



TABLE OF CONTENTS

MESSAGE FROM THE PRESIDENT	1
INTRODUCTION	2
MISSION, VISION AND SHARED VALUES	3
OUR APPROACH TO ESG AND SUSTAINABILITY	4
OUR BUSINESS AND THE ENVIRONMENT	6
Sources of Greenhouse Gas Emissions	6
J-W Power Company Facilities	7
J-W Power Company Transportation	7
Partnering with our Customers	8
Compressed Natural Gas and Renewable Natural Gas	9
Environmental Operations and Protection	10
COMMITTMENT TO OUR PEOPLE	11
Diversity and Inclusion	11
Employee Spotlight	12
Health and Safety	
Local Community Involvement	15
Employee Benefits and Well-Being	17
GOVERNANCE	18
Ethics and Anti-Corruption	18
Whistleblower Policy	18
Financial and Transparency	18
Board Composition	19
Cybersecurity	21
FUTURE UPDATES TO THIS REPORT	22
PRODUCTS MADE FROM NATURAL GAS AND OIL	23





MESSAGE FROM THE PRESIDENT

Thank you for taking the time to read J-W Power Company's sustainability report for our fiscal year 2023. This is the third sustainability report for J-W Power Company since we began our formal ESG journey in 2021. The world's view of ESG and sustainability has vacillated over the last several years, seemingly tossed about on the winds of political agendas. Recently there has even been pushback against "ESG investing." At J-W Power Company, we believe that good business decisions never go out of style. As such, we have continued the same approach with ESG that we started with, focusing on the initiatives that are most important to our stakeholders. For puposes of our ESG review, our stakeholders include our owners, employees, customers, vendors and financial partners. Also, as a result of our ESG review process, we identified another stakeholder — the communities in which we live and work. We reached out to our employees to help us identify opportunities to offer support and to give back to those communities. Pages 15–16 of this report, highlight some of those activities.

Most often, the environmental part of ESG receives the most attention. Some companies have made bold statements about being carbon neutral by "20XX" or pledged to exit their fossil fuel business altogether. By contrast, J-W Power Company is not apologetic for our role supporting the production of oil and natural gas. Rather, we are proud that we are part of supplying reliable and affordable energy to the people of the United States and the world. According to the U.S. Energy Information Administration, over 40% of the electricity generated in the United States is from natural gas. Besides energy, thousands of products made from petrochemicals permeate every aspect of our lives. Some of those products are shown on pages 23-24 of this report. A simple internet search of "products made from oil and natural gas" will provide more information.

J-W Power Company also provides products and services to reduce greenhouse gas emissions. Our equipment is used to capture methane that would otherwise be emitted to the atmosphere. This generates carbon credits that companies can purchase to reduce their carbon footprint. Even within the oil and gas industry, new regulations are going into effect to reduce or eliminate fugitive emissions. J-W Power Company is committed to working with our customers and the industry to achieve lower greenhouse gas emissions.

Sustainability for J-W Power Company goes well beyond environmental issues. The J-W family of companies has been in business for over 60 years. We are fortunate to have long-tenured employees with decades of experience. But like most companies, we are experiencing some big changes as older generations are gradually replaced by younger ones. New generations have different expectations, and we are adapting as necessary to ensure we can continue to be the type of company our employees will choose for their careers. As we celebrate the retirement of some of our long-tenured employees, we are simultaneously working to develop and transition their successors while continuing to plan for future retirements.

J-W Power Company's ESG leadership extends beyond our corporate boundaries and supports our industry through participation in the Gas Compressor Association (GCA). In 2023, our vice president of sales, James Barr, served as the chairman of the GCA. J-W personnel continue to lead the environmental and safety committees. And in 2023, our senior vice president of administration, Pam Barnhart, formed a new committee focused

on human resource matters. Protecting and serving the environment and people are key tenets of these committees.

The legal landscape regarding climate change and reporting requirements continues to evolve. In the future we may have more reporting requirements and we will respond appropriately. But for now, our internal shared values of being safe, loyal, ethical and professional guide our actions for sustainability and our business as a whole.







J-W POWER COMPANY (the "Company") has built a legacy of excellence fueled by hard work, forward-looking strategies and ethical business conduct. For natural gas energy users across the country, we manufacture and deliver effective and durable engineered compression equipment solutions with unsurpassed quality and value. We continue to be an innovator in gas compressor package design and hold patents and trademarks for our products.

J-W Power Company enjoys a long history as an industry leader in the leasing, sales and servicing of natural gas compression equipment, in both standard specification and custom compressor packages for the oil field, compressed natural gas (CNG) vehicle fueling systems, renewable natural gas (RNG) compressors and other specialty products. We have leased and maintained gas compressor packages since 1966 with compressors ranging in size from 68 to 2,065 horsepower in our lease fleet.

LEGACY

fueled by hard work, smart strategies and honest dealings

In addition to conventional natural gas compression packages, we provide highly engineered compressor packages for high-pressure air and gas injection for secondary and tertiary oil recovery projects, CNG fueling, RNG recovery, and air-drilling applications, all designed with state-of-the-art 3-D modeling software. J-W Power Company offers a wide range of products, services and solutions custom-designed for oil field operations, engineering companies, retail fuel providers, small businesses, vehicle fleet companies, landfills and livestock farms across the United States.

