



Sustainability Report 2021



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Introduction

A Letter From Our CEO

Our compressors don't quit and neither do we. When we published our 2020 sustainability report, it was our initial stake in the ground. And now, as we release our second report, it is the first waypoint as we measure the progress on our mission to set the standard as a good corporate citizen in our industry and beyond.

It is a pivotal moment for the energy industry as the world moves toward aggressive net zero goals. Energy transition strategies, initiatives and, most importantly, progress on each is what defines a company as a good steward of the environment.

At Kodiak, we are proud of our legacy as the leading contract gas compression company in the industry. As we look to the future and what role we will play in doing our part to safeguard the environment, positively impact society and do business ethically and with integrity, we see an opportunity to demonstrate how Kodiak will lead the midstream energy industry through the energy transition to a lower carbon future.

It's not one thing, it's everything!

The premier levels of service we provide to keep energy moving safely and responsibly, combined with our focus on innovative technology solutions to lower emissions, demonstrate how Kodiak is a crucial component of the midstream energy industry.

This is why Kodiak has grown to provide over 3 million revenue-generating horsepower to the nation's most productive basins. With each installation comes dedicated mechanical and technical support that guarantees unparalleled uptime.

It's not the size of Kodiak that gives us strength, it's our integrity. From the very beginning, Kodiak has dedicated itself to the principle that customers, company, coworkers and community can all succeed together.

Not only is every job planned and executed with decades of experience, but Kodiak is just as devoted to the safety, training and development of its indispensable and diverse workforce. This positions Kodiak to generously contribute to youth sports, aid military families and even lend support to a coworker in a time of crisis.

Through dedication, integrity and accountability, Kodiak stands alone in its field.



Mickey McKee

President & CEO

ESG Goals

SAFETY*

Reduction in Total Recordable Incident Rate (TRIR)

45%
by year-end 2024



DIVERSITY AND INCLUSION*

Percentage of employees that have completed training on Diversity and Inclusion

100%
by year-end 2022



EMPLOYEE ATTRACTION AND RETENTION

Improvement in Employee Retention

20%
by year-end 2026



GHG EMISSIONS

Reduction in NOx, SOx, PM Emissions (Intensity)

40%
by year-end 2026

Reduction in Methane Emissions (Intensity)

50%
by year-end 2026

Reduction in GHG Fleet Emissions (Intensity)

20%
by year-end 2026



WASTE

Waste Recycled (i.e., Oils, Lubricants, Coolants, Batteries, and Catalysts)

80%
by year-end 2023

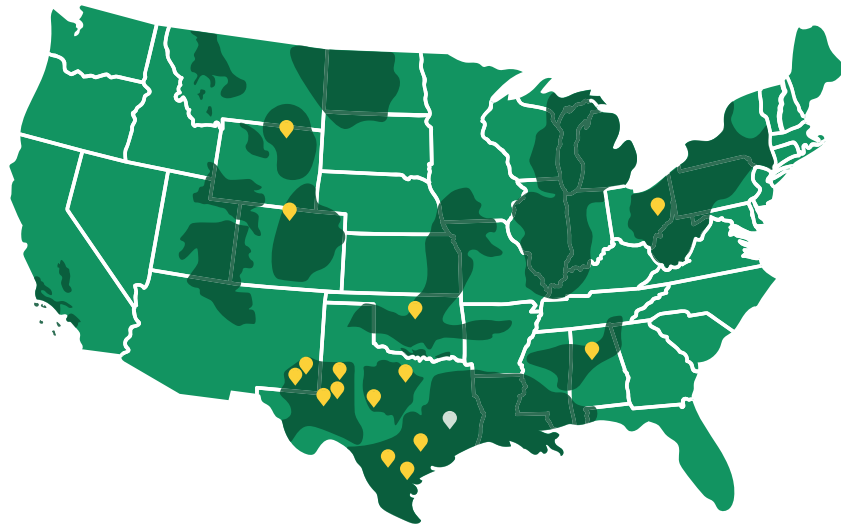


INTRODUCTION

*Revised goal from 2020

Services

Material Topics



● Headquarters
 ● Field Operations
 ● Basins



Contract Gas Compression

We provide 24/7/365 first call service, including parts and maintenance, and a 98% mechanical availability guarantee as part of our signature contract compression services.



Turnkey Stations

We provide engineering, design, installation, commissioning and customized solutions depending on throughput and production profiles for infrastructure applications.



Contract Operations

We service customer-owned equipment on a 24/7/365 basis, including customized solutions for incremental labor, parts, consumables and fluids as part of our contract operations offering.



ecoView

We offer continuous emissions monitoring services and operational insights utilizing artificial intelligence enabled technologies.

We discuss the following material topics herein:



ENVIRONMENTAL COMPLIANCE



GREENHOUSE GASES



ASSET PERFORMANCE



WASTE



WATER



ENERGY INNOVATION



HEALTH AND SAFETY



EMPLOYEE ATTRACTION AND RETENTION



DIVERSITY AND INCLUSION



TRAINING AND DEVELOPMENT



SOCIAL INVESTMENT



ECONOMIC PERFORMANCE



BUSINESS CONTINUITY AND RESILIENCY



PUBLIC POLICY AND GOVERNMENT RELATIONS



ETHICS AND ANTI-CORRUPTION



CYBERSECURITY

Environmental



Delivering on our commitment to environmental stewardship.

Through our premier services, industry-leading mechanical availability and the lowest emissions fleet in the industry, we keep energy moving while also meeting our environmental goals, including: reducing greenhouse gas (GHG) emissions, limiting waste and complying with applicable laws, rules and regulations.

At Kodiak, we are focused on developing innovative solutions that help us and our customers be more responsible stewards of the environment for a better tomorrow.



Kodiak was honored with Hart Energy's inaugural **ESG Top Performers Award** in the **Private Midstream** category.



Environmental Compliance



ENVIRONMENTAL

Reducing our customers' emissions is the hallmark of our goal to be a responsible corporate partner.

Our reduction strategies help customers meet their regulatory requirements and, in turn, be good corporate citizens in the areas in which they do business.

A critical component of Kodiak's environmental compliance program is ensuring that **our compression units are built to meet our customers' most stringent emissions requirements**. This commitment to providing the most technologically advanced equipment available reflects the partnership approach we take with our customers.

We also play an active role during mandated state testing for our customers, with Kodiak technicians on-site throughout the process. These tests are also supported with internal quarterly testing on the Kodiak compression fleet.



Greenhouse Gases

Reducing the GHG emissions of Kodiak operations is a key component of our sustainability management strategy.

Kodiak's primary sources of GHG emissions are heating and cooling our office buildings and the fuels consumed by our service vehicles while performing field operations.



