



# 2021 SUSTAINABILITY REPORT





# About This Report

**A**ris Water Solutions, Inc. (“Aris”) was founded to provide sustainable, full-cycle water infrastructure solutions to premier oil and gas operators and reduce the industry’s water footprint. Our inaugural 2021 Sustainability Report highlights the policies, processes and procedures by which Aris strives to achieve its Environmental, Social and Governance (“ESG”) goals, as well as how we promote sustainable development in our areas of operation. We will regularly report on our ESG policies, procedures, and performance on our website and through the annual publishing of a Sustainability Report.

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# Letters to Stakeholders

**A**t Aris, we have a deep commitment to sustainability, which has been an integral part of our strategy since we were founded in 2015. We are a leader in providing reliable, comprehensive produced water handling and recycling solutions to energy producers and are recognized as key environmental stewards within the energy industry. We have pioneered infrastructure solutions which benefit our stakeholders including our customers, investors, and the communities in which we live and work.

2021 was a milestone year for Aris and our team has much to be proud of. We grew rapidly alongside our customers, signed new long-term contracts (both sourcing and gathering), expanded our infrastructure, and increased the industry's use of produced water.

We are pleased to highlight some of our key accomplishments in 2021.

## Sustainability-Linked Bond Issuance

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In April 2021, we successfully issued \$400 million of senior unsecured notes, pioneering the first Sustainability-Linked Bond ("SLB") in the produced water infrastructure industry.

The transaction strengthened our financial flexibility to support growth opportunities and emphasized our commitment to ESG initiatives.

The coupon on the note is tied to a Sustainability Performance Target ("SPT") that measures the proportion of recycled produced water volumes sold relative to total water volumes sold to our customers. The SPT calls for a 60% or greater ratio during 2022. We exceeded that goal in 2021 and we are committed to exceeding it again in 2022. Consistent with our commitment to mitigating environmental impacts during the ongoing energy transition, we also set additional targets to recycle 85% and 98% of all barrels of water sold to our customers by 2025 and 2030, respectively. Through our Sustainability-Linked Bond, we have made a public financial commitment to maximize produced water recycling.

## Initial Public Offering

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In 2021, we changed our name from Solaris Water to Aris Water Solutions and successfully completed our Initial Public Offering ("IPO") listing on the New York Stock Exchange under the ticker "ARIS". The IPO was another critical step for us, positioning the company for continued growth and visibility. Our offering was the first midstream-related IPO in more than two years and demonstrated that public investors share our vision of providing profitable and sustainable water solutions to energy companies and beyond.

We are the only public company in the United States exclusively focused on produced water management. Our core business focus reduces the environmental impact of the energy industry. Specifically, we promote maximizing produced water recycling, which reduces groundwater use.

## Commitment to Environmental Stewardship

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We are dedicated to responsibly developing and operating our infrastructure, reducing the energy industry's groundwater footprint, and helping our customers achieve their ESG-related objectives. We have established one of the largest produced water recycling footprints in the Permian Basin and, in 2021 alone, we recycled nearly 45 million barrels of produced water.

Additionally, our vast pipeline network minimizes our customers' carbon footprint by reducing the need to move produced water on trucks. We estimate that in 2021, our infrastructure reduced the need for roughly 2.8 million trucks trips, avoiding approximately 244,000 metric tons of CO<sub>2</sub>e.

We have allocated significant resources and capital to reducing the withdrawal of groundwater in the Permian Basin. We were the first midstream infrastructure company in the Permian Basin to aggregate produced water from multiple customers with different influent specifications and then treat that water and deliver it back to our customers for completions.

Our innovative approach to full cycle produced water management has enabled our customers to increase their use of recycled water and publicly announce goals for recycled water usage in their operations. When the industry uses more recycled produced water and conserves groundwater, local communities, habitats, bodies of water and wildlife benefit.

## Identifying Opportunities for Beneficial Use of Produced Water

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As we think about the future, and as the amount of produced water we handle continues to grow beyond the energy industry's completion needs, we will continue to focus on identifying alternative uses for produced water outside the energy industry. A few of the potential uses include using treated produced water for irrigation of non-consumptive crops such as cotton or soybeans for biodiesel, industrial process water, recharging depleted aquifer or watershed systems, and restoration of rangeland grasses.

We have several pilot projects underway and are working closely with academic institutions, governmental bodies and industry partners to advance these efforts. Our pilot projects include collaboration with New Mexico State University, Texas A&M University, various agencies within the State of New Mexico and the State of Texas, as well as the US Department of Energy.

Aris strives to play a leadership role in the identification and adaptation of technologies that accelerate the adoption of beneficial reuse of produced water. We control a significant amount of produced water in the Permian Basin, providing us with a competitive advantage in the development of alternative uses that will benefit the environment and all stakeholders.

## Safety, Diversity of Our People and Governance

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We work hard to maintain the trust of our customers, employees, and the local communities in which we operate. We prioritize a culture of safety in all we do, continuing to look at ways to improve our processes and technology to ensure a safe and equitable workplace for our employees.

Aris prioritizes both gender and ethnic diversity amongst its workforce, and we are proud that our workforce consists of more than 75% women and/or minorities. Of managers and executives, 18% are women and 34% are minorities. Additionally, our board of directors is 25% women.

We will continue to invest in our community and team, and in 2022 we have implemented key sustainability performance measures in our executive team's compensation structure to reinforce our alignment with and commitment to sustainability. In addition, our Board of Directors has re-designated our Nominating & Corporate Governance Committee as the Nominating & ESG Committee to also oversee ESG stewardship on behalf of our shareholders.

None of our success since inception, and particularly in 2021, could have been possible without the hard work, dedication, and effort of each of our employees. I personally want to thank all our employees, investors and other stakeholders for believing in our capabilities and look forward with great optimism to seeing what we can accomplish in 2022.

### AMANDA BROCK

CEO & President Aris Water Solutions, Inc.





## Looking Ahead to a Future of Continued Advancement

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Aris was started in 2015 with the viewpoint that the unconventional oil and gas industry needed a better way of managing its water handling needs, both produced from wells and supplied for completion operations. Over the past decade, the steady increase in water required for completions of new wells and corresponding growth in production drove the development of Aris's full cycle water management concept.

Aris has been a leader in changing the industry paradigm of operators owning their own localized disposal wells and gathering pipelines to midstream companies aggregating multiple producers into a centralized system. With water demand increasing and water scarcity becoming a prominent issue, the use of fresh water for well completion was quickly becoming inefficient and ecologically challenged. The industry needed a well-capitalized, reliable, safe and professional organization to facilitate the development of infrastructure that could be used by multiple oil and gas companies to drive a much more efficient and environmentally friendly solution both for well completions and produced water gathering.

Aris became just that. We are the backbone that many of the top oil and gas companies rely on to handle their full cycle water needs. The development of Aris will not end here, as we are continually focused on new and better ways to manage the net excess water produced by the industry and endeavor to lead efforts for sustainable solutions for the industry for many years to come.

Our business provides a critical service to the oilfield, ensuring that water generated from production wells has a safe and economical avenue for removal. Our innovative approach towards recycling contributes to US onshore production by providing reliable water management and actively

pursuing opportunities to reduce water stress, ensuring the oil industry continues to be a good partner in supplying the energy needs of the future.

Additionally, our success would not be possible without the faith and contractual support of this new water paradigm by our forward-thinking customers and their shared vision of a more efficient and environmentally friendly industry.

We are excited to see what 2022 and beyond brings as we continue to build value for our stakeholders. I am humbled by how much Aris has accomplished in a few short years, and I am confident we will continue our track record of cash flow growth and leadership in sustainability. We will continue to strive to make Aris an exciting, inclusive and safe place to work for our employees and an attractive investment for our shareholders.

### **BILL ZARTLER**

Founder & Executive Chairman, Aris Water Solutions, Inc.



# About Aris

Aris is a leader in developing and operating produced water infrastructure and recycling for many of the largest operators in the Permian Basin. We are committed to leading the industry by responsibly developing and operating our infrastructure and deploying technology to advance sustainability and reduce the oil and gas industry's groundwater footprint.

## Mission

We are dedicated to supporting responsible domestic energy production by providing produced water management with a heightened level of environmental standards. We work to maintain the trust of our employees, customers and neighbors through sustainable operations and a commitment to maintaining the highest integrity and safety standards.

## Environmental Highlights



# 36%

**Decrease in Direct Methane Emissions**  
Change in methane emitted directly from operations. (1)



# 47%

**Decrease in Scope 1 Intensity**  
Scope 1 intensity is calculated as Metric Tons CO2e divided by revenue in \$M USD. Change in methane emitted directly from operations. (1)



# 179%

**Increase in Water Recycling Volumes**  
Change in volume of produced water recycled. (1)



# 24%

**Decrease in Energy Intensity**  
Energy intensity is calculated as energy use in Gigajoules ("GJ") divided by revenue in millions USD. (1)

## Social Highlights



# 50%

**Women make up 50% of the executive team at year end 2021**



# 50%

**50% Increase in average training hours per employee (1)**

## Governance Highlights



**Fully independent Audit, Compensation and Nominating and ESG committees**



**Regular executive sessions of independent directors at Board and committee meetings.**



**Board oversight of enterprise risk monitoring and mitigation**

(1) Percentages are calculated using the change from 2020 to 2021. Reporting year 2020 refers to the period from 1/1/2020 to 12/31/2020. Reporting year 2021 refers to the period from 1/1/2021 to 12/31/2021.

# Sustainability at Aris

## Achievements

### Leading Achievements in 2021:

- Significantly reduced use of onsite generation through connection to the electrical grid, thereby reducing Scope 1 Emissions.
- Generated long-term partnerships with key customers to increase recycle volumes across Aris's integrated system.
- Actively participated in University Studies with the core goal of understanding produced water and increasing the viability of using treated produced water for use outside the oilfield.
- Successfully issued first Sustainability-Link Bond in the industry.
- Successfully completed IPO.
- Reduced spill intensity.

## Sustainability Bond Realization

As part of the Sustainability-Linked Bond Framework, ISS ESG issued a third-party opinion of Aris, which found that the Key Performance Indicator ("KPI") - recycled water increase as a percentage of total water sales - is:

- Relevant to Aris's business as its industry is highly exposed to water stress, more specifically in arid regions. Large volumes of water are needed for the hydraulic fracturing process.
- By increasing this KPI, Aris will contribute to lowering the pressure on groundwater resources.
- Core to Aris's business as measured to increase recycled produced water volumes will impact key processes and operations (e.g., increase the quantity of water collected and not disposed, increase the treatment capacity)
- Material as the KPI enables Aris to mitigate the water stress risk related to its activity which captures 100% of Aris's sourcing operations.

As part of a clear strategy to help our customers advance their sustainability goals, Aris has set aggressive performance targets. Our SLB set a SPT of 60% recycled water of total water sold in FY22.

## Aris Initial Public Offering

In October 2021, Aris had a successful IPO on the New York Stock Exchange (ticker: ARIS), receiving net proceeds of approximately \$246 million. As a public company, Aris is able to demonstrate a permanent presence for our customers and a public commitment to sustainability efforts that benefit shareholders and the environments in which we operate.



