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ENERFLEX

ESG PERFORMANCE SUMMARY

# 2022 ESG PERFORMANCE SUMMARY

This environmental, social, and governance (“ESG”) performance update provides a summary of Enerflex Ltd.’s (“Enerflex” or the “Company”) performance for 2022.

On October 13, 2022, Enerflex completed the acquisition of Exterran Corporation (“Exterran”), establishing a premier integrated global provider of energy infrastructure and energy transition solutions. This report includes legacy Exterran ESG performance data from the acquisition date through December 31, 2022. Generally, year-over-year changes in ESG performance reflect the impact of acquiring legacy Exterran operations.

## ESG AT ENERFLEX

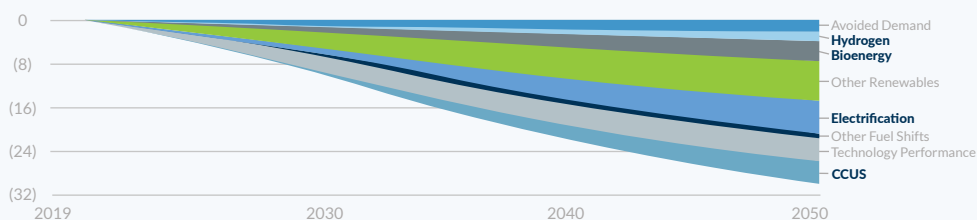
At Enerflex, ESG is deeply embedded into all aspects of the business – from our diverse workforce that safely delivers critical natural gas infrastructure to customers across the globe to the important role the Company plays in enabling global decarbonization efforts.

In 2022, Enerflex expanded its Energy Transition platform, building on an impressive four decades of expertise in delivering low-carbon solutions. Natural gas will continue to be a key component of the global energy mix for decades to come, and Enerflex is strategically positioned to provide the solutions needed to transform energy for a sustainable future.

*Enerflex has proven expertise in delivering carbon capture, electrification, renewable natural gas, and hydrogen solutions to its customers.*

*By 2050, these technologies are expected to comprise over 50% of total global emissions reductions needed in the transition to net-zero. Enerflex is well-positioned to make a meaningful contribution.*

### CO<sub>2</sub> EMISSIONS REDUCTIONS IN THE ENERGY SECTOR (GtCO<sub>2</sub>e)



IEA (2020), CCUS in Clean Energy Transitions, IEA, Paris [iea.org/reports/ccus-in-clean-energy-transitions](https://www.iea.org/reports/ccus-in-clean-energy-transitions), License: cc BY 4.0

## ENVIRONMENTAL OVERVIEW

Enerflex is committed to minimizing the environmental impact of our global footprint, partnering with customers to provide low-carbon solutions to reduce the emissions associated with their operations.

We continue to look for economic opportunities to reduce the Scope 1 and 2 greenhouse gas (“GHG”) emissions associated with our manufacturing and after-market services business segments. Consistent with the *GHG Protocol*’s operational control consolidation approach, Enerflex categorizes the emissions from our Energy Infrastructure assets as Scope 3 GHG emissions, as we do not have operational control of these assets.



Carbon Capture  
**>1MM**  
tCO<sub>2</sub>e/annum

Amount of carbon dioxide that will be captured and permanently sequestered through carbon capture projects sold in 2022 with projected operational start-up by 2024.

Amount of carbon dioxide that will be displaced through the sale of ~530,000 horsepower of electric motor drive compressors in North America in 2022, scheduled for delivery throughout 2023 and 2024.

Electrification  
**>1.3MM**  
tCO<sub>2</sub>e/annum Avoided

Produced Water  
Solutions<sup>1</sup>  
**~40%**  
of Operational Carbon Offset

Early indications show that approximately 40% of operational carbon is being offset from Enerflex's two produced water treatment projects.

<sup>1</sup> Enerflex Water Solutions provides patented technologies for produced water treatment that covers a full range of primary, secondary, and tertiary treatment methods for removing oil and suspended solids. This allows for the treated water to be repurposed for recycling and reuse, thereby reducing the consumption of fresh water use. Enerflex's patent Microbubble Flotation Technology (MBF®) helps attain cleaner water in the most challenging applications such as conventional, unconventional, on-shore, off-shore, enhanced oil recovery, and chemical enhanced oil recovery, combining multiple treatment steps and simplifying facility design and operations (SASB topic EM-SV-140a.2).

