



**One  
Montrose**  
Sustainability Report  
2022

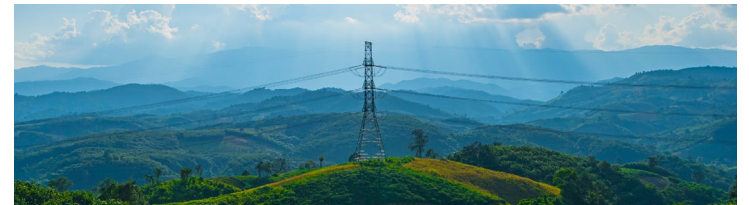


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# Dear Stakeholders,

As we reflect on 2022, the progress we made as an organization, and the global environmental impacts we had through our work, I want to take a moment to share some thoughts, accomplishments, and aspirations.

First, I would like to address a change in our reporting terminology. In the past, we referred to this document as our Environmental, Social, and Governance (ESG) Report. Following extensive discussions and collaboration with colleagues and external advisors, we have decided to adopt a more encompassing term - our business Sustainability Report.

We firmly believe that sound management of material environmental, social, and governance considerations is crucial for meeting our stakeholders' expectations and generating shareholder value. However, we also believe that environmental, social, and governance matters are often distinct from each other and need to be prioritized and managed individually as appropriate for our business and our various stakeholders. By lumping them together under the term ESG, we risk overlooking their individual actionability and significance. We view these three elements as unique and fundamental to a thriving, and ultimately sustainable, enterprise. We will continue to report on our material environmental, social, and governance topics, while ensuring that our reporting remains focused on what we are doing to contribute to a sustainable future - for us, for our stakeholders and shareholders, and for the planet.

At Montrose Environmental Group, Inc. (Montrose or the Company), sustainability is not merely a concept we discuss; it is deeply embedded in the fabric of our business. Our mission

is clear: to help protect the air we breathe, the water we drink, and the soil that feeds us. We are committed to creating a positive and lasting impact on our planet and within our society. This commitment translates to integrating sustainability practices into our day-to-day operations. As a provider of environmental and sustainability solutions, we also recognize that our most significant impact stems from the work we do with our clients.

We believe that to enact substantial change, we need to collaborate with all participants in our society and our economy. This collective effort is crucial to reducing our environmental impact and assisting in the transition to a more sustainable economy. Each of our clients plays a vital role, and we are proud to accompany them in their journey to protect and enhance our planet. As we work across various industries, we aid our clients in not only reaching their goals but also in improving environmental outcomes universally. We stand by our clients as they strive to measure greenhouse gas (GHG) emissions, enhance ecosystems, improve water and soil quality, and strategically transition to a low-carbon economy. We have also accelerated our research and development efforts by continuing to deliver new, impactful solutions such as Montrose's Carbon Conversion Process, our state-of-the-art carbon dioxide capture technology. This is because we recognize that to bring about significant improvement for our planet, we need to step outside our comfort zone and instigate change where it is most needed.

Our dedication to sustainability goes beyond our client work. In 2022, we turned the lens inward and strengthened our own sustainability practices. We took a comprehensive look at our environmental, social, and governance risks, opportunities, and impacts through a materiality assessment, and we expanded



our GHG disclosures to cover our global operations and our value chain. This has allowed us to identify key areas where we can make a substantial difference, both within our organization and more broadly. We also made ambitious commitments: to achieve net zero GHG emissions and gender balance among our employees by 2040. These long-term goals represent our unwavering determination to leave a positive mark on the world and build a more sustainable future.

In closing, I want to express my deep gratitude to each and every one of you - our valued stakeholders. It is with your support, collaboration, and shared commitment that we are able to make a real difference. Together, we can forge a path toward a better future for all. Let us continue to challenge assumptions, champion innovation, and work hand in hand to support our clients, our colleagues, our environment, our communities, and the world we all call home.

**Vijay Manthripragada**  
President, Chief Executive Officer,  
and Executive Director



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## The environment is our business.

At the heart of our mission lies a deep commitment to addressing environmental challenges and fostering a sustainable future for our clients and communities. We believe in being responsible stewards of our shared planet.

Since our inception, we have been pioneers of environmental solutions. Our teams of experienced professionals are passionate about finding innovative ways to tackle ecological issues, from testing and remediation to proactively reducing environmental impacts through innovative technologies. Our areas of expertise encompass managing climate change

impacts, enhancing water and air quality, extracting resources from waste, responding to environmental disruptions, supporting strategic sustainability planning, and much more.

We combine the consistency and wide-reaching abilities of a global presence with the deep expertise and regulatory insight of local teams, allowing us to provide tailored solutions.

At Montrose, we thrive on tackling the world's toughest environmental challenges.

### Our Mission



To help protect the air we breathe, the water we drink, and the soil that feeds us.

### Our Vision



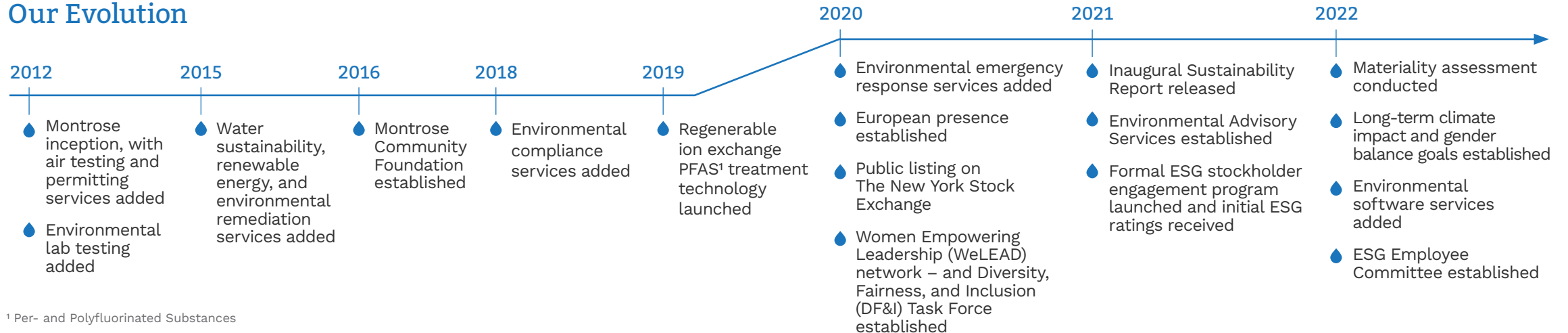
To collaboratively improve our environment, create value, and manage risk by solving complex environmental challenges with leading technologies and depth of expertise.

### Our Principles



To act according to our shared values of serving our employees, our clients, our communities, and our stockholders.

## Our Evolution



<sup>1</sup> Per- and Polyfluorinated Substances

# One Montrose

We are holistic, comprehensive, innovative, and solutions focused. Our teams lead with an exceptional breadth of experience and depth of expertise, applying integrated thinking to local, regional, and international challenges and executing boots-on-the-ground environmental and sustainability solutions. We work together to care for our employees, clients, communities, stockholders, and the environment,

and we seize every opportunity to make environmental responsibility not just a business imperative but a strategic asset.

Through our One Montrose approach, we provide integrated solutions within the highly complex and fragmented environmental industry. Our trusted brands deliver environmental solutions to over 5,000 clients worldwide. The breadth of our services is described as follows.



## Environmental Consulting and Engineering

Environmental Consulting and Engineering team delivers solutions for complex environmental challenges using our regulatory expertise and implementing practical and cost-effective compliance management processes and programs. We address our clients' biggest concerns around permitting, ecoservices, assessment, and remediation. Our highly trained and experienced engineers, scientists, environmental and remediation specialists, geologists, hydrogeologists, biologists, and environmental compliance specialists work with both public- and private-sector clients, delivering turnkey solutions.



## Environmental Advisory and Specialty Services

Montrose supports clients across public and private sectors to meet their unique and complex environmental demands. Our experts take a strategic approach to address broader environmental goals including sustainability program development, data-driven decision-making leveraging economics and ecology expertise, data management and validation, software strategy implementation and support, chemistry quality assurance, and environment, health, and safety (EHS) auditing. We work through our highly-specialized practice areas to deliver impactful solutions based on data integrity.



## Source Emissions ("Stack") Air Testing

Our stack testing experts measure compliance with emission limits on regulated air pollutants. We provide comprehensive guidance and innovative solutions at every stage of the process, ensuring a seamless experience. Our industry-leading technology applications also help clients stay ahead of emerging regulations surrounding GHGs, PFAS, and more.



### Methane Emissions (LDAR and OGI) Testing

Our team of leak detection and repair (LDAR) and optical gas imaging (OGI) regulatory experts, project managers, engineers, scientists, technicians, and quality analysts have been identifying, quantifying, and preventing fugitive emissions in more than 1,000 facilities over the past 25 years. Montrose is a global leader in using advanced OGI technology to detect leaks faster, easier, and safer.



### Water Treatment Solutions

Our team is at the forefront of sustainable water treatment solutions, delivering exceptional results in addressing complex contaminants like PFAS and selenium on a global scale. With a remarkable track record of successfully treating over 10 billion liters of contaminated industrial water to date, our experts have emerged as trusted leaders in the industry. Our proven expertise, combined with a commitment to research and development, positions us as innovators, driving sustainable, efficient, and impactful water treatment solutions.



### Environmental Laboratory Services

Our national network of accredited environmental laboratories provides clients with precision testing support, innovative scientific approaches, and high-quality data that delivers a sense of certainty. Our deep knowledge of federal, state, and local regulations enables us to provide clients with best-in-class air, soil, water, sediment, toxicology, ultratrace, and PFAS analytical solutions.



### Renewable Energy Solutions

Montrose brings industry-leading expertise as a partner in implementing renewable natural gas (RNG) projects. We provide comprehensive solutions working closely with developers, site owners, investors, and other key stakeholders to help bring low-carbon intensity (CI) gas projects to life. Collectively, our multidisciplinary project team of certified engineers, project managers, and operators encompass the comprehensive suite of services necessary to develop, design, build, operate, and maintain over 50 farms and landfills along their RNG project journey.



### Real Time Air Quality and Emissions Monitoring

Our versatile environmental data platform enables real-time tracking of environmental emissions and ambient air quality for a variety of parameters. With its wide-ranging sensor compatibility, we are equipped to build customized, comprehensive monitoring programs for clients. Our experienced team of environmental professionals provide end-to-end support, from project planning and on-site installation to data collection, analysis, reporting, and sustained operation.



### Environmental Emergency Response and Disaster Recovery

We empower extraordinary teams of experts to help companies, governments, and communities prepare for, respond to, and recover from threats to their environment and people. We apply the brightest minds, state-of-the-art science and technology, and conclusive data to resolve complex health, safety, environmental, toxicological, and management challenges.



## Montrose at a Glance: 2022<sup>2</sup>

<p><b>~2,900</b></p> <p>EMPLOYEES</p>	<p><b>~90</b></p> <p>LOCATIONS WORLDWIDE</p>	<p><b>~5,600</b></p> <p>CLIENTS FROM THE PRIVATE AND PUBLIC SECTORS</p>	<p><b>6</b></p> <p>PATENTS ISSUED, FOR A TOTAL OF 18 PATENTS</p>
<p><b>0.18</b></p> <p>TOTAL RECORDABLE INCIDENT RATE PER 200,000 HOURS WORKED*</p>	<p><b>2.9<sup>+B</sup></b></p> <p>GALLONS OF WATER TREATED FOR PFAS, RESULTING IN 68 POUNDS OF PFAS REMOVED FROM THE ENVIRONMENT, GLOBALLY*</p>	<p><b>415M</b></p> <p>GALLONS OF WATER TREATED FOR OTHER CONTAMINANTS*</p>	<p><b>29%</b></p> <p>TOTAL REVENUE COMPOUNDED ANNUAL GROWTH RATE SINCE 2020</p>
<p><b>127,379M</b></p> <p>BRITISH THERMAL UNITS (MMBTU) OF RNG GENERATED THROUGH THE APPLICATION OF OUR BIOGAS TECHNOLOGY*</p>	<p><b>43,196</b></p> <p>LDAR SURVEY WORK DAYS AND 29,474 METHANE (CH<sub>4</sub>) EMISSION LEAKS DETECTED THROUGH THE APPLICATION OF LDAR SURVEY WORK*</p>	<p><b>~16%</b></p> <p>AVERAGE ORGANIC REVENUE GROWTH SINCE 2020, EXCLUDING CTEH AND DISCONTINUED SERVICE LINES</p>	

\*Indicates data that has been independently verified by a third party. A copy of our independent verification limited assurance statement can be found on our website, [here](#).

<sup>2</sup> As of December 31, 2022.

## Our Commitment to Innovation

Innovation is core to our strategy. As the world's environmental challenges continue to grow in number, scope, and complexity, and pressure mounts from stakeholder expectations, business best practices, and regulatory change, we are here to drive demand for better information and solutions. Our focus on innovation helps us improve the quality of information and solutions provided to our clients and expand our services to meet their environmental and sustainability needs.

We continue to innovate through our investments in research and development, including software and technology. Our Board of Directors (Board) has assembled a Scientific Advisory Board comprised of scientific industry experts to support our innovation endeavors. The Scientific Advisory Board assists with identifying opportunities through new technologies and acquisitions in order to accelerate our One Montrose approach.





# Our Sustainability Approach

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At Montrose, sustainability means caring for our employees, our communities, and the environment while creating value for our stockholders through responsible and innovative services, good governance, and integrity.

It encompasses the environmental, social, and governance issues most relevant to our business and our stakeholders, and includes our holistic and consistent approach to helping our clients – the One Montrose way. The issues explored in this 2022 Sustainability Report are interconnected and represent our dynamic and multidisciplinary company.

## Material Sustainability Topics

We identify and evaluate the factors most relevant to our stakeholders and our business, and consider how they may affect our ability to generate value over time. This is integral to our corporate strategy and our sustainability approach.



## Core Sustainability Principles



### Protection of our people and communities

We commit to constant assessment and improvement of the safety and well-being of our people and the communities in which we live and work.



### Protection of our environment

We aim to lead by example as a company that helps our clients with environmental compliance and performance.



### Protection of integrity

We promote the ethical treatment of our employees, stakeholders, and partners in all of our interactions.

## Materiality Assessment Process

In 2020, we established our management-level ESG working group, which was comprised of internal leaders dedicated to promoting sustainability across our divisions. With input from the ESG working group, we performed a diagnostic review of sustainability priorities from the perspective of our stockholders, employees, peers, rating agencies, and sustainability reporting frameworks, such as the Sustainability Accounting Standards Board (SASB) Standards (now part of International Financial Reporting Standards (IFRS) Foundation), the Task Force on Climate-related Financial Disclosures (TCFD), and the United Nations Sustainable Development Goals (UN SDGs).

In 2022, we conducted our first formal materiality assessment to better understand the expectations of our internal and external stakeholders, our impacts, our risks, and our business opportunities so that we can direct our efforts and our resources towards the issues most material to Montrose.

Our process-driven, evidence-based materiality assessment was executed through three main activities:

### Conducting Research

- ◆ We started by identifying disclosure topics from multiple sustainability reporting frameworks, including the Global Reporting Initiative (GRI) and SASB, as well as expectations from ESG ratings and ranking organizations such as Institutional Shareholder Services (ISS) and CDP.
- ◆ We reviewed public disclosures of our peers and sustainability literature on our industry more broadly.
- ◆ Armed with this research, our team developed an initial list of priority environmental, social (including workforce), and governance topics to use as a basis for our more detailed assessment.

### Engaging Stakeholders

- ◆ We interviewed 23 Montrose leaders, including Executive Leadership and operational and functional leaders, to identify those issues most likely to impact our business.
- ◆ We interviewed our Board members and external consultants to solicit their input on the initial sustainability issues identified and our greatest potential impacts, risks, and opportunities.
- ◆ We reviewed feedback from investors and potential investors during recent engagements.
- ◆ Lastly, we leveraged sustainability reporting frameworks and ESG ratings and ranking organizations from our initial research to round out the external inputs.

### Determining Materiality

- ◆ Our team analyzed the input gathered from the interviews with our internal and external stakeholders as well as other sources reviewed in order to identify trends and themes.
- ◆ Based on this analysis, we developed a materiality matrix in order to identify the sustainability priorities most material to our business.

## Materiality Assessment Results

We believe that all of the sustainability topics identified in our initial research are important and that none of them should be considered otherwise. That said, certain issues warrant more proactive focus in order to ensure that we are meeting the expectations of our stakeholders and enhancing the resiliency of our business. By plotting out the relative importance of each issue to our internal and external stakeholders, we developed a materiality matrix, presented below. This materiality matrix serves as a tool to identify those issues that are most material to Montrose and to guide our future efforts.



The results of our materiality assessment validated those highest-priority areas we had already identified for targeted investment and continued performance improvement: energy use and GHG emissions, DF&I, and attracting, engaging, and retaining talent. In 2022, we committed internally to expand our energy use and GHG emissions disclosures and our Board supported the development of long-term performance improvement goals. Similarly, we continued to invest in our DF&I program and our WeLEAD mentorship program and worked to drive improvement not only in the diversity of our workforce, but also in promoting a fair and inclusive work environment. And, as a professional services firm, attracting, engaging, and retaining top talent has always been and remains a key priority.

| See the [Energy Use, Greenhouse Gas Emissions, Diversity, Fairness, and Inclusion, and Attracting, Engaging, and Retaining Talent](#) sections for more information.

The health, safety, and well-being of our workforce, along with the training and development they need to do their jobs safely and to stay abreast of best practices and new innovations, have been core to Montrose since our inception. These continue to be areas in which we maintain unwavering focus. And, of course, client environmental solutions are the primary outcome of implementing our vision and our mission and enable us to deliver positive impacts on the environment and society.

| See the [Health, Safety, and Well-Being, Employee Training and Development, and The Future of Environmental Solutions](#) sections for more information.

Cybersecurity and data privacy are issues that we have identified as quickly rising in importance for both our external and internal stakeholders. It is critical that we establish the highest levels of performance in order to maintain the trust of those who rely on us. To that end, in addition to our work in 2022 following a cyber-attack, we are making significant investments in 2023 to further hold ourselves to the highest standards.

| See the [Cybersecurity and Data Privacy](#) section for more information.



While the remaining issues may not rise to the top of our materiality matrix, we consider them important and will continue to maintain and enhance our performance in these areas. We will also report on our activities, progress, and performance through our annual Sustainability Report and other means.

Our priorities and disclosures will continue to evolve as our business grows, and we are committed to routinely engaging with our stakeholders and updating our materiality assessment to reflect this changing landscape.

# Our Commitment to Targeted Performance Improvements

In our 2022 ESG Report (covering our activities and performance for 2021), we made a commitment to establish goals to drive performance improvement in two key areas: reducing our GHG emissions and enhancing DF&I. With the support of our Board, at the end of 2022 we established two long-term goals that will serve to guide our actions and improvements in these areas.