From our 23,000-square-foot parts warehouse centrally located in Longview, Texas, to our more than 30 locations nationwide, we provide rapid delivery of parts and accessories (even hard-to-find parts for older compressors) to any North American location 24 hours a day, seven days a week, 365 days a year.

J-W Power Company takes pride in providing excellent service with 600 employees who have exceptional work ethic and effective customer service skills. Our employees are united with safety as our No. 1 shared value. Backed with our solid industry reputation over the past 58 years, we intend to keep improving and providing compression equipment far into the future, maintaining and advancing our legacy of excellence.

SERVICE

exceptional work ethic and effective customer service skills

After publishing our first sustainability report for the fiscal year of 2021, we remain committed to further incorporating ESG initiatives into our everyday business. We are focused on operating in a sustainable manner, excelling at and continuously improving our safety, and are actively involved in supporting our local communities. In this report, we demonstrate our approach to these priorities and how they integrate with our long-held vision, mission, and shared values.





MISSION STATEMENT

We deliver innovative compression equipment and high-quality services to the oil and natural gas, the renewable natural gas, and the CNG vehicle markets. We are focused on continually improving safety and customer service through professional leadership while maintaining accountability with financial transparency and alignment with our shared values.

VISION STATEMENT

We work as a team to build sustainable value for all our stakeholders by creating opportunities through long-term relationships while providing industry leading service with our stable, well-trained and committed workforce operating in a safe and environmentally responsible manner.

Committed as a sustainable, high-performing organization to be:

SAFE

- Protecting people, community and environment
- Acting with a "safety first" attitude
- Creating awareness through training and communication
- Utilizing appropriate safety controls

ETHICAL

- Doing the right thing
- Being honest
- Demonstrating integrity
- Treating others fairly

SHARED VALUES

LOYAL

- Investing in long-term relationships
- Understanding and acknowledging the needs of others
- Developing productive people and teams
- Sharing ownership in the success of the entire organization

PROFESSIONAL

- Demonstrating competence to achieve excellence
- Taking pride in our performance
- Communicating in a productive and timely manner
- Following established processes and procedures
- Honoring commitments and exceeding expectations



OUR APPROACH TO ESG AND SUSTAINABILITY

Because ESG touches each area of our business, our ESG Committee is comprised of three Company officers with cross-disciplines and one board member. The ESG Committee evaluates Company processes relative to ESG and identifies areas for improvement, formalizes existing business practices, and reports on ESG initiatives to our stakeholders . The board of directors provides formal oversight and guidance during quarterly meetings and informally through the board member who serves on the ESG Committee. Each member of the ESG Committee has a defined area of responsibility:

Environmental — John Dutton, President

Responsible for defining environmental initiatives, emissions calculations, and initiating communication of environmental processes for implementation by operations personnel.

Social — Pam Barnhart, Senior Vice-President — Administration

Responsible for defining social initiatives, analyzing performance, and administering corporate policies and programs for community involvement.

Governance — Kavin Tubbs, Vice-President of Finance and Treasurer

Responsible for defining and overseeing governance initiatives, including policies and audits relating to financial reporting, ethics, anti-corruption and business continuity.

Board Oversight — Avril Westerman, Director

Serves as the liaison between the ESG Committee and the board of directors for coordination of governance matters and provides oversight of the Company's ESG initiatives with communication to the remaining members of the board of directors.



The ESG Committee is comprised of three Company officers with cross-disciplines and one board member

Left to right: Pam Barnhart, John Dutton, Kavin Tubbs and Avril Westerman



At J-W Power Company, we focus on the ESG initiatives that are both relevant to the Company and important to our stakeholders. For guidance we considered NASDAQ ESG standards, the World Economic Forum and the companies around us, including our peers. We chose a balanced approach, addressing areas of social and governance as well as environmental matters. Relevancy means placing an emphasis on matters that pose potential difficulties for us or are significant enough to warrant efforts to meaningfully enhance our performance. Many worthwhile initiatives are not relevant to the business of J-W Power Company and are not currently a focus of our ESG initiatives. Some examples include:

- Energy and Water Usage We are not a large consumer of freshwater and we do not discharge water back into the environment.
- Temporary Worker Ratio We rarely employ temporary workers.
- Child and Forced Labor All of our operations are domestic to the U.S. where strict child labor laws apply. Our supply chain is typically industrial or technical in nature, which is less susceptible to child or forced labor than other industries such as agriculture and the textile and garment industries.
- Collective Bargaining We are a smaller private company with no unions.
- Data Privacy Unlike many businesses, we do not collect or store sensitive data from private individual customers.



The following initiatives were chosen as not only relevant but also the most important to all our stakeholders, which

include shareholders, employees, vendors, customers, financial partners and the communities in which we live and work.

We continue to review our initiatives on an annual basis and will adjust our focus as appropriate if the nature of our business changes. Our top-down approach keeps ESG performance a priority. Three of our five officers are on the ESG Committee, and all officer compensation is determined or specifically approved by the Executive Committee of the board of directors. which utilizes ESG performance as a component in determining compensation for all officers. ESG initiatives are reviewed with our managers on a regular basis.

