



DXP

CORPORATE SUSTAINABILITY

Our Environmental, Social & Governance Strategy

2021

www.dxpe.com

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OPENING LETTER TO STAKEHOLDERS

DXP Enterprises has been in business since 1908 because we care deeply about and invest in the future of our employees, customers, and the communities we serve. Our solutions help customers maintain efficient, environmentally sound facilities and our people ensure the safety and quality of everything that we deliver. In the past year, we have seen the challenges of a global pandemic, racial injustice, unprecedented extreme weather, widespread internet and data security breaches, and resulting market and supply chain disruption. That is why now, more than ever, we need to examine our impacts and chart a course to make sure that our business will still be thriving 113 years into the future.

Businesses are an integral driver to the progress needed as we face local and global environmental and social challenges. To that end, I'm excited to announce our first 2021 Environmental Social Governance (ESG) Report which will outline the great work that we have already embarked upon.

We have developed a robust plan to ensure that our ESG commitments are ambitious and verifiable. Over the past several months, we have engaged internally and externally to define ESG topics that matter to our business and customers, completed an analysis of our company's impacts, and developed measurable, ambitious, and achievable goals and objectives.

Over the medium and long term, we will work with our internal and external partners to define what an ideal future state looks like for DXP Enterprises, and how we can continue to help our customers meet their ESG commitments. Here at DXP Enterprises, we are devoted to pursuing a more sustainable world. We encourage you to join this journey with us.



Sincerely,

David R. Little

Chairman of the Board,
President and Chief Executive Officer

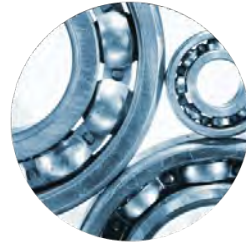


ABOUT DXP

ABOUT DXP

DXP Enterprises (DXP) is a leading industrial distribution company. Our product specialties include rotating equipment, bearings and power transmission, metalworking, industrial supplies and more. From aviation and agriculture to fabrication and construction, we offer dedicated service and support for a variety of industries. Our DXPeople are comprised of customer-driven experts in a variety of specialties, including supply chain services, pump manufacturing, and renewable energy solutions.

PRODUCTS



Bearings & Power Transmission



Industrial Supplies



Rotating Equipment



Safety Products



Metalworking Products

SERVICES



Custom Fabrication



Supply Chain Services



Safety Services



Vendor Managed Inventory



Renewable Energy Solutions



Renewable Energy



Municipal



Chemical



Agriculture



Aviation



Energy



Fabrication & Construction



Food & Beverage



General Manufacturing



Mining



Oil & Gas



Refinery



Transportation

OUR HISTORY

A little more about us

In 1908, Charles A. Levins founded Southern Engine and Pump Company in Houston, Texas. Thanks to new pump designs, water could be delivered to unprecedented heights, passenger steamships were achieving enormous scales, and irrigation was unlocking America's agricultural potential. Mr. Levins built his business by bringing these new technologies to farmers in the Houston area. The Southern Engine and Pump business grew as the community around it experienced profound change. The emergence of Big Oil and the trials of the Great Depression shaped the business and the social fabric of Texas. Mr. Levins and his team at Southern Engine and Pump thrived through these years of radical change through innovation and a promise to find customer-driven solutions.

THE JOURNEY

1908

FOUNDED: SOUTHERN
ENGINE & PUMP COMPANY



1920

CONTINUED GROWTH



In 1979 the company changed its name to SEPCO Industries, Inc. By then, SEPCO was a major distributor for a complete line of pumps, engines and gas compressors through its sales and service outlets in Texas, Louisiana, Oklahoma and New Mexico. SEPCO designed and engineered custom packaged systems, supplied local inventories for quick deliveries, and provided aftermarket support through their service and repairs. Through a merger with Shoreline Supply, SEPCO became the largest pump distributor in North America. In 1990, customers were looking for greater efficiency in their supply chains and eager for a consolidated supplier who could serve a diverse range of business requirements. To meet thriving customer demand, SEPCO acquired additional businesses to enter the bearing and power transmission business and launched a new Supply Chain Services division.

1979

BECAME SEPCO
INDUSTRIES



1990

BECAME LARGEST
PUMP DISTRIBUTOR IN
NORTH AMERICA.

EARLY 90'S

STRATEGIC ACQUISITIONS &
SERVICE EXPANSIONS



As SEPCO had expanded into new industries, its need for capital had grown as well. In 1996, the company went public. As part of the IPO, the leadership team decided to update the corporate brand to reflect the business's broader scope. DXP Enterprises Inc., "The Distribution Experts," was born. The company has continued to foster its century-old roots in the service-driven pump industry, while also expanding into bearings, power transmission, logistics, safety and metalworking. In 1986, the company had revenues of \$20 million and around 50 employees. Today, annual revenues are well over \$1 billion, and the team has grown to almost 3,000 professionals.

1996

WENT PUBLIC AS
DXP ENTERPRISES, INC.



EARLY 2000'S

CONTINUED GROWTH &
EXPANDING PRODUCT BREADTH

TODAY

EXPANDING INTO MORE
INDUSTRIES WITH TECHNICAL
PRODUCT & SERVICE EXPERTISE



OUR MISSION

DXP is dedicated to the highest quality of customer service through expertise in the products we distribute and the technical services we perform with a sense of individual pride and company spirit. We aspire to be the best solution for Industrial customers' needs for Maintenance, Repair, Operating, and Production (MROP) products and services through our Innovative Pumping Solutions, Supply Chain Services and Service Centers with safety and the environment in mind.



● Service Center / Sales Office

● Fabrication / Manufacturing / Remanufacturing

● Ballistic Distribution Center

● Customer First Center

197
Service Centers
/ Sales Offices

9
Fabrication
Centers

6
Manufacturing &
Remanufacturing

4
Ballistic
Distribution
Centers

1
Customer First
Center

ESG AT DXP

DXP is proud to embrace Environmental, Social, and Governance (ESG) as a guiding strategy for how we do business. We take corporate sustainability seriously and are committed to doing right by our customers, employees, and communities.

2021 Materiality Assessment

DXP completed a Materiality Assessment in mid-2021. We benchmarked our peers' ambitions, surveyed our employees and customers, and interviewed the DXP Leadership Team and Board. Through this comprehensive analysis, we identified the following ESG topics as material to DXP's operations:

ENVIRONMENTAL

- Energy Efficiency
- Opportunities in Clean Tech
- Fuel Economy
- Hazardous Waste and
- Chemicals Management
- Remanufacturing Design
- Renewable Energy
- Environmental Data Tracking and Transparency
- Water Stewardship



SOCIAL

- Corporate Citizenship & Philanthropy
- Human Rights & Fair Labor
- Employee H&S and Wellness
- Talent Attraction and Retention
- Diversity & Inclusion
- Product Safety and Quality



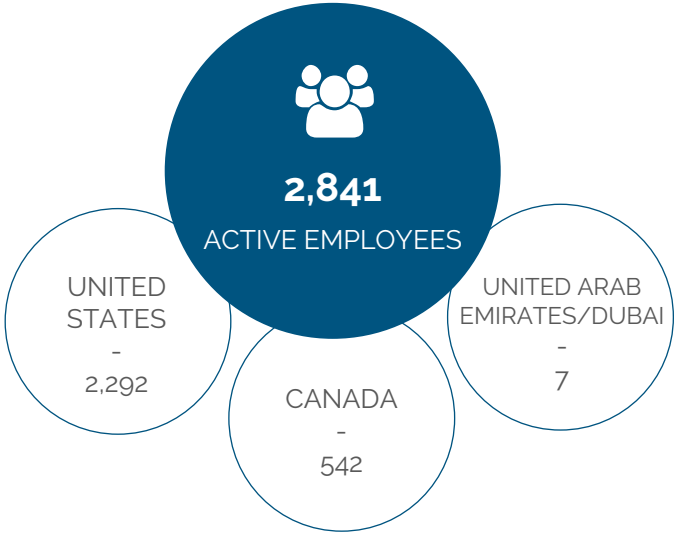
GOVERNANCE

- Risk Management
- Cyber Security
- Diverse Board
- Business Ethics
- Conflict Minerals