GREENHOUSE GAS EMISSIONS <sup>2</sup>	UNITS	2022	2021	SASB CODE
<b>Gross global direct GHG emissions (Scope 1)</b>	tCO <sub>2</sub> e	18,700	14,100	EM-MD-110a.1
Energy Infrastructure	tCO <sub>2</sub> e	9,600	7,700	N/A
After-market Services	tCO <sub>2</sub> e	8,500	6,300	N/A
Engineered Systems	tCO <sub>2</sub> e	570	140	N/A
Percentage methane (CH <sub>4</sub> )	%	<1%	<1%	EM-MD-110a.1
<b>Gross global indirect GHG emissions (Scope 2)</b>	tCO <sub>2</sub> e	12,000	9,500	N/A
<b>Combined gross global GHG emissions (Scope 1 and 2)</b>	tCO <sub>2</sub> e	30,700	23,600	N/A
<b>GHG emissions intensity per revenue generated (Scope 1 and 2)</b>	tCO <sub>2</sub> e/ \$ millions	17.3	24.6	N/A
<b>Global Scope 3 GHG emissions from Energy Infrastructure</b>	tCO <sub>2</sub> e	3,145,000	2,170,000	N/A
Discussion of emissions management		Refer to "Description of the Business – Environmental, Social, and Governance Standards – Emissions" section of AIF <sup>3</sup>		EM-MD-110a.2 EM-SV-110a.2
ENERGY CONSUMPTION <sup>4</sup>	UNITS	2022	2021	SASB CODE
<b>Total fuel consumed</b>	GJ	45,532,000	32,100,000	EM-SV-110a.1
Percentage renewable	%	0.0%	0.0%	EM-SV-110a.1
Percentage used in on-road equipment and vehicles	%	0.3%	0.5%	EM-SV-110a.1
Percentage used in off-road equipment	%	99.7%	99.5%	EM-SV-110a.1
Percentage of engines in service that meet Tier 4 compliance for non-road diesel engine emissions	%	11.1% <sup>5</sup>	58.3%	EM-SV-110a.3
<b>Total electricity consumed</b>	MW/h	19,000	13,100	N/A
Percentage renewable	%	19.4% <sup>6</sup>	12.8% <sup>7</sup>	N/A
<b>Combined energy (fuel and electricity) consumed</b>	MW/h	12,666,000	8,930,000	N/A
WATER, CHEMICALS & ECOLOGICAL IMPACT MANAGEMENT	UNITS	2022	2021	SASB CODE
Total volume of fresh water handled in operations and percentage recycled <sup>8</sup>	m <sup>3</sup>	0	N/A	EM-SV-140a.1
Volume of hydraulic fracturing fluid used, percentage hazardous, and discussion of related chemicals management <sup>9</sup>		N/A	N/A	EM-SV-150a.1 EM-SV-150a.2
Average disturbed acreage per (i) oil and (ii) gas well site, and discussion of related ecological impact management <sup>10</sup>	acres	0	N/A	EM-SV-160a.1 EM-SV-160a.2

<sup>2</sup> Enerflex has defined Scope 1, 2, and 3 GHG emissions according to the methodology contained in the GHG Protocol (March 2004). Scope 1 GHG emissions include all emissions from sources owned or controlled by Enerflex, using the operational control consolidation approach under the GHG Protocol. Scope 2 GHG emissions include all indirect emissions resulting from the generation of purchased electricity consumed by Enerflex. Enerflex has calculated Scope 1 and 2 GHG emissions using the industry-specific calculation methodology set forth in the API Compendium (August 2009), including only CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O. Emissions of the other Kyoto Protocol gases have been deemed immaterial.

<sup>3</sup> Enerflex Annual Information Form ("AIF") for the years ended December 31, 2022 and 2021.

<sup>4</sup> Enerflex has calculated fuel and electricity consumed using the methodology set forth in the API Compendium (August 2009).

<sup>5</sup> In 2022, Enerflex had a total of 16 non-road diesel engines in service globally.

<sup>6</sup> Enerflex has calculated renewable electricity consumed using the 2022 electricity mix per country data published in the BP Statistical Review of World Energy & Ember, with the exception of Canada, which uses Alberta data from the Canada Energy Regulator's Canada Energy Future 2020 (EF2020).

<sup>7</sup> Enerflex has calculated renewable electricity consumed using the 2019 electricity mix per country data published in the BP Statistical Review of World Energy & Ember, with the exception of Canada, which uses Alberta data from the Canada Energy Regulator's Canada Energy Future 2020 (EF2020).