J-W Power Company ESG Priorities

Social

- Gender Pay Ratio
- Gender Diversity
- Nondiscrimination
- Injury Rate
- Local Community Involvement
- · Employee Benefits and Well-Being

Relevant Areas to Our **Business**

Environmental

- **ESG**
- Greenhouse Gas Emissions
- Environmental Operations
- · Climate Oversight by Board
- Climate Oversight by Management
- Climate Risk Mitigation

Governance

- Board Diversity
- Board Independence
- Incentivized Pay
- Ethics & Anti-Corruption
- Financial and Tax Transparency
- Cybersecurity



OUR BUSINESS AND THE ENVIRONMENT

Sources of Greenhouse Gas Emissions

J-W Power Company manufactures natural gas compression packages for our rental fleet and for sale to third parties. We utilize our rental fleet of natural gas compressors, which generally includes maintenance, to provide compression services to our customers. We also perform maintenance services on equipment our customers own.

Due to the contractual relationships we have with our customers, the usage of energy is divided between us and our customers. We consume energy in our manufacturing operations where we build natural gas compressor packages and related equipment. We also consume energy when we provide services such as maintenance activities. These types of energy consumption are reported as Scope 1 and Scope 2 emissions for J-W Power Company. Our customers report the natural gas or electricity consumed in the operation of our compressors as their Scope 1 or Scope 2 emissions.

J-W Power Company's Scope 1 or 2 Emissions		
V	Manufacturing	
$\overline{\checkmark}$	Maintenance activities	
$\overline{\checkmark}$	Transportation	

Customer's Scope 1 or 2 Emissions		
$\overline{\checkmark}$	Operation of compressors	
$\overline{\checkmark}$	Maintenance activities	

Emissions for J-W Power Company can be broken down into categories of Facilities and Transportation.



Fabrication office and shop facility in Kilgore, Texas



Compressor Technician service truck near Williams, North Dakota





J-W Power Company Facilities

J-W Power Company has three manufacturing facilities, two office facilities and 35 field office/shop facilities. Our manufacturing facilities are in Longview and Kilgore, Texas, while our office facilities are in Addison and Longview, Texas. Field offices are located throughout the United States.

Our Scope 1 emissions for facilities include natural gas or propane used for heating, welding gasses and fuel for vehicles or equipment used primarily at the manufacturing facilities, such as forklifts. Scope 2 emissions for facilities include electricity purchased for climate control and to power manufacturing equipment, such as welding machines.

Fiscal Year 2023 Facilities Scope 1 Emissions

= 733 tonnes CO2e

Fiscal Year 2023 Facilities Scope 2 Emissions

= 1,640 tonnes CO2e



Forklift operated in our Longview, Texas manufacturing facilty is fueled by natural gas.



Flatbed truck at our Longview, Texas manufacturing facility is fueled by compressed natural gas.

J-W Power Company Transportation

J-W Power Company owned and operated 468 vehicles and two small aircraft in 2023. We also reimbursed employees for business use of their personal vehicles. Fuel consumed for transportation is reported as Scope 1 emissions.

Fiscal Year 2023 Transportation Scope 1 Emissions

= 8,861 tonnes CO2e







Partnering with Our Customers

J-W Power Company's compressors are driven by natural gas engines or electric motors as specified by our customers. Greenhouse gas emissions from the operation of our compressors are reported by our customers as Scope 1 emissions for natural gas engine driven compressors and as Scope 2 emissions for electric motor driven compressors. Electric compressors generally have lower greenhouse gas emissions than their natural gas engine counterparts. This has increased some customer demand for electric compressors.

At the end of 2021, 2.4% of our total fleet horsepower was driven by electric motors, and this increased to 3.8% by the end of 2023. We expect this percentage to increase significantly over the next several years as the industry continues to adopt electric technology. However, there are concerns that the switch to electric may outpace the expansion of the power grid and its ability to support the demand in some areas in west Texas and New Mexico. In 2022 and 2023, some customers slowed down the deployment of electric motors while the industry partners with electric power providers to ensure adequate, reliable power is available.

In addition to building new electric driven compressors, we are also converting existing packages to electric drive to satisfy customer demand. When selecting packages to convert to electric drive, we prioritize packages that have older engines that cannot meet more



stringent emissions limits in non-attainment areas for criteria pollutants such as oxides of nitrogen (NOx), carbon monoxide (CO) and volatile organic compounds (VOCs). This helps to improve local air quality as well as reducing overall greenhouse gas emissions.

As a packager, J-W Power Company provides equipment used to reduce greenhouse gas emissions. We provide equipment that pipeline companies use to evacuate pipelines, greatly reducing the amount of methane released into the atmosphere during repairs. The safest and most environmentally friendly way to transport natural gas is a pipeline, but occasionally, pipelines require maintenance that necessitates evacuating the gas out of the pipeline.

Historically, the gas was vented into the atmosphere or burned in a flare. By using specially designed compressor packages from J-W Power Company, our customers are now reducing these emissions by taking the gas in these pipelines and moving (compressing) it into the adjoining pipeline. These packages are portable and designed to handle a wide variety of conditions.

Electric drive 400 horsepower compressor packages can be operated in either a single or two-stage configuration. Packages can be used individually, in series, or in parallel. By evacuating the pipelines prior to maintenance, greenhouse gas emissions are drastically reduced.





Compressed Natural Gas and Renewable Natural Gas

Emissions from diesel and gasoline engines contribute to air pollution in metropolitan areas. Light duty vehicles (cars) are being replaced by electric vehicles. Medium and heavy-duty vehicles (larger trucks) are turning instead to compressed natural gas (CNG) to power the vehicles. Many bus, garbage truck, and cement truck fleets are converting their vehicles to CNG-powered engines that offer a significant reduction in emissions and a fuel cost advantage.