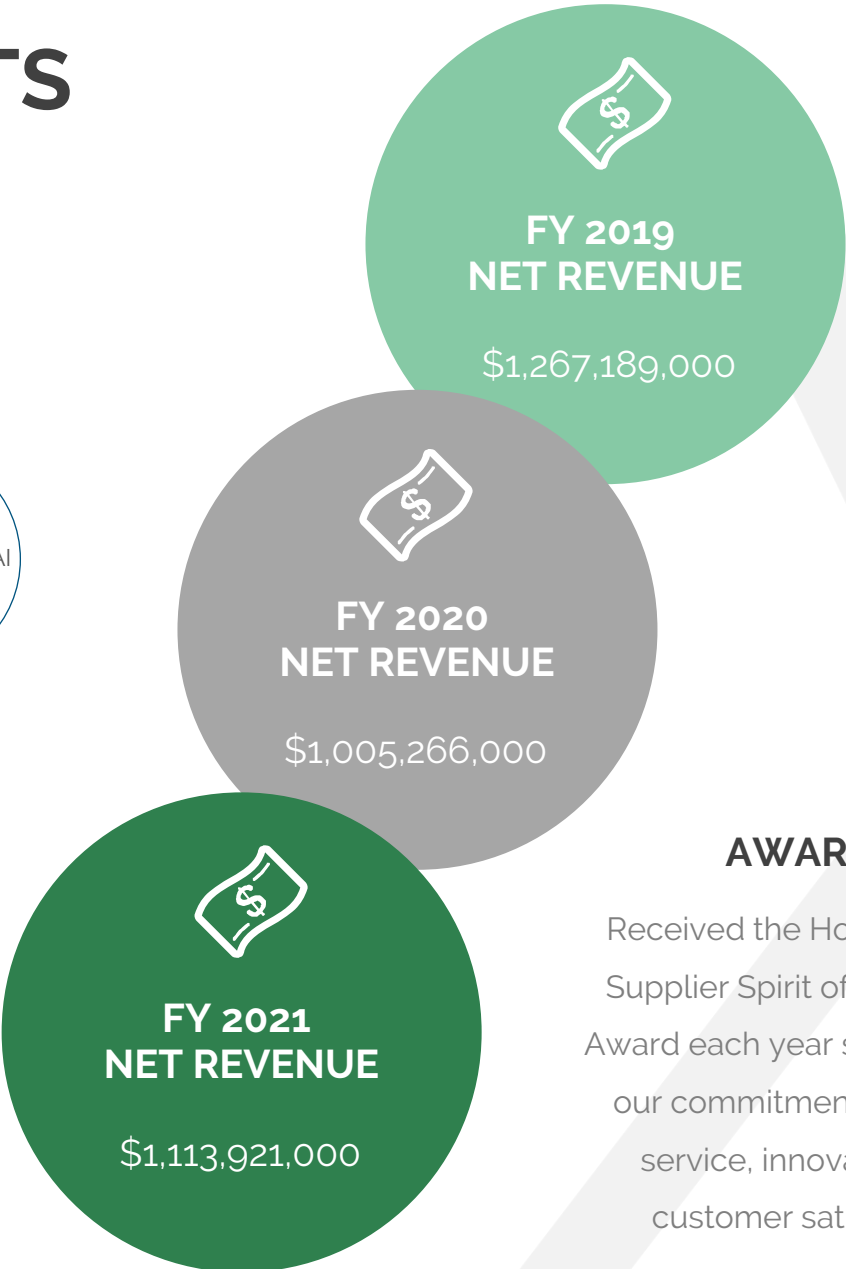
We selected topics that are core to DXP's operations and the expectations of our stakeholder groups. The selected topics resonate with stakeholders, are actionable, and are consistent with actions underway by leaders in our industry. We intend to internalize these topics within DXP's long-term corporate strategy.

ESG HIGHLIGHTS



HONORS

Industrial Distribution Ranked DXP #16 in 2020 and #17 in 2021's Big 50 Lists of Top North American Distributors



SUPPORTING OUR CUSTOMERS' NET-ZERO EMISSIONS AND CLEAN WATER GOALS

We have identified over two dozen product lines for environmental and renewable energy applications that we are currently offering to ten different industries.

AWARDS

Received the Hormel Foods Supplier Spirit of Excellence Award each year since 2012 for our commitment to quality, service, innovation, and customer satisfaction.



OUR GOALS - 2022

PILOT A SERVICE CENTER ENERGY AUDIT TO INFORM OUR STRATEGY TO REDUCE ENERGY USE IN OTHER LOCATIONS

PILOT THE USE OF ALL-ELECTRIC FORD F-150S TO DETERMINE THE FEASIBILITY OF FLEET ELECTRIFICATION

BEGIN TO TRACK REVENUE RESULTING FROM THE SALE OF PRODUCTS SUPPORTING CUSTOMERS' RENEWABLE ENERGY AND CLEAN WATER OPERATIONS

DEVELOP A STANDARDIZED, NATIONWIDE APPROACH TO OUR E-WASTE, INCLUDING ESTABLISHING VENDOR REQUIREMENTS

MEASURE AND DISCLOSE WASTE AND RECYCLING STATISTICS FROM HOUSTON DISTRIBUTION CENTERS BY 2022

INCREASE OUR INVOLVEMENT IN COMMUNITIES IN WHICH DXP OPERATES THROUGH COMMUNITY ENGAGEMENT AND EMPLOYEE VOLUNTEERISM

CONTINUE TO EXPAND OUR OFFERING AND TARGET MARKETS YEAR AFTER YEAR.



DXP
BECOME A
APPLY
INNOVATIVE PUMPING
SUPPLY CHAIN SERVICES
CENTERS
& POWER
ION
PMENT
LIES

OUR DXPEOPLE

OUR DXPEOPLE

DXPEOPLE – (pronounced D-X- peo-ple)



Our DXPeople are the heart of our organization. DXPeople are dedicated to helping our customers meet their goals. We are a close-knit family, and we combine a national distribution network with customer-first hospitality. The values of our DXPeople shine-through in each interaction in the field. We are driven by problem solving for the customer and providing the “Xpertise” and service you rely upon.

CORPORATE CITIZENSHIP & PHILANTHROPY

Community involvement is a very important part of our culture at DXP. DXP employees have volunteered their time with multiple organizations. Overall, DXP spent **\$95,962** in charitable donations in **2021**.



CORPORATE CITIZENSHIP & PHILANTHROPY

HESS HOUSTON CORPORATE 5K RUN

A team of over 50 DXPeople registered to participate in the 5K. A portion of all registration and sponsorship proceeds will directly benefit Memorial Park Conservancy, which is committed to restoring, preserving, and enhancing Memorial Park for the enjoyment of all Houstonians.



GULF COAST REGIONAL BLOOD CENTER

DXP employees have donated blood in multiple blood drives dating back to 2016.

SUSAN G. KOMEN BREAST CANCER CENTER

DXPeople have donated to raise funds to support breast cancer awareness dating back to 2012.



NATIONAL MS SOCIETY - BIKE MS

DXPeople join together annually as a team for the Bike MS cycling event to raise money for MS research.

MARINE TOYS FOR TOTS

DXPeople collected new, unwrapped toys and helped distribute those toys as Christmas gifts to low-income children throughout the local community.



HALLIBURTON CHARITY GOLF TOURNAMENT

Participated at the \$45,000 sponsorship level in 2019 and the \$60,000 sponsorship level in 2021. The funds are distributed to non-profits throughout the local community.

OUR IMPACT

"I love the fact that DXP promotes awareness & support for all types of diseases. I donated to the BCA 2021 campaign as it is a cause near and dear to me. One of my best friends is recovering from a double mastectomy due to breast cancer. Her prognosis is very good. I have the hopes that the more people are made aware, the more people can catch breast cancer earlier resulting in saving lives."