# 63%

**of Water Sold in 2021 was Recycled**  
Aris exceeded our 2022 SPT to achieve 60% recycled water as a proportion of total water volumes sold.



# 13.5

**Methane emissions decreased by 0.54 tons, which is equivalent to 13.6 tons of carbon. (1)**



# 179%

**Increase in Water Recycling Volumes**



# 13,680

**Scope 1 emissions decreased by 13,680 metric tons. (1)**

(1) Changes and percentages are reflective of 2020 to 2021. Reporting year 2020 refers to the period from 1/1/2020 to 12/31/2020. Reporting year 2021 refers to the period from 1/1/2021 to 12/31/2021.

# Materiality Assessment

## Scope

Our 2021 Sustainability Report covers data from January 1 to December 31, 2021. Additional notes on our metrics outline the scope and methodologies of our reported data (the scope for reporting on social and environmental priorities is restricted to assets we operate).

## Materiality Assessment

Aris regularly monitors sustainability issues that may have a material impact on the company. In line with our ESG strategy, we have identified focus areas that may have a material impact on our business. These focus areas were guided by the Task Force on Financial Climate-related Disclosures (“TCFD”), the topics recommended by the Sustainability Accounting Standards Board (“SASB”), Sustainable Industry Classification System® (“SICS®”) and the reporting standards established by the Global Reporting Initiative (“GRI”) and the Energy Infrastructure Council (“EIC”). SICS® is SASB’s industry classification system that uses sustainability profiles to group similar companies within industries and sectors, rather than economic cycles and revenue streams.

It is important to note that Aris does not sit squarely within a singular SASB industry code. As such, we incorporated elements of the Oil &

Gas – Midstream, Oil & Gas – Services and Water Utilities standards. To provide adequate disclosure on employee diversity, we incorporated elements of the Professional Services and Investment Banking industry standards.

In addition to these guiding frameworks, our disclosures are underpinned by the UN Sustainable Development Goals (“SDGs”). Material issues were prioritized according to business impacts and interests of stakeholders.

At Aris, we strive to achieve a high standard of accuracy and excellence in all of our activities, including the content of this Sustainability Report. This report was developed by a cross-functional team of subject matter experts throughout the company and reviewed by select members of our executive team. The rigorous internal review included verifying data points and facts, providing accountability for the accuracy of this report.

As part of our ESG reporting journey, we are taking into consideration issues on climate change to better understand risk and how to create value from opportunities. Aris is developing a thorough process for identifying and disclosing climate-related impacts, including risks and opportunities to the business. This strategy will continue to mature alongside the evolving reporting standards.

The topics deemed material are outlined below:

## ESG Topics

ENVIRONMENTAL IMPACT	SOCIAL	GOVERNANCE
Climate Change	Health & Safety	Board Composition
Emissions	Diversity & Inclusion	Executive Leadership & Management
Energy	Community Involvement	Risk Management
Water		Business Ethics
Supply Chain		Cybersecurity & Data Privacy
		Public Advocacy
		Stakeholder Engagement

\* Supplementary tables in the appendix of this report provide key performance indicators relevant to each of these material topics and mapping to the SASB and GRI framework codes.

# Environmental Impact

Aris Water Solutions works to maintain the trust of our customers, employees, landowners and the local communities where we live and operate. We have integrated climate risk and corporate responsibility into multiple aspects of our long-term strategy and operations.



**36%**

**Decrease in Direct Methane Emissions**  
Change in methane emitted directly from operations.<sup>(1)</sup>



**47%**

**Decrease in Scope 1 Intensity**  
Scope 1 intensity is calculated as Metric Tons CO<sub>2</sub>e divided by revenue in \$M USD.



**179%**

**Increase in Water Recycling Volumes**  
Change in volume of produced water recycled.<sup>(1)</sup>



**24%**

**Decrease in Energy Intensity**  
Energy intensity is calculated as energy use in GJ divided by revenue in millions USD.

*(1) Percentages are calculated using the change from 2020 to 2021. Reporting year 2020 refers to the period from 1/1/2020 to 12/31/2020. Reporting year 2021 refers to the period from 1/1/2021 to 12/31/2021.*

## OVERVIEW

Our customers are increasingly focused on identifying and implementing methods to minimize their environmental impact. The use of recycled produced water reduces our customers' need to utilize groundwater, a valuable resource in arid areas such as West Texas and Southeast New Mexico.

Recycling produced water conserves groundwater, increases sustainability and converts a waste product into an asset. Our business model is beneficial for the environment, the communities in which we operate, and our customers. We continue to invest in leading technology solutions in collaboration with our customers and research entities. We constantly seek new and better ways to optimize and create environmentally beneficial solutions.



## Water

At Aris, water stewardship is a fundamental principle of responsible energy production. To deliver on this principle, Aris is continuously innovating, improving, and redefining how our industry uses and conserves water resources, while partnering with customers and stakeholders to create sustainable, safe and effective solutions.

### WATER TECHNOLOGIES

Clean, accessible, reliable water is critical to the health and welfare of the communities and industries in which we operate. Working toward a more sustainable future, Aris conducts and invests in cutting-edge research and development to transform an industry waste by-product, produced water, into a resource. Our industry has an extraordinary opportunity to develop alternative, clean water sources, which have the potential to reduce the impact of droughts on arid areas and decrease aquifer impact across industries. In addition, beneficial reuse of produced water will reduce the volume of water disposed into injection wells, which is important in areas with seismicity concerns. Potential beneficial uses of produced water outside of the oil and gas industry include enabling alternative energy production from hydrogen

and biofuels, reducing reliance on groundwater for non-consumptive agriculture and rangeland irrigation, and facilitating carbon dioxide sequestration, capture and disposal.

Our investments in beneficial reuse range from pioneering more cost-effective produced water treatment technologies for clean water production, to agricultural studies to monitor growth and productivity of non-consumptive crops, to methods to monitor the quality of the treated water ensuring human health and the environment are protected in every beneficial use opportunity that we explore. Building on our current water recycling achievements, Aris sees a future where the benefit of safely reusing produced water extends across industries, to our communities, and to the environment at large.



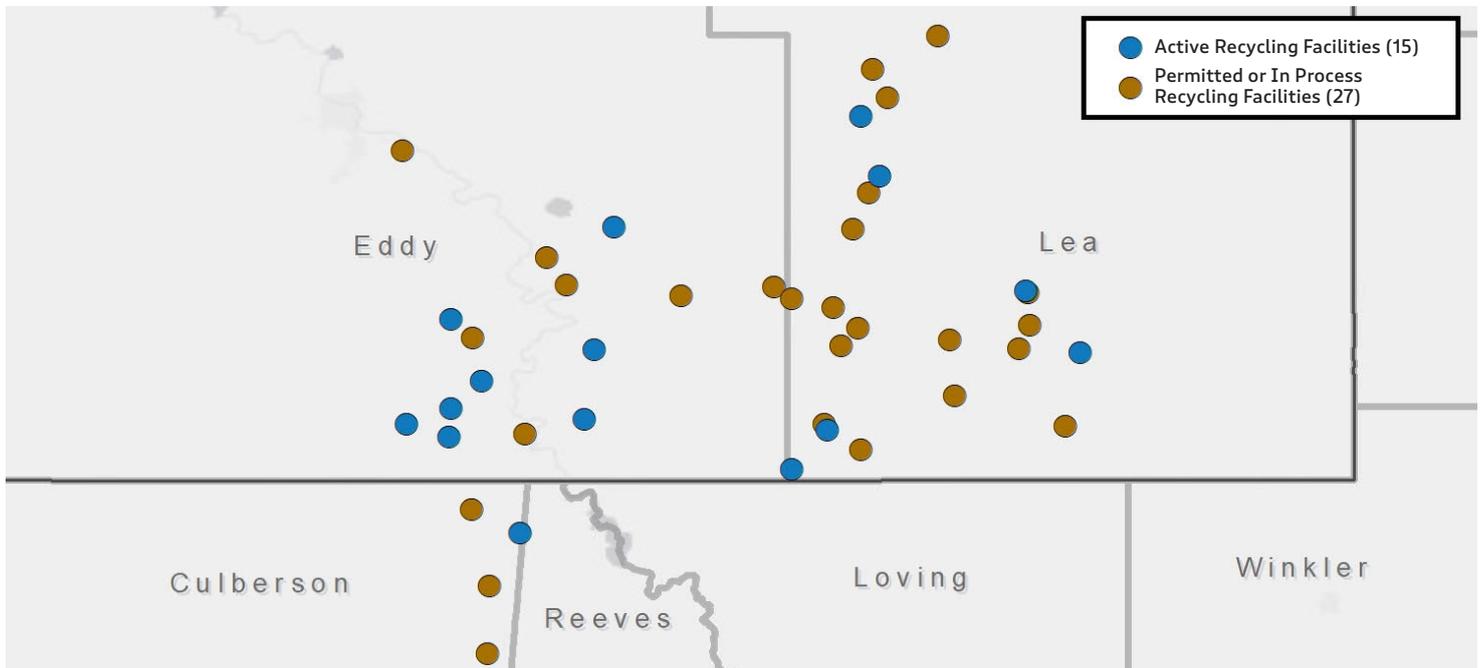
# 63%

of Water Sold in 2021 was Recycled

Aris exceeded our 2022 SPT to achieve 60% recycled water as a proportion of total water volumes sold.

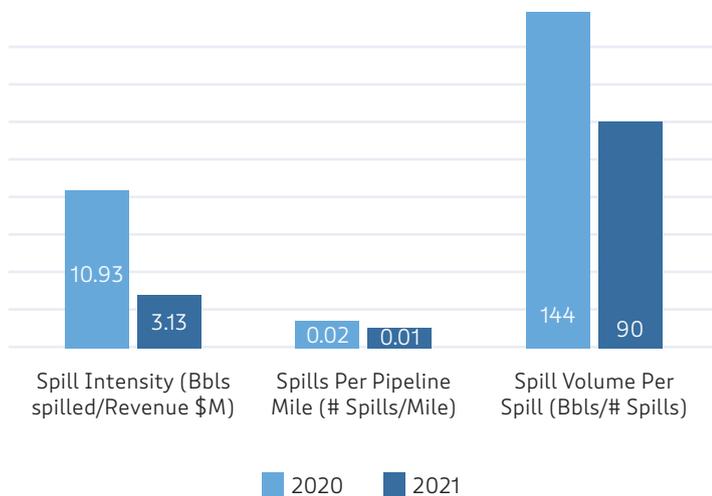
# 44,895,000 Bbls recycled in 2021

# Recycle Footprint



## Climate Change + Environmental Management Initiatives

### SPILL INTENSITY HAS DECREASED



We have implemented a comprehensive environmental management strategy throughout our operations. We continually strive to reduce emissions on an absolute and relative (intensity) level with various initiatives, such as implementing a natural gas-powered microgrid to replace diesel generators.