**Net zero GHG emissions by 2040.**

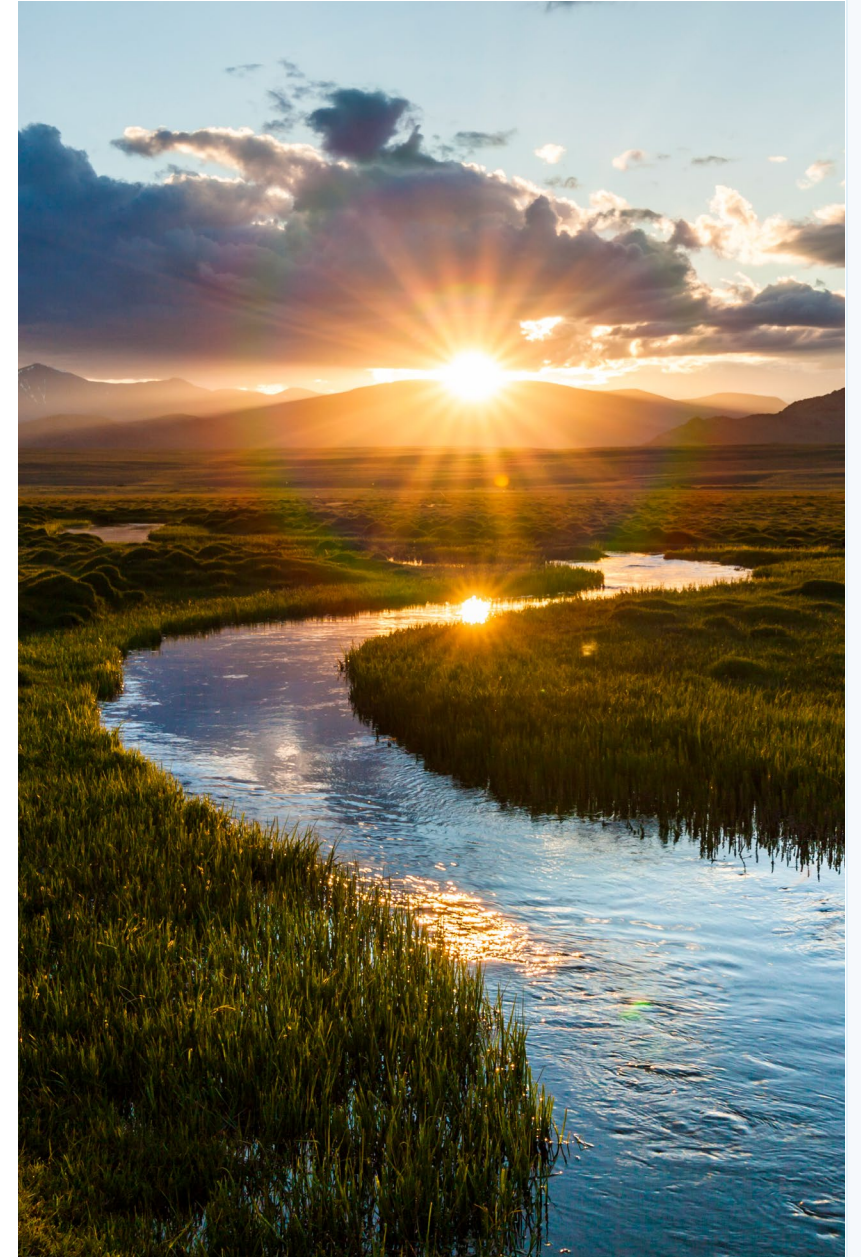
We are committing to net zero via the Science Based Target Initiative (SBTi). As part of this commitment, we will also set near-term (e.g., 2030) GHG reduction targets, and our near-term targets and our long-term goal will be validated by SBTi. Once our targets are set, we will develop emissions reduction action plans to enable target and goal achievement.

See the [Greenhouse Gas Emissions](#) section for more information.

**Gender balance across our workforce by 2040.**

We commit to achieving and maintaining gender balance across our workforce by 2040. We will also continue our work to achieve and maintain gender pay equity.

See the [Diversity, Fairness, and Inclusion](#) section for more information.



## Sustainability Oversight and Decision-Making

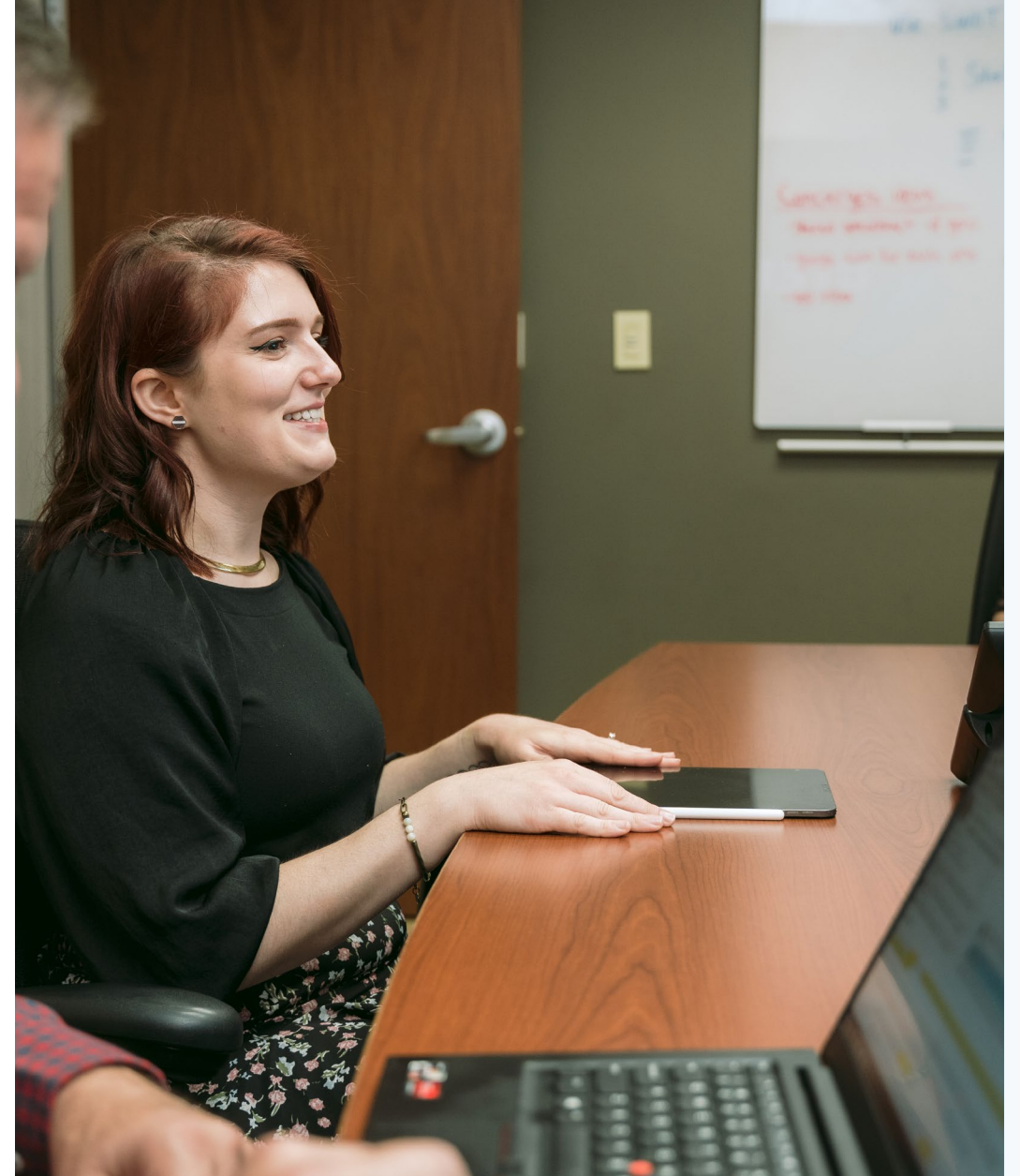
Our Board continues to provide active oversight of Montrose’s sustainability program and performance. Our Board’s Nominating and Corporate Governance Committee is responsible for overseeing our overall sustainability performance, policies, disclosures, strategies, goals, and objectives, as well as monitoring evolving risks. Our Nominating and Corporate Governance Committee receives regular updates from our Executive Leadership, and our Committee advises on Montrose’s sustainability programs, makes recommendations to our Board regarding the Company’s sustainability-related commitments, and reviews our annual sustainability report. Our Board also participates in sustainability-focused education sessions to advance their collective knowledge and ensure accurate oversight.

Our Executive Leadership, including our CEO and management team, promote the inclusion of sustainability criteria in business decision making, ensure stakeholder feedback is solicited and considered through our sustainability programs, and implement practices that drive accountability to our sustainability goals. The day-to-day management of our material sustainability issues is facilitated by our dedicated sustainability team, consisting of our Vice President, Sustainability Advisory and our ESG Specialist. In 2023, our

sustainability team will be working with Executive Leadership to assign accountability for each of our most material issues in order to ensure those issues are actively managed, integrating stakeholder feedback and driving performance improvement within the core of our business operations.

At the employee level, our ESG Committee supports the implementation of sustainability-related initiatives and serves as an important conduit to the full Montrose workforce. The Committee’s members include representatives from across our Company, including subject matter experts in various areas of environmental stewardship and health and safety, who engage with their divisions to promote internal communication, priority-setting, and development of our sustainability initiatives.

Furthermore, our policies define how we expect our employees, our contractors, and other business associates to behave and conduct themselves with each other and our surrounding communities. We develop and refine our policies based on best practices and the One Montrose culture, and we have them approved by our management team and our Board, when applicable. All of us at Montrose have a role to play in our sustainability journey.





# Our Environmental Solutions and Impacts

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# Our Commitment to Stewardship

As a leading environmental solutions company, we recognize our role in solving the world's greatest environmental challenges, and we commit to doing so responsibly and with our stakeholders in mind. Our innovative technologies, processes, and applications address existing and emergent issues, such as public health and air quality concerns, compliance with environmental laws and regulations, and GHG emission reduction strategies and reporting.

By leveraging the expertise of our workforce and implementing innovative scientific solutions and accredited testing services, we deliver and create meaningful contributions for our clients and for our shared communities.



## UN Sustainable Development Goals

Throughout this section covering our environmental solutions and impacts, we discuss programs, projects, and goals aligned with the UN SDGs, specifically:



Clean Water and Sanitation and its target 6.3, to improve water quality.



Industry, Innovation, and Infrastructure and its target 9.1, to develop quality, reliable, sustainable and resilient infrastructure, and target 9.4, to upgrade infrastructure to make it sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies.



Climate Action and its target 13.1, to strengthen resilience and adaptive capacity to climate-related hazards.



Life on Land and its target 15.3, to restore degraded land and soil.

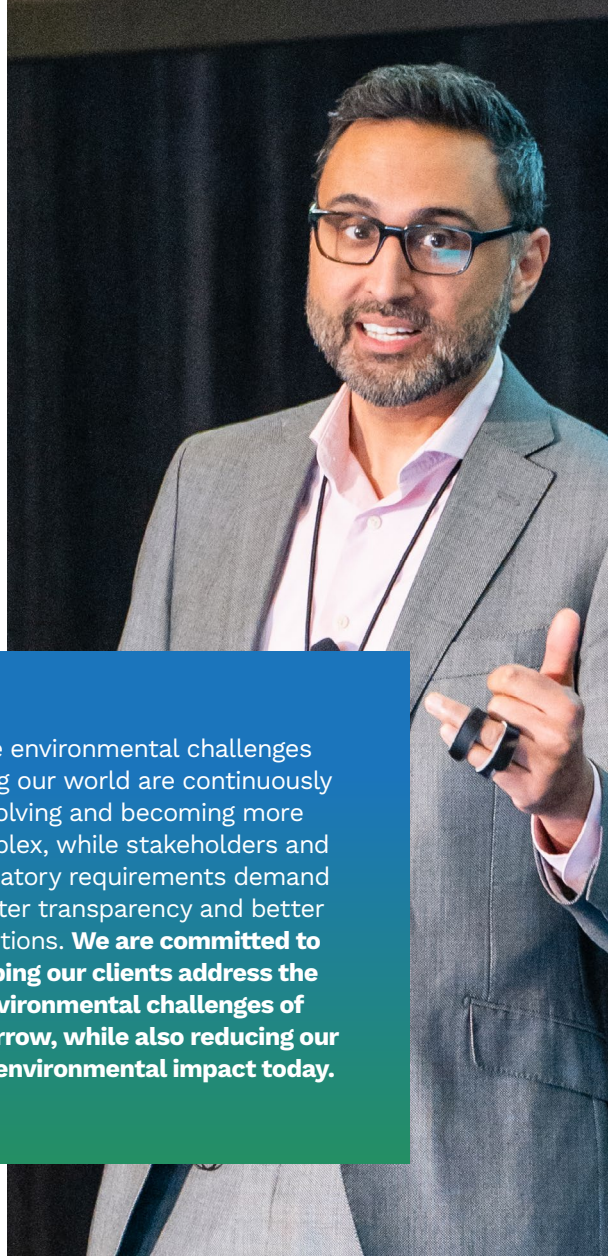
See the [UN Sustainable Development Goals Appendix](#) for an extended overview of our actions aligned with these UN SDG targets.

## Our Approach

Environmental stewardship is fundamental to each one of our projects as well as our own operations. It is also key to ensuring the long-term viability of our business. We take a holistic and comprehensive approach to environmental management to understand the interconnectivity of our environment, communities, and industrial activities as we seek to support our clients in managing their environmental, social, and economic impacts, in addition to managing our own.

We could not accomplish our work without the support from our communities. Whenever possible, we commit to engaging with our stakeholders to better understand their concerns and priorities, and consider the impact on our communities when designing solutions and making project decisions.

The environmental challenges facing our world are continuously evolving and becoming more complex, while stakeholders and regulatory requirements demand greater transparency and better solutions. **We are committed to helping our clients address the environmental challenges of tomorrow, while also reducing our own environmental impact today.**



## Our Environmental Policy

Our Environmental Policy defines our commitment to promote environmental sustainability within our daily business practices, our supply chain, and our client work. We recently updated our Environmental Policy to align our environmental commitments, governance, and processes for continual improvement with our mission to protect the air we breathe, the water we drink, and the soil that feeds us.

A copy of our Environmental Policy can be found on our website, [here](#).

The Environmental Policy is reviewed annually and updated as needed to reflect our ongoing commitments to environmental sustainability.

Our Board's Nominating and Corporate Governance Committee, our Executive Leadership, and our ESG Committee guide our organization in minimizing our environmental impacts through our everyday activities. At the same time, we are implementing innovative solutions that help clients and communities minimize their environmental impacts and achieve their environmental goals and targets.



# The Future of Environmental Solutions

We have invested in assets and technologies that will keep us – and our clients – in front of emerging environmental concerns for years to come. Our One Montrose approach of holistic, coordinated, and diversified environmental solutions is designed to address current and future political, regulatory, environmental, and community priorities – from climate change, air quality, water quality, and waste and contaminated soil management to infrastructure investments and emergency environmental response.



## Regulations Driving Our Services

Regulatory requirements impact each of our business segments. As industrial activity and environmental disruptions caused by climate change or aging infrastructure steadily increase, we continue to align our capabilities with regulations underpinning these activities.

Our PFAS services are influenced by various proposed and promulgated rules and regulations, such as the PFAS Hazardous Substance Designation Legislation<sup>3</sup> proposed under the recently refunded Superfund Program<sup>4</sup> and the Toxic Release Inventory<sup>5</sup>. Both rules provide additional avenues for our PFAS testing and remediation services to be useful for our clients and support cleaner water and soil.

The Methane New Source Performance Standard<sup>6</sup>, which proposes to expand and strengthen emissions reduction requirements for oil and natural gas sources, is another recent regulation increasing our opportunity to help our clients manage their environmental impacts. Through our Environmental Advisory Services and our direct measurement services, our oil and gas clients are equipped with the tools they need to address new and emerging regulations.

[Read more about our Environmental Advisory Services.](#)

<sup>3</sup> EPA. (2022, September). Proposed Designation of Perfluorooctanoic Acid (PFOA) and Perfluorooctanesulfonic Acid (PFOS) as CERCLA Hazardous Substances. <https://www.epa.gov/superfund/proposed-designation-perfluorooctanoic-acid-pfoa-and-perfluorooctanesulfonic-acid-pfos>

<sup>4</sup> EPA. (2022, August). EPA Proposes Designating Certain PFAS Chemicals as Hazardous Substances Under Superfund to Protect People's Health. <https://www.epa.gov/newsreleases/epa-proposes-designating-certain-pfas-chemicals-hazardous-substances-under-superfund>

<sup>5</sup> EPA. (2022, December). TRI Laws and Regulatory Activities. <https://www.epa.gov/toxics-release-inventory-tri-program/tri-laws-and-regulatory-activities>

<sup>6</sup> EPA. (2016, May). New Source Performance Standards and Permitting Requirements. <https://www.epa.gov/controlling-air-pollution-oil-and-natural-gas-industry/new-source-performance-standards-and>

## INFLATION REDUCTION ACT

The Inflation Reduction Act (IRA)<sup>7</sup>, passed by the United States (U.S.) Congress in August 2022, includes some of the biggest climate investments in U.S. history, offering funding, programs, and incentives to accelerate the transition to a clean energy economy. For Montrose, the IRA demonstrates the need for our environmental solutions and offers resources for us to impact our clients' and communities' growth.

The IRA provides funding to accelerate clean air activities, including community air quality monitoring systems, expansion and maintenance of the national ambient air quality multipollutant monitoring network, the deployment of air quality sensors for low-income and disadvantaged communities, and monitoring of methane emissions. Additionally, it includes hundreds of millions of dollars in incentives for the oil and gas industry to monitor and clean up methane leaks in order to avoid future fees and reduce its impact on climate change.

With direct overlaps to Montrose's solutions, we expect an increase in demand for and impact of our software capabilities, fence-line and real-time ambient air monitoring services, methane testing and measurement services, broader GHG detection and mitigation services, and our advisory and program management capabilities.

<sup>7</sup> H.R. 5376 – 117th Congress. (2021-2022). Inflation Reduction Act of 2022. <https://www.congress.gov/bill/117th-congress/house-bill/5376/text>

## Innovations Creating Impact

Core to our strategy is the innovation we bring to our clients by investing in research, product and software development, and proprietary technology, directly and through strategic collaborations. Our innovative tools and processes complement the years of experience, technical expertise, and industry knowledge of our professionals.

Our Research and Development (R&D) team leads our pursuit of assessing and developing proprietary solutions. Throughout 2022, the R&D team continued to drive innovation in the following areas:

- ◆ Water treatment, particularly PFAS and selenium removal;
- ◆ Carbon dioxide capture;
- ◆ Renewable energy / waste to resources;
- ◆ Advanced environmental contaminant sensing; and
- ◆ PFAS destruction.

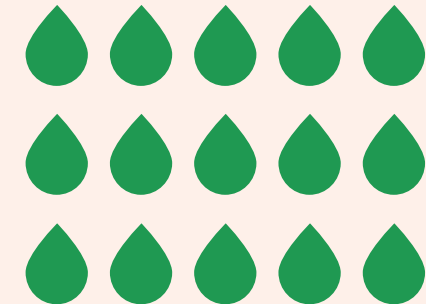
In 2022, our R&D team was awarded six patents in the U.S. related to water treatment technology. In total, we have been awarded 18 patents and have an additional 20+ patents submitted for approval in the U.S.



## Our Patents



**3** VAPOR TREATMENT TECHNOLOGY



**15** PFAS TREATMENT TECHNOLOGY



## Protecting the Air We Breathe

Montrose's air quality services provide our clients with innovative, emerging technologies to address air quality and emissions requirements of regional, state, and federal regulatory bodies.

Our teams of regulatory experts, engineers, scientists, technicians, and quality assurance personnel deliver individualized solutions for every air quality need:

- ◆ Stack testing services are critical for verifying compliance with emission limits on regulated air pollutants from industrial facilities. Utilizing a range of methods, from compliance testing to Continuous Emissions Monitoring Systems (CEMS), these services accurately measure and monitor emissions, helping facilities maintain regulatory standards and minimize environmental impact.
- ◆ Ambient air monitoring services play a key role in assessing and managing air quality around industrial sites. By regularly tracking pollutants in the surrounding atmosphere, these services provide real-time data for compliance with environmental regulations, supporting healthier communities and the protection of the environment.
- ◆ LDAR services, including U.S. Environmental Protection Agency (EPA) Method 21 and OGI, are essential for managing and reducing volatile organic compounds (VOC) emissions from industrial facilities. By employing portable instruments in the field for fugitive emissions, LDAR services efficiently identify, quantify, and address VOCs and hazardous air pollutants leaks, ensuring environmental compliance and safety.
- ◆ Our Sensible EDP™ software provides a versatile environmental data platform to enable real-time tracking of environmental metrics. With its wide-ranging sensor compatibility, we are equipped to build customized, comprehensive monitoring programs to ensure compliance and provide actionable data.