-Laurie Coudal, *Customer Service Representative*

"Initially participating in the Texas MS 150 was primarily for personal health, passion for cycling, and spending time with my brother. The first event was so overwhelming and uplifting, specifically from meeting those suffering from MS, and realizing the benefits the MS Society provides to this community and those in need of its services. The experience truly is uplifting and rewarding at the same time. The 2022 MS 150 will be my 8th year, and 6th year as DXP Team Captain. It is an event I plan for year-round and look forward to each and every day. I sincerely appreciate DXP's willingness to participate and support this event and the participants that take on this endeavor."

-Michael Kelly, *Sales Professional*

"Charity events such as the Halliburton Golf Event give DXP the opportunity to not only witness but be a part of something greater. It's always a fulfilling experience being invited to participate in an event like this year in and year out."

-Matt Teadt, *Operations Manager*

"I was 40 years old when I went for my first mammogram and was diagnosed with breast cancer. I sat for eight hours in the hospital and spoke to five different doctors going over my options. If it wasn't for charitable organizations, and those that help to promote and raise money for them, I wouldn't have had those options to choose from. Any cause that helps those in need is worth giving to, even if it's just a couple dollars."

-Nina Corrao, *Accounts Receivable*

"I had the opportunity to help be a part of the DXP Toys for Tots project and it truly warmed my heart. Paying it forward usually blesses the giver more than the recipient. I was able to not only donate a gift that I purchased to this project, but I was able to help with the shopping from the donated funds DXP received to purchase gifts for kids. Knowing that you are picking out items that a child is going to open with such excitement and joy as well as knowing that you were a small part of putting a smile on their face means so much. Can't wait to participate this upcoming season as well!"

-Teresa Withrow, *Project Coordinator*

EMPLOYEE HEALTH, SAFETY & WELLNESS



DXP is committed to keeping our DXPeople safe while they are at work so that they can return home safely to their families each and every day. We track safety statistics every quarter, conduct annual safety trainings, and constantly monitor the changing perimeters surrounding the COVID-19 pandemic to help us better understand how we as a company can continuously improve to ensure the safety of every person at DXP.

Behavior-Based Health, Safety, and Environmental Program and Stop Work Authority

This program is included in our Safety Manual and is meant to foster continuous improvement wherein employees, in addition to conforming to DXP Safety Program and policies, accept the responsibilities to pro-actively identify risks and take corrective action before such risks cause an incident. This program is monitored by our Safety Committee Members and Safety Coordinators. Under this program, all employees are responsible and authorized to Stop Work when there is a concern regarding a safety risk without repercussion. The Stop Work process involves a stop, notify, connect, and resume approach for the resolution of a perceived unsafe condition, act, error, omission, or lack of understanding that could result in an undesirable event. Work will not resume until all Stop Work issues and concerns have been adequately addressed.

U.S. SAFETY STATISTICS

EMR	Average # Employees	Average Employee Hours	Total Recordable Incident Rate
2019			
0.85	2,405	5,221,739	1.42
2020			
0.94	2,187	4,599,547	1.04
2021			
0.84	2,358	4,904,640	.94

DXP SAFETY PROGRAMS

SAFETY TRAINING

DXP conducts annual employee safety training on topics such as:

- DXP's HSE Commitment Statement
- Eye Safety
- Slips/Trips/Falls
- Driving Safety
- Safety Annual Refresher
- Machine Guarding
- Personal Protective Equipment (PPE)
- First Aid
- Heat Stress
- Fire Safety
- Emergency Action Plan Drills
- Bloodborne Pathogens Annual Refresher
- Hand Safety
- Job Safety Analysis
- Employee Exposure and Medical Records Policy
- Industrial and Office Ergonomics



DXP Safety By Choice...
Not By Chance



SAFETY AWARDS

The DXP Safety Award Program rewards employees for their compliance with the company safety program and continually improving their safety record.

Employees earn safety points for completion of safety trainings. These points can be submitted for awards ranging from DXP apparel (polos, jackets), drinkware, first aid kits, or reimbursement for safety shoes or tools related to their field of work.

COVID-19

Our number one priority is the safety of our employees, customers, and suppliers. Safety has long been a part of our culture and has guided our decisions throughout the COVID-19 pandemic. In July 2020, as case numbers were on the rise, DXP began contact tracing to try to reduce the spread of the virus throughout the workplace. Any employees who were able to work from home were encouraged to do so, while other employees were required to wear a mask and social distance at all times while on the premises. For those employees who continued to come to work in person, DXP provided PPE, cleansing and disinfecting products, installed plexi-glass in areas as an additional safety measure and implemented daily pre-screening for employees and visitors and employee temperature checks where appropriate. These methods have continued to be used today, as DXP employees have transitioned back to the office over the course of the pandemic.

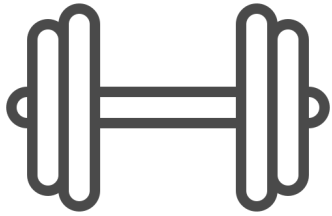
We coordinated a team of HR and Safety professionals to create a DXP COVID-19 Response Team within the organization. This group continuously monitors relevant regulation and provided guidance to implement appropriate measures within our DXP workforce around COVID-19. The goal of DXP as an essential business throughout the pandemic has been to operate effectively to ensure that all essential services are provided while maintaining the safety of our employees. In order to mitigate the spread of the illness within the workforce and our employee households, employees are responsible to immediately report illnesses or exposure to the DXP COVID-19 Response Team for review of appropriate quarantines. A separate taskforce was created within DXP's IPS Division. The IPS leaders met weekly to discuss the impact of the pandemic and worked together to quickly implement necessary protocols to maintain operations.

DXP encourages our employees to get vaccinated. Employees can voluntarily share their vaccine status within DXP's HR Team to assist the organization in better managing the impact to the organization. DXP continues to monitor the CDC, state and local laws and guidance.



EMPLOYEE WELLNESS

FITNESS CENTER



DXP recognizes National Employee Health & Fitness Day each May by providing suggested tips and activities. To build on this initiative, DXP opened a corporate fitness center free of charge to all employees who are fully vaccinated for COVID-19 on October 11, 2021. DXP hopes that the fitness center will encourage employees to lead healthy, active lifestyles. The fitness center is open Monday-Friday from 6am-7:30pm and features a wide variety of state-of-the-art exercise equipment – including cardio and weight machines, free weights, treadmills and more.



EMPLOYEE WELLNESS

DXP WALKING CHALLENGE



Each Fall, DXP conducts a Virtual Walking Challenge where employees are encouraged to join and earn rewards for participating. In September 2021, DXP

presented a new challenge: 7 Natural Wonders of the World.

Employees were able to participate virtually and strive to average at least 7,000 steps a day. We had 153 participants in the 2021 walking challenge that walked a total 35,800,679 steps. According to our challenge survey, 59.18% reported increased energy levels as a result of the walking challenge, and 44.90% reported improved stress management.

"I really enjoyed this and would definitely do it again. The number of steps per day was just about right to keep me challenged without being unattainable."

"This was my 2nd year participating and it is my favorite DXP social activity."



EMPLOYEE BENEFITS

Eligible DXP employees have the opportunity to enroll in a benefits package which includes:

MEDICAL PLANS

- Benefit Value Advisors and Personal Health Clinicians
- Health Savings Account
- Option for virtual visits

COMPANY PAID
SHORT TERM
DISABILITY PLAN

LONG TERM
DISABILITY PLANS

AFLAC
SUPPLEMENTAL
INSURANCE

401(K) WITH MATCHING

FLEXIBLE SPENDING
ACCOUNT

DENTAL PLANS

VISION PLANS

GROUP TERM AND
VOLUNTARY LIFE/
AD&D INSURANCE

PARENTAL LEAVE

100% paid parental leave for up to 9-weeks for eligible employees

EMPLOYEE ASSISTANCE PROGRAMS

DXP's Employee Assistance Program provides free services to all benefit-eligible employees:

- Three face-to-face visits with a behavioral counselor specialist for issues such as stress/anxiety, family/parenting issues, depression, grief, or substance abuse.

- Online tools available or ability to call an advocate anytime, any day.

- A source of guidance for Legal consultation, Parenting, Senior care, Childcare, Pet Care, Financial Services, Discount programs.