We help our customers to reduce their emissions with our extensive pipeline network. By transporting our customers' produced water by pipeline rather than traditional trucking methods, we have contributed to a meaningful reduction in their carbon footprint.

Our actions include undertaking baseline ecological studies before

building and operating in any location to ensure protection of endangered species habitats, ecologically sensitive areas and historic cultural locations, as well as compliance with all applicable regulations.

We developed and implemented a proactive program for spill management, as well as leak detection and repair, which uses technology-enhanced systems, including 24/7 remote monitoring programs. Our SCADA system monitors sites and water flow. We have implemented artificial intelligence cameras to look for anomalies, detect any abnormality in real time and immediately alert our team to provide rapid response.

Our environmental management program includes employee training and oversight, guidance for material selection and construction of primary and secondary containment systems. We aim to protect groundwater and prevent groundwater contamination through high-integrity wellbore design and constant monitoring of wellbore pressure to ensure well reliability and safe operations. By using corrosion-resistant materials such as polyethylene pipelines, we reduce long-term risk of spills.

### COLLABORATIVE ENVIRONMENTAL PARTNERS

The following entities sponsor or participate alongside Aris in our research efforts.

- Chevron
- ConocoPhillips
- Energy Infrastructure Council
- New Mexico Produced Water Research Consortium
- Texas A&M University
- Texas Pacific Land Trust
- Texas Produced Water Consortium
- University of Texas – El Paso

## Biodiversity

Biodiversity is a key consideration for Aris during planning, construction and operations. Before developing our sites, we complete several detailed evaluations to assess potential ecological and cultural impacts to protect the environment, wildlife, and natural habitats in the areas in which we operate.

To help safeguard sensitive wildlife at each site area, we review available background data to identify protected species and aquatic resources near the site area that could be subject to protection. This review considers data from the U.S. Fish and Wildlife Service, U.S. Geological Survey, Natural Resource Conservation Service, Department of Game and Fish, Federal Emergency Management Agency, and local universities, among other sources. We also conduct supporting fieldwork, such as nest surveys to determine if any active migratory bird nests are present within the site area.

Additionally, we seek to minimize the impact to culturally or archaeologically significant areas. Prior to commencement of site work, we review data from relevant databases such as the New Mexico Cultural Resource Information System, General Land Office and National Register of Historic Places to ensure we are not disturbing any sensitive areas.

Once these evaluations are complete, they are compiled into a report with recommendations for supplemental actions.



### EMPLOYEE FEATURE: LEADING BENEFICIAL REUSE INITIATIVE

# Whitney Dobson

**W**hitney Dobson began her career as a process chemical engineer researching the reduction of nuclear waste using wiped film evaporation technology. Within a few years she shifted her focus to developing water infrastructure systems for oil and gas operators in the Permian Basin, with an emphasis on maximizing opportunities for the reuse of produced water. As the industry focused more on trying to identify sustainable alternatives and began to increasingly evaluate the use of treated produced water in completion operations, Whitney played an early role by engineering and constructing one of the first water recycle sites in Pecos, TX.

She joined Aris in 2019 to successfully lead the integration of Concho Resources' produced water gathering and sourcing assets in Eddy and Lea Counties, New Mexico into Aris's comprehensive infrastructure system. In Whitney's role, she worked closely with the Aris water sourcing group recognizing the critical need for additional clean water sources in southeast New Mexico. In her new role, as Vice President of Beneficial Reuse, she is instrumental in developing and executing Aris's strategy by working with all stakeholders, including regulatory agencies and scientists, to identify technology and opportunities to drive the use of treated produced water outside of the oil and gas industry.





## ENVIRONMENTAL BENEFICIAL REUSE

# Initiatives

### **Department of Energy's Optimization Framework for Produced Water Management and Beneficial Reuse**

Aris is acting as the midstream case study for the Department of Energy's ("DOE's") project to develop a software modeling tool to identify cost-effective and environmentally sustainable produced water management, treatment and reuse solutions.

Aris's Permian-wide water management infrastructure will be used internally with the DOE and Lawrence Berkeley Laboratories to prove out the model. The goal of this study is to optimize planning, recycling, beneficial reuse and overall management of produced water.

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### **Clean Water Pilot for Potential Beneficial Reuse**

Aris works with clients and regulators to test and demonstrate cost-effective treatments to transform high salinity produced water into clean water that's safe for the environment and desirable for industrial and freshwater uses. The pilot results will serve as a guide for full-scale facility engineering, economic viability assessment, permit application, and validation of water quality monitoring methods. In addition, treated water from the pilot may be used for more in-depth agriculture research and carbon sequestration studies.

# Initiatives

### **University of Texas - El Paso ("UTEP") Developing Surrogate Methodologies for Characterizing and Monitoring Terminal Uses of Treated Produced Water**

Beneficial reuse of produced water in Texas and New Mexico is handicapped by the currently limited regulatory framework and the uncertainties and high costs associated with monitoring water quality to ensure health and environmental protection. Recent research by UTEP and the Collaborative Laboratories for Environmental Analysis and Remediation have demonstrated a close correlation between measurements of the easily analyzed constituents conductivity and Total Organic Carbon ("TOC"), to that of contaminants such as volatile organics (benzene, toluene, ethylbenzene and xylene), and metals and minerals.

The UTEP project will involve collecting more than 50 produced water samples to conduct extensive biogeochemical and toxicology analyses with the goal of developing algorithms to predict the concentration of problem contaminants using simple online and in situ measurements of TOC and conductivity rather than expensive and time-burdened analytical methods.

### **Crystal Clearwater Resources ("CCR") Pilot Demonstration of Low Temperature Distillation Using Waste Heat**

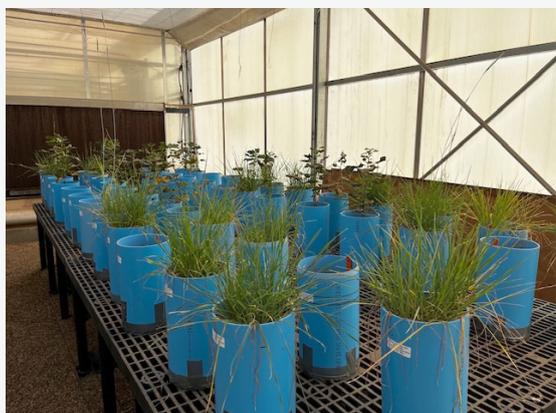
The CCR pilot project, co-funded by the New Mexico Produced Water Research Consortium and Aris, successfully demonstrated an innovative Low Temperature Thermal Distillation Technology that minimizes scaling and provides a high-quality distillate using low grade waste heat. The demonstration was conducted in December 2021 and proved out CCR Technology's ability to run on 100 percent waste heat off the exhaust of a gas compressor and to cost effectively treat 130,000 + mg/L salinity produced water with minimal pre- and post treatment. The resulting treated produced water showed "non-detect" levels of dissolved organics with a corresponding low salinity (fresh water) and is suitable in quality for a range of beneficial use options.

### **Texas A&M Agriculture Study Using Treated Produced Water**

In 2015, Texas A&M University conducted an initial phase of investigation into the use of treated produced water to offset groundwater utilization in cotton irrigation. Texas ranks third in the nation in irrigation water usage and total acres irrigated and is under pressure to reduce withdrawals, especially from the Ogallala Aquifer. The initial phase of the study, led by Dr. Katie Lewis, was successful and provided valuable information on cotton growth and yield response, as well as information on the impact of treated produced water on soil health. Phase I of the project was completed in first quarter of 2022.

Building on these initial results, Aris is supporting Dr. Lewis to implement Phase II of the project, which will drill down into the practical implementation of treated produced water irrigation to understand the maximum acceptable ratio of treated produced water to groundwater that can be used to maintain economic cotton yields and healthy soils.

In addition, the Phase II study will be expanded to include native grasslands (blue grama grass, *bouteloua gracilis*) and also will incorporate carbon accounting of both the soil and foliage CO<sub>2</sub> sequestration. Phase II of the project is ongoing with anticipated completion date of Mid 2023.

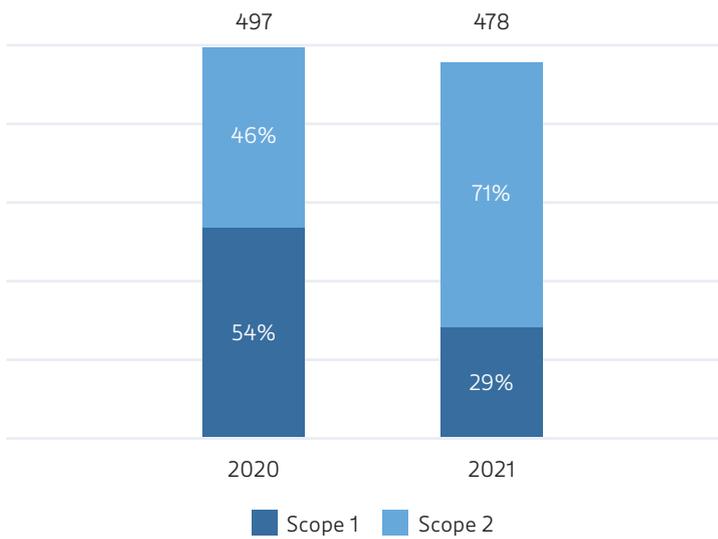


# Emissions Policy Statement

As part of Aris's strategy, we plan to continue the reduction of emissions intensity year over year. We will take the following steps to achieve this goal:

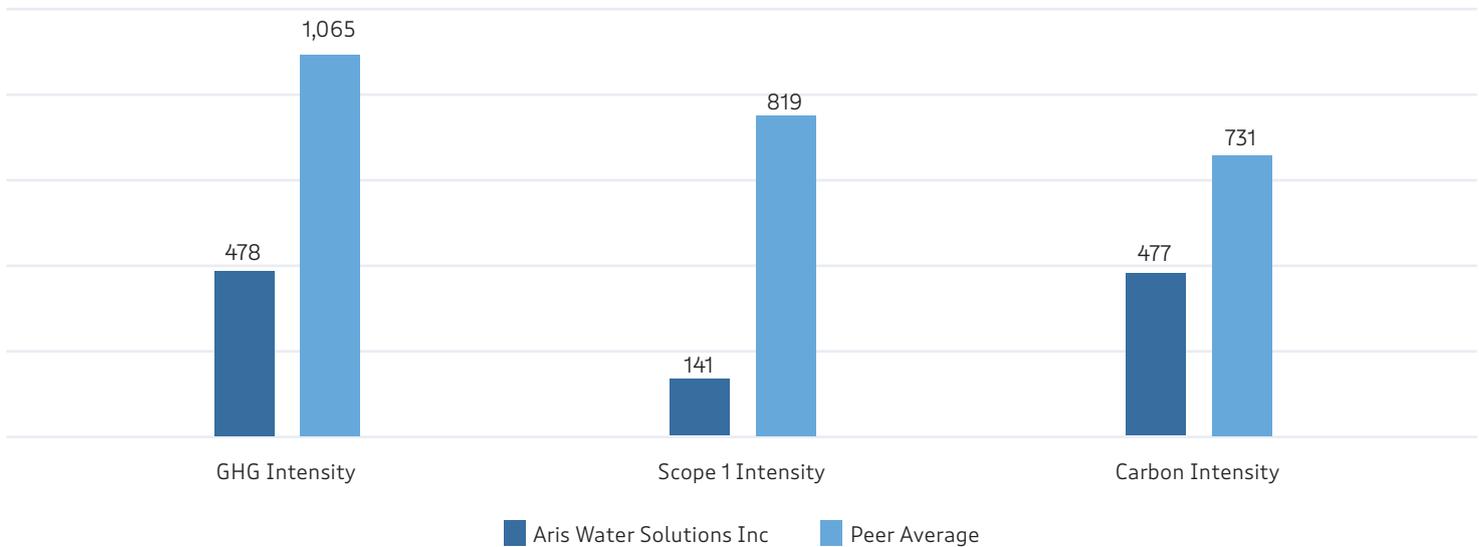
- Modification of pump sizes and automation to reduce horsepower;
- Installation of Variable Frequency Drives ("VFDs") that reduce and optimize the electrical load where pumps are installed;
- Implementation of solar powered instrumentation where possible;
- Focus on reducing truck idling; and
- Focus on optimizing chemical injection to reduce system pressure.