96% of our compression fleet is driven by modern, low-emissions engines that provide the power to compress natural gas with the lowest emissions possible from a reciprocating engine. In 2021, we introduced ecoView, a proprietary emissions monitoring and diagnostics system, to understand how our compression units are operating in real time. Capturing data points more frequently gives us and our customers the ability to react immediately when problems arise and will be instrumental in helping our customers analyze and reduce their GHG emissions.

Scope 1

17,815

Emissions totaled 17,815 tons of Carbon Dioxide equivalent (CO₂e).

Scope 2

2.9

Emissions totaled 2.9 tons of CO₂e. Our offices are powered by electricity produced by renewable sources, effectively eliminating our Scope 2 emissions.



We have also introduced a system to capture methane that would otherwise be vented to the atmosphere when we shut down our compression units for repair, maintenance or based on site conditions. All new compression units ordered are equipped with this system, significantly reducing methane emissions on behalf of our customers.

Being a leader in reducing greenhouse gas emissions is core to our operating philosophy. Accordingly, we have set aggressive yet attainable goals and targets including:

- 20% reduction in our fleet's GHG emissions intensity by 2026. We intend to achieve this goal by adding electric motor-driven compression units to our fleet, upgrading our existing fleet with leading edge emissions control technologies where possible, and continuing our focus on larger horsepower compression units that have lower emissions intensity than smaller compression units.
- 50% reduction in methane emissions intensity by 2026. We

intend to achieve this by adding leak detection capabilities to our ecoView system to allow us to more quickly identify and mitigate leaks on our compression units, and through the methane capture system discussed above.

- 40% reduction in NOx, SOx and PM emissions intensity. We intend to accomplish this by adding electric motor-driven equipment, upgrading our existing fleet to leading edge emissions control technologies where possible, and implementing other industry-leading initiatives as commercial applications warrant.

Finding innovative and cost-effective ways to reduce GHG emissions intensity will continue to play an integral role in our forward-looking strategy.





Asset Performance



Our focus on helping customers meet their emissions requirements and reduction goals goes hand in hand with Kodiak's asset performance, as mechanical availability directly impacts our customers' revenues and profitability.

In addition, by keeping the units maintained and online, we can avoid downtime events that result in unplanned emissions releases. We also continue to invest in our units and will continue to do so going forward to ensure that we maintain the most technologically advanced fleet possible.

HIGHLIGHT: The Kodiak Difference

Exceptional Asset Performance





Waste

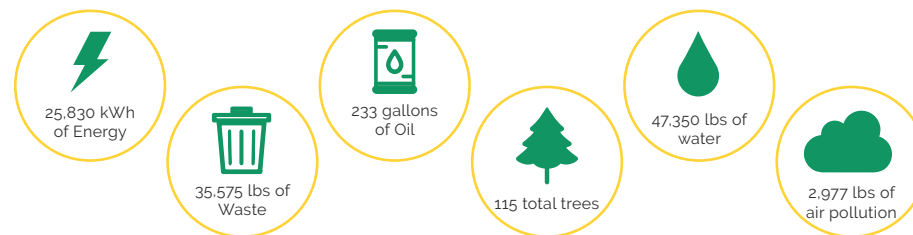
Responsible waste management, renewable sourcing and effective recycling play a significant role in our overall sustainability strategy.

Waste Management: In 2021, we improved our waste recovery and management program by establishing enhanced programs with experienced vendors. Our established collection points to temporarily store operational waste (i.e., used anti-freeze, lube oil and oil filters) improved efficiency, encouraged recycling of the materials and reduced transportation risks. These management processes also aligned with compliance regulations. In 2022, we plan to implement a digital waste tracking tool that will provide better visibility of cradle to grave documentation and allow us to more effectively leverage recycling and/or reclamation opportunities.

99.3% Renewably Sourced Electricity

Electricity Usage: 99.3% of our offices are powered from electricity produced by renewable sources backed by Energy Attributes Certificates (EAC). Each EAC verifies that 1 megawatt hour of electricity was generated on the grid by a specific renewable source, such as wind or solar.

Office Recycling: The majority of our corporate operations have transitioned to a less paper intensive approach and are committed to recycling paper, plastic, aluminum and other office waste. Services, such as DocuSign, are also utilized to eliminate the need for printing. Through these efforts, we recycled 6.30 tons of paper and 0.34 tons of plastic and aluminum. As a result of our office recycling efforts, we achieved the following savings in 2021:



Catalyst Recycling: In 2021, Kodiak partnered with a key catalyst vendor to establish a re-washing and recycling procedure to ensure that catalyst elements are efficiently utilized and recycled at the end of their useful lives. The procedure ensures that the precious metals in catalyst elements are recovered upon decommissioning of the catalysts, with the proceeds received from the sale of the recovered precious metals utilized to offset other expenses. To date, this new process has resulted in a 32% reduction in purchased elements and recoveries of over \$50,000 from the sale of recovered precious metals.



Water

In 2022 and beyond, we plan to investigate ways to further reduce freshwater use and transition to using reclaimed water across our operations where feasible.

Water use in our operations is minimal with the majority of water use associated with cleaning and maintaining our compression equipment.

Although our water use is minimal, we recognize the importance of responsible water use to the communities in which we operate and strive to acquire reclaimed or recycled water where feasible.

| YEAR | HP | WATER USAGE (M₃) |
|-------------|------------------|------------------------------------|
| 2020 | 2,711,671 | 1,288 |
| 2021 | 2,915,070 | 1,849 |



Energy Innovation

Investments today for a cleaner tomorrow.

While Kodiak works hard each day to become a more sustainable organization, we know that entrepreneurial and innovative companies continue to develop technologies to tackle the challenges of tomorrow.

To better understand and potentially partner with companies and technologies advancing the oil and gas industry's de-carbonization efforts, in 2021, we invested in a venture capital fund that invests strictly in companies focused on the energy transition. The fund provides Kodiak opportunities to co-invest in those companies and technologies that we think could enhance or extend our sustainability offerings.

To date, the fund's investments include an electric vehicle charging equipment manufacturer, an air quality monitoring software provider and a GHG emissions monitoring company. So far, the fund is less than one quarter deployed, but we are excited about the opportunities to come through our investment.

As the energy industry transitions to net zero or carbon negative footprints, our focus on continuing to develop innovative technology remains steadfast. We know and understand the need for improvements in energy consumption and reductions in air emissions and are committed to being an integral part of the solution.

ENVIRONMENTAL

Our goal is to pro-actively advance innovative environmental initiatives to be the lowest-emission contract compression company with the top ESG performance in the industry. This focus on sustainability, coupled with our customers' interest in working with us to develop solutions, is how we can all achieve energy consumption goals and targets.