- Monthly Wellness Communications

PERKS AT WORK

DXP has partnered with Perks at Work since 2014. This benefit is an employee perks platform offering over 30,000 unique discounts on large items such as computers and travel as well as everyday items like restaurants, movie tickets, clothes, and more. In the last twelve months this program has saved employees an estimated \$26,000 on their purchases.

TALENT ATTRACTION AND RETENTION



We pride ourselves on employing industry leading experts. In order to maintain this reputation, it is vital that we retain our employees and continue to grow our breadth of knowledge. DXP conducts Retention Interviews to help managers understand why employees decide to remain employed.

DXP has also implemented a Frequent Employee Feedback model to provide employees and managers with the option of a continuous feedback method. This format allows for check-ins with employees on a quarterly basis. This model can be used in conjunction with DXP's Annual Performance Appraisal which provides employees with feedback on their performance over the previous year and establishes development objectives for the upcoming appraisal period.

Each year we participate in career fairs at colleges and universities. These events allow us to introduce DXP to a variety of students and gives us the opportunity to grow our talent pool with a more diverse group of potential DXPeople. In 2020, we attended the Career Fair at Texas A&M University to recruit for internships and full-time positions at DXP.



Employees Hired – 2021	
All Employees	496 (21.64%)
Managers	17 (0.78%)
All VPs, Presidents, and Senior Management	0 (0.0%)
Employee Turnover Rate - 2021	
Q1	4.61%
Q2	6.39%
Q3	7.78%
Q4	8.25%

DIVERSITY AND INCLUSION



DXP believes that workplaces should reflect the diversity of communities, and that diverse and inclusive workplaces foster increased productivity, creativity, and employee satisfaction. DXP also recognizes the progress needed to achieve a level of diversity reflecting its communities, both within its broader workforce and within leadership. For many years, we have focused on identifying and growing talent within our organization, which is reflected by the length of service and dedication of our DXPeople. We are putting programs in place to actively increase workforce diversity. We added Diversity Training into our annual training program in 2021. We are working to introduce diversity and inclusion goals and targets at DXP.



OUR PRODUCTS



OUR PRODUCTS

DXP has the right product at the right time for the right price. As a first-tier distributor of over 90% of all maintenance, repair, operating, and production products required for industrial businesses, DXP offers the most comprehensive product offering of any other industrial supplier.



Bearings & Power Transmission



Industrial Supplies



Rotating Equipment



Safety



Metal Working

ROTATING EQUIPMENT

With over a century of experience and expertise, DXP is the leading rotating equipment supplier in the industry. We carry top-rated brands of pumps you can trust to keep your business running.



- Centrifugal Pumps
- Submersible Pumps
- Specialty Pumps
- Air Compressors
- Electric Motors
- Condition Monitoring & Controls

- Positive Displacement Pumps
- Metering Pumps
- Vacuum Pumps & Blowers
- Mechanical Seals & Packing
- Service/Repair/Manufacturing
- Engineered Fabrication

BEARINGS & POWER TRANSMISSION

DXP is the 4th largest bearing and power transmission distributor in the nation. Over the years, we have gained the support and buying power of many B&PT manufacturers. We currently represent over 2500 product lines in the following categories:



- Chemicals
- Bearings
- Fluid Power
- Hose
- Linear Motion Products

- Material Handling
- Mechanical Power Transmission
- Seals
- Clutches & Brakes

METAL WORKING

DXP is one of the largest, national suppliers of metal working products in the industry. Our product offering is immeasurable, and our relationships with those suppliers allows us the ability to serve our customers wherever they are located. Through our many metal working locations across the U.S. and our highly technical staff, we provide a full service, value-added experience for our customers. DXP is a stocking distributor with a variety of programs to better serve our customers, including (but not limited to): VMI programs, e-commerce, documented cost savings, and supply chain solutions.



- Abrasives

- Clamping & Workholding

- Holmaking

- Lubricants, Fluids & Coolants

- Marking & Labeling

- Material Handling & Storage

- End Mills

- Milling Holders

- Power Tools

- Precision Instruments & Gauging

- Saw Blades

- Threading

- Lathe

- Turning & Boring

SAFETY PRODUCTS

Safety is always top of mind. Every customer, no matter the industry strives to keep their employees working safely. DXP represents the top vendors for industrial safety products in the following categories:



- Apparel

- Ergonomics

- Eye & Face Protection

- Facility Management

- Fall Protection

- Fire Protection

- First Aid

- Hand + Foot Protection

- Hazardous Material Handling

- Head + Hearing Protection

- Instrumentation

- Respiratory

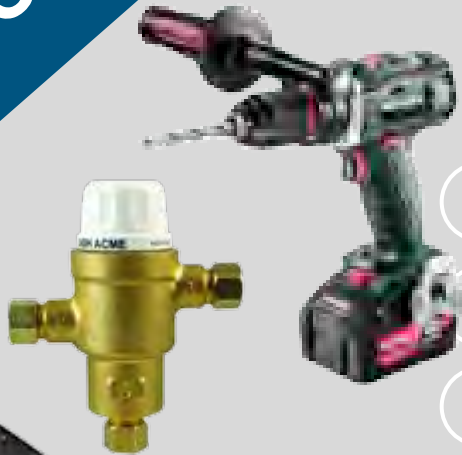
- Seasonal - PPE

- Traffic

- Welding

INDUSTRIAL SUPPLIES

Over the years, DXP has grown into one of the top industrial suppliers. With access to thousands of trusted brands, our technical experts are standing by to help you find the right tool or equipment for the task at hand:



- Abrasives
- Chemicals & Coatings
- Electrical Supplies
- Fasteners

- Janitorial Equipment
- Industrial Pipes, Valves & Fittings
- Tools
- Welding Supplies & Equipment

OPPORTUNITIES IN CLEAN TECHNOLOGY

DXP brings over a century of rotating equipment and packaging expertise to the Renewable Energy market. We are committed to supporting companies and communities determined to reach their goal of net-zero emissions. DXP is a partner in developing, implementing, and maintaining our customers' process and rotating equipment. Combining unparalleled engineering depth, we have the most extensive network of service locations in the U.S. and Canada and the highest level of technical expertise in industrial distribution. The DXP Renewables team offers the best solutions for application, some of which are highlighted below:



Biomethane Capture System

DXP designs complete solutions for the recovery of methane from biodigester, landfill, or any biomass application. From pre-treatment to methane capture, DXP designs and selects the best technology for our customers' process conditions.



Biodiesel Slurry Pumps

Pumps and complete transfer pump systems utilizing slurry pumps that can handle oils and animal fats used in the biodiesel generation process.



Chemical Injection Systems

DXP Standard and Custom-built Chemical Injection Systems are designed, packaged, and fully tested for a wide range of liquid chemical treatment applications. The complete system includes a chemical storage tank, two 100% metering/dosage pumps, instruments, tubing, valves, calibration column, and filtration.



Liquid Ring Vacuum Pumps and Compressors

Widely utilized in the biofuel industry. In bioethanol plants, Liquid-Ring Vacuum pumps are used in the distillation and rectification process as well as during the mash liquification and drying cycles. In the biodiesel industry, liquid ring vacuum pumps and compressors are applied during the separation of biodiesel and glycerin among other filling and emptying applications.



Biogas Digester Feed/Circulation Hose Pumps

Hose pumps are the most reliable way to feed biomass into anaerobic digesters. These low-maintenance, high-reliability pumps can handle grass, straw, manure, and any solids (fiber, dry matter and soil/debris) being fed. Hose pumps are also used to circulate biomass between anaerobic digesters.

PRODUCT & SAFETY QUALITY

AT DXP, WE HAVE A STRONG DEDICATION TO QUALITY CUSTOMER SERVICE, PRODUCTS, PRODUCT DISTRIBUTION, AND THE TECHNICAL SERVICES WE PERFORM.

ISO 9001 CERTIFICATION

ISO 9001 is the world's most recognized Quality Management System (QMS) standard. This certification aids organizations in meeting the needs of their customers and other stakeholders by building a framework to ensure consistent product quality. The ISO 9001 standard is meant to promote continual improvement throughout an organization's product development operations. Three of our facilities (DXP Hopkinton, IPS Fabrication, and Omaha Distribution Center) are ISO 9001 certified.

