Services & Fuels Management	Total fuel consumed, percentage renewable, percentage used in: (1) on-road equipment and vehicles and (2) off-road equipment	see SASB Chemicals Scope 1	Gigajoules (GJ), Percentage (%)
EM-SV-110a.3	Emissions Reduction Services & Fuels Management	Percentage of engines in service that meet Tier 4 compliance for non-road diesel engine emissions	not disclosed	Percentage (%)
EM-SV-140a.1	Water Management Services	(1) Total volume of fresh water handled in operations, (2) percentage recycled	see SASB Chem Water Management	Thousand cubic meters (m ³), Percentage (%)

Standard Code	Topic	Metric	Value	Units
EM-SV-150a.1	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-160a.1	Ecological Impact Management	Average disturbed acreage per (1) oil and (2) gas well site	ChampionX does not own, or 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-320a.1	Workforce Health & Safety	(1) Total recordable incident rate (TRIR) ²⁵	0.63	Rate
		(2) Fatality rate ²⁶	0	
		(3) Near miss frequency rate(NMFR) ²⁷	32.7	
		(4) Total vehicle incident rate (TVIR) ²⁸	1.58	
		(5) Average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees ²⁹	5.8	Hours per Person
EM-SV-510a.1	Business Ethics & Payments Transparency	Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index ³⁰	14%	Reporting currency
EM-SV-000.A	Activity Metric	Number of active rig sites	ChampionX does not own, or lease or operate any offshore or onshore rig or well sites.	
EM-SV-000.B	Activity Metric	Number of active well sites	ChampionX does not own, or lease or operate any offshore or onshore rig or well sites.	
EM-SV-000.C	Activity Metric	Total amount of drilling performed	ChampionX does not conduct any drilling operations.	
EM-SV-000.D	Activity Metric	Total number of hours worked by all employees ³¹	15,487	Hours, thousands

APPENDIX 2

2023 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 11 .
	2-12 Role of the highest governance body in overseeing the management of impacts	For discussion related to this metric, see page 1 .
	2-13 Delegation of responsibility for managing impacts	For discussion related to this metric, see page 9-11 .
	2-16 Communication of critical concerns	For discussion related to this metric, see page 12 .
	2-22 Statement on sustainable development strategy	CEO Letter, page 2
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	For discussion related to this metric, see page 28 .
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	For discussion related to this metric, see page 24 .

Disclaimer

This Sustainability Report contains “forward-looking statements” or information within the meaning of federal securities laws. 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,” “seek,” “strive,” “aim” 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. Known material risk factors that could cause actual results to materially differ from those contemplated in the forward-looking statements include those set forth in Part I, Item 1A, “Risk Factors,” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, and in our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. We caution you not to place undue reliance on any forward-looking statements, which speak only as of the date hereof and may be superseded by subsequent market events or for other reasons. 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 our discretion that it is not feasible or practical to implement or complete certain of our ESG initiatives, policies, and procedures based on cost, timing or other considerations. Further, the receipt of any awards by ChampionX is no assurance that ChampionX’s business objectives, including our ESG- or sustainability related objectives, have been achieved or successful. 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. Case studies presented herein are for illustrative purposes only, and have been selected in order to provide examples illustrating certain of ChampionX’s ESG-related activities and do not purport to be a complete list thereof.

Reconciliations of GAAP to Non-GAAP Financial Measures

(UNAUDITED)

ChampionX Corporation presents its financial results in accordance with U.S. GAAP. Management believes that adjusted EBITDA, adjusted EBITDA margin, and adjusted operating profit, provide useful information to investors regarding the Company's financial condition and results of operations because they reflect the core operating results of our businesses and help facilitate comparisons of operating performance across periods. In addition, free cash flow, and free cash flow to adjusted EBITDA ratio, are 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, 2023.

<i>(in thousands)</i>	Year Ended December 31, 2023
Net income attributable to ChampionX	\$314,238
Pre-tax adjustments:	
Loss on disposal groups ⁽¹⁾	12,965
Russia sanctions compliance and impacts ⁽²⁾	1,209
Restructuring and other related charges	13,387
Merger integration costs	245
Acquisition costs and related adjustments ⁽³⁾	(12,670)
Intellectual property defense	1,545
Merger - related indemnification responsibility	722
Tulsa, Oklahoma storm damage	3,162
Foreign currency transaction losses, net	36,334
Tax impact of adjustments	(12,650)
Adjusted net income attributable to ChampionX	358,487
Tax impact of adjustments	12,650
Net income attributable to noncontrolling interest	4,481
Depreciation and amortization	235,936
Provision for income taxes	105,105
Interest expense, net	54,562
Adjusted EBITDA	\$771,221
Adjusted operating profit:	
Less: Net income attributable to noncontrolling interest	(4,481)
Less: Depreciation and amortization	(235,936)
Less: Adjusted provision for income taxes	(130,175)
Adjusted operating profit	\$400,629