## Our Work in Practice

### *Air Pollution Reduction in Louisiana*

#### ENVIRONMENTAL CHALLENGE

The U.S. EPA estimates that there are approximately 2.15 million unplugged abandoned oil and gas wells scattered throughout the U.S.<sup>8</sup> These wells leak methane and powerful GHG. Abandoned wells can be found anywhere oil and gas drilling has previously occurred – parks, agricultural fields, parking lots, and around residential and commercial areas – often making them difficult to locate and access. In Louisiana, where more than 4,500 abandoned wells exist, the Department of Natural Resources (DNR) has focused on properly plugging abandoned wells and restoring sites for redevelopment through the Louisiana Oilfield Site Restoration Program.<sup>9</sup> We leveraged our One Montrose strategy and a multidisciplinary team was tasked to help locate and ultimately seal the wells with our leak-detection and data solutions.

#### ONE MONTROSE SOLUTION

Our team of experts used advanced leak detection strategies and tools to identify, prioritize, and plug abandoned wells across the state of Louisiana. They worked diligently to search and plot abandoned wells and communicated with current landowners to obtain access. Montrose’s cutting-edge leak detection tools applied during the project included Bascom Turner detection instruments, FLIR OGI cameras, and the SEMTECH® HI-FLOW 2 methane quantification technology, among others. Our team gathered and compiled emissions and location data during the leak detection process to help streamline the DNR’s efforts to reduce methane emissions from abandoned wells.

#### OUR IMPACT

Montrose’s leak detection work helped reduce air pollution for residents across Louisiana. Our use of OGI technology allowed for faster, more efficient, and more accurate detection of methane leaks.

| Read more about our [LDAR](#), [OGI](#), and [air monitoring services](#).

<sup>8</sup> EPA. (2018, April). Inventory of U.S. greenhouse gas emissions and sinks 1990-2016: Abandoned oil and gas wells. [https://www.epa.gov/sites/default/files/2018-04/documents/ghgemissions\\_abandoned\\_wells.pdf](https://www.epa.gov/sites/default/files/2018-04/documents/ghgemissions_abandoned_wells.pdf).

<sup>9</sup> State of Louisiana Department of Natural Resources. (n.d.) IJJA Louisiana federal projects: Orphaned well site restoration. <https://www.dnr.louisiana.gov/index.cfm/page/1622>.



**6** CLEAN WATER AND SANITATION



### Protecting the Water We Drink

With an innovative, field-proven approach, Montrose provides solutions to help our clients treat their wastewater, surface water, groundwater, and drinking water to meet standards and prevent liabilities, while keeping our communities and the environment safe. In addition, our environmental permitting, planning, and compliance services help clients understand water risk and how their projects may impact water sources.

Our Emerging Compounds Treatment Technologies (ECT2) division provides technology solutions for removing difficult-to-treat contaminants from water and vapor, including PFAS. PFAS are widely used “forever” chemicals that break down slowly over time in the environment. Current and emerging regulations and guidelines, such as the U.S. Safe Drinking Water Act, Clean Water Act, and proposed National Primary Drinking Water Regulation, set limitations for contaminant levels in water and standards for managing contaminated water.

## Our Work in Practice



### PFAS Treatment in Alaska

#### ENVIRONMENTAL CHALLENGE

The presence of PFAS compounds in wastewater is a common problem faced by any industry that manufactures, utilizes, or handles PFAS. Pressure is mounting to address the contaminant as the EPA increases its attention on the identification and regulation of PFAS sources. At a remote refinery in Alaska, PFAS and other co-contaminants had been identified in their wastewater stream. The impacts of these contaminants were compounded by the remote location of the project site and the need for a system capable of operating in an extreme climate. Our ECT2 division was tasked with helping the refinery comply with local city government PFAS limits.

#### ONE MONTROSE SOLUTION

After a successful pilot project, Montrose designed and delivered a full-scale, mobile PFAS treatment system that uses a combination of adsorption and ion exchange resins to remove PFAS compounds from the wastewater. The system was expertly designed to withstand Alaskan winter conditions, included features for flow rate flexibility and treatment of co-contaminants, and integrated controls with the refinery's existing treatment system.

#### OUR IMPACT

Since system startup, the treatment system has treated PFAS in the refinery's wastewater to non-detectable levels and allowed the refinery to meet its discharge compliance goals. Our PFAS treatment systems are 13 times more effective for treating PFAS in water than a traditional absorption system.

| [Read more about our PFAS water treatment services.](#)





### Protecting the Soil That Feeds Us

Our technical expertise combined with our deep knowledge of environmental permitting and natural resource restoration allows us to guide clients on the best response to land management challenges. We deliver solutions for land redevelopment, land-use planning, waste minimization, and large- and small-scale investigation and soil remediation of contaminated sites.

Our specialized, land-focused solutions include, among many others:

- ◆ Soil stabilization and erosion control to maintain habitats and improve soil biodiversity;
- ◆ Brownfield redevelopment to promote the safe and sustainable reuse of previously contaminated sites;
- ◆ Phase 1 and 2 Environmental Site Assessments to identify and characterize suspected site contamination, assess risk, and develop potential remedial actions; and
- ◆ Ecosystem service valuation and environmental liability management to help clients understand their impacts and comply with regulations such as the U.S. Federal Endangered Species Act (FESA) and Resource Conservation and Recovery Act (RCRA).



## Our Work in Practice

### *Fire Management in California*

#### ENVIRONMENTAL CHALLENGE

Wildfires are a growing concern as climate change intensifies and human activities modify land use and natural vegetation. As such, many cities are turning towards vegetation management programs to curb wildfires. Such programs require strategic removal or modification of vegetation to suppress fuels and improve ecological health. This challenge is magnified in cities, where there is a need to balance vegetation management with other city planning priorities such as commercial and residential development.

Since a 1991 firestorm that burned 1,500 acres and destroyed more than 3,000 homes, the City of Oakland, California (the City) has sought ways to manage vegetation and reduce fire hazard risk to people and structures while ensuring strategies are compliant with the California Environmental Quality Act (CEQA). CEQA requires state and local agencies to disclose and evaluate the significant environmental impacts of proposed projects and adopt feasible mitigation measures to reduce or eliminate those impacts. The City brought in Montrose to develop a vegetation management plan, lead public outreach and coordination for the plan, and conduct a CEQA analysis.

#### ONE MONTROSE SOLUTION

Our environmental compliance and planning specialists conducted an extensive outreach program to obtain input from the public and key stakeholders such as local community park and neighborhood volunteer groups that support maintenance and enhancement of open space areas and parks throughout the City. Montrose conducted biological resources surveys and prepared habitat maps of the plan area, along with a biological resources report. To ensure CEQA compliance and mitigate adverse environmental impacts, Montrose evaluated areas for potential water quality impacts associated with vegetation management, developed best management practices to reduce such impacts, and prepared an environmental impact report (EIR).

#### OUR IMPACT

The vegetation management plan developed by Montrose not only reduces fire hazard risk and comprehensively considers potential environmental impacts, but also integrates local community efforts into the City's vegetation management planning process and final plan. The plan addresses vegetation management activities that occur on City-owned parcels, including many city parks covering more than 1,900 acres of property and 300 miles of roadside.

| [Read more about our planning and ecosystem consulting services.](#)

## Our Work in Practice



### *Brownfield Redevelopment in Pennsylvania*

#### ENVIRONMENTAL CHALLENGE

Across the U.S., redevelopment of many vacant industrial or commercial properties is hindered by real or perceived environmental contamination. Due to the complexities and cost of clean-up, these brownfield sites often sit unused for decades and exacerbate urban sprawl.

The Knitting Mills (TKM) site in Wyomissing and West Reading, Pennsylvania was once home to a variety of industrial operations – textile manufacturing, a foundry, auto repair, printing, dyeing, and storage of petroleum products. Equus Capital Partners (Equus) purchased the 53-acre site for development into mixed-use commercial and retail spaces. Due to the previous industrial and chemical activities on the site, complex environmental issues, such as concentrations of hazardous elements and regulated substances in the soil and building materials, needed to be assessed and remediated prior to redevelopment. Montrose was tasked with providing environmental due diligence services to Equus to facilitate proper redevelopment and reporting in accordance with Pennsylvania’s Land Recycling Program.

#### ONE MONTROSE SOLUTION

Montrose’s remediation experts facilitated in-depth environmental due diligence and risk evaluations across 9 parcels of land at TKM. Phase I Environmental Site Assessments (ESAs) were conducted, which led to the conclusion that hazardous substances were present at certain areas of the site. Phase II ESAs were then conducted to investigate soil and groundwater quality.

#### OUR IMPACT

The services provided by Montrose helped Equus understand and address the environmental risks at the site to allow for redevelopment. TKM has become the premier corporate headquarters and innovation center in the county. In addition to the construction-related jobs and economic boost that occurred in the community during the redevelopment process, the project resulted in an estimated 1,100 full-time and 1,300 indirect jobs long term, plus an estimated \$168M tax revenue creation and updated infrastructure and services for local residents. This project was recognized with the Region 3 Phoenix Award for Brownfields Excellence during the 2022 National Brownfields Conference.

| Read more about our [soil remediation services](#).



## Supporting the Transition to a Low-Carbon Economy

We understand the significance of the global effort to reduce GHG emissions and the importance of transitioning to a low-carbon economy. That is why our work includes solutions that support clean energy and climate resilience. Montrose supports the transition to a low-carbon economy across our business lines, and with a variety of clients. In addition to delivering industry recognized solutions, we also have a dedicated research and development team which delivers unique and innovative solutions to support the transition. We pride ourselves on our innovative culture that empowers our teams to bring these solutions to our clients.

Our specialized low-carbon solutions include:

- ◆ RNG Project Development;
- ◆ GHG Reduction Programs;
- ◆ Solar Energy Development; and
- ◆ Net-Negative Carbon Conversion.

## Our Work in Practice



### Renewable Natural Gas in Texas

#### ENVIRONMENTAL CHALLENGE

Dairy farms across the U.S. are a significant contributor to methane emissions, primarily through dairy cows' digestion and waste.<sup>10</sup> Manure from dairy cattle typically goes into large storage ponds, where it releases methane and other GHGs, thereby contributing to local air pollution and climate change. In Friona, Texas, the Del Rio Dairy Farm is home to over 12,000 cows. In an effort to diversify the farm's revenue mix and reduce its methane pollution, Del Rio chose to incorporate RNG from their dairy manure into their operating strategy. RNG from dairy manure has been determined to have some of the most favorable environmental properties of any transportation fuel. Del Rio brought in Montrose to engineer, procure, and construct a fully integrated system that would produce natural gas from manure and meet the local Atmos Pipeline gas quality specifications.

#### ONE MONTROSE SOLUTION

Using state of the art gas upgrading technology, our team of biogas solutions experts created a system to transform manure from Del Rio's dairy cattle into RNG. Our in-depth knowledge of dairy farm operations, manure handling, anaerobic digestion systems, and gas upgrading technology provided an optimized approach to making the most gas possible at an affordable cost to the project. The project included digester piston-style feed pumps, two 1.3M gallon anaerobic digesters, a digester heating system, a membrane gas upgrading system, and screw press technologies, among others, which cover a 17.6M gallon anerobic lagoon.

#### OUR IMPACT

Our system is designed to handle 113,000 gallons of manure flow per day and generate RNG at a rate of 464 standard cubic feet per minute. It can create 387 MMBTU of RNG energy per day, which, when annualized, is equivalent to the energy required to power approximately 11,000 households per year and reduce methane emissions by a factor of 200.

| Read more about our [biogas solutions](#).

<sup>10</sup> U.S. EPA (2022, October 27). Anaerobic Digestion on Dairy Farms. <https://www.epa.gov/agstar/anaerobic-digestion-dairy-farms>



## Our Work in Practice

### Advanced Net-Negative Carbon Conversion Process Around the World

#### ENVIRONMENTAL CHALLENGE

Rapid population growth and economic progress in the past six decades have come at an extreme environmental cost. Since 1960, CO<sub>2</sub> emissions have quadrupled<sup>11</sup>, with power and industrial facilities as major contributors. A report from the UN Intergovernmental Panel on Climate Change (IPCC) states that limiting global warming to 1.5 degrees Celsius over pre-industrial times will require not only swift, sharp cuts in carbon emissions from human sources, but also new technologies to remove CO<sub>2</sub> from the atmosphere, including various carbon capture processes.<sup>12</sup> To date, the development and implementation of carbon capture technology has been limited, complex, and costly. Montrose, however, has created a simple, innovative, and net-negative process to remove CO<sub>2</sub> from industrial processes.

#### ONE MONTROSE SOLUTION

The Montrose Carbon Conversion Process (CCP) uses a non-toxic, water-based solvent to remove and permanently sequester 99.99% of CO<sub>2</sub> from process and combustion exhaust streams. The process produces a carbonate species with resale value, and with the reuse of waste heat and its low parasitic load, provides a negative CI score<sup>13</sup>. Similar approaches have been attempted in the past, but have encountered issues, including kinetic and mass transfer limitations, harmful product degradation, lack of odor-control, and risk of groundwater contamination from accidental environmental release. Our process has overcome these barriers with a patent pending 2-step gas transfer technology with low energy consumption. The process removes CO<sub>2</sub> concentrations ranging from 0.04% - 100% from influent sources and is easily scalable for a relatively small footprint. It is also reliable, easy to operate, and sequesters the CO<sub>2</sub> into a stable, valuable product for sale or consumption.

#### OUR IMPACT

Our CCP contributes to the availability of carbon capture technology that may reduce up to 14% of global GHG emissions by 2050.<sup>14</sup> Carbon capture is viewed as the only practical way to achieve deep decarbonization in the industrial sector. With less complexity, our solution is easier and faster to deploy around the globe. In the U.S., Montrose's CCP will qualify for 45Q tax credits and direct pay subsidies, further incentivizing carbon capture into industrial facility projects.

| Read more about [net-negative carbon conversion process](#).

<sup>11</sup> Lindsey, R. (2023, May 12). Climate change: Atmospheric carbon dioxide. NOAA. <https://www.climate.gov/news-features/understanding-climate/climate-change-atmospheric-carbon-dioxide>

<sup>12</sup> IPCC. (October 8, 2018). Summary for Policymakers of IPCC Special Report on Global Warming of 1.5°C approved by governments. [Press Release]. [https://www.ipcc.ch/site/assets/uploads/2018/11/pr\\_181008\\_P48\\_spm\\_en.pdf](https://www.ipcc.ch/site/assets/uploads/2018/11/pr_181008_P48_spm_en.pdf)

<sup>13</sup> Carbon intensity score is the metric tons of CO<sub>2</sub> equivalent per unit of physical or economic output. IFRS Sustainability (March 2022). Exposure Draft IFRS S2 Climate-related Disclosures. IFRS. <https://www.ifrs.org/content/dam/ifrs/project/climate-related-disclosures/issb-exposure-draft-2022-2-climate-related-disclosures.pdf>

<sup>14</sup> Center for Climate and Energy Solution. (n.d.). Carbon Capture. <https://www.c2es.org/content/carbon-capture/>



## Our Work in Practice

### *Measuring and Reducing Oil & Gas GHG Emissions for Global Impact*

#### ENVIRONMENTAL CHALLENGE

The energy transition is here. While our increasingly climate-conscious world may initially appear as a threat to the oil and gas industry, in reality it provides a market opportunity on which the industry can capitalize. Disclosure of emission reduction initiatives and net zero intentions is becoming more and more common within the industry; however, declaring net zero goals is not enough – emission reduction claims require action and evidence such as differentiating natural gas as being sustainably sourced.

#### ONE MONTROSE SOLUTION

Montrose supports oil and gas companies of all sizes with developing and implementing strategies to measure, reduce, and report methane and other GHG emissions. We have experience assisting companies wishing to differentiate their natural gas, whether through Oil & Gas Methane Partnership 2.0<sup>15</sup> (OGMP 2.0) or one of the other available frameworks. We actively guide our clients through each step, from applying for certification and developing implementation plans to planning campaigns for direct measurement of methane emissions and providing the technology and resources to complete those campaigns.

We possess in-house measurement technology and boots-on-the-ground expertise to take an accurate snapshot of emissions and develop robust plans to reduce emissions, increase efficiencies, and decrease a company's impact on climate change. In addition, Montrose has critical experience with continuous monitoring technology to provide the integrated measurement required by OGMP 2.0. We pride ourselves on our full-service capability which allows us to demystify and support execution of the full certification process and lifecycle.

#### OUR IMPACT

Through our efforts, numerous oil and gas companies and their assets have designed and implemented emissions testing programs to identify and quantify methane emissions. With this quantification comes a better understanding of where to target emissions reduction projects and initiatives. The resulting emissions reductions serve not only to reduce impact on the environment, but also become a differentiator for our clients. In this manner, Montrose is playing a key role in the transition to a low-carbon economy.

| Read more about our [stack testing services](#).

<sup>15</sup> OGMP. (n.d.). The Oil & Gas Methane Partnership 2.0. <https://ogmpartnership.com/>

# Our Environmental Performance

Our business is focused on helping clients solve environmental challenges and reduce their environmental impacts. Many of our clients are in carbon-intensive industries, where we assist with the development and execution of strategies that support the transition to a low-carbon future. The contributions we make to the management of our clients' resources, environmental impacts, and climate change strategies are the means by which we have the greatest impact on creating a sustainable future. That said, we recognize that we must also be diligent about understanding our own environmental impacts and implementing strategies to reduce them.

We are committed to environmental stewardship, which includes encouraging responsible energy use, reducing our GHG emissions, and minimizing our impacts from water use and waste generation. We also seek to understand the risks and opportunities presented by climate change and the transition to a low-carbon economy, so that we can take appropriate actions to ensure our business resiliency.