Being ISO 9001 certified allows us to increase efficiency and consistency across our processes. The comprehensive training materials provided by ISO 9001 streamlines the training process and helps us reduce errors, improving customer service and satisfaction.



PRODUCT & SAFETY QUALITY

DXP QUALITY MANUAL

Our Quality Manual refers to and outlines Company Quality System and the structure of general quality policies, methods, and practices. DXP's Quality System is led by the Steering Committee. The Steering Committee provides adequate resources and trained personnel for upper-and middle-level management, performance of work, and verification activities, including internal quality audits. When resource requirements change, or should the goals of the company change, the Steering Committee ensures that the proper resources are allocated for the successful operation of the company.

The Quality System consists of:

- Contract Review
- Document and Data Control
- Purchasing
- Control of Customer-Supplied Product
- Product Identification and Traceability
- Process Control
- Inspection and Testing
- Control of Inspection, Measuring & Test Equipment
- Control of Nonconforming Product
- Corrective and Preventive Action
- Handling, Storage, Packaging, Preservation & Delivery
- Control of Quality Records
- Annual Internal Quality Audits
- Employee Training
- Servicing Statistical Techniques





At DXP, we have long believed that we have a responsibility as a corporation to create long-term value for our customers while making a positive impact on the environment. As an organization, DXP adheres closely to an environmental policy that assesses our environmental impact as well as identifies ways that we can manage and improve our environmental performance.

OUR PLANET

DXP ENVIRONMENTAL POLICY

DXP's Environmental Policy outlines the following commitment statements:

DXP will minimize the environmental impact of our activities by:

- Limiting waste generation and handling wastes in a responsible manner
- Operating in a responsible manner reducing the risk of leaks and spills
- Maintaining emergency preparedness plans and response capabilities

DXP will systematically manage environmental performance by:

- Committing appropriate resources to meet stated goals and standards and to comply with applicable laws and regulations
- Ensuring staff and contractors are trained to carry out their duties responsibly
- Maintaining an environmental management system
- Utilizing effective performance measures
- Ensuring that inspections, audits, reviews, and follow up actions are planned and carried out
- Incorporating environmental activities into our internal audits and monthly inspections

DXP will continuously improve environmental performance through:

- Organizational development
- Understanding
- Commitment



ENERGY EFFICIENCY

It is important for us to help our customers to reach their energy efficiency goals. We have innovative solutions for reducing plant energy use and greenhouse gas emissions, a strong support for biofuels, geothermal, solar and wind, and offer a range of products for clients who are seeking to decarbonize their traditional operations.

How Have We Helped?

We have taken initiatives to help us and our customers achieve energy savings and efficiency by:

Providing customers with LED lighting to help them reduce their lighting costs, as LED lights have a life expectancy of 10 years. DXP saved one customer \$12,900 per year through this initiative and this customer has reported that their facilities are now 40% brighter.

DXP uses Soft Starters and VFD's to assist with reduced wear and tear on equipment for greater efficiency and longer life expectancy. Soft Starters protect motors from damage caused by sudden influxes of power. VFD's help to reduce motor speed allowing for greater energy savings and a reduction in potential damages to the motor.

DXP uses V-belts and Synchronous Drives systems to allow for better efficiency and a reduction in energy usage.

In 2021, a customer partnered with DXP to help reduce the number of their SKU's stocked on-site from 76 down to 21, this equals a savings of 70%. Along with that SKU reduction, DXP assisted with the increase in Mean Time Between Failures (MTBF), reductions in energy spend from more efficient gearboxes, and reducing lubrication needs, which provided the customer a cost savings of \$319,417 – before accounting for reduced Downtime, Labor, Lubricant, or Sprocket and Chain.

DXP also recognizes that our energy use has an impact and will seek opportunities to reduce our own footprint. To further our commitment of reducing our energy consumption, it is our goal to complete an energy audit at a minimum of one location in 2022. We will leverage the findings from this energy audit to initiate energy-reduction projects across our company.

HAZARDOUS AND NON-HAZARDOUS WASTE AND CHEMICAL MANAGEMENT

A key element of our environmental stewardship is the reduction of the amount of waste going from DXP locations into landfills. Landfills have negative long-range environmental impacts, drain community resources, and have limited capacity to accept the large quantities of waste generated by society. DXP is making every effort to reduce the waste generated on our sites and at our customers' facilities.

DXP manages on-site waste systematically and in accordance with its Waste Management and Recycling Policy. For every job site, DXP first estimates and evaluates the waste that will be produced to determine the need for appropriate containers and removal. DXP ensures that DXPeople and customers' employees are equipped with proper PPE (gloves and safety eyewear) for the handling and storage of waste or scrap metal, and we take care to store materials appropriately to maximize recycling and recovery and prevent runoff.

DXP ensures that hazardous and universal waste are handled separately. Employees are trained on appropriate handling techniques for batteries, pesticides, and mercury-containing equipment. Special care is taken during maintenance activities, for packing and storage before disposal, and shipping protocols. In addition, DXPeople receive appropriate hazard communication training for the hazardous substances contained in the universal wastes found on-site.

In 2022, we are working to quantify our waste footprint so that we can explore opportunities to reduce our waste generation.



WASTE MANAGEMENT & RECYCLING POLICY

We outlined four methods to achieving solid waste reduction when we constructed our Waste Management and Recycling Policy.

SOURCE REDUCTION

All employees of DXP are responsible for implementing operational practices that prevent waste from being produced. Examples include printing double-sided reports and documents, printing appropriate numbers of documents, using email rather than printed correspondence, and using products that are reusable, refillable, repairable, non-toxic, and recyclable. Items requiring the least possible packaging should be purchased when practical. Every effort should be made to prevent excess or unneeded materials from being purchased.

REUSE OF MATERIALS

All employees of DXP are responsible for reusing products whenever possible. Examples include using dishes, glasses, and reusable flatware rather than disposable paper and plastic ware, or using paint brushes many times before disposing of them.

RECYCLING

- All employees of DXP are responsible for separating identified recyclable materials and placing them in appropriate recycling containers.
- DXP Recycling includes aluminum cans, batteries, cardboard, news blend, office blend, plastic bottles, styrofoam and peanuts, toner cartridges, transparencies, videotapes, and additional items as implemented.
- Facilities Management Recycling includes construction/demolition debris, fluorescent light bulbs, motor oil, oil filters, paint, pallets, refrigerants, scrap metal, solvents, tires, yard waste, and additional items as implemented.

PURCHASE OF RECYCLED CONTENT MATERIAL

All DXP departments are responsible for making efforts to purchase and use products manufactured from or containing recycled materials.

e-Waste

To further our commitment of reducing waste in our operations as well as in our customers' operations, we will develop a standardized, nationwide approach to our e-waste, including establishing vendor requirements in 2022. We will measure and disclose waste and recycling statistics from all distribution centers by 2022 and from all facilities by 2025.



Our current recycler, [Altech Company](#), is Sustainable Electronics Recycling (R2) Certified. R2 provides clear standards for electronic recyclers, including training materials to ensure the safe handling of end-of-life electronics and their components. R2 Certified facilities are independently audited and certified.

GREENHOUSE GAS EMISSIONS

Given the global urgency around climate change and the climate-related severe weather that we've seen increase in frequency, DXP believes that GHG emissions constitute a topic that deserves immediate action for our business and for all businesses.



FUEL ECONOMY

DXP has over 700 fleet vehicles that are driven by our employees as they help our customers with their needs. We believe that any business should be as efficient as possible with fuel usage and transportation logistics.

Many of our fleet vehicles are Ford F-150s, as we have a significant need for light-duty pickup trucks across our business. Beginning in 2022, we will be launching a pilot project to assess the feasibility of incorporating electric vehicles into our fleet. We believe that electric vehicles are the future and will launch the pilot to familiarize our employees with the duty cycle of electric vehicles, charging requirements, and to ensure that light-duty electric trucks can meet all our business needs. From our findings, we will move towards broader electrification of Ford F-150s and other vehicles across our fleet where practicable. Finally, we will also start tracking the fuel use and fuel economy of each specific vehicle in our fleet, so that we can identify ways to increase fleet-wide fuel efficiency.