J-W Power Company has been packaging compressors for CNG vehicles since 1993. We have built over 500 packages in use across the United States. Our equipment has allowed large metropolitan transit systems including New York City, Los Angeles and San Antonio to transition to clean burning natural gas. In this market space, we have developed our patented PowerFillTM technology, which allows us to fill vehicles quickly using a smaller compressor. The

customer gets the speed and experience of a quick fill while installing a one-third smaller infrastructure.

Renewable Natural Gas or "RNG" is methane gas derived from a digester, landfill or other renewable source. Without additional handling, this methane gas naturally escapes into the atmosphere and is considered a greenhouse gas. By capturing and processing the gas, it can be used to fuel vehicles, heat homes, or generate power. This market is seeing a tremendous amount of investment and growth, partially driven by the value of the carbon credits created from the collection of the RNG.

J-W Power Company has partnered with our customers on RNG projects for over 30 years. Our equipment is being used to inject the recovered gas into a pipeline. Where a pipeline is not readily available, our equipment is used to load this gas onto tube trailers for transport to an injection site. At these injection sites, our equipment is used to unload the trailers and to inject the gas into the pipeline.

Many of the E&P companies are turning to electric frac rigs to reduce emissions, displacing diesel driven equipment. In many cases, these electric frac rigs are driven by on-site generators powered by natural gas.

Some of our customers are purchasing our compressors to boost the gas pressure and fuel the generators. In the case where gas is not readily available, they are transporting the gas to the site from a trailer-filling station. Our equipment is being used at the stations to fill these tube trailers.



Operations utilizing a centralized RNG collection station. An enclosed compressor ads the renewable natural gas into tube trailers for transport to a site or a J-W Power company compressor to inject into the pipeline.

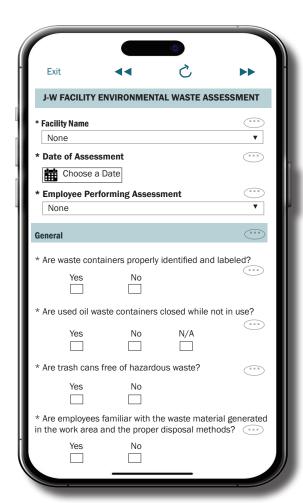




Environmental Operations and Protection

J-W Power Company is committed to protecting the environment through the proper handling and disposal of products used in the operation of our equipment. Although we do not use hazardous materials in our operations, we protect the environment from nonhazardous chemicals like oil and antifreeze.

In 2023, we continued our annual facility environmental waste surveys through our Health, Safety and Environmental management system. We also expanded our safety observation form to include environmental protection verification, which provides a convenient mechanism for employees to inspect and document proper chemical containment on field locations.



Health, Safety and Environmental Management System can be accessed on an iphone to collect timely and reliable data.



We continue to look for opportunities to minimize our environmental impact through reducing, reusing and recycling waste in our operations. Our compressor packages are equipped with ecology rails that contain any spilled or leaked oil or antifreeze on skid where it can be captured and pumped into proper disposal tanks. We utilize secondary containment on our tanks in the event of an overflow or leak. In wildlife sensitive areas, we utilize bird netting over the open secondary containment to protect wildlife.



Owls seek shelter next to our compressor unit building.





COMMITMENT TO OUR PEOPLE

Our people are our most valued asset, and we support our employees through our culture, benefits and various programs. We continuously invest in the health and safety of our employees and offer comprehensive benefits to support their health, well-being, safety, training and professional development. Support of our people extends to the local communities where we live and serve through our revitalized local community involvement initiative.

Diversity and Inclusion

The energy industry is better when it is empowered by diversity. J-W Power Company values diversity and inclusion as an opportunity to strengthen our success. We are committed to maximizing both individual contributions and organizational effectiveness through the diversity of our workforce. We work hard to provide a culture that ensures employees feel welcomed, respected, heard and valued.

For these purposes, we:

- Support a highly qualified and diverse organization in all areas and at all levels
- Strive to seek out and encourage diverse ideas, perspectives and points of view
- Establish an inclusive environment that respects and embraces diversity

The culture, accountability and support for diversity and inclusion starts at the top of our leadership team, which values the myriad of experiences, perspectives, and skills that our employees bring to their roles and our business. We are committed to putting resources and attention toward improving the engagement, retention and promotion of the incredible talent we have available.

J-W Power Company is an equal opportunity employer. All employment decisions are made without regard to factors such as race, color, religion, sex, age, national origin, disability, sexual orientation, veteran status, gender identity or any other characteristic protected by local, state and federal laws.

J-W Power Company strives to have a workforce representative of the talent available, and we continue to work toward increasing internal representation of employees in specific groups, such as women and minorities. The rate of women hired in the Company increased from 7%



in 2022 to 14% in 2023, and the rate of minorities hired increased from 32% to 37%. Currently, women and minorities represent 30% of our overall workforce, an increase of 3% from the previous year. Additionally, women account for 19% of management and professional positions and 20% of executives.

We are committed to equitable pay for all employees. In support of this goal, we benchmark our pay through external salary surveys, use a performance-based incentive system, and make further adjustments to promote internal equity.

Additionally, we are committed to providing a work environment that respects the dignity of each employee. Discrimination is not tolerated, and complaints are taken seriously and investigated thoroughly. We are committed to the protection of the rights of all individuals, including women and minority groups.