## Our Resource Use in Context

### Company-owned

HEADQUARTERS OFFICE BUILDING  
IN LITTLE ROCK, ARKANSAS

~90

LEASED LOCATIONS GLOBALLY,  
COMPRISED OF LABORATORIES,  
TESTING FACILITIES, AND OFFICES

478

VEHICLES IN OUR FLEET  
USED FOR FIELD SERVICE

1

AIRCRAFT USED WHEN REQUIRED  
FOR TIMELY MOBILIZATION TO  
OUR CLIENTS' EMERGENCY  
RESPONSE INCIDENTS

~2,900

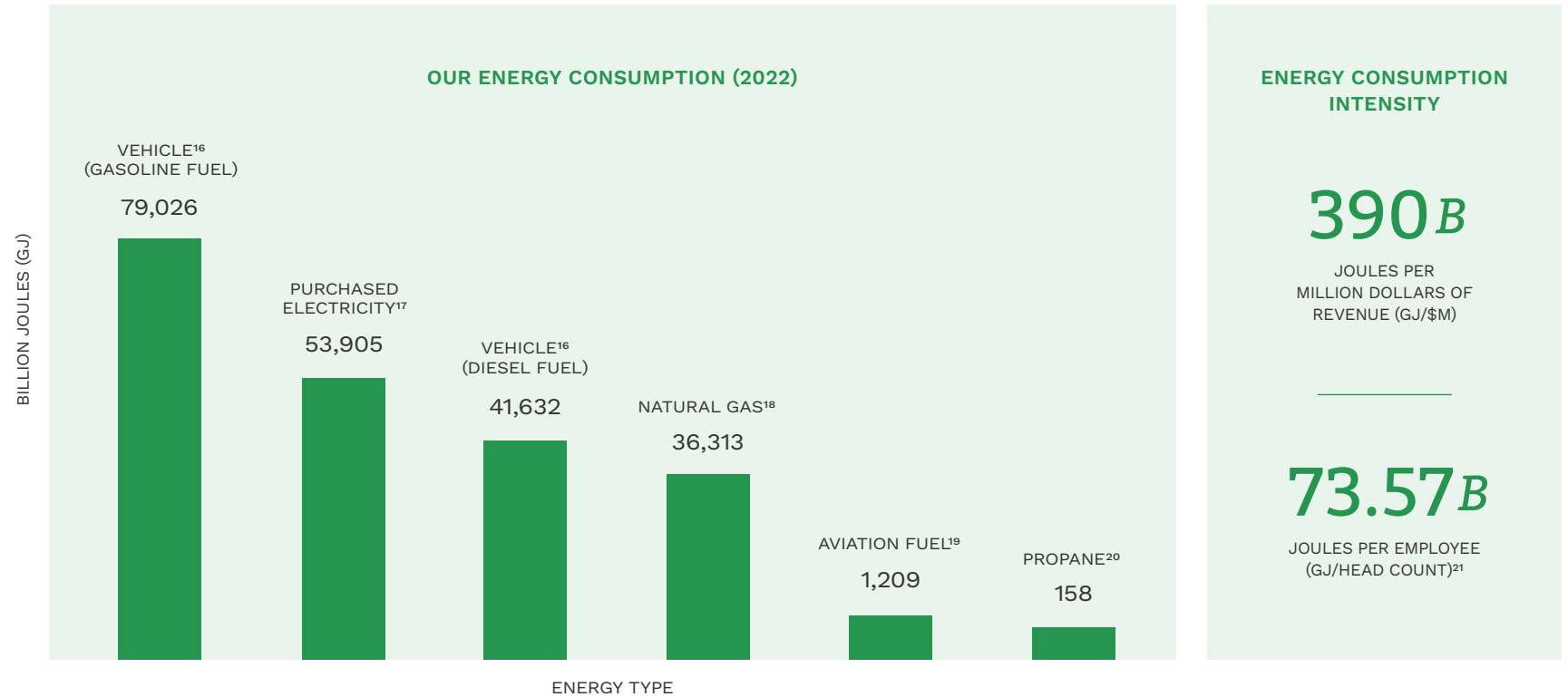
EMPLOYEES, MANY OF WHOM ARE  
ENGAGING IN BUSINESS TRAVEL AND  
COMMUTING TO AND FROM THEIR  
WORK LOCATIONS



## Energy Use

Montrose's energy use is primarily driven by our vehicle fleet, our purchased electricity, and our natural gas use (for heating and cooling) at those locations. While it can be challenging to manage our energy sources and use in leased buildings, we are committed to identifying and implementing actions to reduce our energy consumption at our full portfolio of locations, as well as within our transportation fleet. Our fuel resource mix currently includes only non-renewable sources, although we are evaluating options for the procurement of renewable energy for our offices and other facilities.

For the first time, we are reporting our global energy consumption within the organization, as shown in the following chart. Our absolute energy use data has been independently verified by a third party. Looking ahead, we will track year-on-year changes in energy consumption in order to understand how our actions influence our impacts, and we will continue to seek ways to reduce our energy consumption.



<sup>16</sup> Vehicle fleet energy consumption for 2022 represents fuel consumption from our owned and leased-to-own vehicles globally, based on miles driven for both gasoline and diesel vehicles. Conversions from miles driven to fuel use were calculated using the GHG Protocol Emission Factors from Cross-Sector Tools, Table 14 (2017).

<sup>17</sup> Electricity consumption for 2022 represents purchased electricity for all our U.S., Canada, Australia, and Europe locations, based on electricity use data from our utility providers, where available. In cases where quantified purchased electricity data was not available, estimates of electricity consumption were made based on Montrose-occupied building square footage using The Climate Registry's 2022 Default Emission Factors for U.S. Electricity and Natural Gas Intensity by Building Activity, Table 3.7.

<sup>18</sup> Natural gas energy consumption for 2022 was based on actual natural gas used at all our U.S., Canada, Australia, and Europe locations, as determined via local utility bills, where available. In cases where actual natural gas use was not available, estimates of natural gas consumption were made based on Montrose-occupied building square footage using The Climate Registry's 2022 Default Emission Factors for U.S. Electricity and Natural Gas Intensity by Building Activity, Table 3.7.

<sup>19</sup> Aviation fuel energy consumption for 2022 was based on actual aviation fuel purchase records.

<sup>20</sup> Propane energy consumption for 2022 was limited to a single location and was based on actual propane used, as determined via local utility bills.

<sup>21</sup> Per employee energy consumption was calculated based on the total number of all employees at the end of 2022. Part-time employees are not prorated based on hours worked.

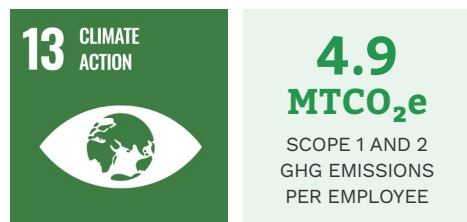
## Greenhouse Gas Emissions

We specialize in providing services that help our clients manage and reduce their GHG emissions. It is with the same recognition of need and sense of urgency that we assess and manage our own emissions.

To better understand our impact, we have improved our data collection process and expanded the operational boundaries to better reflect our full organization. In 2020, we undertook our first Scope 1 and Scope 2 GHG inventory for a select number of U.S.-based locations. In 2021, we expanded the scope of our GHG inventory to include all of our U.S. operating locations. In this 2022 Sustainability Report and our other 2022 disclosures, we have gone a step further and included all of our global operating locations as part of our Scope 1 and Scope 2 GHG inventory. It should therefore be noted that our 2020 and 2021 calculations were limited in scope, while our 2022 GHG emissions calculations are representative of our global

impact. Therefore, our 2022 GHG emissions inventory will be used as the baseline against which we will compare our future emissions and set near-term targets for reductions.

Our Scope 1 and Scope 2 GHG emissions are presented in the table to the right. Montrose has experienced significant growth over the past three years, resulting in an overall increase in absolute GHG emissions; however, our per-employee Scope 1 and 2 emissions have decreased from 2020, despite a more complete emissions inventory. Because 2022 will serve as our base year against which our near-term GHG reduction targets will be set, we are not restating 2021 or 2020 emissions data (e.g., to represent our global footprint).



## SCOPE 1 AND 2 GHG EMISSIONS<sup>22</sup>

Reported in metric tons of carbon dioxide equivalents (MTCO <sub>2</sub> e)	2022	2021 <sup>23</sup>	2020 <sup>24</sup>
<b>Scope 1 Direct GHG emissions</b>	<b>9,752</b>	<b>6,180</b>	<b>6,301</b>
Vehicle Fleet	7,832 <sup>25</sup>	5,267	3,744
Vehicle, Gasoline Fuel	4,921	3,668	2,389
Vehicle, Diesel Fuel	2,911	1,599	1,355
Aircraft (Jet Fuel)	83 <sup>26</sup>	81	-
Natural Gas and Propane (building use)	1,837 <sup>27</sup>	832	2,556
<b>Scope 2 Direct GHG emissions (purchased electricity, location-based method)</b>	<b>4,483<sup>28</sup></b>	<b>4,662</b>	<b>1,962</b>
<b>Total Scope 1 and Scope 2 GHG emissions</b>	<b>14,235</b>	<b>10,842</b>	<b>8,263</b>
Scope 1 and Scope 2 GHG emissions per million dollars of revenue (MTCO <sub>2</sub> e/\$M) <sup>29</sup>	26.2	19.8	25.2
Scope 1 and Scope 2 GHG emissions per employee (MTCO <sub>2</sub> e/headcount) <sup>30</sup>	4.9	4.1	6.0

<sup>22</sup> GHGs accounted for in these calculations include those relevant to sources included in our inventory: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O). Global warming potential (GWP) rates for these GHGs were sourced from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment (AR5). Emissions from refrigerant loss at our operated locations are considered de minimis and are not included in our GHG inventory. GHG emissions were calculated in accordance with the methodology established in the GHG Protocol Corporate Accounting and Reporting Standard, Revised Edition. The absolute GHG emissions data presented in this table has been independently verified by a third party. GHG emissions were quantified using the operational control approach; under this approach, 100% of the GHG emissions from Montrose's global operations are accounted for.

<sup>23</sup> 2021 Scope 1 and Scope 2 emissions calculations were limited to activities associated with our global vehicle fleet, our aircraft, and our natural gas usage and purchased electricity at our U.S. operating locations). Office and other operating locations outside of the U.S. were not included (outside of vehicle fleet). Please refer to our 2022 ESG Report for additional details on calculations associated with our 2021 GHG emissions.

<sup>24</sup> 2020 Scope 1 and Scope 2 emissions calculations were limited to activities associated with our U.S. vehicle fleet and a subset of our U.S. operating locations. Please refer to our 2021 ESG Report for additional details on calculations associated with our 2021 GHG emissions.

<sup>25</sup> 2022 Scope 1: Vehicle fleet emissions were calculated by applying emission factors from the sources listed below to the fuel consumption data (gasoline and diesel) for our global vehicle fleet. Note that Montrose does not own or lease-to-own vehicles in Sweden. US: GHG Protocol Emission Factors from Cross-Sector Tools, Table 12 and Table 13 (2017); Canada: Canada's Official Greenhouse Gas Inventory, Table A6.1-14 (2022); Australia: Australian National Greenhouse Accounts, National Greenhouse Accounts Factors, Table 8 (2023).

<sup>26</sup> 2022 Scope 1: Aircraft emissions were calculated by applying emission factor from The Climate Registry 2022 Default Emission Factors, Table 2.1 and Table 2.7, to the aviation fuel consumption data for Montrose's only airplane (used by the CTEH emergency response group).

<sup>27</sup> 2022 Scope 1: Natural gas emissions were calculated by applying emission factors from the sources listed below to the natural gas consumption data from our global operations. US: 40 CFR Appendix Table C-1 & C-2 to Subpart C of Part 98; Canada: Emission Factors and Reference Values, Canada Greenhouse Gas Offset Credit System, Tables 1-3 (2022); Australia: Australian National Greenhouse Accounts, National Greenhouse Accounts Factors, Table 4 (2023); Sweden: IPCC 2006 Guidelines for National Greenhouse Gas Inventories, Table 2.4 (for CO<sub>2</sub>) and The Climate Registry 2022 Default Emission Factors, Table 1.10 (for CH<sub>4</sub> and N<sub>2</sub>O).

<sup>28</sup> 2022 Scope 2 emissions were calculated by applying emission factors from the sources listed below to the actual and estimated purchased electricity consumption data at all of our operating locations. US: EPA Emissions and Generation Resource Integrated Database (eGrid), using the U.S. EPA Simplified GHG Emissions Calculator (SGEC), Scope 2 Emissions from Purchase of Electricity tab, Table 1 (2020). Canada: The Climate Registry 2022 Default Emission Factors, Table 3.2. Australia: Australian National Greenhouse Accounts, National Greenhouse Accounts Factors, Table 1 (2023). Sweden: National and European Emission Factors for Electricity Consumption (NEEFE), Table 2 (2020).

<sup>29</sup> The episodic nature of the CTEH response revenue could materially skew the normalization of these data in a given fiscal year.

<sup>30</sup> Per employee emissions were calculated based on the total number of all employees as of the applicable year end. Part-time employees are not prorated based on hours worked.

Furthermore, we have undertaken our first inventory of Scope 3 GHG emissions. Scope 3 emissions are the result of activities that occur upstream and downstream of Montrose’s own operations, from assets not owned or controlled by Montrose but which occur because of our operations. We recognize the impacts that we have across our value chain, and we believe that undertaking an assessment of those impacts will help us understand how to reduce our value chain footprint and bring additional resiliency to our supply chain.

Using the publicly available Quantis tool, Montrose conducted a screening across all 15 categories of Scope 3 emissions in order to identify those categories that are most material to our business. Those categories determined to be potentially material to Montrose include:

- ◆ Category 1: Purchased Goods and Services;
- ◆ Category 2: Capital Goods;
- ◆ Category 3: Fuel- and Energy-Related Activities
- ◆ Category 4: Upstream Transportation and Distribution;
- ◆ Category 5: Waste Generated in Operations;
- ◆ Category 6: Business Travel;
- ◆ Category 7: Employee Commuting;
- ◆ Category 10: Processing of Sold Products;
- ◆ Category 11: Use of Sold Products;
- ◆ Category 12: End-of-life Treatment of Sold Products; and
- ◆ Category 13: Downstream Leased Assets.

We then worked with operational and functional leaders across Montrose to identify activity, financial, and other available data on which to base our Scope 3 inventory. During this process, it was determined that while Categories 10, 11, 12, and 13 were potentially material, insufficient data was available to estimate associated GHG emissions. We have noted this as an improvement area and are taking actions to identify data sources for these categories for future years. Estimated emissions were calculated for Categories 1, 2, 3, 4, 5, 6, and 7. While in some cases we were able to use direct activity data to calculate emissions (e.g., waste generated in operations), in other instances we relied on proxy data such as spend data.

While our Scope 3 emissions inventory may not use direct activity data across all categories in the way that our Scope 1 and Scope 2 inventory does, the intent is to understand the scale of impact and identify which areas and categories of emissions demand our attention. To this end, rather than focusing on the data as an absolute aggregated emissions total, we are using these results to guide our emissions reduction efforts going forward.

### SCOPE 3 GHG EMISSIONS<sup>31</sup>

Reported in metric tons of carbon dioxide equivalents (MTCO <sub>2</sub> e)	2022	<b>18.01</b> <b>MTCO<sub>2</sub>e</b> SCOPE 3 GHG EMISSIONS PER EMPLOYEE <sup>36</sup>
Total Scope 3 GHG emissions	51,969	
Category 1: Purchased Goods and Services <sup>32</sup>	14,561	
Category 2: Capital Goods <sup>32</sup>	14,652	
Category 3: Fuel- and Energy-Related Activities <sup>33</sup>	3,334	
Category 4: Upstream Transportation and Distribution <sup>32</sup>	5,812	
Category 5: Wasted Generated in Operations <sup>34</sup>	52	
Category 6: Business Travel <sup>35</sup>	6,692	
Category 7: Employee Commuting <sup>36</sup>	6,866	

<sup>31</sup> GHGs accounted for in these calculations include those relevant to sources included in our inventory: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O). Global warming potential (GWP) rates for these GHGs were sourced from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment (AR5). GHG emissions were calculated in accordance with the methodology established in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

<sup>32</sup> GHG emissions associated with Category 1, 2, and 4 were calculated using the spend-based method by applying emission factors from the U.S. EPA’s Office of Research and Development, Supply Chain GHG Emission Factors for US Industries and Commodities, 2016 Detailed Commodities (2022) to the total 2022 spend in these categories.

<sup>33</sup> GHG emissions associated with Category 3 were calculated using the GHG Protocol’s Scope 3 Evaluator, which uses user inputs of Scope 1 and Scope 2 calculations to arrive at an estimate for Category 3 emissions. Per the U.S. EPA Scope 3 Inventory Guidance, this approach is consistent with U.S. methodologies for estimating the upstream impacts from energy use in this category.

<sup>34</sup> GHG emissions associated with Category 5 were calculated using the activity-based method by applying emission factors from the U.S. EPA’s GHG Emission Factors Hub, Table 9 (2022) to our waste generation data. In this calculation, the emission factor for mixed municipal solid waste (MSW) was used, as a conservative estimate of emissions (as a specific hazardous waste emission factor was not available).

<sup>35</sup> GHG emissions associated with Category 7 were calculated using the distance-based method, applying the emission factor from the U.S. EPA’s GHG Emission Factors Hub, Table 10 (2022). Each office-based employee was assumed to have commuted a total of 240 working days in 2022. All commuting employees were assumed to use a passenger car and distance was estimated based on the home zip code and working location zip code. This is likely to result in a conservative estimate of employee commuting emissions for office-based workers. Emissions from remote (e.g., work-from-home) employees are not accounted for in this estimate.

<sup>36</sup> Per employee Scope 3 GHG emissions were calculated based on the total number of permanent full- and part-time employees as of the applicable year end. Part-time employees are not prorated based on hours worked.

## Commitment to Reducing Our GHG Impacts

With the support of our Executive Leadership and Board, we have committed to achieving **Net Zero GHG emissions via the SBTi by 2040**. As part of this commitment, we will set near-term (e.g., 2030) GHG reduction targets to be validated by SBTi. We will also develop emissions reduction action plans to enable target and goal achievement. We understand that we cannot operate in a business-as-usual capacity. We will need to apply our entrepreneurial spirit and innovative thinking to identify and implement changes to the ways we work, the ways we procure goods and services, and the ways we service our clients. Rather than seeing this as limiting what we can do, Montrose sees this as an opportunity to demonstrate our leadership and identify opportunities for value creation and collaboration.



## Climate-Related Risks and Opportunities

While it is important that we understand and manage our impacts on climate change via our GHG emissions, we also understand that climate change presents both risks and opportunities for us as an organization.

As part of our enterprise risk management processes and business strategy, we have identified climate-related risks and opportunities for Montrose. These include:

- ◆ Acute and chronic physical risks, such as flooding, wildfires, storms, sea level rise, and temperature increases, that may potentially impact our offices and other working locations;
- ◆ Current and emerging regulatory and legal risks, such as the pricing of CO<sub>2</sub> emissions, compliance costs, changes in climate disclosure regulations, or other environmental laws that could impact our supply chain or demand for our goods and services;
- ◆ Market and reputational risks from increasing stakeholder expectations to respond to climate change and implementing mitigation measures within our internal operations and our environmental and social practices; and
- ◆ Opportunities to use lower-emissions sources of energy and goods/services across our value chain, access new markets, participate in renewable energy programs, and adopt energy-efficiency measures.

We are also well positioned to help our clients identify and manage climate-related risks through the work we conduct supporting the transition to a low-carbon future. We anticipate significant climate-related opportunities through our products and services as new regulations are likely to be enacted regarding GHG emissions and disclosures and as the need for disclosing and managing climate-related risk intensifies.

See [The Future of Environmental Solutions](#) section for more information.

Direct oversight of climate and other sustainability-related issues and their potential to impact Montrose and our stakeholders is provided by our Board and its Nominating and Corporate Governance Committee.

See the [Sustainability Oversight and Decision-Making](#) section for more information.

We report our climate impacts and mitigation efforts through the CDP Climate Change questionnaire, in addition to our annual Sustainability Report. We will continue to assess our climate-related risks and opportunities by further implementing the recommendations of TCFD, a framework for companies to report on climate impacts and the financial impacts of climate-related risks and opportunities, as well as reporting climate risk management and strategic planning processes. As our sustainability program evolves, we will evaluate the feasibility of disclosing quantifiable financial impacts due to climate-related risks and opportunities under various future climate scenarios.





## Water and Waste

In our day-to-day operations, we use water and generate waste as we fulfill client needs and conduct our business.

Our water use, as a company, largely stems from drinking and sanitary uses at our office and other working locations. We are not significant water consumers, and we have determined that water is not a material environmental issue for us. That said, we are investigating means to better account for our water usage, and we will continue to seek ways to reduce water in our operations and in our services as we work towards reducing our overall resource use across our operations.

Waste generated across our operations largely consists of non-hazardous general office refuse. Only our laboratories – including our Laboratory Services division, Enthalpy Analytical, as well as our R&D activities – generate regulated waste. Waste generated by our labs (including R&D) includes hazardous waste and universal waste, regulated under the RCRA and non-hazardous waste beyond general office refuse. Hazardous waste includes discarded samples from our clients' sites, such as drinking water, wastewater, stormwater, and soils, in addition to chemicals and media used in our sample preparation and analysis processes.

### HAZARDOUS WASTE<sup>37</sup>

### NON-HAZARDOUS WASTE<sup>38</sup>

2022



2021



<sup>37</sup> Includes hazardous waste generated by our Laboratory Services division (Enthalpy Analytical) and our R&D activities. The 2022 absolute hazardous waste data reported has been independently verified by a third party. Per employee waste generation was calculated based on the total number of all employees as of the applicable year end. Part-time employees are not prorated based on hours worked.