40% Reduction in NOx, SOx, PM Emissions (Intensity)

In 2022, we plan to include Task Force on Climate-related Financial Disclosures (TCFD) in our sustainability reporting framework. We also have a long-term plan to publish climate related reports including energy transition scenarios in the coming years.





A real-time operations and emissions monitoring system.










In 2021, we introduced ecoView, a proprietary system that continuously monitors the operating conditions and emissions of our compression units and will allow us to develop predictive maintenance processes using data analytics. The system enables us to ensure our equipment is operating as efficiently as possible, while reducing unnecessary equipment emissions and unplanned downtime events. It also offers our technicians, management and customers an unprecedented ability to monitor operational data in real time and enhance our already industry-leading mechanical availability.

"With ESG initiatives front and center for the industry, this technology eliminates the guess work for our customers and drastically increases the accuracy of the data related to greenhouse gas levels reported by them."

- Mickey McKee

President and Chief Executive Officer of Kodiak

ENVIRONMENTAL

| | | | |
|---|--|--|--|
| <p>Hardware </p> <p>ecoView's hardware is designed to monitor all the major sources of GHG from natural gas engine-driven compressors and is highly adaptable and flexible.</p> | <p>Key Emissions Sources </p> <p>Engine Exhaust NOx CO CO2 Intentional Discharges (Methane) Unintentional Discharges (Methane)</p> | <p>Enhanced ESG Reporting </p> <p>ecoView's full emission profile and 1-second data interval provides users with unprecedented insight and control over their GHG emissions and ESG reporting.</p> | |
|  | | <p>Proven Track Record </p> <p>Years of development and testing prove the benefits of ecoView as well as its ability to continuously monitor GHG emissions and enhance the operations of compression assets.</p> | <p>Industry Leading Support </p> <p>ecoView is backed by Kodiak's skilled field service and emissions technicians that apply centuries of combined experience to the issues and data collected by ecoView.</p> |
| <p>Flexible Product Offerings </p> <p>ecoView's flexible service offerings are designed to accommodate customer needs.</p> <p><small>Patent Pending</small></p> | <p>Fine Mitigation & Regulatory Protection </p> <p>ecoView will future-proof your business for impending, enhanced methane and emission rules from the SEC, EPA, and other regulatory bodies as well as mitigate potential fines for non-compliance.</p> | <p>SCAN ME </p> | |

Through 2022, we will commit a significant investment to ecoView as part of our mission to provide critical midstream infrastructure for the U.S. energy sector. Kodiak units with ecoView will collect real-time operations data. Approximately one billion data points per compression asset per year are collected on site, interpreted within software and associated hardware and transmitted back to cloud-based servers.

Social

Building a foundation for our future.

At Kodiak, we say "It's not one thing, it's everything." This mindset and internal mantra has driven us to build upon the company's foundation of strong safety, workforce development and community relations initiatives to ensure we are building a Kodiak culture that advances career development, improves safety and builds strong communities through service locally, regionally and nationally.





Health and Safety

Keeping our workforce, customers, vendors and communities safe is paramount.

Our Safety and Risk Management teams lead regular and open dialogues with employees, vendors and customers, and we perform mandatory monthly safety meetings. During these meetings, we facilitate discussions on Near Misses, Behavior Based Safety (BBS) observations, identifying correct workplace hazards and the proper use of Personal Protective Equipment (PPE) in accordance with industry best practices. These activities, along with our commitment to the health and safety of everyone on our locations, contribute to our strong organizational safety culture.

Our comprehensive safety program emphasizes education, training, Standard Operating Procedures (SOPs), "fit for purpose" policies and reporting to empower employees to perform tasks using best safety practices. Regular safety reviews are conducted to ensure our health and safety program is operating to achieve desired outcomes and remains compliant with all applicable laws, rules and regulations. We track leading and lagging safety indicators, report and investigate incidents, share lessons learned with the workforce and convey outcomes across the company.



Safety training and mentoring is key.

A well-trained employee is a safe employee, and at Kodiak, we have created a robust safety training and mentoring program to ensure that all employees have the knowledge and skills to conduct their jobs safely. From new hire safety onboarding to annual refreshers, our EH&S department train our employees on crucial safety initiatives.

In 2021, we worked with operations leadership to define safe and effective SOPs for key tasks. Additionally, we continued to build on our Job Competency Program for Short Service Employees (SSE). We added more than 25 new mentors within our operations group. They were instructed on the SSE Job Competency Program and participated in interactive coaching and mentoring training. Mentors were then assigned to new field operations employees, coaching them in the safe and Kodiak-approved methods for operating our gas compression units.

In 2022, we plan to implement a comprehensive training matrix that includes required safety training defined for every role throughout Kodiak. This matrix will integrate with the Kodiak Learning Management System (LMS) to automatically enroll employees in required courses.



SAFETY TRAINING COURSES

| | |
|---|-----------------------------------|
| Access to Medical Records | Forklift/Manlift |
| Bloodborne Pathogens | Hazard Communication |
| Confined Space | Hearing Conservation |
| Crane & Rigging | Heat/Cold Stress |
| Defensive Driving | H2S |
| Emergency Action Planning | Incident Reporting |
| Fall Arrest/Protection | Kodiak Life Critical Rules |
| Fire Protection & Extinguisher | PEC Safeland |
| First Aid/CPR | Respiratory Protection |



In 2021, new safety initiatives were introduced and implemented.

Safety Risk Management: The hazard risk register and safety risk matrix were developed to ensure company hazards and safety risks are routinely evaluated and risk mitigants are tested for their effectiveness. Before beginning each job, our employees are required to complete a Job Safety Analysis (JSA) to identify and mitigate task-specific risks.

| | | | | | |
|--------------|---------------|--|-----------------------------------|-------------------------------|---|
| Catastrophic | | Confined Space Entry ● ● Security | Exposure to Hazardous Energy ● | Hazardous Gas (H2S) ● | |
| Severe | | | | | |
| Significant | | | | Struck By/Caught Between ● | Driving ● Slips, Trips & Falls ● |
| Moderate | Hot Work ● | | | | |
| Minor | | | | | |

Unlikely <1% Plausible 1-5% Possible 10-30% Fairly Likely 30% Likely 70%

SOCIAL

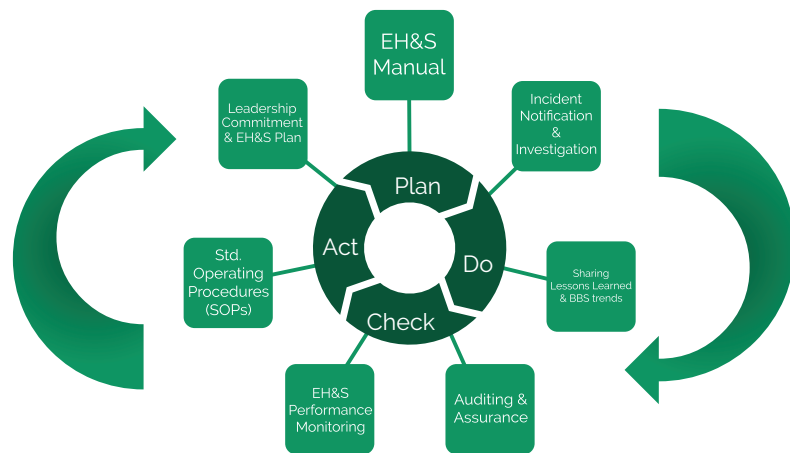


Life Critical Rules: We also introduced the Kodiak Life Critical Rules (LCRs) in 2021. The purpose of the LCRs is to protect lives by providing focus on Kodiak's most critical work tasks and ensuring our employees execute the tasks in accordance with safety training, policies and industry best practices.