REMANUFACTURING DESIGN



Remanufacturing is a sustainable and efficient material recirculation practice that helps to conserve materials and energy and reduce landfill waste.

At DXP, we offer a custom remanufactured pump solution which provides our customers with total flexibility in executing their projects. This offers customers reduced lead time, reduced overall project cost, custom hydraulics, and the option to repurpose equipment they already own.

Our remanufacturing facilities have expertise in remanufacturing and rerating all varieties of American Petroleum Institute (API) vertical and horizontal single and multistage pumps. The purpose of remanufacturing is to utilize the casing, impellers, and bearing housing that already exist in the pump. Everything else is newly machined, purchased, or cast in-house at PumpWorks Castings. All components used from the existing pump are meticulously inspected and machined back to Original Equipment Manufacturer (OEM) tolerances or better. All completed pumps, just like any new API pump, are warranted and tested.

We hope to extend our expertise in remanufacturing to additional materials and parts of our business, to reduce waste and help our customers keep their equipment operating efficiently for longer periods of time.



WHY REMANUFACTURE WITH DXP?

In-house engineering and design expertise	Over 3,000 API pumps in inventory	Faster Delivery	Reman API end-suction pumps in 8-10 weeks vs. 32-45 weeks for OEM	Reman API multi-stage pumps in 14-16 weeks vs. 45-55 Weeks for OEM	Complete performance testing available	Competitive warranty (12 months after start-up or 18 months after shipment)
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WATER STEWARDSHIP

DXP believes that everyone deserves access to clean water systems, and our products help customers meet those goals. We have provided multiple types of products, installation supervision, and training opportunities to our customers for various water projects. In addition to our clean water product offerings, we take water quality seriously at our own locations by implementing pollution prevention measures throughout our facilities.



DXP TAKES PART IN CREATING A MODERN MARVEL

In 2016, the city of Atlanta purchased the [Bellwood Quarry](#) to serve as Atlanta's emergency water supply. The original emergency water supply only allowed for a maximum 3-day



buffer to the city of Atlanta, but now thanks to a newly drilled 5-mile pipeline to the Chattahoochee River, Hemphill Water Treatment Plant and Quarry, the city now has access to a 2.4-billion-gallon water reservoir. Completed in December 2020, this increases the original 3-day water supply to a minimum of 30 days and maximum of 90 days. Chosen as the preferred supplier to help complete this project, DXP supplied four pumps (2,000 Horsepower (HP) each) for Hemphill Pump Station - sized to deliver over 200 million gallons of water every day (MGD), and four pumps (1750 HP each) sized to deliver over 135 MGD for the Quarry Pump station. In addition to the pumps, we provided all variable frequency drives, soft starts, engineering and shop drawing submittals coordination with engineers, manufacturer, and contractors for a final production of pumps and VFDs. DXP also provided installation supervision and assistance with startup and training services that were included in the five-year maintenance agreement. Not only were the pumps, VFDs, and accessories delivered on time, but the project was finished ahead of schedule with zero change orders. The equipment has performed flawlessly, as stated by the city of Atlanta.

WATER STEWARDSHIP

STORMWATER POLLUTION PREVENTION

We have a stormwater permit (TPDES) for our Houston Hobby PumpWorks location in Houston, Texas to ensure compliance with local environmental regulations. Stormwater is discharged directly to the City of Houston, which flows to the Easthaven Wastewater Treatment Plant. We proactively manage our stormwater to minimize our environmental impact and ensure that our facility is resilient during periods of extreme weather. Extreme rainstorms are expected to intensify as a result of climate change, and urban stormwater management will be essential to minimize risks to life and property. We maintain vegetated areas for soil stabilization to prevent erosion and sedimentation. The Pollution Prevention Team also inspects the parking lot, stormwater drains, and pump pits monthly, and ensures that the trash and metal shavings dumpsters are emptied weekly. We are working to incorporate many of these best practices across our facilities to improve stormwater management for our locations and our communities.

SPILL PREVENTION

Spill Prevention is documented in DXP's Health, Safety, and Environmental Management System Operation Manual, and Spill Response Procedures are outlined in DXP's Emergency Response Plan. Our Universal Spill Kit contains socks, pillows, grey universal pads, disposal bag, a pair of gloves, a pair of safety goggles, and a collapsible shovel.

Employees are trained annually on our spill prevention response plan and spill kit contents.



ENVIRONMENTAL COMPLIANCE, DATA TRACKING AND TRANSPARENCY

It is important to our investors, our customers, and to our DXPeople that we are transparent in our data tracking, reporting, and disclosure. We are committed to remaining compliant in all areas of our business. We are able to best maintain compliance and track relevant data through the various platforms identified below.

We have taken the initiative to align with [SASB](#) standards. More information can be found in [Appendix B](#).



[ISNworld](#) – This platform allows for members to share industry best practices, benchmarking performance, and data insights. DXP has been a member of ISNworld since 2003.



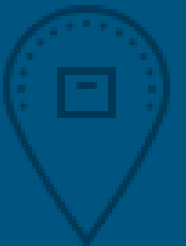
[EcoVadis](#) – This platform allows companies to monitor and share their ESG performance with stakeholders. DXP has disclosed to EcoVadis since 2013.



[Veriforce](#) – This platform allows companies to manage compliance programs and mitigate regulatory risk. DXP has been a member since 2006.



[Avetta](#) – This platform allows companies to evaluate the risk, safety, and sustainability practices of their suppliers and contractors.





We understand the importance of having a good foundation in setting the standard for our success. At DXP, we are committed to maintaining sound governance and ethical business practices while striving to achieve customer-driven solutions. We believe in building deep, solution-oriented relationships with our customers through internal and external business growth.

OUR PRACTICES

OUR LEADERSHIP

Our leadership team consists of nine senior management team members and six directors on our board, four in which are independent. Three of our board of directors are either the chairman of or are a member of our Audit Committee, Compensation Committee, and our Nominating and Governance Committee. DXP prides itself on ensuring that its board is populated by a diverse slate of individuals who represent both seasoned and fresh perspectives. Our board members are key players in our ESG journey and will continue to provide expert advice as we expand our ESG ambitions.