<sup>38</sup> Includes non-hazardous, operation process waste generated by our Laboratory Services division (Enthalpy Analytical) and our R&D activities. The 2022 absolute non-hazardous waste data reported has been independently verified by a third party. Per employee waste generation was calculated based on the total number of all employees as of the applicable year end. Part-time employees are not prorated based on hours worked.

To ensure responsible accumulation, storage, handling, documentation, and overall management of our waste, Enthalpy Analytical maintains a Waste Management Policy. The Waste Management Policy serves as the foundation for establishing the proper handling of waste and sets forth the following requirements:

- ◆ Training on the divisional Waste Management Policy for all Enthalpy Analytical employees, and annual RCRA compliance training for any employee with hazardous waste management responsibilities;
- ◆ Restricting employees authorized to handle certain wastes, based on completion of required compliance training and technical level;
- ◆ Properly identifying and classifying waste utilizing regulatory and industry-accepted references;
- ◆ Conducting routine hazardous waste area inspections, including the inspection for any container leaks or damage, and conformance to industry best practices; and
- ◆ Engaging with top-tier, reputable waste transportation vendors who responsibly and appropriately accept and transport waste to licensed Treatment, Storage, and Disposal Facilities (TSDF).



Our Environmental Policy also keeps us mindful of our waste behaviors. The policy commits us to limiting the amount of waste sent to landfills by reducing material use and waste generation while at the same time prioritizing the reuse and recyclability of the materials we do use.

Montrose has a commitment to reducing the generation of hazardous wastes at their source by implementing waste minimization practices into our standard operating procedures (SOPs). These practices include, but are not limited to: substitution of hazardous reagents with less hazardous alternatives; modifying SOPs to reduce process wastes and/or required sample volume; reinforcing employee competencies and knowledge of laboratory best practices through effective training; and substituting laboratory equipment with alternatives that utilize less sample and/or reagent. As we seek to better understand our waste generation and continuously improve waste management practices, we are exploring ways to calculate a more precise quantification of our waste. We aim to reduce the amount of waste sent to landfills through reductions in material use and process generation, as well as increased reuse and recycling at our facilities.



# Our People and Communities

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## Our Montrose Team

At Montrose, our employees are more than our greatest asset – they are Montrose. They are experienced scientists, engineers, consultants, regulatory experts, project managers, quality assurance personnel, and office personnel. Together, they inspire innovation, drive our success, and support our mission. Our leadership teams and employees share a passion for the environment and for each other so that each day, we are building a unified organization – One Montrose – and a better future for our people, communities, stockholders, and all of our stakeholders.



## UN Sustainable Development Goals

Throughout this section covering our people and our communities, we discuss programs, policies, and goals that are aligned with the UN SDGs, specifically:



UN SDG 3 – Good Health and Well-being, and its target 3.4, reduce mortality from non-communicable diseases and promote mental health, and target 3.9, to reduce illness and death from hazardous chemicals and pollution.



UN SDG 8 – Decent Work and Economic Growth, and its target 8.2, sustainable economic growth, target 8.4, improve resource efficiency in consumption and production, target 8.5, full employment and decent work with equal pay, target 8.7, end modern slavery, trafficking, and child labor, and 8.8, protect labor rights and promote safe working environments.



UN SDG 10 – Reduced Inequalities and its target 10.2, promote universal social, economic, and political inclusion, target 10.3, ensure equal opportunities and end discrimination, and target 10.4, adopt fiscal and social policies that promote equality, as they relate to the workplace.

See the [UN Sustainable Development Goals Appendix](#) for an extended overview of our actions aligned with these UN SDG targets.

## Overview

At the heart of our employee-centric model is our focus on regular communication and engagement. We seek to attract, develop, and retain diverse talent. We value having a diverse, fair, and inclusive workplace. We strive to build a culture of respect and trust for our colleagues that sparks innovation and motivates the delivery of ingenious, effective ways to measure, assess, and address real-world environmental challenges.

### Four Guiding People Principles

- 1 Embrace different experiences, backgrounds, cultures, and skills
- 2 Integrate safety as part of our daily operations
- 3 Enhance our work through preparation, precaution, and ethics
- 4 Grow our talent through fair compensation and development

Our Employees at a Glance <sup>39</sup>	Total	US	Canada	Australia	Sweden
Permanent, Full-time	2,064	1969	68	21	6
Permanent, Part-time	136	134	1	1	0
<b>Total, Permanent</b>	<b>2,200</b>	<b>2,103</b>	<b>69</b>	<b>-</b>	<b>6</b>
Temporary, Full-time	266	256	7	3	0
Temporary, Part-time	418	410	6	2	0
<b>Total, Temporary</b>	<b>684</b>	<b>666</b>	<b>13</b>	<b>5</b>	<b>0</b>
Non-guaranteed hours (casual)	1	0	1	0	0
<b>Total</b>	<b>2,885</b>	<b>2,769</b>	<b>83</b>	<b>27</b>	<b>6</b>

**2,330**

FULL-TIME EMPLOYEES  
AT THE END OF FISCAL  
YEAR 2022

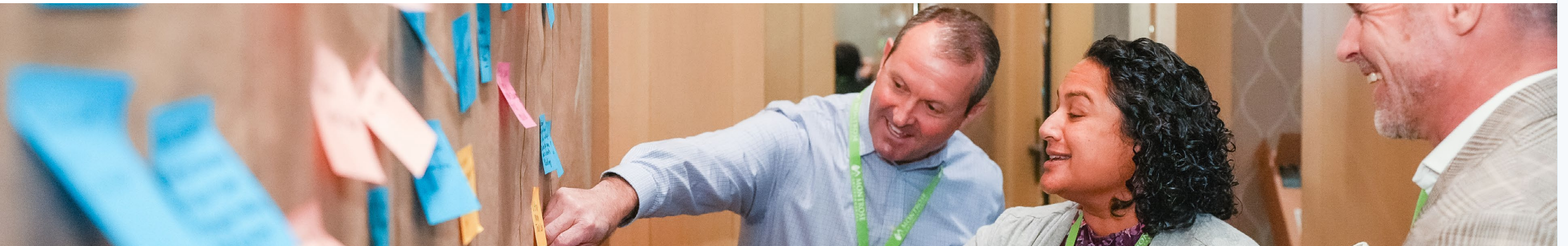
**554**

PART-TIME EMPLOYEES  
AT THE END OF FISCAL  
YEAR 2022

**8.5%**

INCREASE IN NUMBER  
OF TOTAL EMPLOYEES  
SINCE 2021

<sup>39</sup> Employee data represents employee head count as of December 31, 2022.



## Attracting, Engaging, and Retaining Talent

At Montrose, we differentiate ourselves by attracting top talent who bring diverse experiences, backgrounds, and mindsets to deliver the best solutions to our clients.

Our internal talent acquisition process enables us to develop a pipeline of top talent faster and efficiently expand our recruiting channels. Our talent acquisition team brings decades of experience from across industries. They partner closely with our technical teams to strategically identify hiring needs across our organization and implement solutions that deliver and enable us to support our clients across the globe. With our talent acquisition model, we can look around corners and hire for tomorrow's needs – not just for today.

Our aspiration of being the future of environmental solutions requires the newest and brightest ideas, so in 2022 we focused on expanding our recruitment efforts to attract the best talent. We developed relationships with universities to recruit from their talent pools across several disciplines, including environmental science, engineering, chemistry, and more. We also engaged with professional organizations that promote individuals from underrepresented populations, such as the Society of Women Environmental Professionals, and posted open roles on a variety of job boards, including those focused on the recruitment of diverse candidates. As a result of our organic growth through recruitment efforts and our acquisitions, we added 1,140 employees in 2022, 210 of whom were hired from underrepresented groups.

### Improving Together Through Focused Engagement

Our commitment to our people includes engaging with them thoughtfully and with purpose. We keep our employees informed of updates to our business and provide opportunities for feedback so that we can make Montrose better for everyone. Through Human Resources (HR) newsletters, periodic CEO town halls, company updates on the Montrose intranet, employee recognition programs, mentorship opportunities, and our team-centric environment, we keep our employees engaged in our vision and mission and we share their passion for our industry.

As Montrose continues to grow and acquire new companies, we strive to make each new employee feel as if they have always been a part of our Montrose team. For companies that we acquire, we have a streamlined integration strategy that ensures successful integration into the larger organization. Each of our core Montrose functions engage with acquired employees and leaders throughout the course of the integration period, and we seek feedback through a survey, which enables us to continually improve our integration process.

### Retaining Our Top Talent

We always strive to serve our employees best, so that they may continue to grow both professionally and personally at Montrose. Employee retention has been and remains a key priority of ours. In 2022, our combined voluntary and involuntary turnover rate was 29%. Of our total combined turnover, 3.4% consisted of leadership-level employees. We recognize that we have improvements to make in this area, and we share these challenges with our peers. Among similar professional services firms, such as architecture, engineering consulting, and construction services, nearly 90% expressed challenges with attracting and retaining talent.<sup>40</sup> We continue to focus on attracting, engaging, supporting, and retaining talent to maintain a strong, cohesive organization.

<sup>40</sup> Environmental Analyst. (October 20, 2022). Consulting firms upbeat on infrastructure & ESG, hiring & inflation are pinch points. <https://environmentalanalyst.com/global/108625/consulting-firms-upbeat-on-infrastructure-esg-hiring-inflation-are-pinch-points?q=Diversity>

## Employee Training and Development

We empower our employees to grow through challenging work and collaboration with industry experts in addition to investments in our training and developmental programs. These programs aim to provide employees and leaders with tools and skills they need to succeed and advance, both professionally and personally.

Our talent development programs include a focus on effective team growth. As we introduce new leaders to our teams, we offer New Leader Assimilation (NLA) as a development exercise that allows the established team and new leader to collectively get to know each other's styles, preferences, and expectations. Additionally, the new leader shares their vision and near-term plans to assimilate. The NLA process results in effective collaboration and creates an environment that encourages communication, mutual trust, and shared accountability.

In 2022, we advanced our talent development initiatives, including:

- The release of our Talent Profile, an internal resume database that allows us to showcase employee skills, education, work history, and career aspirations – designed to enhance cross-business collaboration, advance client support and proposal management, as well as facilitate career development and thoughtful discussions between leaders and employees;

- The deployment of on-site Leadership Development Days – designed to be interactive and engaging coaching sessions that provide leaders with insights and tools to better develop and lead their teams;
- The launch of the Montrose Leadership Excellence Program (MLE), an 8-month leadership development program – designed for high-potential employees or recently promoted leaders, nominated by Executive Leadership and leveraging our talent grid, involving virtual and on-site sessions, including one-on-one and group coaching sessions, led by a specialized leadership development firm to enable, energize, and empower leaders in their roles; and
- The Montrose Leadership Development Program (MLDP), an ongoing learning journey throughout 2022 – designed for our talented consulting professionals. Participants, nominated by Executive Leadership, navigate through live and virtual sessions focusing on key consulting-related skills, including people skills, business skills, client skills, and team performance. In partnership with a recognized development firm, the program includes both individual and group coaching, complemented by practical exercises for immediate workplace application. MLDP's aim is to stimulate intrinsic motivation for career progression, cultivate a strong people-focused culture, encourage measurable skill enhancement among our emerging talent, and shape a sustainable leadership pipeline for our future.

Our employees and their managers participate in annual performance reviews, which provide the opportunity to celebrate successes, review progress, and identify areas of growth for the next year. In 2022, we automated our goal scorecards to enable manager and employee visibility throughout the year. At year-end, managers and employees held performance and goal review sessions, with results informing our pay-for-performance compensation process.

The development of our leaders is key to our employees' growth and our ability to achieve our business objectives. We conduct 360-degree feedback surveys, in addition to our annual employee review process, for key groups of business leaders. These feedback sessions enable us to share insights on key strengths and development opportunities to help our leaders meet their full potential.

We similarly value skills development and believe that investing in our employees' education benefits our entire organization. We offer education reimbursement, as well as professional license and certification reimbursement, to encourage our employees to stay up-to-date on the most recent trends and best practices for their fields and roles. We also provide in-house training programs via online experiences and on-the-job training. Additionally, we encourage mentorship to learn from and grow with one another.

See the [Diversity, Fairness, and Inclusion](#) section for more information regarding mentorship as part of the WeLEAD network.

Our training and development programs are reviewed annually to assess their effectiveness in supporting employee development and compliance.

<sup>41</sup> Development training hours are calculated accounting for all employees as of the applicable year end. Part-time employees are not prorated based on hours worked.

<sup>42</sup> 2022 total training hours data has been independently verified by a third party.



## Supporting Each Other

Our people are committed to Montrose, and our comprehensive compensation and benefits program is just one of the ways we show our commitment to them. We have carefully designed our rewards and benefits to align with our people strategy, which prioritizes the personal and professional development and advancement of our employees. By providing incentives for targeted achievements, we motivate and engage our employees in achieving their goals and ours and, as a result, promote employee retention.

Our rewards and benefits are designed to make working at Montrose:

**Fair:** We strive to maintain a fair and equitable compensation program for comparable roles, experiences, and performance that is independent of race, gender, sexual orientation, or other personal characteristics. We have taken steps to standardize titles and levels, and introduced our Annual Incentive Plan (AIP) with scorecard-based goals for eligible, salaried employees. Our consistent approach to incentivized targets enhances our ability to offer fair and equitable cash bonuses and equity, when eligible, that motivate our employees to perform at their best while keeping our business strategy in mind. To further guide our approach to fair, competitive, and equitable compensation, we conduct an annual gender pay equity analysis and adopt changes to ensure equitable pay across job titles and functions.

See the [Diversity, Fairness, and Inclusion](#) section for more information.

**Flexible:** Our progressive vacation and routine time off programs for our non-exempt and exempt employees, respectively, promote a balance of work and personal life so that each individual can take the time to focus on what matters most to them. Each of our employees is provided a floating holiday to observe the cultural day and/or holiday that is important to them. We also provide bereavement leave, parental leave, and time off for jury duty for our employees, globally.

**Inclusive:** We believe strongly in employee ownership and the value our employees create for our Company, clients, communities, stockholders, and themselves. We conduct employee benefit surveys, which we use to implement solutions in response to the feedback we receive and expand our offerings to meet the interests and needs of all our employees. In 2022, we expanded our paid parental leave policy in the U.S.<sup>43</sup>, which offers eight weeks of paid leave for primary caregivers regardless of gender or seniority. We also included pregnancy loss in our bereavement leave.

**Beneficial for well-being:** Our compensation package includes healthcare benefits with our employees' physical and mental well-being in mind. Our healthcare benefits provide employee choice and affordability, including a corporate Health Savings Accounts (HSA) with employer and employee contributions. We also offer support through our robust Employee Assistance Program (EAP), which many of our employees use to create a positive impact on their lives.

**Future-oriented:** We offer our U.S. employees a 401(k) with a 4% company match, as well as an after-tax Roth 401(k) option, to ensure our employees' current work sets them up for future success and well-being.

**Supportive:** We value skills development and believe that investing in our employees through education benefits and tuition reimbursement gives back to our entire organization.

<sup>43</sup> Montrose complies with all applicable parental leave regulations in Australia and Canada.



# Diversity, Fairness, and Inclusion

At Montrose, DF&I is at the center of our culture. If we have the courage to seek out, embody, embrace, and empower the diversity within, we can bring forth that passion for blazing new, innovative trails beyond the walls of our organization.

We aspire to create an environment in which our employees, senior leaders, Executive Leadership, Board, clients, and suppliers reflect the diverse nature of the communities in which we live and operate. At Montrose, we embrace one another's unique perspectives and our differences across race, ethnicity, gender identification, sexual orientation, age, religion, military status, title or position in the Company, geography, educational background, disability, and other defining characteristics.

We seek to create positive environments built on mutual respect, equitable access to opportunities, and appreciation for the value each and every employee delivers to the Montrose team, our clients, and our communities. We work hard to create a workplace environment that is free from discrimination and harassment.

To this end, Montrose has established DF&I objectives to drive our actions as we seek to continually improve the diversity of our workforce, ensure fair treatment of all employees, and promote an inclusive culture.



## Our DF&I Objectives

- Engage employees, clients, and vendors in honest dialogue, in consultation with senior leadership.
- Examine Montrose programs, activities, policies, publications, and practices to determine how we can be more fair, diverse, and inclusive, and to enhance our effectiveness and ability to meet the needs of our diverse employee, client, and supplier base.
- Identify the inclusion, fairness, and diversity strengths, issues, and opportunities within all aspects of Montrose.
- Develop and implement strategies, plans, and actions for further progressing business processes to promote diversity, fairness, and inclusion within Montrose and externally within our communities.
- Celebrate and document our DF&I successes.
- Look toward the future and strive for continual improvement.

## DF&I Oversight

Our ability to foster a diverse and inclusive environment begins at the top of our organization. Our Board and our Executive Leadership drive our DF&I efforts and actively participate in the steps we take as a company to achieve our DF&I objectives. Our Board's Compensation Committee (Committee) directly oversees our DF&I program and our strategies for promoting a diverse and inclusive organization and culture that develops and retains the best talent. The Committee receives regular updates from our Executive Leadership on the progress of the DF&I program, which guides our journey to a better One Montrose for all.

Our DF&I Task Force, established in 2020, continues to build awareness across Montrose and establish and formalize employee development and policies that support our DF&I objectives and initiatives. The Task Force is comprised of employees from various Montrose teams and reports to, and works alongside of, our Executive Leadership in order to reduce inequality and ensure an inclusive work environment. We took steps in 2022 to further integrate the work of the Task Force across Montrose's locations and teams. In 2023, we plan to expand the DF&I Task Force by adding new members from other global locations, including Australia and Canada.

We also have maintained our WeLEAD network, which was established in 2020. WeLEAD focuses on fostering the recruitment, retention, and professional development of women at Montrose, with our General Counsel (GC) serving as the executive sponsor. WeLEAD fosters an alliance among women leaders across Montrose, with a key emphasis on mentorship and talent development.



“

WeLEAD is not just about mentoring. It is about connecting you to another person who may not have anything to do with your daily work, but who engages you in a meaningful way that makes you feel supported and confident.

”

**Tanya Jackson**

VICE PRESIDENT, U.S. LDAR DIVISION

## DF&I Practices

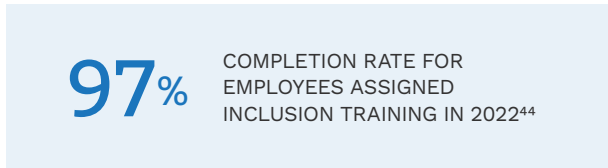
In 2022, we took the time to focus on the implementation of our DF&I strategy and roadmap, which we established in 2021. Our actions were informed by our most recent employee-wide DF&I survey. These surveys are conducted every two years with the goal of understanding our employees' perspectives and assessing areas of opportunity for a more diverse and inclusive company.

Based on the findings from our 2021 DF&I survey and in pursuit of fulfilling our DF&I objectives, we achieved the following in 2022:

- Increased our internal communication on DF&I progress and updates through company-wide town halls, flyers, progress reports, and the launch of our DF&I page on the Montrose Intranet;
- Shared monthly educational flyers on diverse events and holidays via company-wide emails;
- Adopted a floating holiday to give employees the ability to celebrate times that are personally significant to them;
- Celebrated our first company-wide Employee Appreciation and Diversity Day as an addition to our vacation policy;
- Continued our WeLEAD mentorship program with one-on-one mentorship sessions and small group networking forums;



- Developed a communication mechanism for employees to report DF&I-related comments, suggestions, or concerns;
- Launched a formal, annual gender pay equity evaluation and amendment effort to support equal pay for men and women across job titles and functions for both existing employees and new hires;
- Initiated development work for the establishment of Employee Resource Groups (ERGs), to be launched in 2023;
- Deployed mandatory inclusion training;



- Identified a vendor to provide unconscious bias training to Executive Leadership in 2023;
- Updated our U.S. Employee Handbook to ensure it incorporates inclusive and fair language; and
- Deployed pronoun and gender identification expansions and encouraged existing employees to complete and validate race and veteran status in our human resources information system.