Employee Spotlight — Women of Inspiration

Combined, these two women have a lifetime of experience of more than 90 years with J-W Power Company. During this time, they have made a significant impact through their leadership, advocacy and innovation. Their proven success has inspired and empowered other women to do the same in our industry. As both women move into their retirement stage of life in 2024, they have successfully worked to mentor their successors, who happen to be the next generation of women in our industry, by sharing their vast knowledge and expertise.



Linda Powell
Senior District Administrator

Linda Powell's career with J-W Power Company began over 50 years ago when she started doing administrative work in the Company's Arkansas office while she was in high school. After attending business school in Shreveport, Louisiana, Linda accepted full-time employment with the Company in 1976. Early administrative assignments included joint interest billing and other accounting responsibilities. Linda transitioned from many years in an area administrator position to district administrator and was promoted to senior district administrator in 2014.

Linda's methodical, disciplined and focused approach to the administrative side of the business made her a great match for J-W Power Company. Due to her expansive knowledge on numerous systems, Linda was involved with ongoing operational and administrative improvements over the course of her time with the Company. Additionally, Linda delegated work to her team in an effort to improve their effectiveness and provide growth opportunities, challenging them to learn new techniques to improve performance.

Throughout her dedicated career with J-W Power Company, Linda embodied "work hard — do good," a saying she learned from her dad! Linda's district manager shared that "she was a real asset to the district during the ERP implementation," and "she is always willing to help others learn and develop their potential." After more than 48 years of full-time employment with the Company, Linda retired in April 2024.



Cindi Johnson Supply Chain Manager

Cindijoined J-W Power Company in 1980. Her initial position was administrator, in which she maintained all accounting and HR responsibilities for the manufacturing group. She was promoted and held various positions within the Company in her tenure.

When Cindi started working at the Company, there were no computers, and all processes were done manually. Much has changed since Cindi first joined the Company and her role throughout the years has been instrumental in the implementation of such processes that have improved productivity. Cindi comments, "One thing has stayed constant — the Company's leadership and commitment to their employees and their customers." When asked what excites her about her work, Cindi shared, "Passion for what I do, the opportunity to make a difference, the people that I work with, and training people throughout the Company in my areas of expertise."

The vice president of manufacturing shared that "she has led and worked with a dedicated group of people for many years always looking to guide the group to the best decisions now, versus how the now decision will impact us down the road." When reflecting on Cindi's contribution, he said "it had been outstanding!" He added on a personal level "thank you for your dedication and loyalty to your job and for your make it happen attitude." After more than 43 years with the Company, Cindi retired in April 2024.



Health and Safety

- First Shared Value

Safety is J-W Power Company's first shared value, and the commitment to safety is demonstrated daily through the actions of our dedicated employees. Each employee is empowered with the authority and responsibility to stop work when any safety risk is not being appropriately managed. Key safety metrics, including Total Recordable Incident Rate (TRIR) and Preventable Vehicle Accident Rate (PVAR) are tracked and communicated company-wide to provide transparency and accountability for our safety performance. Our safety incentive program promotes outstanding personal safety and district safe driving performance.

Health, Safety, and Environmental Management System

To further our commitment to safety, J-W Power Company has invested in a robust Health, Safety, and Environmental (HSE) management system. Our HSE management system allows for enhanced reporting, tracking, and analysis of incidents and proactive safety reports.

We review and analyze minor events to understand

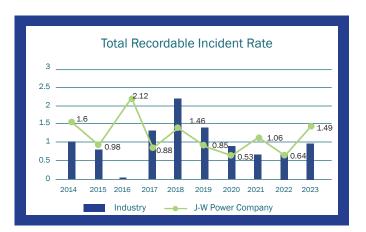
how to prevent more serious incidents. Our safety culture continues to mature, and our focus on understanding minor events will continue to yield improved safety performance. We are committed to learning from all incidents and challenging ourselves every day to enhance the safety of our employees and other stakeholders.

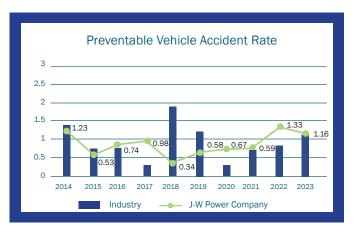
- Training

Each J-W Power Company employee receives training on how to do their job safely. The Company has developed a custom, hands-on new hire training program for service technicians, designed to safely integrate new employees into our workforce. Additionally, custom instructor-led monthly safety training is delivered to each safety sensitive employee. These monthly safety training presentations may include lessons learned from recent incident or near miss investigations, allowing this knowledge to be shared in a timely manner throughout the organization.

Safe Driving

In 2023, in support of an ongoing safe driving initiative, a behavior-based safety observation program for driving was completed. As a part of this initiative, leaders throughout the Company performed driving evaluations of each applicable employee, utilizing a mobile safe driving checklist developed from our formal driver training program. In 2023, we also revamped our GPS-based fleet management program and are now able to better measure key safe driving leading indicators and use that data to improve safe driving performance.







Safety Leadership

J-W Power Company is an industry leader in safety. Our health and safety professionals have chaired the Gas Compressor Association's Health and Safety Committee since 2016, where industry-wide safety collaboration contributes to increased safety performance across our industry. Each year at J-W Power Company, a top-performing, front-line supervisor is presented a Safety Leader of the Year award, which recognizes the uniquely impactful influence that front-line supervisors have on the safety culture of their teams.