## GHG INTENSITY HAS DECREASED<sup>(1)</sup>



*\*Scope 1 emissions decreased, while Scope 2 increased due to the reduction of onsite generation by connection to the electrical grid.*

## ARIS LEADS IN EMISSIONS PERFORMANCE, WITH LOW INTENSITY RELATIVE TO PEERS<sup>(2)</sup>



*\*Most recent publicly available data.*

(1) GHG Intensity is calculated as metric tons CO<sub>2</sub>e / revenue in millions USD Aris refers to the GHG Protocol in defining and measuring Scope 1 and 2

(2) Peers used: NGL, RTL, CEQP, TRGP, WES, DCP, HESSM, WTR.

# 141

Scope 1 Intensity  
(metric tons CO<sub>2</sub>e / Revenue)

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# 338

Scope 2 Intensity  
(metric tons CO<sub>2</sub>e / Revenue)

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# 477

Carbon Intensity  
(metric tons CO<sub>2</sub>e / Revenue)

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# 0.23

Methane Intensity  
(metric tons CO<sub>2</sub>e / Revenue)

\*Data encompasses reporting year 2021, which refers to the period from 1/1/2021 to 12/31/2021.

## SOURCES OF EMISSIONS

Our sources of Scope 1 emissions include the burning of diesel, natural gas and gasoline for stationary field equipment and vehicles used in operations. Our Scope 2 emissions are comprised of electricity purchased for water handling sites and Aris office locations. Carbon Intensity is a measure of strictly CO<sub>2</sub> emissions, while Scope 1 and Scope 2 comprise all greenhouse gas emissions.

## EFFORTS TO REDUCE EMISSIONS

Aris strives to reduce our Scope 1 and 2 emissions intensity. Over the past year, Aris has made significant achievements in reducing Scope 1 emissions through connection of water handling facilities to the electrical grid and removing temporary remote power generation. Aris achieved a 26% reduction in Energy Intensity (GJ/MMBbl) even while increasing throughput volume by 38% from 2020 to 2021. As Aris looks towards the future, the focus shifts to the optimization of the infrastructure in order to reduce the power required to move the high volumes of water across the system. These efforts include right-sizing pumps to better meet power demand, installing variable frequency drives to reduce wasted power and experimenting with new chemical treatments to reduce friction and pressure loss within our system.

Road vehicle emissions constitute a significant portion of our Scope 1 footprint. While leaving vehicles idling on-site is standard practice across

the industry, Aris is in the process of implementing a 'no-idling' policy to cut down on unnecessary fuel consumption. Furthermore, we routinely maintain our vehicles to ensure they achieve maximum fuel efficiency.

## Supply Chain

Aris works in tandem with its suppliers to create long-term environmental, social and economic benefits for stakeholders.

Through our procurement process, we intend to make our operations more sustainable by:

- Upholding the laws and regulations of the respective areas in which we operate
- Endorsing and developing standards of economic, social, ethical and environmental practices
- Identifying and moderating risks associated with our procurement process
- Communicating our environmental, social, and governance standards to stakeholders (internal and external) and raising awareness of those efforts with our suppliers



# 24%

**Decrease in Energy Intensity  
year over year 2020 to 2021 (GJ/Revenue)**

Energy intensity is calculated as the energy use in GJ divided by revenue in millions USD.

# 15%

**Of Energy comes from  
Renewable Sources<sup>(1)</sup>**

# 26%

**Energy Intensity reduction year over  
year 2020 to 2021 (GJ/MMBbl)**

*(1) Percent renewable is estimated based on solar power used and the renewable fuel mix in the electricity grids Aris pulls energy from. Reporting year 2021 refers to the period from 1/1/2021 to 12/31/2021.*



# Social

At Aris, we prioritize a safety-first culture, provide a safe workplace for our employees and respect and encourage employee-led community engagement.



**10%**

**Decrease in Employee Turnover year over year 2020 vs 2021.** <sup>(1)</sup>



**50%**

**Increase in Average Training Hours per Employee year over year 2020 vs 2021.** <sup>(1)</sup>



**18%**

**Of Management is Made up of Women.** <sup>(2)</sup>  
Executives are included.



**34%**

**Of Management are Minorities.** <sup>(2)</sup>  
Executives are included.

<sup>(1)</sup> Reporting year 2021 refers to the period from 1/1/2021 to 12/31/2021. Reporting year 2020 refers to period from 1/1/2020 to 12/31/2020.

<sup>(2)</sup> Statistics as of December 31st, 2021

## OVERVIEW

At Aris, our people are the cornerstone of all that we do and all that we achieve. We are known for our innovation, resourcefulness, and commitment to excellence in large part due to our exceptional workforce.

We encourage our employees to focus on our core values of Excellence, Innovation, Sustainability, Integrity and Safety.

Our goals are simple:

- Promote a safe, enjoyable and prosperous workplace.
- Be responsible stewards of the environment and local communities in which we operate.
- Create long-term value for our stakeholders.



## Health & Safety

We maintain strict protocols to ensure the health and safety of our people that continually evolve based on changing needs.

Our Environmental Health and Safety ("EHS") management system is aligned with ISO 14001 and 45001, and we have integrated applicable ISO programs and practices, including the Plan-Do-Check-Adjust continuous improvement cycle.

We underwent a thorough third-party EHS Audit in 2021. We are continually audited by customers and strive to comply fully with all EHS and quality audits, working daily toward constant improvement. We also have conducted more than 400 site inspections.

We have implemented the eCompliance safety management system to further enhance our safety management and empower our workforce. This has boosted efficiency, prevention, response and worker engagement.

We rely on the Smith System for driver training and provide certified teachers to train all field employees. The Smith System is based on reducing collisions, preventing injuries and saving lives. Each principle is designed to reduce risks involved in driving by teaching drivers to anticipate dangerous situations.

We have developed an Incident and Illness Prevention Program ("IIPP"), which documents how Aris identifies, investigates, eliminates and/or minimizes workplace hazards to keep employees, contractors and visitors safe. Incident investigations are an effective tool to improve workforce safety as they:

- Prevent or decrease the likelihood of similar accidents.
- Identify and correct unsafe work practices and physical hazards.
- Identify training needs. Training is more effective when focusing on factors that are most likely to cause accidents.

In addition to incident investigations, our protocols utilize root cause analysis, as well as multiple preventative and corrective actions.

We strive for safety performance that is better than the industry average.

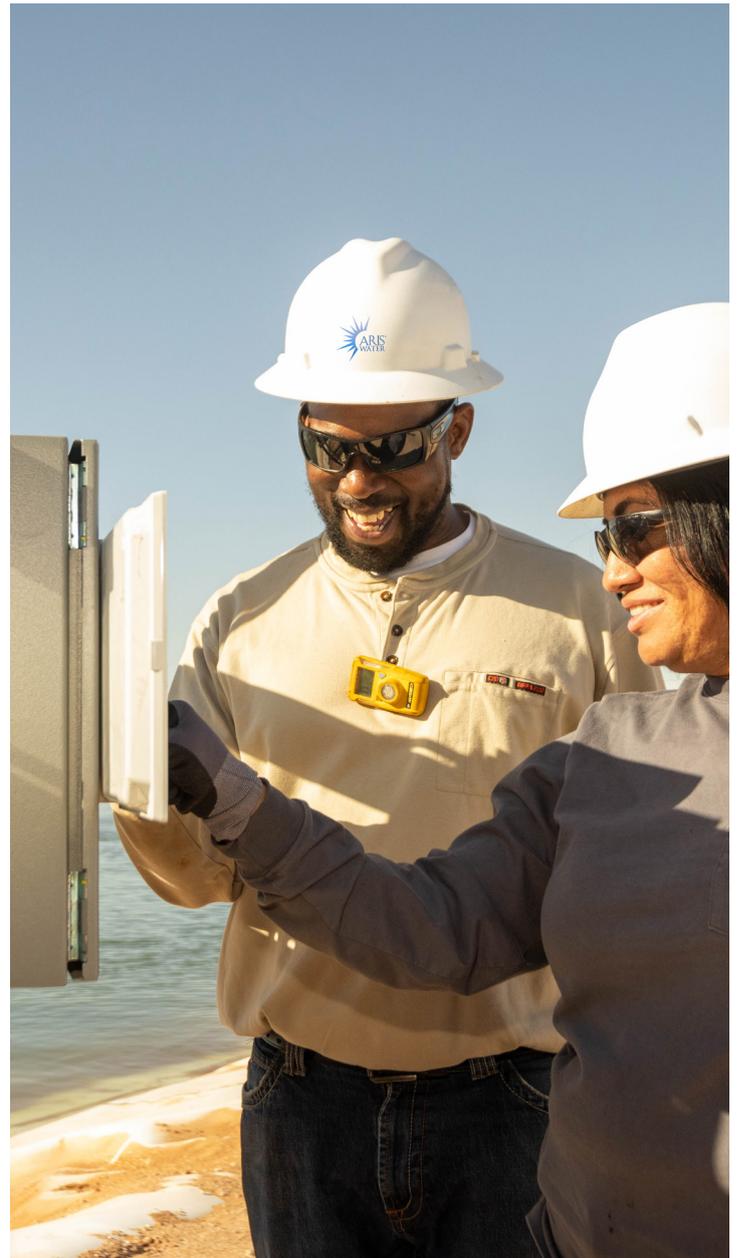
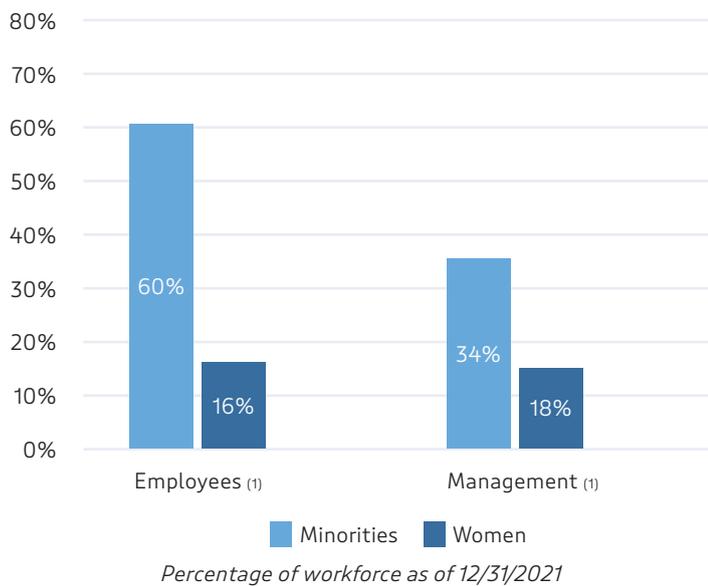
Aris is a member of ISNetworld, a global leader in contractor and supplier information management which we use as a resource to ensure our values, EHS standards, employee training and performance align with those of our customers and contractors.