<sup>44</sup> Completion rate for inclusion training has been independently verified by a third party. Represents permanent full-time employees assigned training as of June 30, 2022.

“ I wanted to say a big thank you for putting the “International Day of the World’s Indigenous Peoples” educational piece together. I cannot tell you how important this narrative is. It warmed my heart, and it’s just one of many reasons why I love Montrose. ”

**Sumaya Farooq**  
Ph.D., PROPOSAL CENTER DIRECTOR

We have zero tolerance for any behaviors that are contrary to our inclusive culture, such as harassment, discrimination, bullying, or threats. Employees are expected to report any suspected violations of our Code of Conduct and Ethics Policy, including instances of harassment, discrimination, bullying, and threats.

See our [Code of Conduct and Ethics Policy](#) and the [Business Ethics and Compliance](#) section for more information on our specific policies.



## Diversity at Montrose<sup>45</sup>

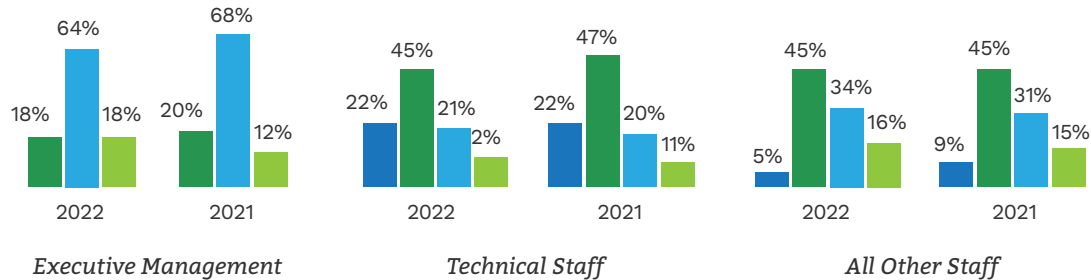
### Commitment to Improving our DF&I Impact

At Montrose, we have formally established a goal to achieve and maintain gender balance among our employees by 2040.

As of 2022 fiscal year end, our workforce was 58% male, 41% female, and 0.4% non-binary or unspecified. This exceeds the female representation for the broader architecture, engineering consulting, and construction services sector, where women make up less than 30% of employees.<sup>46</sup> Our racial and ethnic diversity is also strong compared to our professional services cohort, where racially and ethnically diverse employees remain less than 20% of the total workforce. At Montrose, 35% of our employees identify as racially and/or ethnically diverse.

### Age Diversity

● Gen Z (up to 26) ● Millennials (27-41) ● Gen X (42-56) ● Baby Boomers (57-75)



<sup>45</sup> Demographic data corresponds to EEO-1 job categories based on our full-time employees as of our 2022 fiscal year end. Information on EEO-1 compliance is available on our website, [here](#). Demographic and diversity percentages are calculated accounting for all full-time employees (permanent and temporary) across our global operations. Executive management includes Vice President level and above. Technical staff includes all engineers and field-based employees. All other staff includes all staff other than executive management and technical staff. Values may not sum up to 100% due to rounding.

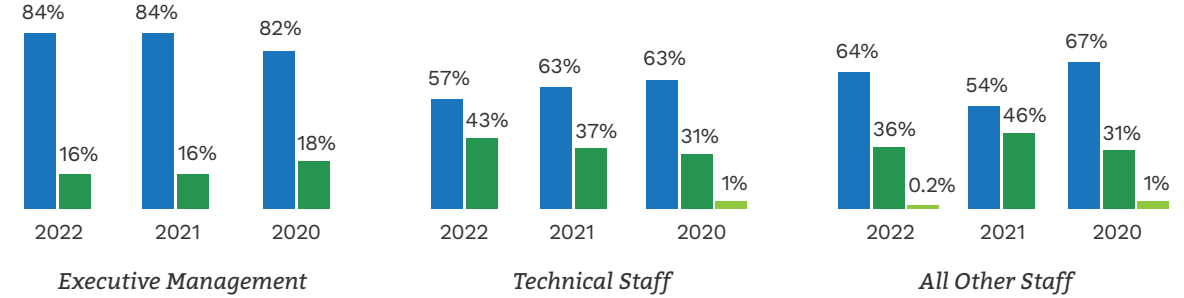
<sup>46</sup> Environmental Analyst. (October 20, 2022). Consulting firms upbeat on infrastructure & ESG, hiring & inflation are pinch points. <https://environment-analyst.com/global/108625/consulting-firms-upbeat-on-infrastructure-esg-hiring-inflation-are-pinch-points?q=Diversity>

<sup>47</sup> Response options included: male, female, non-binary/third gender, unspecified/indeterminate/intersex, or choose not to self-identify.

<sup>48</sup> White includes Australian, Swedish, North African, and Middle Eastern. Ethnically diverse includes EEO-1 categories American Indian/Alaskan Native, Asian, Black or African American, Hispanic/Latino, Native Hawaiian or Pacific Islander, and two or more races.

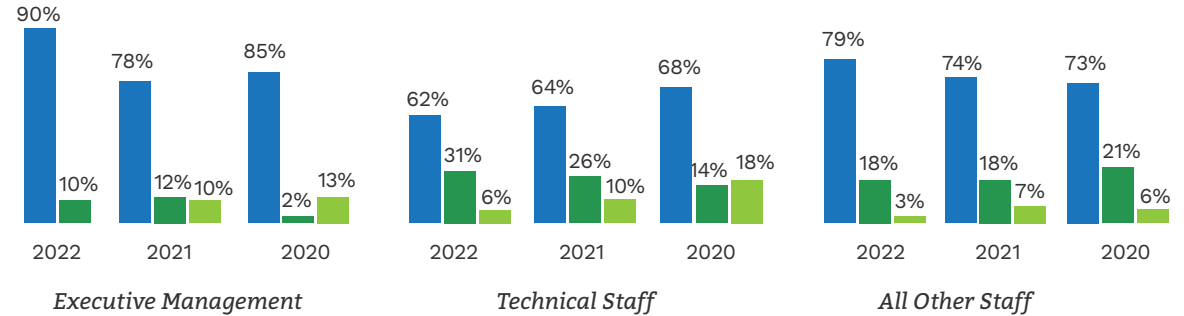
### Gender Diversity<sup>47</sup>

● Male ● Female ● Non-Binary/Unspecified



### Racial and Ethnic Diversity<sup>48</sup>

● White ● Racially and Ethnically Diverse ● Did Not Self-Identify



2022	Executive Management	Technical Staff	Other Staff
Asian	5%	6.4%	7%
American Indian or Alaskan Native	0%	1%	0%
Black or African American	3%	10.1%	3%
Hispanic/Latino	2%	9.1%	4%
Native Hawaiian or Pacific Islander	0%	0.2%	0%
Two or more races	0%	4.6%	3%
Did not specify	0%	5.7%	3%

# Health, Safety, and Well-Being

Our commitment to our employees and their health and safety is our top priority. Our success in providing the best environmental solutions for our clients and communities depends upon our ability to protect our employees and ensure their health and safety at work. We achieve this by keeping health and safety goals and practices front and center in all our activities.

Across Montrose, we are motivated by our health and safety mission statement:

**We are committed to the safety and protection of our employees, the communities where we live and work, and the environmental and regulatory compliance of our activities.** We expect all of our employees to commit to this mission and we base our business decisions in accordance with the following beliefs and practices:



- ◆ Our employees are our greatest asset, and we must ensure that everyone can do their job safely and in compliance with all regulatory requirements;
- ◆ Our senior leaders must ensure that no employee is ever directed to complete a task or job that is not safe or does not comply with our standards, and we will never reprimand an employee for refusing to perform a task for which they are not adequately trained or cannot perform in a safe manner;
- ◆ Workplace injuries can be prevented by eliminating hazards and unsafe behaviors, and Montrose employees must actively participate in the safety and health program by reporting all incidents and unsafe conditions and by helping other employees observe safe practices; and
- ◆ Regulatory compliance must never be compromised. Montrose will not allow activities or business at job locations (Montrose, client, or other) if we cannot comply with all federal, state, and local rules and regulations.

In addition to our health and safety mission statement, each of our divisions maintains their own Health and Safety Policy to guide activities within their operations for their people and the services they provide.

## Montrose's 2022 Health and Safety Priorities



Upgrade and enhance our ability to collect, analyze, and share health and safety data;

Develop and implement occupational health programs to protect employee health and promote well-being; and

Continually improve our safety policies, programs, and training to provide employees with a safer work environment.

## Safety Oversight

Our culture of safety and well-being is supported by a dedicated team of safety professionals who are responsible for establishing the policies and procedures to maintain a safe work environment.

Safety at Montrose is led by our Senior Vice President of Risk Management and Regulatory Affairs, who reports directly to our CEO and oversees our two distinct but cross-functioning teams who are focused on health, safety, and environment (HSE) at Montrose: HSE Operations, and HSE Process. Our HSE Operations Team focuses on the prevention of injuries and illnesses of our employees and the maintenance of HSE compliance in our day-to-day work. Our HSE Process team primarily handles the development and maintenance of HSE processes and programs and process safety management compliance. The teams work together in the implementation of safety-related processes, programs, and improvements. Each team is led by an experienced Vice President and supported by Safety Directors who oversee compliance, risk, and safety specialists as well as our health and safety managers and analysts.



Safety goals and objectives are developed on an annual basis by our HSE organization and assessed throughout the year as our teams execute the elements of our robust safety management system.

Our Executive HSE Committee and Divisional HSE Committees (also called Safety Committees) provide additional opportunities for safety check-ins and improvements and ensure HSE management remains an integral part of our daily operations. Our safety responsibility extends beyond our HSE teams and Safety Committees. We require all of our employees to take ownership of safety processes and procedures and we empower them to identify areas where these processes and procedures can be continually improved.

## Safety Systems and Practices

Our safety program is premised on management oversight, employee participation and engagement, and systems-driven HSE processes. We make health and safety a central part of our operations through our safety management system, the Montrose Integrated Management System (MIMS).

MIMS provides a comprehensive framework defining Montrose's safety program, its implementation, and how we measure and continually improve performance. MIMS follows a Plan – Do – Check – Act model which serves to promote compliance with HSE regulations and requirements, support HSE risk management, and drive continual improvement. As of the end of 2022, only our Australia operations are certified to International Organization for Standardization (ISO) 9001, ISO 14001, and ISO 45001 standards. As we continue to further develop, implement, and mature our MIMS, we are exploring broader conformance to ISO 14001, 45001, and 9001 standards across our operations.

Risk management and performance monitoring are integral pieces to our MIMS and our safety program. Prior to the commencement of new projects and throughout the project lifecycle, Project Managers are required to

identify, assess, mitigate, and plan for job hazards. We track key safety performance metrics for each division and produce quarterly safety performance reports sharing safety highlights and milestones in order to promote learning across the organization. To ensure our performance is monitored throughout the year, our Executive HSE Committee and divisional Senior Leadership teams meet quarterly to review safety programs, incidents, metrics, and actions. Our divisional Safety Directors also conduct internal audits at many of our project job sites and of our safety programs in order to evaluate the effectiveness of our processes and our overall MIMS.

Our commitment to safety includes the continual development and implementation of practices that keep our employees safe in their day-to-day activities, such as the provision of personal protective equipment (PPE), including prescription safety glasses and appropriate safety footwear. As part of our commitment to our employees' health and safety, we engage a third-party occupational medical provider that is available to all employees 24/7 to discuss occupational health concerns.

## Safety Engagement and Awareness

### Encouraging Employee Participation

Our employees are empowered to promote a strong safety culture with “Stop Work Authority” and “Good-Catch Reporting.” Stop Work Authority empowers employees to suspend work in the event a project or task cannot be performed safely or in compliance with rules, regulations, or Montrose standards. Our leadership fully supports the decision to stop an unsafe task, no matter the consequences, and will never exercise judgement or retaliation on an employee for using such authority. Each Stop Work order is documented through our online incident reporting system and thoroughly investigated to prevent similar occurrence.

In 2022, we implemented Good-Catch Reporting throughout some of our divisions as a voluntary reporting mechanism to further enable the identification of potential hazards.

When incidents do occur, employees are required to report them in accordance with our Incident Reporting and Investigation Policy which requires immediate verbal reporting to their supervisor and reporting via our online incident reporting system within 24 hours. Significant incidents are thoroughly investigated to prevent similar occurrence. As compared to 2021, our rate of timely incident reporting (that is, incidents being reported within 24 hours) increased by more than 40%.

### Maintaining Regular and Systematized Engagements

A robust safety program includes regular and systematized engagements to learn from experiences, share incidents, and promote open communication. Our online compliance management portal is used for incident reporting, learning management, and tracking of goals and milestones. Reviews of our safety program, any incidents that have occurred, and progress against our safety goals are discussed at quarterly meetings between our HSE Committees and Senior Leadership and monthly HSE team calls. Safety updates may also be included in company-wide town hall meetings. In the event an immediate safety notification is warranted, we develop and email Safety Flashes, or alerts, to the appropriate teams or divisions.

### Recognizing Safety in Action

The safety of our clients, communities, and employees is driven by the safety commitment of our people. Our internal safety award programs allow us to recognize and celebrate our employees’ dedication and contributions to safety excellence through individual and team-based efforts. These recognition programs help promote our culture of safety, while also empowering employees to be vigilant when on the job.



## Safety Recognitions

### Safety Star Award

Recognizes employees throughout the year for their individual contributions to improving safety. These individuals are nominated by other employees and selected by HSE leadership within their divisions.

165

employees were Nominated across five divisions

29

employees received this award in 2022

### Safety Recognition Award

Recognizes a group for its outstanding safety performance. This divisional award is chosen annually by the Executive HSE Committee.

IN 2022, OUR ECT2 AND BIOGAS DIVISIONS WERE RECOGNIZED FOR THEIR EMPHASIS ON SAFETY AND THE IMPROVEMENT OF THEIR SAFETY PERFORMANCE.

0

RECORDABLE INJURIES

80%

REDUCTION IN RECORDABLE INJURIES OVER 3 YEARS

Multiple

LARGE-SCALE PROJECTS COMPLETED WITHOUT INJURY TO OUR EMPLOYEES OR CONTRACTORS

>90%

HSE TRAINING COMPLETION RATE

<1 day

AVERAGE TO REPORT INCIDENTS

0

ENVIRONMENTAL EVENTS

### Safety Excellence Award

Recognizes divisional teams who demonstrate the best overall safety performance. Our Executive HSE Committee annually selects the winners of this award

IN 2022, OUR MONTROSE AIR QUALITY SERVICES (MAQS) TEAM WAS THE HONOREE.

0.5

TRIR

Multiple

MAJOR HSE INITIATIVES TO IMPROVE CRITICAL SAFETY ITEMS

>96%

HSE TRAINING COMPLETION RATE

50%

IMPROVEMENT IN TIME TO REPORT INCIDENTS

Improved

HSE PERFORMANCE OVER LAST 3 YEARS

0

ENVIRONMENTAL EVENTS



### Delivering Safety and Quality Training

Each year, we conduct comprehensive safety and quality training for our employees. Trainings are assigned based on the employees' category of work performed and division so that each employee completes the most relevant trainings for their role. Our employees participate in both live and e-learning courses to develop their skills and remain current on the most effective health and safety practices. In-person trainings may include first aid, cardiopulmonary resuscitation (CPR), and hazardous waste operations and emergency response (HAZWOPER) training, while e-learning courses typically hazard communication, driver safety, injury and illness prevention, and more.

In addition to our safety and quality training programs for employees across all divisions,

members of our HSE teams participate in professional development programs, such as the Montrose Leadership Excellence Program, to further develop their HSE leadership capabilities. We also encourage our HSE team members to participate in a variety of safety conferences and associations.

[See the Employee Training and Development section for more information on our professional development initiatives.](#)

As evidence of their expertise and commitment to implementing strong health and safety measures, our HSE team members hold a number of certifications, including Certified Safety Professional, Certified Industrial Hygienist, Associate Safety Professional, and Certified Associate in Project Management.

<sup>49</sup> The 2022 safety performance data has been independently verified by a third party, with the exception of safety training investment.

<sup>50</sup> This is calculated by the average of three years of worker's compensation experiences. Values reported represent all full- and part-time employees.

## Safety Performance

We continued to improve upon our safety performance in 2022. We are proud to have achieved more than a 33% reduction in recordable injuries per year for each of the past 4 years and greater than 63% reduction in recordable incidents over the last 3 years.

We are also proud of the progress and strides we have made to reduce our Total Recordable Injury Rate (TRIR) and keep our Lost Time Injury Rate (LTIR) steady over the last three years. We recognize that our Experience Modification Rate (EMR) has gone up slightly due to recent injury claims, and although this rate has increased we are still performing better than the industry average and are committed to decreasing our EMR in 2023 with our continued focus on injury and illness prevention. Although we have had no work-related fatalities in our operations for the past three years, an incident in February 2023 resulted in five fatalities. This incident is currently under investigation and will be fully reported in our 2023 Sustainability Report.



### Montrose's 2022 Safety Recognitions

CEO Vijay Manthripragada, National Safety Council 2022 CEOs Who "Get It" honoree

National Safety Council Award for Operational Excellence

CTEH, Houston Outstanding Safety Performance "Best in Class" award for "Technical Support - Medium" category

### Safety Performance Metrics

	2022 <sup>49</sup>	2021	2020
Total Recordable Injury Rate per 200,000 hours worked	0.18	0.29	0.51
Lost Time Injury Rate per 200,000 hours worked	0.05	0.05	0.06
Experience Modification Rate (Average Prior EMR) <sup>50</sup>	0.93	0.81	0.74
Fatalities	0	0	0
Employee safety training hours	28,387	20,604	18,300
Safety Training investment	\$1.1M	\$1M	\$500K

## Human Rights

Our mission and One Montrose approach encompass a holistic perspective that guides our actions and interactions. We understand that protecting the air we breathe, the water we drink, and the soil that feeds us means caring for the entire ecological system. In doing so, we also recognize and value our shared humanity. We firmly believe that everyone, regardless of their background, should be safeguarded through our business practices, ensuring their right to life, liberty, security of person, and dignity.

To formalize our commitment, we have developed a Human Rights Policy. This policy outlines our responsibility to uphold and promote human rights across all aspects of our business, both domestically and internationally. It applies to our direct operations as well as our engagements with business partners across our value chain. Our policy aligns with the United Nations International Bill of Human Rights and underscores the importance of fair labor practices in maintaining ethical and sustainable business standards.

A copy of our Human Rights Policy can be found on our website, [here](#).

We expect all our employees, including part-time and temporary workers, to adhere to this policy in their day-to-day business operations and in interactions with fellow employees, business partners, and clients. By integrating human rights into our core practices, we strive to create a positive and inclusive environment that respects and protects the rights of all individuals involved in our business and communities.



## Our Commitment to Our Communities

### Service Through Our Client Work

We are dedicated to environmental stewardship and serving the communities in which we live and work. Our environmental solutions are developed to underpin our mission of protecting the air we breathe, the water we drink, and the soil that feeds us. By working alongside our clients, we are making an impact in peoples' everyday lives.

See [The Future of Sustainable Solutions](#) section for more information on our client services.

## Our Work in Practice



### Real-Time Air Monitoring in Colorado

#### ENVIRONMENTAL CHALLENGE

Increasing population, industrialization, and energy use have intensified air pollution across the globe, with local communities in industrialized areas often at the greatest risk. To improve air quality for these communities, knowledge of the sources and locations of air pollutants is critical. Montrose was tasked by Suncor Energy, a petroleum company with a refinery located in Commerce City, Colorado, to provide air monitoring services for the development and maintenance of the new Commerce City North Denver (CCND) community air monitoring network.