We are committed to continuous improvement.

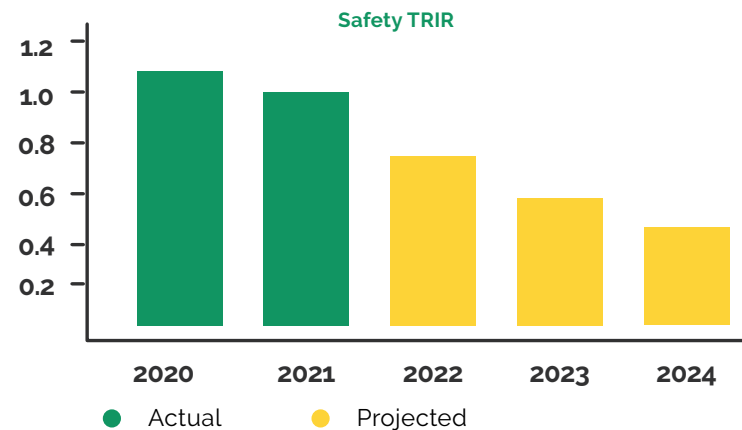
As an organization dedicated to continuously improving, we take the time to learn from our incidents and evaluate whether our programs are working effectively. Therefore, we investigate every incident to determine the root causes and openly share lessons learned with our employees, as well as our customers. For serious incidents, we utilize causal mapping methodology and leverage Learning From Incident communications across the organization.



Another component of our approach is auditing, including supporting our customers' safety audits, to ensure we are aligned on safety goals and metrics. We are committed to partnering with our customers to establish a safe working environment for all personnel.

SOCIAL

As we continue to build our safety program, we expect to see improvement in our safety performance. In 2021, we reduced our Total Recordable Incident Rate (TRIR) by 9% from the prior year.



GOAL: 45% reduction in TRIR by year-end 2024



In 2021, we participated in ISNetworld's RAVS Plus auditing process, during which field employees were interviewed and

our safety policies were tested. We were awarded the RAVS Plus recognition and joined a select group of companies, as fewer than 11% of ISN subscribed contractors have participated in the process and been awarded the designation.



Kodiak's Response to the COVID-19 Pandemic

As the COVID-19 pandemic continued to present challenges, the safety of our employees, customers and communities remained our utmost priority.

During 2021, Kodiak leadership maintained regular communication with company employees regarding our response to the ever-changing impacts of the pandemic. Updates included the addition of an employee information and reporting hotline, additional company-supplied PPE availability and required testing using company-supplied at-home COVID-19 antigen tests, where needed.

We remained agile and responded to time periods of high impact to the community and our Kodiak family by reinstating virtual working arrangements to keep one another safe while maintaining business continuity. Additional safety protocols were put in place as needed, including COVID-19 pre-testing before training events and meetings where numerous staff gathered together.

SOCIAL





Employee Attraction and Retention, Diversity and Inclusion

Kodiak's strong, family-focused culture fosters an environment of trust, while promoting the importance of safety, service and community in our daily operations.

We are dedicated to strengthening the capabilities of our workforce by preparing the next generation of the most talented mechanics in the industry with world-class technical training and development programs, while also advocating for an inclusive and supportive work environment. There are five primary elements to Kodiak's human resources talent management approach:



SOCIAL

Our people are the cornerstone to our success, and Kodiak's ability to attract and retain a diverse workforce, characterized by equal opportunities and prospects for advancement, is fundamental to the company's future.

Like many others in our industry, global retention challenges impacted us. Although we did not achieve our goal of a 20% improvement in retention in 2021, we are committed to continuing our efforts in 2022 and beyond in order to drive continual improvement in our turnover.

Today's talent pool prioritizes working for a purpose-driven organization that can add value to society, and Kodiak remains dedicated to operating responsibly and achieving our aggressive ESG goals. We believe this focus will continue to make us the employer of choice in our industry.

In 2021, we continued efforts to develop relationships with technical educational institutions across the United States. Actions included donating equipment to key schools that funnel talent to the compression industry, providing students access to hands-on learning. We also awarded more internship opportunities across the United States than ever before, and we will continue to look for hard-working, self-starting employees who show aptitude, think entrepreneurially and possess a strong pride of ownership.



Our diversity and inclusion (D&I) initiative is based on education, leadership commitment, and accountability, and at Kodiak every employee plays a role in its success. In 2021, we created a custom training program to ensure a strong understanding of the unique D&I objectives and challenges at Kodiak. The program's goals are to increase awareness of different types of diversity, appreciating differences among co-workers and providing strategies to boost communication and help build a positive work environment. Through this training, we aim to improve our equal employment opportunity policies, and create new avenues through talent acquisition strategies to attract a diverse workforce.

In 2021, we also completed a comprehensive utilization analysis across all key employee locations and identified diversity goals with action plans to increase the representation of women and minorities throughout the company.

SOCIAL





Kodiak continues to forge key partnerships to make meaningful progress and reach diverse talent pools. Our outreach campaigns include publishing job postings on the following sites:

15+



Disability Outreach Sites

5



Federal Government Sites

17+



Military/Veteran Network Sites

100%



Every state workforce agency with data exchange capabilities

20+



Diversity Recruitment Sites

HIGHLIGHT: Investing in the Whole Employee

At Kodiak, we care about the whole person.

In 2021, we created the Kodiak wellness initiative and held our first wellness week. We know that there's more to wellness than just our employees' physical health. Life problems during the pandemic weighed heavily on everyone, including Kodiak employees. Our wellness week focused not only on physical but also mental health. Employees and their families were invited to various locations to have biometric screenings done, speak to an on-site doctor or physician's assistant and even have a massage. At the same time, we launched our mental health awareness initiative which provided access to a mental wellness hotline and allowed any employee (and anyone in their immediate household) five free sessions with a licensed therapist. Additionally, workplace mental health training was provided to each employee in 2021.