<sup>8</sup> SASB limits the scope of this topic to operations for which the issuer provides hydraulic fracturing, completion, drilling, and/or water management services, none of which Enerflex provided in 2021. Acquired from Exterran on October 13, 2022, Enerflex Water Solutions involves the treatment of produced water that does not meet SASB's definitions of fresh water. The majority of treated produced water is utilized for recycling and reuse which offsets fresh water requirements for make-up water purposes.

<sup>9</sup> Enerflex does not use or supply hydraulic fracturing fluid in its operations, thus chemicals management has been deemed not applicable. However, Enerflex does utilize standard workshop chemicals. Refer to "Description of the Business – Environmental, Social, and Governance Standards – Chemicals Management" section of AIF.

<sup>10</sup> SASB limits the scope of this topic to sites where the issuer is providing drilling, completion, fracturing, and/or decommissioning services, none of which Enerflex provides. The number of active rig sites, number of active well sites, and total amount of drilling performed (SASB topics EM-SV-000.A, EM-SV-000.B, and EM-SV-000.C) are not relevant to Enerflex's financial and operational control and have therefore been omitted.

## WORKFORCE HEALTH & SAFETY OVERVIEW

Enerflex's steadfast commitment to providing a safe workplace for all our personnel is engrained in our culture, integrated in all we do, and exemplified daily by our team of nearly 5,000 highly skilled employees. Since our inception in 1980, our laser-sharp focus on safety performance, responsible operations, and continuous improvement has not wavered. We set aggressive safety goals and meticulously execute projects to raise the bar each year and ensure everyone goes home safely, every day. We are disciplined and dedicated to strengthening our safety programs on a global scale as we continue to expand our capabilities and our footprint.

WORKFORCE HEALTH & SAFETY	2022	2021	SASB CODE
Total recordable incident rate ("TRIR") <sup>11</sup>	0.46 <sup>12</sup>	0.50	EM-SV-320a.1
Fatality rate <sup>11</sup>	0.00	0.00	EM-SV-320a.1
Near-miss frequency rate <sup>11</sup>	11.35	13.72	EM-SV-320a.1
Lost-time incident rate <sup>11</sup>	0.14	0.23	N/A
Total vehicle incident rate <sup>13</sup>	0.36	0.33	EM-SV-320a.1
Average hours of health, safety, and emergency response training for employees and contractors <sup>14</sup>	12	15	EM-SV-320a.1
Global HSE fines and penalties	\$0	\$0	N/A
Description of management systems to integrate culture of safety	Refer to "Description of the Business – Social and Safety Policies" section of AIF		EM-SV-320a.2
Description of management systems to identify and mitigate catastrophic and tail-end risks	Refer to "Description of the Business – Safety and Safety Policies – Catastrophic Risk Mitigation" section of AIF		EM-SV-540a.1

## TOTAL RECORDABLE INCIDENT RATE



<sup>11</sup> Cases per 200,000 work hours.

<sup>12</sup> Enerflex's best TRIR performance since at least 2010.

<sup>13</sup> Vehicle incidents exceeding \$2,500 x 1,000,000 per total business kilometers driven.

<sup>14</sup> Total number of employee training hours divided by headcount at December 31<sup>st</sup>. Includes legacy Exterran employees after October 13, 2022.

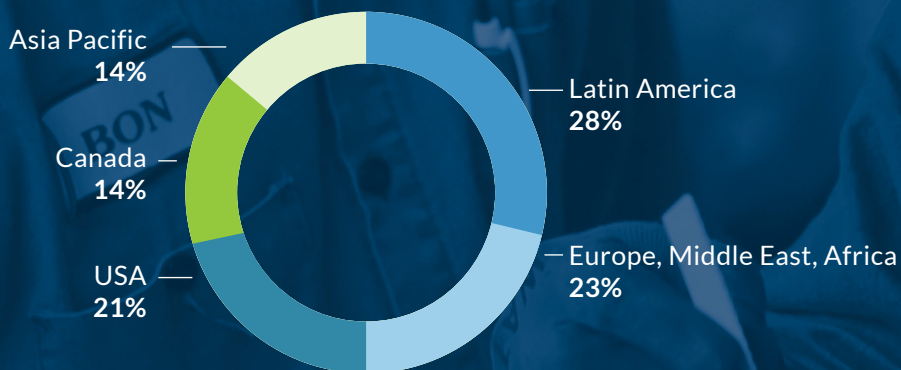


Completed Values-based decision-making training for over

# 2,100 NEW EMPLOYEES

quickly integrating them into Enerflex's Values-based culture and organization.