#### ONE MONTROSE SOLUTION

Montrose engaged community stakeholders, regulators, and the local government to collectively identify the pollutants to be monitored and locations of monitoring sites for the newly created Love My Air Program. Our Sensible EDP division provided real-time air monitoring throughout different neighborhoods in the CCND area. Using a combination of continuous, near real-time stationary monitoring, periodic sample collection, and periodic real-time mobile-based air monitoring, Montrose provided the community with actionable air quality data.

#### OUR IMPACT

Approximately 90,100 one-hour rolling average air quality data points were collected in six CCND neighborhoods. The data informs community members of the air quality safety levels for outdoor activities. Through the Love My Air real-time air monitoring dashboard, community members have access to continuous monitoring of particulate matter 2.5 (PM2.5), one of the most harmful air pollutants for human health. The program includes a toolkit for schools, which outlines an air quality curriculum for kindergarten through 12th grade students, providing opportunities for local children to learn about real-world issues that impact their lives.





## Community Engagement and Support

Montrose is committed to supporting our employees and the communities in which we live and work. The Montrose Community Foundation is an employee-operated 501(c)(3) established in 2016 to provide a financial avenue of support for our employees and their families who are impacted by an event out of their control, such as a natural disaster or medical emergency. The impact of the Foundation continues to evolve over time as we seek to expand our contributions to the broader community.

In addition to the support provided through the Montrose Community Foundation, we have provided support to a number of non-profits focused on community welfare.

### Organizations Supported in 2022



Sponsored the Women's Foundation of Arkansas' Power of the Purse Luncheon, which celebrates the accomplishments of women and raises money to continue making progress for women and girls.



Raised money for the Arkansas Chapter of the Cystic Fibrosis Foundation.



Sponsored the Holiday Express Parade hosted by the Kansas City Salvation Army to support people who need a helping hand during the holiday season.



Donated food during Feed More Virginia's Holiday Food Drive.



Our  
Commitment  
to Acting  
Responsibly

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## Business Ethics and Compliance

Across our organization, we share an emphasis on quality and integrity in all we do. Our responsible and ethical behavior drives our ability to add value to our clients and stakeholders. All of us at Montrose are committed to conducting business ethically, honestly, and with integrity, and to pursuing business in full compliance with all applicable laws and regulations. We have robust programs and policies in place to maintain a culture of compliance.



### Ethics and Compliance Oversight

Responsibility for overseeing business ethics and compliance sits with our management team, including our GC and Legal team as well as our internal auditors. Our Board maintains oversight of our ethical and compliance expectations and has delegated specific responsibility to the Board's Audit Committee. The Audit Committee meets at least quarterly, wherein it reviews and discusses our practices relating to our compliance program, misconduct reporting and review process, and other matters.

## Business Conduct and Policies

Our Code of Conduct and Ethics Policy, Employee Handbooks, and recently adopted Human Rights Policy set the ethical standards required of our employees and contractors across our business. These written policies formalize our commitment to integrity, sound judgment, proper conduct, and adherence to laws and regulations and provide guidance for the application of these values at Montrose.

Key compliance requirement policies are set out in our Code of Conduct and Ethics Policy and address, among others:

- ◆ Conflicts of interest;
- ◆ Anti-bribery;
- ◆ Insider trading;
- ◆ Gifts and entertainment;
- ◆ Fair use of company property, funds, and information;
- ◆ Proprietary information protection; and
- ◆ Political activities.

See our [Code of Conduct and Ethics Policy](#) and the [Human Rights](#) section for more information on our specific policies.

We are committed to continuously developing and improving our internal conflicts clearance policies and procedures to help avoid conflicts of interest, both real or perceived. Our conflicts-check process is coordinated by our Legal team and aims to identify any business or legal conflicts for any new projects or acquisitions.

## Ethics Reporting and Training

Our employees are required to speak up regarding any acts of behavior or conduct that may be reasonably interpreted to be unsafe or an act of misconduct. We encourage our employees to promptly report any suspected Code of Conduct or policy violations to an SVP, the SVP of Human Resources, the Vice President of Internal Audit, or the GC. Alternatively, concerns can be reported anonymously and confidentially through our third-party ethics hotline by phone or via the online platform, through which each report is logged, investigated, and responded to.

To ensure complaints are acted on in a timely fashion, any whistleblower complaints are required to be reported to our Board's Audit Committee within three business days of receipt. We treat each report of potential misconduct seriously, and no retaliation will be taken or tolerated against anyone for reporting or supplying information about a concern. Upon receiving a report, depending on the nature of the report, the SVP of Human Resources, the Vice President of Internal Audit, and/or the GC are immediately notified, and reports are promptly reviewed with the utmost confidentiality. In 2022, we had one complaint submitted, which was promptly investigated and addressed under our whistle-blower protocols.

Our annual ethics and compliance training further enhances our commitment to ethics and integrity by helping our employees understand how to make good decisions during their time at Montrose. The required training addresses our expectations of ethical and professional behavior laid out in our Code of Conduct and Ethics Policy and our Employee Handbooks. The annual training covers topics such as conflicts of interests, human rights, human trafficking, anti-harassment, anti-corruption, bribery, and insider trading.



## Compliance Management

We are subject to a number of laws and regulations in the jurisdictions we operate relating to the environment, health and safety, data privacy, anti-corruption, financial reporting, and more. Our compliance management program consists of processes and procedures for monitoring and enhancing our approach to legal and regulatory actions that place requirements and restrictions on our activities. We conduct internal audits twice a year that support our efforts against bribery and corruption. These tests include but are not limited to validating the third-party ethics hotline, conducting formal risk assessments, and pursuing Code of Conduct employee recertifications. By effectively implementing compliance measures into our day-to-day business operations, we proactively address current mandates while being vigilant of any new or emerging issues. In addition, we are well positioned to implement any corrective action plans as the need may arise.

## Sustainable Procurement

Our commitment to fostering fair, ethical, and environmentally responsible practices is reflected in every aspect of our value chain. This encompasses the principles we uphold, the partners and suppliers with whom we do business, and the products and services we procure. Central to this approach is our focus on human rights, health and safety, environmental impact, risk management, and compliance.

Underpinning our One Montrose approach, in 2022 we appointed a Senior Vice President of Shared Services, responsible for further establishing and maturing our pan-Montrose procurement processes. As part of this effort, in 2023, our dedicated sustainability team will be working closely with Shared Services to ensure environmental and social considerations and criteria are integrated into our procurement systems and processes. Additionally, we are working together to develop a Sustainable Procurement Policy to reinforce our core principles and ensure effective management of our procurement processes when it comes to environmental stewardship and social impacts.



## Enterprise Risk Management

Montrose's enterprise risk management (ERM) process is designed to enhance stockholder value, support the achievement of strategic objectives, and improve long-term organizational performance and resiliency. A formal Risk Committee oversees the ERM process and leads on identifying, assessing, and managing current and emerging risks that could impact our business objectives. The Risk Committee is co-chaired by our GC and our SVP, Risk Management and Regulatory Affairs and also includes our Chief Financial Officer, Chief Information Officer, and Chief Operations Officer. Montrose has developed an enterprise risk matrix, which is reviewed in depth with our Board on a quarterly basis and updated to reflect changes in our risk profile. In 2023, we will be building out a more robust risk register and tracking tool to further support risk management.

Our Board provides oversight of our ERM process, including determining the appropriate level of general risk for the Company, assessments of the specific risks we face, and steps taken by management to manage those risks.



# Cybersecurity and Data Privacy

Protecting our clients' sensitive information is a responsibility we take seriously at Montrose. We are charged with the opportunity to serve approximately 5,600 clients in a wide variety of sectors and industries, including oil and gas, power, and manufacturing, and across all levels of government including local, state, provincial, and federal entities. Our commitment to the protection of their data is met through the work of our dedicated Cybersecurity team and the application of robust cybersecurity and data privacy systems and policies.



## Cybersecurity and Data Privacy Oversight

Our day-to-day cybersecurity and data privacy practices are executed by our Cybersecurity team. In 2022, we focused on growing the team, adding a suite of new cybersecurity professionals, including an interim Chief Information Security Officer (CISO). We continued this focus into 2023 with the appointment of our new Chief Information Officer (CIO). The CIO is a member of our Executive Leadership team and reports directly to our CEO. The Cybersecurity team seeks to provide proactive intervention and comprehensive application of governance, risk management, and compliance measures to protect the confidentiality, integrity, and availability of our information systems and data, while fostering a culture of compliance and cybersecurity awareness.

Our CEO, Board, and GC regularly review the company's cybersecurity and data privacy practices and risks and discuss them with our CIO and Cybersecurity team. Our Executive Leadership team reports quarterly to our Board's Audit Committee with updates on our cybersecurity activities. The Audit Committee is responsible for overseeing and providing guidance on our cybersecurity and data privacy risks and internal controls. The Committee actively

engages with our annual reviews of our security processes, procedures, and risk potentials, as well as our internal auditing process. In addition, we have engaged a third-party expert to advise the Audit Committee on cybersecurity matters, including oversight of the Company's continued development, evolution, and investments in cybersecurity and data privacy policies, practices, and resources. The Audit Committee regularly updates our Board on these matters and provides periodic reports when appropriate.

Our cybersecurity and data privacy policies provide our employees with expectations on how to act in a manner that safeguards the security of our clients', employees', and other stakeholders' sensitive information. Our Privacy Policy, IT Policy, and Data Retention Policy address the acceptable use, collection, storage, and sharing of information and are compliant with certain other legal and regulatory requirements. As noted in our Privacy Policy, we will not and have not sold personally identifiable information (PII) to third parties in the preceding 12 months.

A copy of our Privacy Policy can be found on our website, [here](#).

## Cybersecurity and Data Privacy Systems

Our systems are designed to provide continuous monitoring of cybersecurity risks and their mitigation. Our Cybersecurity team has implemented a certified security information management system (SIMS) that employs the National Institute of Standards (NIST) 800-171 cybersecurity strategy and framework company-wide. The NIST standard requires best-practice cybersecurity processes and ensures that all sensitive information located on our networks is secure and protected.

We have set rigorous cybersecurity and data privacy compliance program objectives standards to protect sensitive information. As part of this process, and as required for certain contracts with government entities, we are working to implement the requirements for Cybersecurity Maturity Model Certification (CMMC) Level 1 across our entire organization. We aim to be CMMC Level 2 compliant at our offices that may or currently support U.S. federal projects.<sup>51</sup>

<sup>51</sup> CMMC transitioned to a three-level model (1 being the lowest and 3 the highest) from the previous five-level model in 2021.

### Our SIMS requirements include:

- ◆ Annual audits and verifications of IT controls and processes;
- ◆ Monitoring, mitigation, and remediation processes;
- ◆ Business continuity and disaster recovery plans;
- ◆ Disaster recovery location(s);
- ◆ Capability to recover data to help maintain continuity;
- ◆ Anonymized and encrypted in-field data acquisition;
- ◆ Multi-factor authentication with Yubikey access for critical functions; and
- ◆ Immutable storage, cloud, and tape backup with capability to recover data to help maintain continuity.



## Cybersecurity and Data Privacy System Monitoring and Enhancements

We implement daily, monthly, quarterly, and annual security procedures to monitor the efficacy of our systems. In coordination with our Audit Committee and Cybersecurity team, our internal auditor conducts an in-depth review of our security systems at least annually. As part of this process, our internal audits leverage the compliance components of SOC 1 and 2. We also engage an external auditor to review our security systems and processes.

We have further enhanced the monitoring of our cybersecurity systems by conducting stress tests, penetration tests, maturity tests, and phishing exercises, in addition to implementing enhancements to our onsite security systems.

On June 11, 2022, our IT systems were the target of an organized ransomware attack. The attack primarily affected computers and servers within our laboratory network and did not result in a material impact to our business. We immediately acted to restore and remediate our operations, which included engaging internal and external resources, including our IT team, GC, and a third-party cybersecurity firm to perform a fulsome investigation of the attack. We have since taken additional actions to bolster our cybersecurity efforts, including:

- ◆ Increased the capacity of our Cybersecurity team by hiring more team members;
- ◆ Enhanced our Incident Response Plan through a Security Incident Management tool;
- ◆ Implemented a Vulnerability Management tool to proactively identify and manage potential vulnerabilities in our systems; and
- ◆ Increased user awareness training for our employees.



## Cybersecurity and Data Privacy Training and Awareness

Our cybersecurity team engages our employees with awareness efforts, including phishing exercises and updates to the Montrose intranet with relevant security news and practices. We raised awareness this past year by recognizing Cybersecurity Awareness Month. We hosted hybrid events, which included a presentation of cybersecurity best practices from an external speaker.

As part of our ongoing efforts to maintain a secure organization, all employees are required to complete annual, role-based data privacy and security training through our online training platform. This year, we expect to implement an in-person component to our cybersecurity training for certain teams.

For our Cybersecurity team, we encourage participation in industry conferences and continuing education. We believe that engagement with cybersecurity and data privacy practitioners serves to improve our overall capabilities by learning from the experiences and insights of others. This past year, events Montrose attended included the Cyber Security Summit and the CyberAB Conference.





## Intellectual Property

We work diligently to foster innovative ideas and create custom solutions for our clients. Protecting our ideas, innovations, and processes is therefore a key priority for our business.

We utilize a combination of intellectual property safeguards, including patents, copyrights, trademarks, trade secrets, and licenses, as well as employee and third-party confidentiality agreements, to protect our intellectual property. We expect our employees to use Montrose’s intellectual property with care, diligence, and honesty, and for permitted business purposes only. Due to our diversified products and solutions, we do not principally rely on any single piece of intellectual property, and there is no single piece of intellectual property that is material to our financial condition or to the results of our operations.

As noted previously in this report, in 2022 our Research and Development team was awarded six patents in the U.S. related to water treatment technology. In total, we have been awarded 18 patents and have an additional 20 patents submitted for approval in the U.S.

| See the [Innovations Creating Impact](#) section for more information.

As part of our commitment to conducting business ethically, honestly, with integrity, and in full compliance with applicable laws and regulations, Montrose respects valid intellectual property rights of others and avoids unauthorized use of intellectual property that belongs to third parties.

# Governance

Our approach to governance is principled, driven by our shared value to serve the long-term interests of our employees, our clients, our communities, and our stockholders. It is grounded in our commitment to accountability, transparency, fairness, and responsibility, and elevated by the policies, practices, and structures that support informed and effective decisions that advance our vision and promote our success.



## Governing Practices

Our Principles of Corporate Governance (Principles) describe the framework of our governance practices. They present our governance structure and detail our Board's primary responsibilities and duties. The Principles are reinforced by the charters of our Board's three standing committees, which include their respective oversight functions and membership guidelines. Alongside the Principles are our Code of Conduct Ethics Policy and Code and our Code of Business Conduct and Ethics for Members of the Board of Directors. Together, they safeguard and strengthen the overall operations of our company.

### Key Corporate Governance Practices include:

- ◆ Separate Board Chair and CEO;
- ◆ Independent Board Chair;
- ◆ Entirely independent Board Committees;
- ◆ Executive sessions of independent directors;
- ◆ Periodic Board and Committee evaluations;
- ◆ Succession planning;
- ◆ Executive and Director stock ownership guidelines; and
- ◆ One-share, one-vote standard.

## Board of Directors

We are governed by an eight-person Board that provides oversight, counsel, and direction to our management team. Our non-executive Chair, Richard Perlman, leads our Board, which involves agenda setting, stakeholder engagement coordination, and general Board management. Each of our directors advises on our risk management process and, through their Committee memberships, assists with supervising and governing our material risks and opportunities.

See the [Sustainability Oversight and Decision-Making](#) and [Greenhouse Gas Emissions](#) sections for information on sustainability and climate-change related governance, and our Investor website for our Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee charters, [here](#).



Our Board Committees, and their responsibilities, include:



### **Audit Committee:**

Focuses on financial risk, including internal controls, compliance with legal and regulatory requirements, Code of Conduct, and cybersecurity risk; discusses Montrose’s risk profile with our independent registered public accounting firm and our internal audit function.



### **Compensation Committee:**

Reviews compensation practices and policies to determine whether they encourage excessive risk taking, including a periodic review of management’s assessment of the risk associated with the company’s compensation programs covering its employees, including Executives.



### **Nominating and Corporate Governance Committee:**

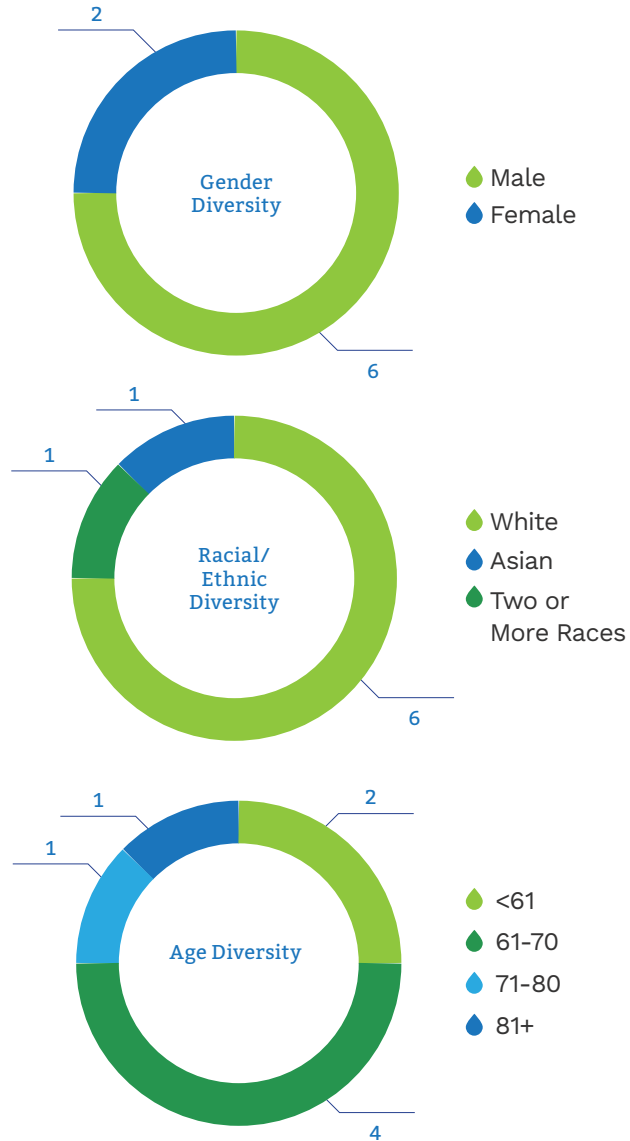
Manages risks associated with the independence of directors and Board nominees, as well as risks related to our sustainability/ESG practices.

## Board Composition

Our eight directors include leaders from the scientific community, seasoned business executives, and experienced accounting and financial professionals. All our directors, except for our President/CEO, are independent, according to the requirements prescribed by the New York Stock Exchange and the U.S. Securities and Exchange Commission (SEC). Collectively, they provide a significant breadth of experience, knowledge, independence, and ability to effectively represent the interests of our stakeholders, uphold our mission, and provide a broad set of perspectives.

See the [2023 Proxy Statement](#) for more information about directors, including their skills and experience.

Our directors are committed to a Board composition that reflects a diversity of backgrounds, experience, skills, and characteristics. During our director recruitment process, the Nominating and Corporate Governance Committee actively seeks out candidates with diverse backgrounds to include in the pool from which Board nominees are chosen when vacancies arise. Our Board composition as of the 2022 fiscal year end is presented in the charts to the right.



## Our Sustainability Commitment

At Montrose, our business is driven by a dedication to environmental and social responsibility and professional integrity, which we view as an imperative and strategic asset. We are committed to regularly monitoring and evaluating our progress on material issues relevant to our company and our stakeholders, while also reporting on goals that demonstrate our dedication and integrity in environmental services. As part of delivering on our mission, we remain committed to trailblazing solutions to protecting the air we breathe, the water we drink, and the soil that feeds us, while serving our employees, clients, communities, and stockholders.