SOCIAL



In 2022, we will continue to focus on additional mental health issues to give our employees dealing with these difficult issues an opportunity to learn coping skills and have resources to seek professional help when needed.



Fostering the next generation of technicians.

In 2021, we forged a partnership with several key technical schools, including Oklahoma State University Institute of Technology (OSUIT). OSUIT's Industrial Maintenance Technologies - Natural Gas Compression Technologies degree program trains students in procedures and regulations surrounding the operation and repair of large industrial machinery, specifically natural gas compressors.

Endowed funds are critical to OSUIT because they generate predictable, growing streams of income in perpetuity that create and sustain university teaching, research and service programs. As part of Kodiak's endowment, we agreed to establish the Kodiak Gas Services Endowed Scholarship for OSUIT Fund. The fund was created to provide a permanent source of academic enrichment at the school for future graduates, especially for craft trades with high-demand projections over the next several years.

For Kodiak, the partnership with OSUIT presents a great opportunity to continue to diversify our talent base by assisting capable students in achieving their educational and professional goals.

The community and technical colleges that we chose to partner with are located in close proximity to various Kodiak locations. These investments illustrate Kodiak's commitment to strengthening the pipeline of local talent and building viable pathways from the classroom to an amazing career at Kodiak.





Training and Development

To ensure every employee receives the opportunity to grow and develop their technical and professional skills on a regular basis, Kodiak's Training Department has developed a robust program that includes a variety of classes and on-demand learning content.

In 2021, an in-depth training assessment was completed to determine skill gaps and prioritize training and development programs. The results of the analysis helped to streamline our efforts in the roll-out of new training initiatives.



**IDENTIFY
TRAINING NEEDS**



**DESIGN
TRAINING**



**PRODUCE AND
CONTROL MATERIALS**



**SELECT OR QUALIFY
COMPETENT TRAINERS**



**SCHEDULE
TRAINING**



**DELIVER
TRAINING**



**MAINTAIN
RECORDS**



**MONITOR AND
REVIEW TRAINING**



Technical Training for Field Operations

The backbone of our organization is our field operations team. To support their highly specialized jobs, we have an entire team of technical trainers devoted to teaching fundamental and advanced gas compression operation skills.

While we were able to adapt to remote learning to accommodate social distancing during the pandemic, we returned to in-person instructor-led training in 2021. Our goal throughout the year was to evaluate the effectiveness of our technical training courses. Studying the philosophies of adult learning methodologies, we identified the need to vary our teaching methods and integrated more interactive activities into our classes to ensure course objectives were met, including custom simulations, knowledge checks and peer coaching assignments. Looking ahead, we have already begun the expansion of training content to support Kodiak's numerous ESG initiatives.

"I feel so blessed to be a part of what I refer to as 'The A-Team' and a part of the Kodiak family."

- Frank Tanajara

Field Technician - Intermediate



Frank Tanajara
Field Technician – Intermediate

I have learned so much from everyone at Kodiak and my team, including how to be a teammate. Through open communication and training programs, we know when someone needs help on a unit, everyone pitches in too. It doesn't matter the time or the day of the week, because if one of us fails, we all fail. What I've learned through the company's training programs are skills and knowledge that I can apply every day.



Professional Development

We take a holistic approach to providing professional development courses for our employees to ensure each has the opportunity for continued growth that results in improved job performance and career advancement. Due to the diverse workforce and varied skill sets we employ at Kodiak, we maintain an adaptive approach to effectively respond to the dynamic, ever-changing needs of the organization.

In 2021, we expanded our professional development opportunities to include instructor-led courses on soft skills such as communication, time management and providing effective feedback, as well as instructor-led courses on advanced computer technology programs for more efficiency when completing job-required tasks. Additionally, we incentivized self-motivated employees to complete optional e-Learning courses through the Kodiak LMS. In total, we had 48 employees from 26 different departments participate, completing a total of 140 optional e-Learning classes. "Creating an Effective Daily Routine" was our most popular optional class.

SOCIAL

"Kodiak has the greatest talent in the industry."

- Jason Dockery

Warranty Coordinator



Jason Dockery
Warranty Coordinator

What makes us unique is the collective knowledge every person brings to the company. One of my favorite quotes is "Listen with the will to learn" by Unarine Ramaru. Kodiak has taken pride in giving every person the tools and opportunity to become the best versions of themselves. The knowledge we have gained has made us the best natural gas compression company in the industry.

HIGHLIGHT: Driving Profitable Growth

In 2021, we successfully implemented a two-day workshop utilizing gaming strategy and simulation to teach the principles and realities of managing company financials. This interactive course brought the numbers to life and increased understanding of financial principles for employees at all levels of the organization. During the training, participants are encouraged to select, research, and ultimately present an idea to executive management for which they can demonstrate and quantify the return on investment. Over the course of the workshops offered, executive management has not only listened to the collaborative ideas presented but also taken action to implement several of them. Over 75 Kodiak employees completed the workshop in 2021, and we plan to continue offering this influential course throughout 2022 and beyond.



SOCIAL



Social Investment

Since Kodiak's inception, giving back to our communities has always been a priority.

We are committed to engaging with and supporting local community organizations as part of being a good corporate citizen. We seek to create value in the communities where we operate, reinforcing our efforts through financial and time donations.

Mission for Giving: Kodiak Gives Back was created to make a difference where Kodiak operates and calls home by supporting organizations that create educational opportunities, support military and veterans, advance environmental stewardship and support children's causes or actively fill community needs.

We have a long-standing tradition of giving to organizations that are important to our employees. Each year, we invite employees to nominate a 501(c)3 charity of their choice to receive a corporate donation. We vet charities, select recipients and share information about the organizations' work with all employees. In 2021, we donated to A Champions Shoes, Books and a Blanket, Make Promises Happen, Operation Second Chance, High Sky Children's Ranch and West Texas Hope House.



Kodiak is committed to corporate social investment.

Education: We have a strong emphasis on education and skill-building within the organization, and we carry that focus into our social investments as well. In 2021, we continued our commitment to education through our partnership with United Way Women Who Rock and local FFA and 4H initiatives. We also donated school supplies to educational institutions in our operating areas.

Kodiak also supported Girls Inc. who encourages all girls to be "Strong, Smart, and Bold" through direct service and advocacy. Their educational enrichment program combines long-lasting mentoring relationships, a pro-girl environment and research-based programming that equips girls to navigate gender, economic and social barriers and grow up healthy, educated and independent. Girls Inc. also provides potential for girls to close the gender gap in STEM fields for the next generation by engaging girls in programs that foster learning in math and science.