This year's award recipient, Mike Ayers, has worked at J-W Power Company for over 14 years and cares deeply about the safety of his team members. Mike leads compressor service technicians in our Gulf Coast region. His commitment to safety has contributed to an excellent safety record - the Gulf Coast region has gone over six years without an OSHA recordable injury. Leaders like Mike put J-W Power Company's first shared value into practice every day!



Left to right: Travis Ashby, Director HSE and Regulatory Affairs, Mike Ayers, Area Supervisor, Joe Avila, HSE Supervisor.

Outstanding Safety Achievements



The Appalachia Region (which includes the Marcellus and Utica basins) of J-W Power Company celebrated five years without an OSHA recordable injury in 2023.

The Gulf Coast field services division of J-W Power Company continued its outstanding safety performance in 2023. This district has now successfully achieved over six consecutive years without an OSHA recordable injury.





Paul Stephenson, VP of Manufacturing, Longview, Texas — Annual Food Drive



Michael Horn, Inventory Coordinator, Longview, Texas — Partners in Prevention



Brad Peterson, HSE Specialist, Casper, Wyoming — Irreverent Warriors



Mike Bailey, Sr. Account Manager, Casper, Wyoming — Natrona County Meals on Wheels

Local Community Involvement

J-W Power Company is committed to its charitable contributions program, incorporating it into the organization's DNA. The intent is to create unity, happier and more productive employees, and the ability to attract and retain top talent by strengthening the communities where we do business, where our valued employees live, and where our area operations and manufacturing plants call home. These principles are applied in a way that upholds the integrity and longevity of the Company's earned reputation and culture.

The Company is dedicated to addressing community needs through its giving program, serving the communities in which employees live and work. Our program focuses on the following key platforms:

EDUCATION

Projects and programs improving and expanding educational opportunities that teach students skills to succeed in school and gain meaningful employment.

COMMUNITY WELFARE

Programs supporting basic critical needs or improving a community's quality of life. This also includes safety projects and efforts that help communities better prepare for, mitigate the risks of and respond to disasters, hazards and emergencies.

ENVIRONMENT

Groups or projects that protect the environment, conserve natural resources, and promote sustainable energy practices.

Dedicated to addressing community needs through charitable giving that provides meaningful, direct, and sustainable social benefit and aligns with our business priorities.



Raymond Johnson, IT Project Manager, Addison, Texas — Catalyst for Achievement (CFA)



Mark Davis, Technical Services Manager, Longview, Texas — Henderson Metro Ministries





Barry Schmahl, Area Supervisor, Alexander, North Dakota — Train ND TrainND offers a diverse range of programs designed to meet the evolving needs of industries and individuals in North Dakota and beyond. Their mission is to deliver the highest quality of diverse safety, technical and professional training for an evolving workplace.

Strengthening the communities where we do business, where our valued employees live, and where our area operations and manufacturing plants call home. J-W Power Company employees are encouraged to become involved in their local communities, which the Company supports by contributing to eligible nonprofit organizations.



Kyle Hood, Field Foreman, Yukon, Oklahoma -Hope is Alive Ministries



Jen Lundy, Sr. Account Manager, Williamsport, Pennsylvania — Community Alliance for Progressive Positive Action (CAPPA)



William Holman, Area Supervisor, Pampa, Texas -Books are the Beginning



Employees Benefits and Well-Being

We support the health and well-being of our employees. J-W Power Company's benefits package helps protect and improve the lives of our employees and their families. The Company also enhances everyday well-being and encourages our employees to prepare for present and future needs.

We provide employees with medical, prescription drug, vision and dental coverage. Additionally, we provide both short- and long-term disability protection and basic life and AD&D coverage, critical illness, injury benefits and a flexible spending account. Our benefits program also includes:



Profit Sharing Trust and 401(k) Plan:

J W Power Company matches employee contributions, up to 5% of eligible compensation, with 100% vesting of the Company's contributions after two years of service.



RightNow Media @ Work:

Employees and their family members can access a library of faith-based videos on professional development, leadership, marriage, parenting, recovery and more. Library includes content for all ages and stages of life.



Paid-Time-Off (PTO):

A flexible bank of up to 25 days of paid time off is provided to employees each year to meet both their work and personal needs.



Flexible Work Hours:

Depending on the nature of the job and the operational needs of the work location, flexible work arrangements may be available to support employees in achieving improved work-life balance.



Employee Assistance Program:

A comprehensive, confidential support program provides employees and their eligible family members with counseling services to support mental well-being.



Fitness Subsidy:

Costs of fitness facility memberships are partially subsidized to encourage employees and their families to participate in fitness-related activities and programs for the purpose of general fitness and physical wellness.



Marketplace Chaplains:

Trained, experienced and dedicated caregivers are available 24/7/365 to employees and their family members regardless of location, type of problem or time the need arises.



Education Benefit Program:

Tuition reimbursement for up to \$5,250 each year to enhance employees' professional development. This is available for associate, bachelor or graduate degree programs as well as for business-related non-degree courses.





Governance

J-W Power Company strives to conduct its business with integrity, transparency and accountability, and to foster proper and ethical business behavior. The executive team and employees endeavor to act in the best interest of all stakeholders, including our shareholders, debt holders, business partners, employees, and the communities where we serve. We believe our history bears out the values we ascribe to corporate governance and the effectiveness of our structures and processes.