## HEALTH & SAFETY TRAINING

A significant portion of our field employees have received CPR, safety and first aid training, and every new field employee begins their Aris career with two days of safety training. We host weekly, company-wide safety calls with a new lesson each week. Since the COVID-19 pandemic began, we also have offered online safety training courses twice a month. We have conducted more than 600 so far.

Aris is committed to the continuous improvement of our safety and environmental performance, including Total Recordable Incident Rate ("TRIR"), with the goal of becoming an industry leader. Our TRIR statistics can be found on page 37. Our Board of Directors has taken steps in support of our commitment toward safety by including a TRIR reduction goal as part of the 2022 executive compensation incentive plan.

## DIVERSITY BREAKOUT



## Diversity and Inclusion

### DIVERSITY AND INCLUSION POLICY

*We have a strong commitment to providing equal opportunity for all. We strive to represent and reflect the communities in which we live and work. To deliver superior performance, we seek to create an environment of inclusion that respects the contributions and differences of every individual (employees, contract workers, suppliers and business partners).*

*We embrace these differences to foster an inclusive culture, personal growth and ultimately, business success. Our policy ensures all employees, contractors and vendors – regardless of gender, race, religion, ethnicity, sexual orientation, disability, political affiliation, socio-economic status, veteran status or identity – feel respected and valued. We are committed to providing equal opportunity for employment and advancement in all our departments and ensuring that all voices are heard and valued.*

(1) The employees category excludes management. The management category includes executives.



EMPLOYEE FEATURE

# Aarika Wolfe

**A**arika Wolfe began in the water industry in August 2013 by happenstance and quickly knew it was the career for her.

She originally started out working traffic control in West Virginia, where she grew up. When her employer asked if she would like to move to their sister company and learn the water business, she jumped at the chance. She moved through the ranks until she became a manager and then relocated to Texas.

In December 2019, Aarika began working at Aris Water Solutions. Aarika, her wife and their three children live in West Texas, but Aarika travels to job sites in New Mexico daily.

As a foreman, her mornings start out handling any issues that may have happened overnight, ensuring all facilities are properly stocked and then making the rounds to job site locations.

*“It is 24/7. I like the challenge. Especially when things go wrong, we figure out how to fix it and determine what’s next.”*



She has watched the number of Aris recycling facilities expand quickly since she started – and expects it to continue.

“To see how fast we’re growing is exciting,” Aarika said. “The culture here is great. You feel like you really belong. I don’t get any pushback for being a woman in the field – I have a lot of respect from my operators.”

“Everybody helps everyone out. It has really helped me grow and develop.”

She said life as a working mom is challenging, with early mornings and long days.

“It’s sometimes difficult to juggle a family life too,” she said. “I leave the house at 6 a.m. and sometimes don’t get home until 7 or 8 p.m.”

But she enjoys the challenge and is excited for her future and that of the company.

“We are all definitely moving in the right direction,” she said. “There is room for advancement at Aris, and I hope I get the opportunity to get the next step up as we continue to grow.”

## Employee and Community Engagement

Aris offers employees competitive wages and benefits, including medical, critical illness, dental and prescription drug coverage; short- and long-term disability coverage; life insurance and accidental death benefits; retirement plans; and a 401k matching program. In addition, we offer equity to all eligible employees.

Employee development is a priority and is built into our culture. At Aris, we provide our employees opportunities to grow their careers and advance their capabilities because we know that offering development opportunities boosts employee engagement and attracts top talent. Identifying and developing employees to ensure leadership continuity is a priority for Aris. As part of our succession planning strategy, we work with employees to improve and expand their skillsets.

Aris is honored to partner and support many organizations in the areas in which we operate. Giving back is a growing part of our company and employee culture, demonstrated by our recently appointed sub-committee to lead our giving efforts in an intentional, employee-guided manner in the communities where we work and live.

Good corporate citizenship is an important responsibility, and Aris contributes employee time and money to many organizations and associations.

*“Aris aspires to be a positive impact in the communities in which we work through employee-led participation with local charity partners and other beneficial organizations.”*

*CEO Amanda Brock*



Volunteerism provides our employees with a better appreciation of the communities in which we operate, ultimately leading to the enrichment and engagement of our workforce. As a newly public company, we are working to roll out efforts to support volunteerism and gift matching to causes important to our employees.



### BLUE SANTA TOY DRIVE

*The HPD Blue Santa Program is an officer-operated non-profit that focuses on bringing joy to less fortunate Houston children.*

## Charity Partners

We encourage and empower our employees to lead charity involvement at a local level where they work and live. We intentionally choose partners who align with our values to create long-term partnerships. Below highlights a few of our partners we've worked with in the past.

- American Heart Association
- Blue Santa of Houston
- Carlsbad Community of Hope
- Down Syndrome Foundation of Southeastern NM
- Houston Food Bank
- Houston Metro Area Police Foundation
- Jonah's House Food Pantry of Carlsbad
- MD Anderson Cancer Center
- NM State Fair Jr. Livestock Sale Association
- The Center for Hearing and Speech
- Vitalant Blood Donation
- West Texas Food Bank



### NEW MEXICO STATE FAIR JUNIOR LIVESTOCK SALE ASSOCIATION

*The New Mexico State Fair Junior Livestock Sale Association awards scholarships to New Mexico high school students.*



EMPLOYEE FEATURE

# Tyler Travis

**T**yler Travis began working in the oil and gas industry right out of high school, following the well-worn path his family had taken for generations. He started in construction and traveled all over the world, working in various roles across the industry from construction to completions to operations.

He was hired at Aris in January 2019 as a facility construction foreman. He worked hard, and his talent was quickly recognized. After about a year, he moved into a role in Operations as a Superintendent.

Tyler says he is a prime example of the career opportunities available at Aris, and as the recently promoted Manager of Produced Water Operations, he is paying that concept forward.

“One of the issues my manager and I are both very passionate about is training and promoting from within – any time a job opportunity comes available, we look at people within our team who could be promoted,” Tyler said.

He spends his days working with field personnel, operators, customers, hydraulic engineers, commercial teams and managing day to day operations, ensuring system optimization and maximizing how much water can be moved in the expansive Aris network of pipelines and facilities for both disposal and recycling.

“We’re still growing, and the biggest part of our job today is not only making sure we maximize system utilization but rapidly expanding the company’s recycling capabilities.”

Tyler has worked for various companies throughout the country over the last 15 years. He can’t say enough about the culture, teamwork and long-term career stability at Aris.

*“It is by far the best place I’ve worked. The fact the CEO knows who I am, and she has since I was a construction foreman, means a lot to me and to a lot of people.”*



“The first time I met Tyler and we talked about how he wanted to address some operational challenges in the field, I was impressed by his drive, insights and initiative,” said CEO Amanda Brock. “It was clear this was not just a job to him; he wanted the company to succeed, and he wanted to play a meaningful role in our growth and was thinking proactively about ways to improve efficiency. We provided some training and watched him repeatedly go above and beyond. I am very proud of Tyler and his success so far.”

A key aspect of the Aris culture is the constant support to grow and lead – particularly as it relates to technology.

“We are always looking for the latest and greatest technology. Definitely the technology we have available to us here is above and beyond what I’ve been around before.”

In a daily operations role, Tyler sees the immediate efficiency and cost benefits of automation and technology, which are passed on to customers. He also says technology enables Aris to spot problems before they happen, helping to prevent costly problems and identifying opportunities for predictive maintenance.

“I’m not an engineer, and I don’t have a college education,” Tyler said. “I’ve got 17 years in the industry. They noticed the hard work I put in, and I was able to work my way up.”

“I love it here. It’s hard to kind of explain how good a company this is without being able to show it to you.”



ARIS  
WATER

CTB

LARCO

# Governance

Governance is the cornerstone of a successful company. Aris is led by an independent Board of Directors with a variety of backgrounds to work with experienced executives to lead our company.



**25%**

Of the Board is Made up of Women.



Regular executive sessions of independent directors at Board and committee meetings.



Fully independent Audit, Compensation and Nominating and ESG committees



Board oversight of enterprise risk monitoring and mitigation

# Board of Directors & Executives

## Overview

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Aris's board of directors and executive team are committed to maintaining strong corporate governance practices that allocate rights and responsibilities among the board, management and investors in a manner that benefits the long-term interest of stakeholders. Corporate governance practices are designed not only to satisfy regulatory and stock exchange requirements but also to provide effective oversight and management of our company. The framework for our corporate governance can be found in our Code of Business Conduct and Ethics and Principles of Corporate Governance. Our Principles of Corporate Governance are reviewed periodically by the Nominating and ESG Committee.

The following materials are available on our website under the Governance tab:

- Code of Business Conduct and Ethics
- Principles of Corporate Governance
- Nominating and ESG Committee Charter
- Compensation Committee Charter
- Audit Committee Charter

Please read our most recent definitive proxy statement for more information regarding our corporate governance practices, available on our website at <https://ir.ariswater.com/sec-filings/all-sec-filings>.



Bill Zartler, our founder, served as Chairman and Chief Executive Officer of our predecessor prior to the reorganization and IPO. With the appointment of Amanda Brock as President and CEO, the roles of CEO and Chairman are now separate. We believe that separating these roles, while retaining Mr. Zartler in the role of Executive Chairman, allows Ms. Brock to focus on the day-to-day management of the business and on executing our strategic priorities, while simultaneously allowing Mr. Zartler to leverage his extensive operating and industry experience by leading the Board and providing advice and counsel to Ms. Brock.

# Debra Coy

Debra Coy has spent her career in the water industry, so when she was invited to join the board of Aris, she was excited to explore how she could bring her expertise and viewpoint to help encourage sustainability in the energy industry while creating value for shareholders.

Debra has an extensive background investing in, advising and serving on boards of public and private water businesses and also has participated in national and international dialogues on water policy hosted by leading think tanks and policy groups such as the Aspen Institute.