Military: Because we believe in the importance of giving back to those who serve our Country, we support charities that aid active-duty military, veterans and their families. We support organizations that provide comprehensive health and well-being, community-focused programs and emergency support for service members, veterans and their families. In 2021, we sponsored a 9/11 Memorial cook out in Odessa and continued our financial commitment, which began in 2018, with the Green Beret Foundation.

We also provided PPE gear to a group of Volunteer Texas State Guardsman. This was a perfect match for Kodiak as it combined two things we are passionate about: safety and supporting our service members and veterans.



"Our military veterans sacrificed a great deal in their service to this country. They did so not for glory or recognition, but because they were drawn to the sense of duty. It is important we never forget what they have given, they deserve our lasting gratitude. I'm very grateful to work for a company that recognizes these men and women. Semper Fidelis."

- Jennifer Collins

Senior Accounts Payable Specialist and Former U.S. Marine Corp Staff Sergeant



Children's Causes: There is no better plan for our future than investing in children to ensure they can achieve their potential in any career they desire. In 2021, we concentrated our charity efforts on at-risk and critically ill youth through our support of Court Appointed Special Advocates (CASA), Sky High for Kids, and Kids Meals Inc.

- Sky High for Kids collaborates with St. Jude Children's Research Hospital in Memphis, Tennessee and Texas Children's hospitals to make a local, national and global impact towards their goal to end pediatric cancer. We have a multi-year financial partnership and participate in fundraising events by providing cook teams to serve food and encouraging employees to attend the events.



We are proud to be part of their great work in 2021 including:

- Funding a floor in the Inspiration4 Advanced Research Center (ARC) at St. Jude.
- Supporting the first and only pediatric cancer immunotherapy center at Texas Children's Cancer and Hematology Center in Houston, Texas.
- Building three training facilities in sub-Saharan Africa with Texas Children's Hospital's Global HOPE Program to increase capacity of medical care for the 100,000 children battling cancer and blood disorders in that region (mortality rates exceed 80%).

Community Needs: Kodiak works to identify and fill needs in our communities through financial contributions as well as volunteerism. In 2021, the global pandemic continued to intensify world hunger. In an effort to reduce food insecurity in our operating areas, Kodiak donated over 160,000 meals to serve those in need. We sponsored meals at a local soup kitchen and organized blood drives for our employees. We have also contributed multi-year support to Star of Hope, an organization that supports the homeless community through programs that focus on education, employment and life management.

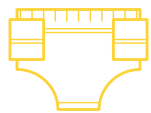
Environmental Stewardship: Environmental stewardship permeates every aspect of our operations as we strive to improve our overall impact on the environment. In 2021, we volunteered and supported various community clean-up initiatives, including Keep Midland Beautiful, and a beautification project in Colorado.

HIGHLIGHT: Employee Social Investment

Volunteering our time and talents in the areas where we operate and live builds a sense of community within Kodiak and creates a sense of purpose in all of us.

Creating opportunities for our employees to volunteer increases the likelihood that they will get out to volunteer and make a positive impact in our world. Employees who have volunteered have all had very positive feedback, found it very rewarding and look forward to future opportunities. Volunteering and giving our time can create change on a global scale.

In 2021, we continued to experience some challenges with giving and volunteering due to the COVID-19 pandemic and social distancing requirements. However, our employees were still able to create lasting change in our communities through initiatives such as:



123,000

Diapers and wipes donated to benefit local homeless and battered family shelters



38,000

School supplies donated to schools within our operating areas



134

Units of blood collected at Kodiak drives which translates into saving about 402 lives



1,000 lbs

Food donations and monetary contributions to foodbanks across our operating areas as part of our holiday food drive



11

bikes donated to LaSalle County Sheriff bike drive in Cuero, Texas



2

Trash pickup in Midland, Texas for Kodiak's adopt-a-spot and in Powhatan Point, Ohio along the Ohio river



90

Volunteer hours at Montgomery County, Texas Foodbank



350

Christmas gifts donated to CASA in San Antonio, Texas and Kids are First Program in Cotulla, Texas

HIGHLIGHT: Kodiak Cares Foundation

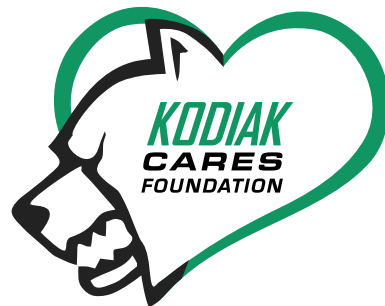
The heart of Kodiak has always been committed to investing in our people and communities.

Reflecting our dedication to showing commitment through action, we created the Kodiak Cares Foundation in 2021 with one key focus: to create positive change and support employees, charities and the communities in which we operate and live.

There are three parts of the Kodiak Cares Foundation— Employee Assistance Fund, Scholarship Program, and Kodiak Gives Back charitable giving. These three areas support our mission in different ways:

The Employee Assistance Fund was created to help Kodiak family members in need due to unexpected qualified financial hardships.

The Scholarship Program was created to provide Kodiak family members who demonstrate outstanding



academic performance, leadership and community service with scholarships to foster the pursuit of education and career development.

Kodiak Gives Back was created to make a difference where Kodiak operates and calls home by supporting organizations that create educational opportunities, support military and veterans, advance environmental stewardship and support children's causes or actively fill community needs.

In 2022, we will be reporting Kodiak's charitable impact to our employees on a quarterly basis. We will continue to provide volunteer opportunities for employees to make a positive impact in the communities in which they live and work. We will also start developing fundraising initiatives for the foundation to maximize our potential to create positive change.

Governance

Kodiak instills accountability through leadership and execution.

With integrity and an innate responsibility to Kodiak's stakeholders, we are dedicated to doing business ethically, reliably and compliantly. Kodiak's governance culture embodies the inverted pyramid or bottom-up service approach. Employees are encouraged to manage their own areas and regions as their respective businesses and take a true partnership approach with Kodiak customers and vendors.

Notwithstanding the ground up approach, the ultimate responsibility on how we are governed rests with Kodiak's Board of Directors (Board). Managed by a diversified six-member Board with over 140 years of combined industry experience, the Board includes three independent and diverse directors who provide invaluable institutional knowledge and guidance to the company.





Economic Performance

Economic performance, business continuity and resiliency are managed by all employees of the company with ultimate responsibility resting with Kodiak's President and CEO, Board and equity partners.

The Board has adopted the best governance practices of corporate entities with a full committee slate for audit, risk and compensation.