SENIOR MANAGEMENT TEAM

David R. Little

Chairman of the Board, President
& Chief Executive Officer

Chris Gregory

Chief Information Officer

Nick Little

Chief Operations Officer

David C. Vinson

Senior Vice President
Innovative Pumping Solutions, Operations

John J. Jeffery

Senior Vice President
Supply Chain Services

Paz Maestas

Chief Marketing & Technology Officer

Todd Hamlin

Senior Vice President Sales, Service
Centers and Innovative Pumping Solutions

Kent Yee

Chief Financial Officer

Gene Padgett

Chief Accounting Officer

BOARD OF DIRECTORS

David R. Little, *Chairman*

Timothy P. Halter

David Patton

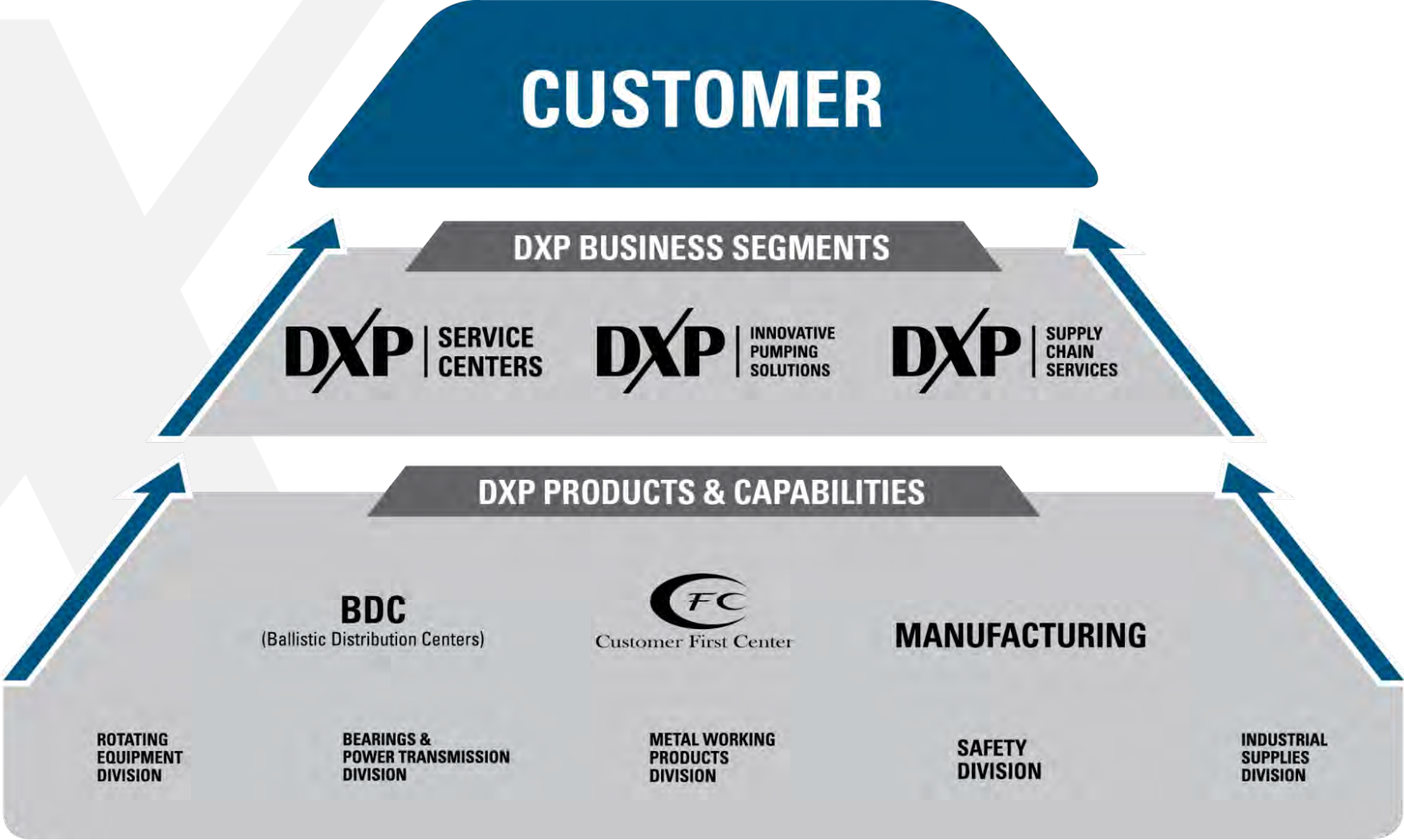
Joseph R. Mannes

Kent Yee

Karen Hoffman



OUR BUSINESS STRUCTURE





BUSINESS ETHICS

Since DXP's founding in 1908, we have always counted on our DXPeople to demonstrate an unwavering commitment to honesty and integrity. We believe the quality of our DXPeople, and our commitment to ethics and compliance will not only enable us to succeed today but will help us to achieve long-term success. DXP engages with stakeholders by conducting investor meetings and participating in workshops and conferences.

BUSINESS ETHICS

An important step in meeting our day-to-day ethics and compliance responsibilities is to be mindful of our commitments to each other, our customers, our business partners, and to the communities where we work and live. In order to achieve this, we have implemented multiple policies within our business that are all reviewed and updated on an annual basis:

1

DXP CODE OF CONDUCT

Outlines our commitment to ethics and compliance, maintaining respect and integrity within the work environment, maintaining appropriate business relations, ethical relations and confidentiality with stakeholders, information protection, corporate social responsibility, political activities, trading, anti-trust and fair competition, and anti-corruption. The Code of Conduct is reviewed on an annual basis and Employee Ethics Training is conducted on the Code at the time of new hire onboarding.

2

CODE OF ETHICS FOR SENIOR FINANCIAL OFFICERS

The honesty, integrity and sound judgement of DXP's Senior Financial Officers, which includes Executive Financial officers and other Key Financial Managers, is fundamental to our reputation and success. All Senior Financial Officers are expected to adhere to both the DXP Code of Conduct and this Code of Ethics.

3

DXP ANTI-CORRUPTION POLICY

Sets forth the ethical standards of conduct and practices that must be followed with respect to certain kinds of activity, particularly the offering or giving of anything of value, including but not limited to money, entertainment, travel, gifts, meals, charitable contributions, and political contributions regulated by the U.S. Foreign Corrupt Practices Act ("FCPA") and other anti-bribery and recordkeeping laws that are applicable to the Company and all Company Personnel.

4

AUDIT COMMITTEE CHARTER

Outlines the expectations of DXP's Audit Committee, namely, to assist the board in fulfilling its responsibilities for general oversight of DXP's financial reporting processes and the audit of DXP's financial statements, including the integrity of DXP's financial statements. Additional responsibilities include the assessment of DXP's compliance with legal regulatory and exchange or listing requirements and the independent auditors' qualifications and independence.

5

COMPENSATION COMMITTEE CHARTER

Outlines the responsibilities of the board relating to compensation of DXP's executive officers and directors. Specific responsibilities include producing an annual report on executive compensation as well as general oversight of DXP's compensation structure including equity compensation plans and benefits programs.

6

NOMINATING & GOVERNANCE COMMITTEE CHARTER

Outlines the expectations of DXP's Nominating and Governance Committee. The committee is expected to make recommendations to the board regarding the size and composition of the board, review appropriate skills and characteristics of the members, as well as continually evaluate board membership for appropriateness and functionality.



We have a Conduct Helpline in order to ensure that we handle all concerns and that they are addressed appropriately. The Conduct Helpline and partnering web portal are available 24/7. Trained specialists from an independent third-party provider of corporate compliance services will answer your call, document your concerns and forward an anonymous written report to the VP of Human Resources, Director of Human Resources, or the Chief Financial Officer, as appropriate, to provide independence for further investigation. When you contact DXP's Conduct Helpline or make a report using the web portal, all interactions can remain anonymous. All reports are treated equally whether they are submitted anonymously or not.

CONFLICT MINERALS

DXP is developing systems to avoid the use of Conflict Minerals and is committed to complying with the required reporting obligations. DXP is currently conducting inquiries into the source of Conflict Minerals in our products and has established compliance requirements for our direct suppliers:

- Direct suppliers will be surveyed by DXP.
- Suppliers are expected to provide requested information concerning Conflict Minerals in a timely manner and with full disclosure.
- Suppliers must maintain and provide to DXP, upon request, traceability data.
- Suppliers are encouraged to adopt policies and management systems and to require their suppliers to adopt similar policies and systems with respect to Conflict Minerals.
- DXP will be integrating Conflict Mineral information verification as part of their existing supplier engagement/review processes.
- DXP will assess suppliers who do not conform to DXP's policy on Conflict Minerals and will take any appropriate actions up to and including terminating supplier relationships based on nonconformance.





It is important to us that our customers feel that their data is safe and secure and that we are a company in which they can trust. In August 2020, DXP experienced a cybersecurity attack, however, we experienced no downtime to critical systems. We were able to fully recover with no data loss or interruption to our business or our customers because of our robust data back-up strategy. Due to this attack, multiple systems and data security initiatives were implemented. We added multifactor authentication to all publicly facing systems, moved to an industry-leading mail security platform, and implemented best-in-class managed endpoint detection and a response platform with 24/7 monitoring, threat hunting and remediation. Additionally, we contracted a third party to perform a security assessment and develop a thorough roadmap based on the National Institute of Standards and Technology (NIST) Cybersecurity Framework. By 2022, we plan to complete a cloud security assessment and implement a vulnerability management system, cloud access security broker (CASB), mobile device management (MDM) and log retention system. We also plan to strengthen our identity and access management as we continuously improve our security posture.



CYBER SECURITY & DATA PRIVACY:

CYBER SECURITY & DATA PRIVACY:

CYBER INCIDENT RESPONSE PLAN

This plan is currently being drafted and the initial release of the draft plan was in August 2021. This plan provides an approach for handling any potential threat to computers and data, as well as taking appropriate action when the source of the intrusion or incident at a third party is traced back to the organization. The plan identifies and describes the roles and responsibilities of the Computer Incident Response Team (CIRT), which is responsible for activating and executing this plan.