***“Aris is a very interesting company operating at the intersection of energy and water. We are focused on water treatment and mitigating the environmental impact and groundwater footprint of oil and gas companies,” Debra said. “This presents a unique opportunity to bring my broad understanding of the traditional water market to Aris.”***

Her background has helped bring additional expertise to technology, increased efficiency and sustainability to the management of water resources. As she began to learn Aris's business model, she realized the company was very similar to a traditional water utility.

***“There is still this perception that managing water in the oilfield is not only less environmentally sensitive than water management in other industries, but also that it’s a less attractive business proposition,” Debra said. “That couldn’t be more wrong.”***

Aris's growing network of integrated pipeline, water handling and recycling assets and its deep technological expertise in treating and managing the water in an environmentally safe way sets it apart from competitors.

***“We are really a water utility in many ways, not just an oil and gas services company,” Debra said.***

Aris's long-term strategies include diversifying its customer base, returning cash to shareholders and pioneering how to beneficially reuse produced water beyond the oil and gas industry.

***“There has always been a view that beneficial reuse can’t work because oil wells as the source of produced water are too far away from where water is needed. And there’s also a perception that produced water is so toxic that it can’t be cleaned – and that’s just simply not true.”***

She says there is a lack of understanding regarding the technical advances that have occurred in the area of beneficial reuse. While treatment can be expensive depending on the nature of treatment needed, she predicts that over the next five years, beneficial reuse will become increasingly affordable. Many of the potential cost improvements are due to innovative research pilots that Aris and others are pioneering.

***“The technology absolutely exists for treating produced water to whatever standards are required,” Debra said. “It’s potentially a very exciting opportunity for new economic development in both Texas and New Mexico.”***

Having a reliable new source of water from these shale plays could create additional jobs and opportunities related to the use of this water for multiple purposes such as industrial source water, irrigation for non-consumptive agricultural production, or even carbon sequestration associated with irrigating grasslands and rangelands.

She says that ESG initiatives are often narrowly focused only on the environmental aspect, which is not the case at Aris.

***“You can’t be environmentally sustainable unless you’re also economically sustainable,” she said. “Companies can’t afford the right solutions unless you’re looking at it in a way that benefits all stakeholders for the long term. That’s the real meaning of governance.”***

Debra sees a clear opportunity for Aris to continue to lead in water stewardship providing innovative, sustainable solutions to the oil and gas industry and beyond.

***“As a board, we bring a breadth of perspectives that helps ensure we are leading the company for the benefit of all stakeholders” she said. “Really my goal in working with Aris is to connect my broader water network with the regulatory, industry and political networks of other board members and the Aris management team to help the company grow and succeed.”***

Debra is a Principal of Svanda & Coy Consulting and an advisor to XPV Water Partners, a growth equity fund, where she served as partner from February 2015 through February 2020. In addition to her role on the Aris board, she currently serves as a director of Global Water Resources, Inc. (Nasdaq: GWRS), Axius Water Holdings, and Water for People, a global non-profit.

Previously, Debra worked on Wall Street as an equity research analyst for more than 20 years. She was Managing Director leading coverage of the water sector for Janney Montgomery Scott’s Capital Markets group and also held senior equity research roles with the Stanford Washington Research Group, Schwab Capital Markets, HSBC Securities and National Westminster Bank.



## Board Responsibilities

The Board of Directors, comprised of eight members, has regularly scheduled quarterly meetings throughout the year. Committees include the Nominating and ESG Committee, the Audit Committee and the Compensation Committee. ESG strategy, actions and reporting at the company level report to the Nominating and ESG Committee. There is a management led ESG committee made up of key company leadership, which reports on these matters to the Nominating and ESG Committee.

Consistent with the oversight function of the Board, "the Board and its committees" core responsibilities include:

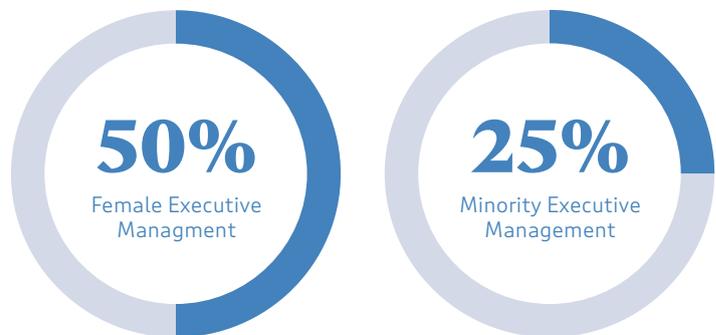
- Assessing the performance of the CEO and other senior management and setting their compensation;
- Planning for CEO and senior management succession and overseeing senior management development;
- Reviewing the company's strategies and monitoring their implementation and results;
- Overseeing the integrity of the company's financial statements and the company's financial reporting process;
- Overseeing the company's processes for assessing and managing risk;
- Overseeing legal and regulatory compliance;
- Engaging in succession planning for the Board and key leadership roles on the Board and its committees;
- Nominating the company's director candidates and appointing committee members;
- Shaping effective corporate governance;
- Providing advice and counsel to management regarding significant issues facing the company and reviewing and approving significant corporate actions; and
- Overseeing the HSE program and the company's ESG policies, practices, goals and opportunities.

The Nominating and ESG Committee is responsible for establishing and overseeing processes and procedures for the selection and nomination of directors. The committee periodically reviews, and recommends to the Board, the skills, experience, characteristics and

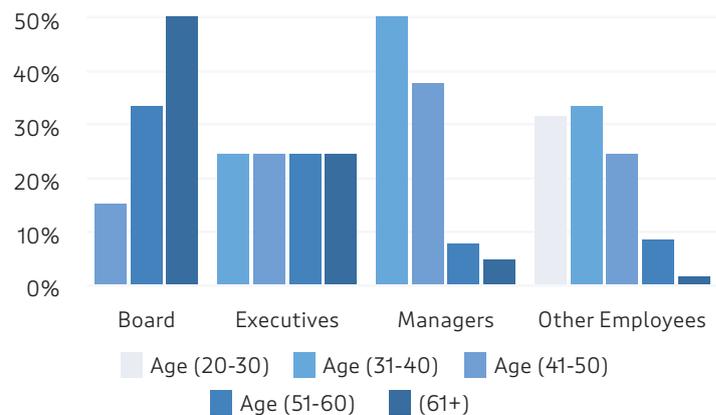
other criteria for identifying and evaluating directors. The committee also evaluates the composition of the Board annually to assess whether the skills, experience, characteristics and other criteria established by the Board are currently represented on the Board as a whole, and in individual directors, and to assess the criteria that may be needed in the future in light of the company's anticipated needs.

The Board and the Nominating and ESG Committee also actively seek to achieve a diversity of occupational and personal backgrounds on the Board, including diversity with respect to demographics such as gender, race, ethnic and national background, geography, age and sexual orientation. As part of the search process for each new director, the Nominating and ESG Committee actively seeks out women and minority candidates to include in the pool from which Board nominees are chosen.

## Diversity of Executive Management



## Employee Age



\*Statistics as of December 31st, 2021



**Bill Zartler**

Founder and Executive Chairman



**Amanda Brock**

President and Chief Executive Officer



**Brenda R. Schroer**

Chief Financial Officer



**Adrian Milton**

General Counsel, Chief Administrative Officer, Corporate Secretary

## Risk Management

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Aris's Board and Audit Committee oversee an enterprise-wide approach to risk management, designed to support the achievement of long-term organizational objectives and enhance stockholder value. Risk is assessed throughout the business, including operational, financial and reputational risks, legal and regulatory risks and data and systems security risks.

The involvement of the full Board in setting Aris's business strategy, both short-term and long-term, is a key part of their understanding of Aris's risks and how those risks may evolve in response to changes in strategy or business environment, and what constitutes an appropriate level of risk.

### CRISIS MANAGEMENT

Business continuity is a key part of Aris's strategy for our customers, employees, and industry. In the event of a crisis, the company has plans to react quickly and effectively addressing the situation.

### WINTER STORM URI

In February 2021, Texas and New Mexico experienced record-setting cold temperatures from Winter Storm Uri. These cold temperatures required our customers to significantly curtail their production and completion activities which, in turn, impacted our produced water handling and water solutions volumes. In addition to the produced water handling volume reductions, we also experienced elevated prices for field gas generated power.

Aris's senior management team implemented a cross functional response plan before, during, and after the storm. In advance of anticipated cold temperatures, our Health, Safety, and Environmental team reinforced specific safety practices among field employees including limitations on driving and procedures for safely navigating remote areas during cold temperatures.

Our operational leadership reviewed spill prevention measures and coordinated shut-in procedures with our customers to ensure continuity of operations. We also reviewed all power agreements to evaluate exposure to volatility in power pricing and, where-exposed, worked to minimize the financial impact of temporarily elevated prices.

## Ethics

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### BUSINESS ETHICS

Aris and each of its directors, officers and employees, wherever they may be located, must conduct their affairs with uncompromising honesty and integrity.

Business ethics are no different than personal ethics. The same high standard applies to both. As a director, officer or employee of the

company, Aris employees are expected to be honest, ethical and fair and should endeavor to deal fairly with the company's stakeholders (such as customers, vendors, suppliers, business partners, service providers, competitors and employees).

### HUMAN RIGHTS

Aris recognizes the dignity of all human beings and embraces the inalienable right of all people to live their lives free from all forms of discrimination or abuse. Aris seeks to prevent or mitigate adverse human rights impacts that are linked to its operations, products or services. We identify and manage human rights impacts through prudent business decisions, due diligence and communication throughout our supply chain.

Aris adheres to the laws and regulations of the United States, as well as state and local laws and regulations governing the employment, working conditions, safety and environmental aspects of its business. Aris expects its employees and business partners to reflect our respect for human rights as set out in the United Nations Universal Declaration of Human Rights and embodied in our Code of Business Conduct and Ethics, which provides guidance against discrimination, harassment, intimidation or bullying and encourages employees to report any violations of such.

### WHISTLEBLOWER

Aris employees are responsible for adhering to the standards in the Code of Business Conduct and Ethics, for raising questions if in doubt about the best course of action and for reporting possible misconduct promptly after it comes to their attention. The company takes seriously any report regarding any possible violation of the federal securities laws, violations of any company policy, or other improper or illegal activity, and recognizes the importance of keeping the identity of the reporting person confidential, wherever possible, consistent with the law and the need to conduct an adequate investigation.

Additionally, we maintain a whistleblower hotline, a 24/7/365 resource, externally hosted and managed by a third party, through which employees and external stakeholders may anonymously report any alleged violations of law or Aris's policies and standards of conduct.