Ethics and Anti-Corruption

As one of our shared values, ethics serve as the foundation for how we operate through "doing the right thing." The Company sets expectations of our employees and officers through our policies and business practices. Our corporate governance policies and practices are critical to our success because we care about not just the results but how results are obtained. All employees and officers are subject to the Company's code of conduct and conflicts of interest policy.

Whistleblower Policy

The Company has established a whistleblower policy that allows employees, officers, and agents of the Company to confidentially report any inappropriate, unethical, illegal, or dishonest behaviors without fear of retaliation. All reported issues are investigated in a timely manner and findings communicated to the appropriate level of senior management or the Company's board of directors. Senior management reviews the whistleblower policy annually.

Financial and Tax Transparency

J-W Power Company is focused on effectively managing debt and deploying capital strategically to maximize returns and to return capital to our shareholders. We manage debt by maintaining capital discipline, resulting in lower leverage ratios than our peers. This allows us to take advantage of opportunities in market upswings and protects us from being over-leveraged in downturns.

We are a private company, but we choose to incorporate some publicly fit philosophies into our financial management, which include:

- Following Generally Accepted Accounting Principles (GAAP)
- Having financial statements independently audited on an annual basis with their findings reviewed at the Board level
- Conducting annual independent fleet appraisals
- Engaging regularly with outside tax consultants to ensure compliance and implementing appropriate strategies to reduce tax liabilities



Board Composition

The Company has an active board of directors, currently consisting of five members, including one independent director and one female director. Their collective backgrounds represent a set of diverse professional experiences and skills as detailed in their brief professional biographies. They adhere to high standards of personal and professional ethics along with possessing extensive experience within the oil and gas industry.

The board regularly meets to review financial information, including approving the annual business plan and assessing risk, based in part on anticipated near-term and long-term market expectations. The board approves key performance indicators (KPIs) that include safety and ESG components. Safety and ESG metrics, combined with an employee's individual performance, determine bonus and incentive compensation.

Conducting business with integrity, transparency and accountability



Don Bizzell



Rick Davis

Don Bizzell is a current member of the J-W Power Company board of directors. Prior to his retirement in 2017, Don was president of J-W Power Company from 1998 to 2017. When he joined the J-W family in 1998, J-W Power Company was a small compression company with approximately 229,000 horsepower and 288 employees. Today, J-W Power Company is one of the largest privately-owned compression companies and is considered an industry leader in leasing, service, fabrication and sales of natural gas compression equipment. Prior to J-W, Don spent 19 years of service with Halliburton Resource Management.

Don earned a B.S. in business administration from Southwestern Oklahoma State University.

Rick Davis is president and a current director of Westerman Interests Inc. He has served on the J-W Power Company board of directors since 2017. Before transitioning to the family office in 2016, Rick began with J-W Operating Company in 2005 and fulfilled several accounting and finance roles over the years. Rick started his oil and gas industry career in 1982 after five years of public accounting experience with KPMG and Arthur Young. He then began working with Hunt Oil Company, Gemini Exploration Company and The Wiser Oil Company. Rick's industry experience also includes credit agreement syndications, acquisition and divestiture negotiations, SEC filings, audit committee governance, and three years internationally in Yemen.

Rick earned a B.A. in Business Administration from Indiana University and is a retired CPA.





Avril Westerman

Avril Westerman is the chief investment officer of Westerman Family Office LLC, having managed its diversified portfolio of assets since 2017. She is also a director of Westerman Interests Inc. and has served as a director on the J-W Power Company board of directors since 2021. Prior to joining the family office, Avril spent 16 years in the aerospace and defense industry, 13 years of which were with Ernst & Young LLP. During her tenure at E&Y, she worked with dozens of Fortune 500 companies as well as small entrepreneurial firms and family-owned businesses. She managed multiple projects and teams across the United States and abroad — winning numerous awards for quality, client service, and commitment to mentoring staff. Before consulting, she was a contract administrator for three years on the Joint Strike Fighter (F-35) program at Lockheed Martin Aeronautics.

Avril earned a B.B.A. in finance from Texas Christian University and holds the Certified Management Accountant designation (inactive).



Howard Westerman

Howard Westerman is the chief executive officer and chairman of J-W Energy Company, the parent of J-W Power Company, and has been serving in this role since that company's inception in 2006. Prior to his CEO role, he was president of J-W Operating Company beginning in 1986. As president and CEO, Howard directed a period of rapid expansion for the compression, exploration and production, and measurement businesses. Under his leadership, J-W Energy Company's subsidiaries achieved record earnings. Howard has been involved in every area of the natural gas business, including well-servicing, gathering, measurement, compression and exploration and production. He joined J-W Operating Company in 1978 as a corporate administrator. Prior to J-W, he worked in management in the hospitality industry. Howard has served or is serving on numerous boards, including the Make-A-Wish Foundation, Benedictine College, Freestone Systems, Peerless Manufacturing Company, Vintage Bank and Applied Nanotech Holdings.

Howard earned a B.B.A. and a B.S. from Benedictine College.



Paul Westerman

Paul Westerman is the director of Westerman Interests Inc. and an officer of the Westerman Family Office LLC and has been serving in these roles since 1999, focusing on operations, management of assets, and continued growth and diversification of financial portfolios. Prior to committing full time to the family office, Paul held numerous executive leadership roles in J-W Operating Company, including senior executive vice president and chief business development officer, and as the chief operating officer of J-W Energy Company. He has served on J-W Energy Company's board of directors since that company's inception in 2006. Paul joined J-W Operating Company in 1984, expanding the company into exploration and production as president. Prior to J-W Operating Company, Paul was a production and reservoir engineer for Phillips Petroleum Company, Kerr-McGee Corporation and Terra Resources from 1979 to 1984. Paul has served on numerous boards, including Benedictine College, Vintage Bank, Gulfport Energy, and Oakwood Bank.