CYBER RESPONSE TEAM

For service interruptions related to systems under management of DXP's IT department, if the helpdesk determines that the outage is or may be caused by a failure of a DXP system, then the response team below must be contacted in an "all-hands-on-deck" call until the interruption can be investigated, the cause identified, and a remediation plan created and placed into implementation.

The DXP Response Team consists of:

- CIO (Chief Information Officer)
- VP of Cybersecurity
- VP of IT Applications
- Technical Lead – Azure
- Infrastructure Manager
- Network Manager
- Systems Admin
- Systems Engineer
- VP of IT Client Services
- Director of Technology
- Virtual Desktop Architect



CYBER SECURITY ("DEFENSE-IN-DEPTH") STRATEGY

BEST IN CLASS ENDPOINT DETECTION AND RESPONSE WITH 24/7 MONITORING WHICH PROVIDES ENDPOINT MONITORING, THREAT HUNTING, REACTING, REPORTING, AND ESCALATION ON ANY IDENTIFIED THREAT

EMAIL SECURITY SOFTWARE WITH PHISHING, MALWARE, AND MALICIOUS LINK BLOCKER ADDITION

SIMULATED PHISHING

NETWORK FIREWALLS WITH INTRUSION PREVENTION SYSTEM

SECURITY AWARENESS TRAINING FOR ALL END USERS

ANNUAL RISK AND VULNERABILITY ASSESSMENTS AND EXTERNAL PENETRATION TESTS

MAINTAINING CONTROLS THAT ARE TESTED QUARTERLY TO MONITOR EFFECTIVENESS. CONTROLS ARE TO MITIGATE RISKS AND PREVENT EVENTS SUCH AS UNAUTHORIZED ACCESS TO SYSTEMS, UNAUTHORIZED CHANGES TO SYSTEMS, AND UNAUTHORIZED ACCESS TO DATA.



MAINTAINING RISK MANAGEMENT

DXP is forecasting and evaluating financial, environmental, and social risks together with the identification of procedures to avoid or minimize impact. We are developing an Enterprise Risk Management Plan and Framework to better analyze, understand, and prepare for potential risks to our business.

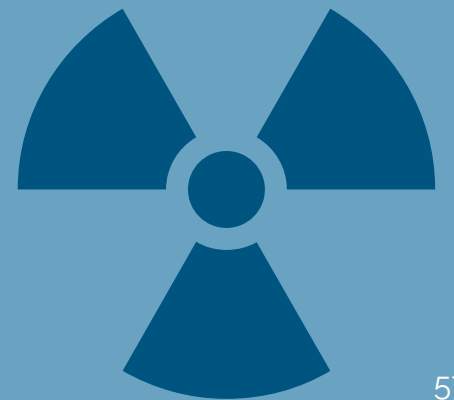
POTENTIAL THREATS

DXP has identified the following threats to business services:

- Flood
- Hurricane
- Fire
- Internet Outage
- Building Management Incidents
- Pandemic
- Power Outage
- Phone or Email Outage
- Datacenter Outage
- Server Outage

DXP's Business Continuity and Disaster Recovery Plan (BCP/DRP)

DXP's BCP/DRP was finalized in November 2021 and is intended to define the business requirements and related processes for continuity of operations in the event of a disaster. In this policy, a disaster refers to an event that impacts site-wide business operations, such as a pandemic, a fire, or a weather event such as a flood, hurricane, or tornado. The plan states that the Chief Information Officer (CIO) and the VP of cybersecurity are the primary decision makers during the planning and recovery efforts and will serve as individuals who have the primary authority to make decisions concerning responses to an unexpected disruption of service or a disaster. The VP of Cybersecurity is responsible for making sure the plan is kept up-to-date at all times and that proper periodic updates are made to the plan. In addition, this role is also responsible for training and updating all appropriate personnel.



ABOUT THIS REPORT

Scope of Report

Our 2021 Environmental, Social and Governance (ESG) Report covers a wide range of environmental, social, and governance topics that are relevant to us and our stakeholders. Quantitative data presented throughout this report covers calendar year 2019 unless stated otherwise. The information in this report was gathered through internal compilation efforts, is subject to reasonable estimation where applicable, and has not been subject to any outside third-party or other independent verification.

Forward Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a "safe-harbor" for forward-looking statements. Certain information included in this report may contain statements that are forward-looking. These forward-looking statements include without limitation those about the Company's business, the Company's future profitability, cash flow, liquidity, and growth. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future; and accordingly, such results may differ from those expressed in any forward-looking statement made by or on behalf of the Company. These risks and uncertainties include, but are not limited to: decreases in oil and natural gas prices; decreases in oil and natural gas industry expenditure levels, which may result from decreased oil and natural gas prices or other factors; ability to obtain needed capital, dependence on existing management, leverage and debt service, domestic or global economic conditions, economic risks related to the long-term impact of COVID-19, ability to manage changes and the continued health or availability of management personnel and changes in customer preferences and attitudes. In some cases, you can identify forward-looking statements by terminology such as, but not limited to, "may," "will," "should," "intend," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," "goal," or "continue" or the negative of such terms or other comparable terminology. For more information, review the Company's filings with the Securities and Exchange Commission. More information on these risks and other potential factors that could affect the Company's business and financial results is included in the Company's filings with the SEC, including in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings. These filings are available through the SEC's EDGAR system at www.sec.gov, and in the "Investors" section on the company website at www.dxpe.com. The Company assumes no obligation to update any forward-looking statements or information, which speak as of their respective dates.

Questions or Comments

Please send all questions or comments on this report to: sustainability@dxpe.com

Publish Date: April 11, 2022



APPENDIX A – DATA SUMMARY

DXP DATA METRIC SUMMARY

Active Full- and Part-Time Employees	United States:	2,292
	Canada:	542
	United Arab Emirates/Dubai:	7
	Total:	2,841
Net Revenue (from 10K)	FY2019:	\$1,267,189,000
	FY2020:	\$1,005,266,000
	FY2021:	\$1,113,921,000
Total Community Investments/Donations*	2021:	\$95,962
Safety Statistics*	2019	EMR: 0.85 Average # Employees: 2,405 Average Employee Hours: 5,221,739 Total Recordable Incident Rate: 1.42
	2020	EMR: 0.94 Average # Employees: 2,187 Average Employee Hours: 4,599,597 Total Recordable Incident Rate: 1.04
	2021	EMR: 0.84 Average # Employees: 2,358 Average Employee Hours: 4,904,640 Total Recordable Incident Rate: .94

Employees Hired in 2019*	Managers:	32 (5.93%)
	VP's, Presidents, & Senior Management:	0 (0.0%)
	All Employees:	256 (10.90%)
Employees Hired in 2020*	Managers:	30 (5.56%)
	VP's, Presidents, & Senior Management:	0 (0.0%)
	All Employees:	176 (7.52%)
Employees Hired in 2021*	Managers:	17 (0.78%)
	VP's, Presidents, & Senior Management:	0 (0.0%)
	All Employees:	496 (21.64%)
Employee Turnover Rate in 2019*	Quarter 1:	7.22%
	Quarter 2:	6.88%
	Quarter 3:	6.90%
	Quarter 4:	5.34%
Employee Turnover Rate in 2020*	Quarter 1:	7.34%
	Quarter 2:	13.63%
	Quarter 3:	5.84%
	Quarter 4:	5.23%
Employee Turnover Rate in 2021*	Quarter 1:	4.61%
	Quarter 2:	6.39%
	Quarter 3:	7.78%
	Quarter 4:	8.25%

* U.S. Statistics Only

APPENDIX B – SASB INDEX

Topic	SASB Metrics	DXP Metrics
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Energy consumed (kWh)
Employee Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Incident Rate
Fuel Economy & Emissions in Use-phase	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Not Reported
	Sales-weighted fuel efficiency for non-road equipment	Not Reported
	Sales-weighted fuel efficiency for stationary generators	Not Reported
	Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines	Not Reported
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Conflict Minerals
Remanufacturing Design & Services	Revenue from remanufactured products and remanufacturing services	Total Revenue FY2019 and FY2020