### BRIBERY AND CORRUPTION

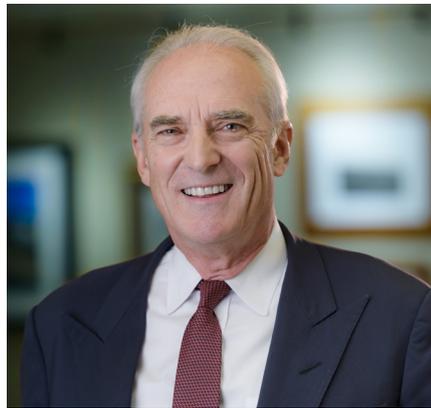
At Aris, we believe it is important to never compromise our integrity or our reputation in order to achieve a business goal. Our Code of Conduct emphasizes our commitment to acting honestly, ethically and in compliance with the law and prohibits our employees from taking or offering any form of bribe or allowing a third party to make or accept a bribe on our behalf.



(from left to right. M. Max Yzaguirre, Donald C. Templin, Amanda M. Brock, Debra G. Coy, William A. Zartler, Andrew O'Brien)



Joseph Colonna



W. Howard Keenan, Jr.

## Cybersecurity & Data Privacy

To maintain the trust of our employees, customers and partners, and to meet regulatory requirements, it is essential that we do everything we can to protect confidential information and systems in the face of a cyberattack. We maximize our preparation for potential cyberattacks to eradicate threats to our business.

Aris undergoes periodic random testing to ensure its systems are prepared for modern cyberattack tactics. Additionally, Aris conducts company-wide, bi-annual training for all employees to better detect and prepare for cyber threats.

Aris protects the personal data of all individuals maintained on its data systems. Employees who become aware of a breach of the security of data systems maintained by Aris or by third parties on behalf of Aris that resulted in the acquisition of personal data of individuals by an unauthorized person, must notify the company immediately of that breach.

## Public Advocacy

Aris is a proud member of the Energy Infrastructure Council (“EIC”), New Mexico Oil and Gas Association (“NMOGA”), New Mexico Produced Water Research Consortium (“NMPWRC”), Texas Alliance of Energy Producers, Texas Oil and Gas Association (“TXOGA”) and Texas Produced Water Consortium (“TxPWC”). Our work with each organization furthers our sustainability goals in unique ways. As EIC members, we are committed to following sustainable practices in accordance with stakeholders and investors of midstream infrastructure assets. We report along EIC guidelines to provide full transparency into our operations as we strive towards constant improvement.

Membership with the NMPWRC and TxPWC gives Aris a voice in shaping responsible water management for our industry. These groups work closely with academics and legislators to improve the longevity of water resources in their respective states. Aris is proud to sponsor research associated with both organizations and help bring these groups together to better find solutions to today’s biggest water challenges.

# Stakeholder Engagement

STAKEHOLDER	ENGAGEMENT	TOPICS & CONCERNS
Customers	<ul style="list-style-type: none"> <li>• Direct engagement with commercial team</li> <li>• Direct engagement with operations teams</li> <li>• Industry working groups and conferences</li> <li>• Industry networking events</li> </ul>	<ul style="list-style-type: none"> <li>• Water strategy and challenges/solutions</li> <li>• Water recycling optimization</li> <li>• Industry water trends</li> <li>• Water infrastructure needs</li> <li>• Community engagement</li> <li>• Regulatory environment and compliance</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Town hall meetings</li> <li>• Business unit weekly meetings</li> <li>• Company-wide weekly operations call</li> <li>• Training</li> <li>• Volunteer events</li> <li>• Aris Human Resource Portal</li> </ul>	<ul style="list-style-type: none"> <li>• Company strategy, initiatives and goals</li> <li>• Safety and compliance</li> <li>• Employee/Business Unit performance feedback</li> <li>• Benefits and Equity</li> <li>• Training</li> </ul>
Investors	<ul style="list-style-type: none"> <li>• Quarterly earnings calls</li> <li>• Company SEC filings and news releases</li> <li>• Executive meetings, presentations and roadshows</li> <li>• Proactive Investor Relations outreach initiatives</li> <li>• Annual shareholder meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Board composition, diversity and strategy</li> <li>• Risk management and training initiatives</li> <li>• Capital planning and allocation</li> <li>• Operational execution</li> <li>• Corporate governance and sustainability</li> <li>• Disclosure and transparency</li> <li>• Financial strategy</li> </ul>
Community	<ul style="list-style-type: none"> <li>• Volunteer events</li> <li>• Economic/environmental development groups</li> <li>• Local internship programs</li> <li>• Professional group participation</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental protection</li> <li>• Resource conservation</li> <li>• Community impact</li> <li>• Local development opportunities</li> <li>• Mentorship</li> </ul>
Policy Groups, Industry Associations and Universities	<ul style="list-style-type: none"> <li>• Research initiatives and partnerships</li> <li>• Membership networking events</li> <li>• Working groups</li> <li>• Leadership and committee participation</li> </ul>	<ul style="list-style-type: none"> <li>• Beneficial reuse</li> <li>• Technology roadmaps</li> <li>• Water policy and regulation</li> <li>• ESG reporting metrics</li> <li>• Induced seismicity</li> </ul>

## Supplementary KPI Tables

ENVIRONMENT	GRI CODE	SASB CODE	2020	2021
<b>Energy</b>				
Energy Use (Gigajoules)	302-1	IF-WU-130a.1	971,985.80	991,739.61
Energy Intensity (GJs/MMbbls)	302-3		3,871.28	2,869.16
Energy Intensity (GJs/Revenue \$M)	302-3		5,668.48	4,326.00
Renewable Energy Use (Gigajoules)	302-1		70,514.58	153,351.74
Energy from Renewable Sources (%) (Renewable / Total Energy)		IF-WU-130a.1	7%	15%
<b>Emissions</b>				
<b>Greenhouse Gases</b>				
Scope 1 Emissions (Tons CO <sub>2</sub> e)	305-1	EM-MD-110a.1	45,898.83	32,219.27
Scope 1 Carbon Emissions (Tons CO <sub>2</sub> )	305-1		45,779.13	32,144.10
Scope 1 Methane Emissions (Tons CH <sub>4</sub> )	305-1	EM-MD-110a.1	1.51	0.97
Scope 2 Emissions (Tons CO <sub>2</sub> e)	305-2		39,245.09	77,415.92
Scope 2 Carbon Emissions (Tons CO <sub>2</sub> )	305-2		39,093.56	77,110.32
Scope 2 Methane Emissions (Tons CH <sub>4</sub> )	305-2		0.59	1.16
Total Greenhouse Gases (Tons CO <sub>2</sub> e)			85,143.92	109,635.20
Total Carbon Emissions (Tons CO <sub>2</sub> )			84,872.69	109,254.42
Total Methane Emissions (Tons CH <sub>4</sub> )			2.10	2.13
<b>GHG Intensity</b>				
Scope 1 Intensity (Tons CO <sub>2</sub> e/MMbbls)	305.4		182.81	93.21
Scope 1 Intensity (Tons CO <sub>2</sub> e/ Revenue \$M)	305.4		267.68	140.54
Scope 2 Intensity (Tons CO <sub>2</sub> e/MMbbls)	305.4		156.31	223.97
Scope 2 Intensity (Tons CO <sub>2</sub> e/ Revenue \$M)	305.4		228.87	337.69
Total Greenhouse Gas Intensity (Tons CO <sub>2</sub> e/MMbbls)	305.4		339.12	317.18
Total Greenhouse Gas Intensity (Tons CO <sub>2</sub> e/ Revenue \$M)	305.4		496.55	478.23
Carbon Intensity (Total Tons CO <sub>2</sub> /MMbbls)	305.4		338.04	316.08
Carbon Intensity (Total Tons CO <sub>2</sub> / Revenue \$M)	305.4		494.97	476.57
Methane Intensity (Total Tons CO <sub>2</sub> e/ MMbbls)	305.4		0.21	0.15
Methane Intensity (Total Tons CO <sub>2</sub> e/ Revenue \$M)	305.4		0.31	0.23

## Supplementary KPI Tables

ENVIRONMENT	GRI CODE	SASB CODE	2020	2021
<b>Emissions</b>				
<b>Other Air Emissions</b>				
<b>Volatile Organic Compounds (VOC) (Tons)</b>	305-7	EM-MD-120a.1	323.48	323.83
<b>Water</b>				
<b>Water Withdrawn (Thousand Cubic Meters)</b>	303-3		37,358	47,817
<b>Total Produced Water Discharged (Thousand Cubic Meters)</b>	303-4	EM-EP-140a.2	34,797	40,679
<b>Total Produced Water Recycled or Reused (Thousand Cubic Meters)</b>	303-4	EM-EP-140a.2	2,560	7,138
<b>Produced Water Recycled or Reused (%)</b>		EM-EP-140a.2	7%	15%
<b>Produced Water Injected or Disposed (%)</b>		EM-EP-140a.2	93%	85%
<b>Water Intensity</b>				
<b>Total Water Intensity (Thousand Cubic Meters Withdrawn / Revenue \$M)</b>			217.86	208.58
<b>Total Water Intensity (MMbbls Withdrawn / MMbbls Throughput)</b>			0.94	0.87
<b>Total Water Intensity (MMbbls Withdrawn / Revenue \$M)</b>			1.37	1.31
<b>Spills</b>				
<b>Number of Spills</b>	306-3	EM-MD-160a.4	13	8
<b>Aggregate Volume of Spills (Bbls)</b>	306-3	EM-MD-160a.4	1,874.50	718
<b>Volume Per Spill</b>			144.19	89.75
<b>Pipeline Miles</b>			585	680
<b>Spill Intensity (Bbls Spilled/Bbls Throughput)</b>			0	0
<b>Spill Intensity (Bbls Spilled/Revenue \$M)</b>			10.93	3.13
<b>Spill Intensity (# Spills/Pipeline Mile)</b>			0.02	0.01

## Supplementary KPI Tables

SOCIAL	GRI CODE	SASB CODE	2020	2021
<b>Safety</b>				
<b>Employee Total Recordable Rate (TRIR) (rate per 200,000 hours worked)</b>	403-9	EM-SV-320a.1	2.04	1.80
<b>Employee Fatality Rate (rate per 200,000 hours worked)</b>	403-9	EM-SV-320a.1	0.00	0.00
<b>Contractor Total Recordable Rate (TRIR) (rate per 200,000 hours worked)</b>	403-9	EM-SV-320a.1	N/A	0.00
<b>Contractor Fatality Rate (rate per 200,000 hours worked)</b>	403-9	EM-SV-320a.1	0.00	0.00
<b>Diversity</b>				
<b>Employees at Year-End</b>	2-7	SV-PS-000.A	121	148
<b>Employees — Women (%)</b>	405-1	SV-PS-330a.1	17%	17%
<b>Management — Women (%)</b>	405-1	SV-PS-330a.1	N/A	18%
<b>Employees — Minorities (%)</b>	405-1	SV-PS-330a.1	51%	52%
<b>Management — Minorities (%)</b>	405-1	SV-PS-330a.1	N/A	34%
<b>Human Capital Management</b>				
<b>Total Turnover Rate</b>	401-1	SV-PS-330a.2	22%	20%
<b>Average Training Hours</b>	404-1		30	45
<b>GOVERNANCE</b>				
<b>GRI CODE</b>				
<b>SASB CODE</b>				
<b>2020</b>				
<b>2021</b>				
<b>Board</b>				
<b>Board Members — Women (%)</b>	405-1		22%	25%
<b>Board Members — Minorities (%)</b>	405-1		0	13%
<b>Board Members — Independent (%)</b>	2-9		0	63%
<b>Executives — Women (%)</b>	405-1	SV-PS-330a.1	50%	50%
<b>Executives — Minorities (%)</b>	405-1	SV-PS-330a.1	0	25%
<b>Activity</b>				
<b>Total Operated Throughput (Volume in Mbbls)</b>			251,076	345,655
<b>Revenue (\$M)</b>			\$171.47	\$229.25
<b>Adjusted EBITDA <sup>(1)</sup></b>			\$74.03	\$120.50

(1) Adjusted EBITDA is a non-GAAP financial measure. Please refer to our 2021 10-K for additional information regarding these non-GAAP financial measures and a reconciliation to the most comparable GAAP measures of each.