Enerflex fosters a diverse workforce from many cultural backgrounds to drive innovation, collaboration, and creativity.



## SOCIAL OVERVIEW

Enerflex fosters a culture based on our **Values of Integrity, Commitment, Creativity, and Success**, creating a respectful environment for our employees to contribute meaningfully to the Company's overall performance. Our diverse and dedicated workforce is our key strength in enabling Enerflex to meet the specific needs of our customers across the world. We are proud that the diversity of our global teams drives greater innovation, collaboration, and creativity – leading to better outcomes for our stakeholders and making us a stronger, more resilient Company. We also take pride in ensuring we are shaping the future of our communities by contributing to a variety of causes and charitable activities.

PEOPLE, DIVERSITY & CULTURE	UNITS	2022	2021	SASB CODE
Total number of hours worked by all employees	number	6,908,047	4,430,134	EM-SV-000.D
Total employees at year-end	number	4,916	2,077	N/A
Voluntary employee turnover <sup>15</sup>	%	13%	12%	N/A
Values-based decision-making training <sup>16</sup>	hours	2,184	372	N/A
Leadership series training <sup>16</sup>	hours	1,168	1,091	N/A
Cybersecurity training	hours	2,367	2,530	N/A
Description of global cybersecurity program		Refer to "Corporate Governance and ESG Practices – Ethical Business Conduct and Compliance" section of MIC <sup>17</sup>		N/A
Charitable organizations supported by direct financial contribution or employee volunteer hours	number	30	30	N/A
<b>Gender Diversity</b>				
Female employees	%	13%	15%	N/A
Female executive officers	%	11%	14%	N/A
Female directors <sup>18</sup>	%	20%	27%	N/A
<b>Workforce by Geography</b>				
Latin America	%	28%	16%	N/A
Europe, Middle East, Africa	%	23%	14%	N/A
Asia Pacific	%	14%	9%	N/A
Canada	%	14%	27%	N/A
USA	%	21%	34%	N/A
Description of diversity and inclusion practices		Refer to "Corporate Governance and ESG – Diversity, Inclusion, and Wellbeing" section of MIC		N/A

<sup>15</sup> Includes all hourly and salaried employees, and excludes retirements for legacy Enerflex only.

<sup>16</sup> Includes legacy Exterran employees after October 13, 2022.

<sup>17</sup> Enerflex Management Information Circular ("MIC") for the years ended December 31, 2022 and 2021.

<sup>18</sup> Percentage of female directors was 27% as per Enerflex's AIF dated March 1, 2023.

TRANSPARENCY & REGULATORY ENVIRONMENT	UNITS	2022	2021	SASB CODE
Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Cdn\$ millions	\$25.9	\$0	EM-SV-510a.1
Legal or regulatory fines, settlements, or penalties associated with bribery and corruption	Cdn\$	\$0	\$0	N/A
Description of the management system for prevention of corruption and bribery		Refer to "Corporate Governance and ESG Practices – Ethical Business Conduct and Compliance" section of MIC		EM-SV-510a.2
ESG risks and opportunities related to the legal and regulatory environment and management thereof		Refer to "Risk Factors" and "Description of the Business – Environmental, Social, and Governance Standards" sections of AIF		EM-SV-530a.1
Political contributions and lobbying		Refer to "Corporate Governance and ESG Practices – Ethical Business Conduct and Compliance" section of MIC		N/A

## GOVERNANCE OVERVIEW

The integrity of Enerflex's people and processes has been essential to our success the past four decades and will continue to be a vital part of our business for years to come. We are committed to implementing and maintaining effective practices in corporate governance, ensuring the best interests of our shareholders, promoting transparency, and executing effective decision-making across the organization. Enerflex is committed to its high governance standards, including with respect to compensation practices, director tenure and succession practices, shareholder rights, and audit and risk oversight.

GOVERNANCE	UNITS	2022	2021	SASB CODE
Independent directors	%	90%	89%	N/A
Board committee independence	%	100%	100%	N/A
Average director meeting attendance	%	100%	100%	N/A
Average director tenure	years	6.2	5.8	N/A
Director election results (range for the 10 directors nominated)	%	85.07% to 99.86%	91.09% to 99.29%	N/A
"Say on Pay" vote results	%	86.08%	91.41%	N/A
Percentage of annual bonus for executive officers tied to an ESG metric (TRIR)	%	8%	8%	N/A
Description of governance practices		Refer to "Corporate Governance and ESG Practices" section of MIC		N/A



# ENERFLEX

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