<i>(in thousands)</i>	Year Ended December 31, 2023
Free Cash Flow	
Cash flows from operating activities	\$ 540,271
Less: Capital expenditures, net of proceeds from sale of fixed assets	(127,779)
Free cash flow	\$ 412,492

<i>(in thousands)</i>	Year Ended December 31, 2023
Return on Invested Capital	
Total assets	3,241,702
Total liabilities (excluding long-term debt)	980,185
Total net	2,261,517
Return on invested capital percentage*	18%

*Adjusted net operating profit / (total assets - total liabilities excluding long-term debt)

- (1) Amounts represent the loss recorded to properly adjust the carrying value of our Chemical Technologies operations in Russia to the lower of carrying value or fair value less costs to sell.
- (2) Includes charges incurred related to legal and professional fees to comply with, as well additional foreign currency exchange losses associated with, the sanctions imposed in Russia.
- (3) Includes revenue associated with the amortization of a liability established as part of the merger transaction with Ecolab Inc. ("Ecolab") to acquire the Chemical Technologies business, representing unfavorable terms under the Cross Supply Agreement, as well as costs incurred for the acquisition of businesses. During the fourth quarter of 2023, we recorded a fair value adjustment to contingent consideration on a prior acquisition as well as the settlement of an item pursuant to the tax matters agreement with Ecolab.

ENDNOTES

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, actual and estimated refrigerant losses for site assets. Emissions data for prior years was adjusted to capture additional refrigerant loss in 2022 at the Sugar Land Texas campus. Data for all years excludes emissions from Russia operations consistent with ChampionX's planned exit from that business.
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. Scope 2 electricity emissions reflect location-based emissions factors, except for locations in Aberdeen, UK and Dubai, UAE that consumed renewable energy. Emissions data for prior years was adjusted to revise GHG emission calculations for the UK in 2021 and to revise purchased steam heat values for Fawley, UK in 2022, in each case due to improvements in data collection processes.
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 endnotes 1 and 3 regarding estimated elements and adjustments to prior year values.
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 and adjustments to prior year values.
10. ChampionX purchased 100% renewable electricity for operations in Aberdeen, UK, as certified by the provider. ChampionX consumes solar electricity for the site in Dubai, UAE, where, as of February 2023, in certain months the facility receives credits for solar power returned to the local utility grid in prior months where generated solar power exceeded the needs of the facility.
11. ChampionX did not produce electricity for internal consumption on an on-going basis at any site in 2023.
12. Water withdrawn data includes consumption data globally for large manufacturing sites and estimates for small sites (based on headcount). As a result of improvements in data collection processes, data for prior years was adjusted to capture actual water consumption for Orem, UT in 2021.
13. Water consumed in sold 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. 2022 data was updated to include water consumed in products from small manufacturing locations.
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 our 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 that are classified as GHS Category 1 and 2 normalized to total revenue of ChampionX.
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 operations do not involve genetically modified organisms.
21. Process Safety Events reported globally that meet the Tier 1 definition per ANSI/API RP 754. Additional metrics within the report for Process Safety Events include Delivery Safety Events and also utilize the Tier 1 and 2 definitions 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 no transportation incidents in our internal fleet operations, nor where ChampionX had direct oversight of carriers which meet the criteria as defined by SASB, nor significant incidents with third-party carriers which meet the criteria of 49 CFR 171.15.
25. Total Recordable Injury Rate includes all global incidents and hours worked for employees and supervised contractors, according to OSHA definitions for recordable injuries. A related metric within the report for percent of locations with Goal Zero for Recordable Injuries normalizes the recordable injury events to the number of global company sites that have more than five employees.
26. ChampionX experienced no fatalities from 2021 through 2023.
27. Near Miss Frequency Rate reflects events company-wide and reported as a Near Miss within the global safety incident reporting system, normalized to 200,000 hours worked basis.
28. Total Vehicle Incident Rate reflects globally reported vehicle incidents, according to API definitions, per million miles of travel, where miles are calculated from fuel consumption and estimates of gas mileage per vehicle type. Vehicle Incident rates and mileage for 2021 and 2022 are updated based on improved methods for estimating mileage from fuel consumption.
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.



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