Paul earned a B.S. in petroleum engineering from the University of Oklahoma.





Cybersecurity

J-W Power Company is focused on protecting our employees, owners, vendors and customers from continuously evolving cybersecurity threats. We devote extensive resources to identifying cyber threats and responding appropriately. We are focused on maturing our cyber program by using both preventative and detective controls while prioritizing cybersecurity awareness training to employees. As the threat landscape and mitigation techniques evolve, we likewise adapt our security strategies to align with our desired business outcomes.

Some of J-W Power Company's compressors have remote monitoring systems that provide data and call out alarms when the unit shuts down unexpectedly. Additionally, original equipment manufacturers (OEMs) are installing equipment on their components to gather data. Although there is some risk that these systems could be hacked, the risk is very small. Emergency shutdowns are still localized on the package, operate independently, do not rely on connectivity and cannot be overridden remotely. However, as the technology advances and usage increases, J-W Power Company will continue to update our process and work with the OEMs to ensure adequate protection is maintained.

Some cybersecurity actions either completed or in process at the end of fiscal year 2023 include:

- Implemented Multi-Factor Authentication (MFA) for all end-user Company devices as well as strengthened password complexity
- · Maintaining cybersecurity insurance that requires an annual risk assessment
- Enabled security text banners on emails to employees from outside of the organization to help build aware ness and caution around interacting with third parties.
- Conducted penetration testing conducted by third-party security firm with excellent results
- Established a separate Tier 1 Colo network environment in a geographically diverse location that will serve as the Company's disaster recovery site for major applications and engaged third-party security firm to build disaster recovery plan for major applications
- Continued to operate our security operations center and expand its ability to monitor and proactively respond to cybersecurity threats
- Completed third-party security assessment of the Company's Microsoft 0365 environment with excellent results
- Strengthened warnings to customers on our wire transfer instructions to confirm the recipient accounts prior to initiating fund transfers
- Provided quarterly cybersecurity training to all employees through a third-party provider





FUTURE UPDATES TO THIS REPORT

We believe the ESG initiatives discussed in this report are critical to our business and continued focus will be impactful to our long-term sustainability. We look forward to providing updates on our progress in next year's report.



Products Made From Natural Gas and Oil

Denture adhesives

Dentures

To create a quality of life most humans are accustomed to, there is one common denominator — natural gas and oil. Essential to our daily life, these hydrocarbons help make products we depend on every single day. Petrochemicals derived from natural gas and oil make the manufacturing of over 6,000 everyday products and high-tech devices possible. You may be surprised of the common household and commercial products made from natural gas and oil.

Adhesive Deodorant iPad/iPhone Safety glasses Detergent Air mattresses Kayaks Shampoo Ammonia Dice Laptops Shaving cream **Antifreeze** Dishwashing liquid Life jackets Shoe polish Light-weight aircraft **Antihistamines** Dog collars Shoes/sandals **Antiseptics Drinking cups** Lipstick **Shower curtains Artificial limbs Dves** Loudspeakers Skateboards Artificial turf Electric blankets Lubricants Skis Electrical tape Soap dishes **Asphalt** Luggage **Aspirin** Model cars Soft contact lenses Enamel **Awnings Epoxy** paint Mops Solar panels **Backpacks** Motorcycle helmets Solvents Eyeglasses **Balloons** Fan belts Movie film **Spacesuits** Ballpoint pens Faucet washers Nail polish Sports car bodies Sunglasses **Bandages Fertilizers** Noise insulation Beach umbrellas Fishing boots Surf boards Nylon rope **Boats** Fishing lures Oil filters Swimming pools Cameras Floor wax **Packaging** Synthetic rubber Candies and gum Food preservatives Paint brushes **Telephones Candles** Footballs Paint roller Tennis rackets Fuel tanks Car battery cases **Pajamas Tents** Car enamel Glue Panty hose Tires Glycerin **Parachutes** Tool boxes Cassettes Golf bags Perfumes Tool racks Caulking CDs/computer disks Golf balls Permanent press **Toothbrushes** Cell phones **Guitar strings** Petroleum jelly Toothpaste Clothes Pharmaceuticals Hair coloring Transparent tape Clothesline Hair curlers Pillow filling Trash bags Coffee makers Hand lotion Plastic toys Truck and automobile parts **Tubing** Cold cream Hearing aids **Plastics** Combs Heart valves Plywood adhesive TV cabinets Computer keyboards House paint Propane **Umbrellas Computer monitors Purses** Unbreakable dishes Hula hoops Cortisone Ice buckets Puttv Upholsterv Crayons Ice chests Refrigerants **Vaporizers** Credit cards Refrigerator linings Vinyl flooring Ice cube trays Roller skate wheels Vitamin capsules Curtains Ink **Dashboards** Insect repellent Roofing Water pipes

Rubber cement

Rubbing alcohol

Wind turbine blades

Yarn

Insecticides

Insulation













PRODUCTS MADE FROM NATURAL GAS **AND OIL**











16479 N. Dallas Parkway, Suite 850 Addison, Texas 75001 972-233-8191 www.jwpower.com/esg © 2024 J-W Power Company