# Appendix

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## About This Report

Montrose's 2022 Sustainability Report provides information on how we serve our people, clients, and communities and how we address the sustainability issues that are most important to our company and our stakeholders. In this Report, all information referenced is for the fiscal year ending December 31, 2022, unless otherwise stated. Beginning with this Report, the year referenced in the Report title reflects the reporting (fiscal) year rather than the publishing year. As part of our commitment to integrity and transparency, the majority of our reported data is independently verified by a third party.

A copy of our independent verification limited assurance statement can be found on our website, [here](#).

We report voluntarily on our sustainability strategy and performance, referencing the SASB Standards for Professional and Commercial Services and the GRI Standards. We have also identified specific UN SDGs that align with Montrose's sustainability strategy and the services we provide.

## SASB Standards Index<sup>52</sup>

Topic	Accounting Metric	Code	Disclosure Response
Data Security	Description of approach to identifying and addressing data security risks	SV-PS-230a.1	<a href="#">Cybersecurity and Data Privacy</a>
	Description of policies and practices relating to collection, usage, and retention of customer information	SV-PS-230a.2	<a href="#">Cybersecurity and Data Privacy Oversight</a>
	(1) Number of data breaches, (2) percentage involving customers' confidential business information (CBI) or personally identifiable information (PII), (3) number of customers affected	SV-PS-230a.3	<a href="#">Cybersecurity and Data Privacy System Monitoring and Enhancements</a>
Workforce Diversity & Engagement	Percentage of gender and racial/ethnic group representation for (1) Executive management and (2) all other employees	SV-PS-330a.1	<a href="#">Diversity at Montrose</a>
	(1) Voluntary and (2) involuntary turnover rate for employees	SV-PS-330a.2	<a href="#">Retaining Our Top Talent</a>
	Employee engagement as a percentage	SV-PS-330a.3	<a href="#">Attracting, Engaging, and Retaining Talent</a>
Professional Integrity	Description of approach to ensuring professional integrity	SV-PS-510a.1	<a href="#">Enterprise Risk Management</a>
	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	SV-PS-510a.2	<a href="#">Annual Report</a> – Commitments and Contingencies

Activity Metric	Code	Disclosure Response
Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract	SV-PS-000.A	<a href="#">Our Employees at a Glance</a>
Employee hours worked, percentage billable	SV-PS-000.B	Not to be disclosed

<sup>52</sup> Montrose has reported the information cited in this SASB Standards index for the professional and commercial services standards for the period January 1, 2022 – December 31, 2022.

# GRI Content Index<sup>53</sup>

GRI Standard	Disclosure	Location
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	About Montrose → <a href="#">Montrose at a Glance: 2022</a>
	2-2 Entities included in the organization’s sustainability reporting	Appendix → <a href="#">About This Report</a>
	2-3 Reporting period, frequency and contact point	Appendix → <a href="#">About This Report</a>
	2-4 Restatements of information	None
	2-5 External assurance	Appendix → <a href="#">About This Report</a>
	2-6 Activities, value chain and other business relationships	About Montrose → <a href="#">One Montrose</a>
	2-7 Employees	Our People and Communities → Our Montrose Team → <a href="#">Overview</a>
	2-8 Workers who are not employees	Our People and Communities → Our Montrose Team → <a href="#">Overview</a>
	2-9 Governance structure and composition	Our Commitment to Acting Responsibly → Governance → <a href="#">Board of Directors</a>
	2-10 Nomination and selection of the highest governance body	Proxy Statement - <a href="#">Election of Directors</a>
	2-11 Chair of the highest governance body	Our Commitment to Acting Responsibly → Governance → <a href="#">Board of Directors</a>
	2-12 Role of the highest governance body in overseeing the management of impacts	Our Sustainability Approach → <a href="#">Sustainability Oversight and Decision-Making</a>

GRI Standard	Disclosure	Location
<b>GRI 2: General Disclosures 2021</b>	2-13 Delegation of responsibility for managing impacts	Our Sustainability Approach → <a href="#">Sustainability Oversight and Decision-Making</a>
	2-14 Role of the highest governance body in sustainability reporting	Our Sustainability Approach → <a href="#">Sustainability Oversight and Decision-Making</a>
	2-15 Conflicts of interest	Our Commitment to Acting Responsibly → Business Ethics and Compliance → <a href="#">Ethics and Compliance Oversight</a>
	2-16 Communication of critical concerns	Our Commitment to Acting Responsibly → Business Ethics and Compliance → <a href="#">Ethics and Compliance Oversight</a>
	2-17 Collective knowledge of the highest governance body	Our Sustainability Approach → <a href="#">Sustainability Oversight and Decision-Making</a>
	2-18 Evaluation of the performance of the highest governance body	Proxy Statement - <a href="#">Corporate Governance</a>
	2-19 Remuneration policies	Proxy Statement - <a href="#">Compensation Discussion and Analysis</a>
	2-20 Process to determine remuneration	Proxy Statement - <a href="#">Compensation Discussion and Analysis</a>
	2-21 Annual total compensation ratio	Proxy Statement - <a href="#">Compensation Discussion and Analysis</a> Proxy Statement - <a href="#">CEO Pay Ratio</a>
	2-22 Statement on sustainable development strategy	<a href="#">From Our CEO</a>

<sup>53</sup> Montrose has reported the information cited in this GRI content index for the period January 1, 2022 – December 31, 2022 with reference to the GRI Standards.

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-23 Policy commitments	<p>Our Environmental Solutions and Impact → Our Commitment to Stewardship → <a href="#">Our Environmental Policy</a></p> <p>Our People and Communities → <a href="#">Human Rights</a></p> <p>Our Commitment to Acting Responsibly → Business Ethics and Compliance → <a href="#">Business Conduct and Policies</a></p> <p>Our Commitment to Acting Responsibly → Cybersecurity and Data Privacy → <a href="#">Cybersecurity and Data Privacy Oversight</a></p>
	2-24 Embedding policy commitments	<p>Our Environmental Solutions and Impact → Our Commitment to Stewardship → <a href="#">Our Environmental Policy</a></p> <p>Our People and Communities → <a href="#">Human Rights</a></p> <p>Our Commitment to Acting Responsibly → Business Ethics and Compliance → <a href="#">Business Conduct and Policies</a></p> <p>Our Commitment to Acting Responsibly → Cybersecurity and Data Privacy → <a href="#">Cybersecurity and Data Privacy Oversight</a></p>

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	Our Commitment to Acting Responsibly → Business Ethics and Compliance → <a href="#">Ethics Reporting and Training</a>
	2-26 Mechanisms for seeking advice and raising concerns	Our Commitment to Acting Responsibly → Business Ethics and Compliance → <a href="#">Ethics Reporting and Training</a>
	2-27 Compliance with laws and regulations	Montrose identified 0 instances of non-compliance with laws and regulations which occurred during the reporting year.
	2-28 Membership associations	<p>Our memberships include, but are not limited to:</p> <p>American Biogas Council, Air &amp; Waste Management Association (AWMA), Coalition for Renewable Natural Gas, Center for Methane Emission Solutions, Professional Environmental Management Association (PEMA), Water Environment Federation (WEF), American Water Works Association (AWWA), Groundwater Resources Association, Industrial Environmental Association (IEA), and National Environmental Health Association (NEHA)</p>
	2-29 Approach to stakeholder engagement	Our Sustainability Approach → Material Sustainability Topics → <a href="#">Materiality Assessment Process</a>
	2-30 Collective bargaining agreements	<a href="#">Annual Report</a> - Human Capital Resources



GRI Standard	Disclosure	Location
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our Sustainability Approach → Material Sustainability Topics → <a href="#">Materiality Assessment Process</a>
	3-2 List of material topics	Our Sustainability Approach → Material Sustainability Topics → <a href="#">Materiality Assessment Process</a>
	3-3 Management of material topics	Management of material topics is described in each topic section/sub-section of the report, as noted in the topic-specific disclosures listed below.
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual Report - <a href="#">Consolidated Statements of Cash Flows</a>
	201-2 Financial implications and other risks and opportunities due to climate change	Our Environmental Solutions and Impacts → Our Environmental Performance → <a href="#">Climate-Related Risks and Opportunities</a>
	201-3 Defined benefit plan obligations and other retirement plans	Our People and Communities → Our Montrose Team → <a href="#">Attracting, Engaging, and Retaining Talent</a>
	201-4 Financial assistance received from government	Montrose received no financial assistance from the government during the reporting year.
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Our Commitment to Acting Responsibly → <a href="#">Enterprise Risk Management</a>
	205-2 Communication and training about anti-corruption policies and procedures	Our Commitment to Acting Responsibly → Business Ethics and Compliance → <a href="#">Ethics Reporting and Training</a>
	205-3 Confirmed incidents of corruption and actions taken	Montrose identified 0 incidents of corruption with third parties.

GRI Standard	Disclosure	Location
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None.
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Our Environmental Solutions and Impacts → Our Environmental Performance → <a href="#">Energy Use</a>
	302-2 Energy consumption outside of the organization	We estimate the Scope 3 GHG emissions from our value chain based on spend data. We do not currently quantify energy consumption outside of the organization.
	302-3 Energy intensity	Our Environmental Solutions and Impacts → Our Environmental Performance → <a href="#">Energy Use</a>
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Our Environmental Solutions and Impacts → Our Environmental Performance → <a href="#">Greenhouse Gas Emissions</a>
	305-2 Energy indirect (Scope 2) GHG emissions	Our Environmental Solutions and Impacts → Our Environmental Performance → <a href="#">Greenhouse Gas Emissions</a>
	305-3 Other indirect (Scope 3) GHG emissions	Our Environmental Solutions and Impacts → Our Environmental Performance → <a href="#">Greenhouse Gas Emissions</a>
	305-4 GHG emissions intensity	Our Environmental Solutions and Impacts → Our Environmental Performance → <a href="#">Greenhouse Gas Emissions</a>



GRI Standard	Disclosure	Location
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Our Environmental Solutions and Impacts → Our Environmental Performance → <a href="#">Water and Waste</a>
	306-2 Management of significant waste-related impacts	Our Environmental Solutions and Impacts → Our Environmental Performance → <a href="#">Water and Waste</a>
	306-3 Waste generated	Our Environmental Solutions and Impacts → Our Environmental Performance → <a href="#">Water and Waste</a>
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Our People and Communities → Our Montrose Team → <a href="#">Attracting, Engaging, and Retaining Talent</a>
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People and Communities → Our Montrose Team → <a href="#">Attracting, Engaging, and Retaining Talent</a> Our People and Communities → Our Montrose Team → <a href="#">Supporting Each Other</a>
	401-3 Parental leave	All full-time Montrose employees are entitled to parental leave. In future years, we will disclose data related to this topic.


GRI Standard	Disclosure	Location
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Our People and Communities → Health, Safety, and Well-Being → <a href="#">Safety Systems and Practices</a>
	403-2 Hazard identification, risk assessment, and incident investigation	Our People and Communities → <a href="#">Health, Safety, and Well-Being</a>
	403-3 Occupational health services	Our People and Communities → Health, Safety, and Well-Being → <a href="#">Safety Systems and Practices</a>
	403-4 Worker participation, consultation, and communication on occupational health and safety	Our People and Communities → Health, Safety, and Well-Being → <a href="#">Safety Oversight</a> Our People and Communities → Health, Safety, and Well-Being → <a href="#">Safety Engagement and Awareness</a>
	403-5 Worker training on occupational health and safety	Our People and Communities → Health, Safety, and Well-Being → <a href="#">Safety Engagement and Awareness</a>
	403-6 Promotion of worker health	Our People and Communities → Health, Safety, and Well-Being → <a href="#">Safety Systems and Practices</a>
	403-8 Workers covered by an occupational health and safety management system	Our People and Communities → Health, Safety, and Well-Being → <a href="#">Safety Systems and Practices</a>
	403-9 Work-related injuries	Our People and Communities → Health, Safety, and Well-Being → <a href="#">Safety Performance</a>


GRI Standard	Disclosure	Location
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Our People and Communities → Our Montrose Team → <a href="#">Employee Training and Development</a>
	404-2 Programs for upgrading employee skills and transition assistance programs	Our People and Communities → Our Montrose Team → <a href="#">Employee Training and Development</a>
	404-3 Percentage of employees receiving regular performance and career development reviews	Our People and Communities → Our Montrose Team → <a href="#">Employee Training and Development</a>  Montrose requires that all full-time employees participate in a mid-year performance check-in and receive an annual performance review, both of which include career development conversations.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Our People and Communities → Diversity, Fairness, and Inclusion → <a href="#">Diversity at Montrose</a>  Our Commitment to Acting Responsibly → Governance → <a href="#">Board Composition</a>
	405-2 Ratio of basic salary and remuneration of women to men	While Montrose does not disclose this ratio, we conduct a gender pay equity analysis review every year and make adjustments accordingly.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Montrose identified 0 incidents of discrimination during the reporting year.


GRI Standard	Disclosure	Location
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<a href="#">Annual Report</a> - Human Capital Resources: Employees
GRI 415: Public Policy 2016	415-1 Political contributions	Our political contributions during the reporting year included:  Bracewell LLP (lobbyist): \$75K  Mississippi Energy Institute (non-profit energy-related economic development organization): \$96K  Eddins & Associates (Arkansas-specific lobbyist): \$60K  Johnston & Stewart (Florida-specific lobbyist): \$78K
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Our Commitment to Acting Responsibly → Cybersecurity and Data Privacy → <a href="#">Cybersecurity and Data Privacy System Monitoring and Enhancements</a>


# UN Sustainable Development Goals


UN SDG	UN SDG Targets	Montrose's Contributions
 <p><b>3</b> GOOD HEALTH AND WELL-BEING</p> <p>Ensure healthy lives and promote well-being for all at all ages</p>	<p><b>3.4:</b> By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being</p> <p><b>3.9:</b> By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination</p>	<p>Montrose conducted 28,387 hours of on-the-job safety training in 2022 and reduced recordable incidents by 63%+ for each of the last 3 years. CTEH, a division of Montrose, provides robust occupational, health and safety services which serve workforces that operate in hazardous conditions. A team consisting of physicians, medical toxicologists, occupational health &amp; environmental nurses, and other specialists address environmental and emergency response issues related to contaminated properties, sediments, and/or waterways.</p> <p>In addition, Montrose's services throughout each business segment contributes to the remediation, planning, and advisory regarding the protection of air, water, soil, and other natural resources, as highlighted in our Mission statement.</p> <p>See <a href="#">The Future of Environmental Solutions</a> and <a href="#">Health, Safety, and Well-Being</a> sections for more information.</p>
 <p><b>6</b> CLEAN WATER AND SANITATION</p> <p>Ensure availability and sustainable management of water and sanitation for all</p>	<p><b>6.3:</b> By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally</p>	<p>Montrose treated 2,942,518,409 gallons of water for PFAS and 415,104,628 gallons of water for other types of contaminants, accounting for a total of over 3.3 billion gallons of water treated in 2022. Our Research and Development team continued to innovate in areas regarding water treatment, particularly for the increase in services related to PFAS and selenium removal.</p> <p>See the <a href="#">Innovations Creating Impact</a> and <a href="#">Protecting the Water We Drink</a> sections for more information.</p>

UN SDG	UN SDG Targets	Montrose's Contributions
 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p><b>8.2:</b> Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors</p> <p><b>8.4:</b> Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead</p> <p><b>8.5:</b> By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p> <p><b>8.7:</b> Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms</p> <p><b>8.8:</b> Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p>	<p>We grew our employee base by over 8.5% throughout all of our global operations in 2022, with over 1,140 new hires and 210 of those who identify with an underrepresented group.</p> <p>With the establishment of a dedicated Talent Acquisition team, we are able to increase our competitiveness in hiring processes within our technical capabilities. In addition, we developed direct channels with top colleges and universities for early career talent acquisition.</p> <p>Our commitment is to ensure we are providing a work environment that reflects human rights, promotes fair labor practices, and excludes any form of discrimination and harassment.</p> <p>We have established a Human Rights Policy, which can be found <a href="#">here</a>.</p> <p>See <a href="#">Our Montrose Team, Diversity, Fairness, and Inclusion, Health, Safety, and Well-Being</a>, and <a href="#">Human Rights</a> sections for more information.</p>

UN SDG	UN SDG Targets	Montrose's Contributions
 <p><b>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</b></p>	<p><b>9.1:</b> Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all</p> <p><b>9.4:</b> By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities</p>	<p>Montrose's Remediation and Reuse segment provides infrastructure capabilities such as engineering, design, and implementation services for advanced environmental technologies such as patented water treatment systems, biogas generation, and air contaminant detection in real time. In 2022, we generated a total of 127,379 MMBtu of biogas through renewable natural gas production.</p> <p>Furthermore, Montrose's diverse solutions support increased resource efficiency, such as our Measurement and Analysis segment which is key to executing mechanisms for resiliency in infrastructure. With our innovative environmental expertise, we are able to apply key applications and technologies to address our clients' needs.</p> <p>Montrose has 18 patents on vapor and PFAS treatment technology and was awarded six U.S. patents in 2022.</p> <p>See <a href="#">Our Commitment to Innovation</a>, <a href="#">The Future of Environmental Solutions</a>, and <a href="#">Intellectual Property</a> sections for more information.</p>

UN SDG	UN SDG Targets	Montrose's Contributions
 <p><b>Reduce inequality within and among countries</b></p>	<p><b>10.2:</b> By 2030, empower and promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p> <p><b>10.3:</b> Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard</p> <p><b>10.4:</b> Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality</p>	<p>As part of our commitment to Diversity, Fairness, &amp; Inclusion (DF&amp;I), we are dedicated to our DF&amp;I Objectives, which target equality and the recognition of unique perspectives, such as race, ethnicity, gender identification, sexual orientation, age, religion, culture, military status, title or position in the Company, geography, education background, disability, and other defining characteristics. In addition, we are committed to achieving and maintaining gender balance across our workforce by 2040 and continuing our work on gender pay equity.</p> <p>Our DF&amp;I Task Force continues to build awareness across Montrose and aims to establish employee development and policies that support our DF&amp;I initiatives. As part of our WeLEAD mentorship program, 120 employees participated and 80% believed that they were a good match with their mentor or mentee. We have also established a new Parental Leave Policy, launched a formal annual pay equity evaluation process, and deployed mandatory inclusion training among other initiatives.</p> <p>See <a href="#">Our Commitment to Targeted Performance Improvements</a> and <a href="#">Diversity, Fairness, and Inclusion</a> sections for more information.</p>

UN SDG	UN SDG Targets	Montrose's Contributions
 <p>Take urgent action to combat climate change and its impacts</p>	<p><b>13.1:</b> Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>	<p>As part of our climate-related strategies, we conduct annual GHG emission inventories, with the addition of Scope 3 accounting in 2022. In addition, we are committed to achieving net-zero Scope 1 and 2 emissions for our operations and value chain by 2040, aligned with SBTi. We are also in the process of identifying key climate-related risks and opportunities, including topics on physical, regulatory, market-based, and natural resource risks.</p> <p>Furthermore, we provide GHG accounting and net-zero advisory services to our clients to aid in climate change mitigation efforts. Our most significant climate action efforts occur through the work we provide our clients as they are engaged in decarbonization opportunities. Examples of how we help our clients contribute to a low-carbon economy include the transformation of manure into RNG at dairy farms and sequestration of CO<sub>2</sub> through net-negative CCP in industrial processes.</p> <p>See <a href="#">Our Targeted Performance Improvements Performance, Supporting the Transition to the Low-Carbon Economy, Greenhouse Gas Emissions, Climate-Related Risks and Opportunities</a> sections for more information.</p>

UN SDG	UN SDG Targets	Montrose's Contributions
 <p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>	<p><b>15.3:</b> By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world.</p>	<p>As part of our mission to protecting soil resources, we offer services that focus on soil remediation and land redevelopment. Through our Remediation and Reuse segment, we are capable of soil capping, soil stabilization, sediment capping, brownfield redevelopment, and erosion control among others.</p> <p>See the <a href="#">Protecting the Soil That Feeds Us</a> section for more information.</p>



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