Audit Committee

The audit committee was established by the Board to fulfill oversight responsibilities including:

- Monitor the integrity of financial statements, reporting processes, systems of internal controls (as they are developed and adopted) and disclosure controls and procedures (as applicable);
- Select and appoint the company's independent auditors, pre-approve all audit and non-audit services to be provided (consistent with applicable laws and regulations), and establish fees to be paid to the independent auditors;
- Monitor independence and performance of independent auditors and internal audit function (if applicable);
- Establish procedures to duly record, retain, respond and treat complaints, including open, confidential, anonymous submissions by employees, regarding accounting, internal controls, disclosure, or auditing matters and provide a conduit of communication between independent auditors, management and the Board.



Terry Bonno

Audit Committee Chair & Board Member

"From inception through today, Kodiak has been an industry leader in many metrics. While maintaining industry-leading performance of guaranteed mechanical availability, acquiring amazing talent, setting audacious safety metrics and providing exceptional employee benefits, Kodiak has continued to be a leader in the industry. The embedded culture to compete and provide best-in-class technical, operational and safety excellence to their customers is the biggest difference between Kodiak and the competition. Kodiak is not complacent with the status quo and is striving to change the ESG landscape with innovation and technology to reduce emissions and develop differentiating technology and innovation moving to the next paradigm in the industry. Based on my 41 years of extensive industry experience, I am very pleased with all facets of the company and believe Kodiak has demonstrated differentiating performance."

Biography

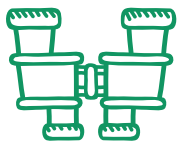
Terry Bonno chairs Kodiak's audit committee and currently provides advisory and consulting services in the energy industry. She serves as a director for publicly held Distribution Now (DNOW) since its successful spin off from NOV in 2014 - In addition, she served on the board of Tampnet, the largest offshore fiber optics company from 2017 until its successful sale to 3i. Prior to Kodiak, she served as a senior executive with Transocean gaining extensive international, operational, commercial and accounting experience in offshore contract drilling. As SVP of Marketing and Contracts, she was responsible for global sales and the contracting of the largest offshore drilling fleet. Prior to her retirement, she served as SVP Industry and Community Relations and was responsible for embedding ESG/Sustainability into Transocean's culture. Additionally, she served on numerous industry boards and continues to serve her community on Spindletop Charities.



Business Continuity and Resiliency

Critical to the company's resiliency is its ability to operate through fluctuating markets and ever-changing political environments.

Foresight as to those risks to the company's business is paramount, and the Board established the risk committee to manage risk and oversight of the company:



Risk Committee

The risk committee was established to provide oversight to the Board on the risk management policies and practices of the company, assessing the enterprise level risks facing the company from an operational, financial, regulatory, ESG, information technology and overall organizational perspective.



Compensation Committee

Kodiak's compensation committee was established to assist the Board in developing an appropriate compensation program and benefits package to allow the company to attract, retain and motivate qualified individuals in a system which aligns compensation with business performance. The compensation committee is composed of independent directors of the Board.



Margaret "Peggy" Montana

Risk Committee Chair & Board Member

"Kodiak's Risk Committee has aided the Company to successfully steer through a myriad of different conditions from a high growth environment, the pandemic economic free fall and its impact on energy prices, and now into the post pandemic world with high energy prices and potential supply chain and labor impacts. Risks to any business continue to change in types and impact depending on the environment, and a strong risk committee plays an important role in maintaining a company's resiliency."

"The Company has strongly embraced the need for industry to reduce its carbon footprint and is an industry leader in environmental performance through low emissions equipment, installation of electric driven compression and innovative systems to monitor and reduce overall equipment emissions."

Biography

Margaret "Peggy" Montana chairs Kodiak's risk committee and is a former senior executive at Shell Oil with extensive international and operational experience in the downstream and midstream sectors. She retired as CEO of Shell Midstream Partners GP LLC in 2015 and served on its board until 2020. Prior to that, she served as Executive Vice President, supply distribution, where she was responsible for hydrocarbon supply to Shell's downstream worldwide fuels manufacturing and marketing businesses.

In addition to her Board and committee seats with Kodiak, Montana currently is on the board of Gibson Energy, a Canadian crude oil infrastructure company, the board of trustees of Missouri University of Science & Technology, and the board of the Houston YMCA. Montana holds a Bachelor of Science in Chemical Engineering from the Missouri University of Science and Technology.



Public Policy and Government Relations



Vital to our company's existing and future operations is direct and indirect engagement with regulatory agencies and government stakeholders.

Active memberships in strategic trade associations allow us to work together with industry participants, guide and comment on relevant legislation and regulations and stay current on industry best practices.

We also support customers and vendors in their government relations efforts. In 2021, our team provided feedback and insights on emission levels regulation relevant to the State of New Mexico's 20.2.50 NMAC – Ozone Precursor Pollutants rule making (NMED Methane Rule).

The company continuously evaluates ways to become more active in public policy and government relations through additional direct interaction with government entities and committee involvement in select trade associations.



Ethics and Anti-Corruption

Kodiak requires that employees, officers and directors hold themselves to the highest standards of ethics and integrity and has codified such expectations in the Code of Business Conduct (Code).

The Code sets standards with respect to complying with laws, keeping accurate business records, reporting suspected fraudulent or illegal conduct, giving gifts, making political contributions and protecting company information.

While open and direct communication is encouraged at Kodiak, we offer employees the ability to report suspected illegal or unethical activity in an anonymous and confidential manner, 24 hours a day, seven days a week, by phone or online.

Building off our foundational efforts in 2020 to ensure we are fostering a workplace that prioritizes and expects ethical behavior, we also established additional company-wide trainings in 2021:

| ETHICS AND COMPLIANCE PROGRAM COURSES |
|---|
| Anti-bribery and corruption |
| Ethics and code of conduct |
| Workplace harassment training (for employees) |
| Workplace harassment training (for managers) |
| Cybersecurity overview |





Cybersecurity

Kodiak is committed to protecting its company and customers' facilities, equipment, operations and information from cybersecurity risks, and our information security program aims to protect the systems, networks and information through design, execution and oversight.

The Kodiak information security program is designed to comply with applicable laws, rules and regulations, and the program is informed by the National Institute of Standards and Technology (NIST) Cybersecurity Framework.

Kodiak employees, vendors and third parties with access to systems or sensitive information must adhere to the information security program's policies and procedures. Those policies and procedures are designed to cover the identification, protection, detection, response and recovery of programs.

GOVERNANCE



In 2021, the company also established cybersecurity prevention training with the "Cybersecurity Overview" program, which utilized the above-described framework to train all employees on cybersecurity risks and best practices.