## EIC Framework

METRIC	UNIT	2020	2021
<b>Activity</b>			
Adjusted EBITDA <sup>(1)</sup>	\$M	\$74.03	\$120.50
Gross Throughput	MMbbls	251.08	345.66
Mile of Pipeline	Mile	585.00	680.00
<b>Environment</b>			
<b>Hydrocarbon Releases</b>			
Number of Hydrocarbon Liquid Releases Beyond Secondary Containment > 5 Bbl	#	0	0
Volume of Hydrocarbon Liquid Releases Beyond Secondary Containment > 5 Bbl	Bbls	0	0
Hydrocarbon Liquid Releases Intensity per Mile of Pipeline	Bbls/mile	0	0
<b>Emissions</b>			
Total GHG Emissions (Scope 1 + Scope 2) - Total	mt co2e	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>
Scope 1 GHG Emissions - Total	mt co2e	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>
Scope 1 CO <sub>2</sub> Emissions - Total	mt	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>
Scope 1 Methane Emissions - Total	mt co2e	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>
Scope 1 GHG Emissions - EPA	mt co2e	45,898.83	32,219.27
Scope 1 CO <sub>2</sub> Emissions - EPA	mt	45,779.13	32,144.10
Scope 1 Methane Emissions - EPA	mt co2e	37.75	24.14
Scope 2 GHG Emissions	mt co2e	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>
Total GHG Emissions (Scope 1 + Scope 2) Intensity per Billion BOE-Mile - Total <sup>(1)</sup>	mt co2e/Billion BOE-Mile	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>
Total GHG Emissions (Scope 1 + Scope 2) Intensity per EBITDA - Total	mt co2e/\$MM	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>
Scope 1 Methane Emissions Intensity per ONE Future Methodology <sup>(1)</sup>		N/A <sup>(1)</sup>	N/A <sup>(1)</sup>
Does the company have a greenhouse gas emissions reduction target?	Yes/No	No	No
NO <sub>x</sub> Emissions	mt	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>
SO <sub>x</sub> Emissions	mt	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>
VOC Emissions	mt	323.48	323.83

<sup>(1)</sup> At this time, Aris only reports GHG emissions using the EPA method. Please refer to KPI tables in this document for more details on these metrics.

<sup>(2)</sup> Data is not tracked.

# EIC Framework

METRIC	UNIT	2020	2021
<b>Environment</b>			
<b>Emissions</b>			
<b>Does the company participate in an external emissions reduction program? Examples include ONE Future, The Environmental Partnership, Methane Challenge, EPA Natural Gas Star</b>	Yes/No	No	No
<b>Energy used (direct and indirect) that is renewable energy (%) <sup>(1)</sup></b>	%	7%	15%
<b>Does the company seek third party data verification for any environmental metrics?</b>	Yes/No	No	No
<b>Asset Diversification and Biodiversity</b>			
<b>Does the company participate in any efforts to expand the share of alternative/renewable energy sources in the company's portfolio? If yes, please provide links to ESG reports, webpages and other disclosures as support. <sup>(2)</sup></b>	Yes/No	No	No
<b>Does the company have a biodiversity policy or commitment for new and existing assets?</b>	Yes/No	No	No
<b>Social</b>			
<b>Total Recordable Incident Rate ("TRIR") - Employees</b>	#	2.04	1.80
<b>Total Recordable Incident Rate (TRIR) for major growth projects - contractors</b>	#	N/A	0.00
<b>Days away, restricted or transferred (DART) - employees</b>	#	1.36	0.60
<b>Days away, restricted or transferred (DART) for major growth projects - contractors</b>	#	N/A	0.00
<b>Lost Time Incident Rate (LTIR) - employees</b>	#	0.00	0.6
<b>Lost Time Incident Rate (LTIR) for major growth projects - contractors</b>	#	N/A	0.00
<b>Fatalities - employees</b>	#	0.00	0.00
<b>Fatalities - contractors</b>	#	0.00	0.00
<b>Does the company have an indigenous engagement policy or commitment for new and existing assets?</b>	Yes/No	No	No
<b>Workforce that is female (%)</b>	%	17%	17%
<b>Workforce from minority groups (EEOC defined) (%) <sup>(3)</sup></b>	%	51%	52%
<b>Workforce covered under collective bargaining agreement (%) <sup>(2)</sup></b>	%	0%	0%
<b>Does the company seek third party data verification for any social metrics?</b>	Yes/No	No	No

<sup>(1)</sup> Aris is committed to maintaining the highest standard of safety for its workforce. We have strong policies, trainings, and monitoring in place. We track TRIR, LTIR and DART to maintain the highest safety visibility and standards.

<sup>(2)</sup> We believe this metric isn't material to our business and stakeholders.

<sup>(3)</sup> Reference page 16 in this report for further information on solar instrumentation.

# EIC Framework

METRIC	UNIT	2020	2021
<b>Governance</b>			
<b>Diversity</b>			
Directors that are female	%	22%	25%
Corporate officers (VP and up) that are female	%	8%	22%
Directors from minority groups (EEOC defined)	%	0%	13%
Corporate officers (VP and up) from minority groups (EEOC defined)	%	17%	17%
Is any director under the age of 50?	Yes/No	Yes	Yes
<b>Directors</b>			
Independent directors	%	0%	63%
How many directors received less than 80% votes cast in favor when running unopposed in last 5 years?	#	NA	N/A
Does the company have directors with risk management experience?	Yes/No	Yes	Yes
<b>Compensation</b>			
Has the company received less than 70% support for Say On Pay in any of the last 5 years?	Yes/No	N/A	N/A
What % of CEO target pay is performance-based?	%	N/A	N/A
What % of CEO target pay is equity-based?	%	N/A	N/A
Are there any shareholder return metrics (total return, return on invested capital, etc.) in any NEO equity compensation plan?	Yes/No	N/A	N/A
Is at least 10% of Named Executive Officer (NEO) short-term incentive (STI) or long-term incentive (LTI) linked to E or S metrics?	Yes/No	N/A	N/A
Does the company tie any amount of pay for all employees to ESG objectives?	Yes/No	N/A	N/A
<b>Share Ownership</b>			
Have any corporate officers or directors made share purchases with personal funds in the last 5 years?	Yes/No	N/A <sup>(2)</sup>	Yes
<b>Board Oversight</b>			
<b>Which of these data sets are collected and shared with board?</b>			
Voluntary employee turnover company wide and by at least one additional level (e.g. business unit, location, or division)	Yes/No	No	No

(1) As a newly public company in late 2021, a number of these items are not applicable, yet Aris is committed to increasing the scope of data tracking going forward.

(2) As a private company, individual officers and directors owned equity in Solaris Water prior to the IPO

# EIC Framework

METRIC	UNIT	2020	2021
<b>Governance</b>			
<b>Board Oversight</b>			
<b>% of employees who participate in company sponsored matching gift programs and/or volunteer for corporate sponsored charitable events</b>	Yes/No	No <sup>(1)</sup>	No <sup>(1)</sup>
<b>Gender Pay Ratio</b>	Yes/No	No <sup>(1)</sup>	No <sup>(1)</sup>
<b>Underlying data from an employee satisfaction survey that is anonymous and at least annual</b>	Yes/No	No <sup>(1)</sup>	No <sup>(1)</sup>
<b>Supply Chain</b>			
<b>Does the company require suppliers to sign off on the code of conduct or equivalent codes?</b>	Yes/No	No	No
<b>Cybersecurity</b>			
<b>Does the company undertake any of the following to manage cybersecurity risk?</b>			
<b>Mandatory employee training</b>	Yes/No	Yes	Yes
<b>Adherence to industry cybersecurity standards</b>	Yes/No	Yes	Yes
<b>Ongoing evaluation of the threat landscape</b>	Yes/No	Yes	Yes
<b>Does the company publish an annual proxy statement?</b>	Yes/No	No	No <sup>(2)</sup>

<sup>(1)</sup> As a newly public company in 2021, Aris is committed to increasing the scope of data tracking and governance policy implementation going forward.

<sup>(2)</sup> As a newly formed public company in 2021, Aris did not publish an annual proxy statement. Aris issued our 2022 proxy statement on 06/08/2022.

# Cautionary Statements

## Forward-Looking Statements

Certain statements contained in this report that are not descriptions of historical facts are “forward-looking statements.” When we use words such as “will,” “intend,” “believe,” “expect,” “anticipate,” “project,” “illustrative,” “estimated” or similar expressions that do not relate solely to historical matters, we are making forward looking statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause our actual results to differ materially from our expectations discussed in the forward-looking statements. This may be a result of various factors, including, but not limited to: our ability to achieve our ESG targets, including satisfaction of the SPT under our sustainability-linked notes; the level of capital spending and development by oil and gas companies; the potential deterioration of our customers' financial condition, including defaults resulting from actual or potential insolvencies; the impact of current and future laws, rulings and federal and state governmental regulations; the degree to which consolidation among our customers may affect spending on U.S. drilling and completions in the near term; our ability to successfully implement our business plan; regional impacts to our business, including our infrastructure assets within the Delaware Basin and Midland Basin formations of the Permian Basin; the severity and duration of world health events, including the COVID-19 pandemic; and our access to capital to fund expansions, acquisitions and our working capital needs and our ability to obtain debt or equity financing on satisfactory terms, and other factors described under “Risk Factors” in our Annual Report for the year ended December 31, 2021. All forward-looking statements, expressed or implied, included in this report are expressly qualified in their entirety by this cautionary statement. You are cautioned not to place undue reliance on any forward-looking statements. Except as otherwise required by applicable law, we disclaim any duty to update any forward looking statements, all of which are expressly qualified by this cautionary statement, to reflect events or circumstances after the date of this report.

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## NON-GAAP FINANCIAL MEASURES

In this report, we use the non-GAAP performance measure of Adjusted EBITDA to evaluate current and past performance and prospects for the future to supplement our GAAP financial information presented in accordance with GAAP. This non-GAAP financial measure is an important factor in assessing our operating results and profitability. A reconciliation of Adjusted EBITDA to net income, the most directly comparable GAAP measures, is contained in our annual 10-K filing.



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