Data Table

| TOPIC | INDICATOR | 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------------------|--|------|------|--------|--------------|---------|
| ENVIRONMENTAL | | | | | | |
| Greenhouse Gases | GHG Scope 1 Emissions (metric tons CO ₂ e) | — | — | 17,486 | 17,465 | 17,815 |
| | GHG Scope 1 Emissions from Vehicle Fleet (metric tons CO ₂ e) | — | — | 17,478 | 17,460 | 17,778 |
| | GHG Scope 2 Emissions (metric tons CO ₂ e) | — | — | 596 | 24 | 3 |
| | Total (Scope 1 + Scope 2) GHG Emissions (metric tons CO ₂ e) | — | — | 18,082 | 17,489 | 17,818 |
| | Percent of Office Electricity from Renewable Energy Sources (percent) | — | — | — | 100 | 99.3 |
| | Renewable Energy Use (gigajoules) | — | — | — | 5,338.8 | 3,772.8 |
| Asset Integrity | Capital Expenditure to Improve Mechanical Reliability and Emissions Efficiency (USD) | — | — | — | \$22,000,000 | — |
| Waste | Spill-Related Incident Reports (number)* | — | — | — | 11 | 14 |
| | Total Spilled (gallons)* | — | — | — | 1,191 | 575 |
| Water | Total Water Use (meters ³) | — | — | — | 1,288 | 1,849 |

DATA TABLE

*Outside secondary containment

| TOPIC | INDICATOR | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------------------|---|-----------------------------|------------|------------|------------|------------|
| SOCIAL | | | | | | |
| Health and Safety | Hazard Identification, Risk Assessment, and Incident Investigation Management Systems (Y/N) | Y | Y | Y | Y | Y |
| | Occupational Health Services (Y/N) | Y | Y | Y | Y | Y |
| | Worker Participation, Consultation, and Communication on Occupational Health and Safety (Y/N) | Y | Y | Y | Y | Y |
| | Worker Training on Occupational Health and Safety (hours) | — | — | — | 5,009 | 8,265 |
| | Wellness Program (Y/N) | Y | Y | Y | Y | Y |
| | Near Miss Frequency Rate (NMFR) (per 200,000 hours worked) | — | — | — | 3.3 | 3.4 |
| | Lost Time Incident Rate (LTIR) (per 200,000 hours worked) | 0.55 | 0 | 0.61 | 1.35 | 0.44 |
| | Total Recordable Incident Rate (TRIR) (per 200,000 hours worked) | 0.55 | 0.66 | 1.02 | 1.10* | 1.01 |
| | Fatalities: Workforce (Employees + Contractors) (number) | 0 | 0 | 0 | 0 | 0 |
| | Employee Occupational Illness Rate (per 200,000 hours worked) | — | — | — | 0.97 | 0 |
| | Total Preventable Vehicle Incident Rate (per 1,000,000 miles driven) | — | — | — | 0.61 | 0.97 |
| | Health and Safety Policy (Y/N) | Y | Y | Y | Y | Y |
| | Occupational Health and Safety Policy Explicitly Extends to Suppliers (Y/N) | Y | Y | Y | Y | Y |
| | Social Investment | Corporate Cash Giving (USD) | 265,202.25 | 165,752.05 | 316,849.74 | 279,965.06 |
| Ethics Hotline (Y/N) | | N | N | N | Y | Y |

*2020 TRIR does not include 8 work-related COVID-19 cases (2.08 TRIR).

| TOPIC | INDICATOR | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|--|------|------|------|------|------|
| SOCIAL | | | | | | |
| Employee Attraction and Retention | Benefits Provided to Full-Time Employees That Are Not Provided to Temporary or Part-Time Employees (Y/N) | Y | Y | Y | Y | Y |
| | Employee Engagement Survey (Y/N) | N | N | N | Y | Y |
| | Participation in Employee Engagement Survey (percent) | — | — | — | 95.5 | 98 |
| | Employee Engagement Score (percent) | — | — | — | 62 | 63 |
| GOVERNANCE | | | | | | |
| Corporate Governance | Size of the Board (number) | — | — | 5 | 5 | 6 |
| | Employee Representatives on Board (number) | — | — | 1 | 1 | 1 |
| | Independent Directors (number) | — | — | 3 | 3 | 3 |
| | Independent Chairperson (Y/N) | — | — | Y | Y | Y |
| | Independent Lead Director (Y/N) | — | — | Y | Y | Y |
| | Women on Board (number) | — | — | 2 | 2 | 2 |
| | Women on Board (percent) | — | — | 40 | 40 | 33 |

SASB Table

| TOPIC | CODE | DISCLOSURE |
|--|--------------|---|
| GREENHOUSE GAS EMISSIONS | | |
| Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations | EM-MD-110a.1 | As discussed on page 8, our customers are responsible for tracking and reporting air emissions associated with their operations, which include gas compression equipment provided by us. Emissions reported in the Data Table on page 41 are associated with our field services truck fleet (see also pages 6-15.) |
| Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets | EM-MD-110a.2 | |
| AIR QUALITY | | |
| Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10) | EM-MD-120a.1 | As discussed on page 14, our customers are responsible for tracking and reporting air emissions associated with their operations, which include gas compression equipment provided by us. We continuously work to improve the performance of our compression fleet with respect to air emissions and work with our customers to help them meet or exceed federal, state, and local requirements (see pages 6-15.) |
| ECOLOGICAL IMPACTS | | |
| Description of environmental management policies and practices for active operations | EM-MD-160a.1 | As discussed on pages 6-15, our customers own or lease the land where they operate and are responsible for tracking and reporting environmental incidents and restoring acreage disturbed. As a pure-play gas compression services provider, our ecological impact is limited in scope. See also the Data Table on page 41. |
| Percentage of land owned, leased, and/or operated within areas of protected conservation status or endangered species habitat | EM-MD-160a.2 | |
| Terrestrial acreage disturbed, percentage of impacted area restored | EM-MD-160a.3 | |
| Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume in Unusually Sensitive Areas (USAs), and volume recovered | EM-MD-160a.4 | |

| TOPIC | CODE | DISCLOSURE |
|---|--------------|---|
| COMPETITIVE BEHAVIOR | | |
| Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations | EM-MD-520a.1 | Not applicable. We do not own pipeline or storage assets. |
| OPERATIONAL SAFETY, EMERGENCY PREPAREDNESS & RESPONSE | | |
| Number of reportable pipeline incidents, percentage significant | EM-MD-540a.1 | Not applicable. We do not own pipeline, storage or rail transportation assets. |
| Percentage of (1) natural gas and (2) hazardous liquid pipelines inspected | EM-MD-540a.2 | |
| Number of (1) accident releases and (2) non-accident releases (NARs) from rail transportation | EM-MD-540a.3 | |
| Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project life-cycles | EM-MD-540a.4 | See pages 17-20. |
| ACTIVITY METRIC | | |
| Total metric ton-kilometers of: (1) natural gas, (2) crude oil, and (3) refined petroleum products transported, by mode of transport | EM-MD-000.A | Not applicable. We provide compression services only and do not engage in the physical transport of these products. |

