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From our CEO

To our fellow stakeholders and stockholders:

Thank you for trusting us to guide the long-term success of Montrose Environmental Group. We commenced our journey as a public company in July 2020 and delivered strong performance across our key businesses, even as the COVID-19 pandemic took and continues to take a heavy toll on our world. One of the more salient observations we made while navigating the global pandemic was that companies proactive in incorporating Environmental, Social, and Governance (ESG) considerations into decision making often emerged stronger through the crisis, better protected their stakeholder interests and were better positioned to create stockholder value. At Montrose, ESG excellence has been and remains core to how we operate and frame our decisions. Our business and financial success is inextricably tied to how well we take care of our people, our clients, and our communities – through our daily actions and our services, which include measuring and improving air quality and reducing greenhouse gas emissions, treating contaminated water and soil, and creating resources and energy from waste.

I am particularly grateful to our employees, and also our key stakeholders and stockholders, for supporting each other and serving our clients through a challenging backdrop. Among key efforts undertaken to protect our people, we created a COVID-19 Task Force which moved quickly and proactively to provide physical safety and to support the financial and mental well-being of our employees, as we describe on page 16 of this report. Our decisive actions to protect our team members through the global pandemic were not one-time, extraordinary efforts – protecting our employees’ safety has long been a top priority and hallmark of Montrose’s business focus. Employee safety has long been a top priority and hallmark of Montrose’s business focus.

Shortly after our IPO and as communicated in last year’s letter, we began to align our commitment to sustainability and good corporate citizenship with the UN Sustainable Development Goals (SDGs). With this report, we also demonstrate our ongoing commitment to communicate ESG progress under the frameworks established by the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD).
We are proud of our ESG accomplishments to-date and are excited to share them with you in this ESG report. Though we have made great progress, we would like to emphasize that our frameworks and this report are not static and will continue to evolve. As our business grows and as we better understand the expectations of our stockholders and the regulatory community, we expect to expand and fine-tune our areas of focus and disclosures.

At Montrose, we believe that achieving financial success and operational excellence is intrinsically tied to our leadership and commitment to decisions that incorporate ESG best practices. I hope you will follow our progress as Montrose Environmental Group continues to evolve and demonstrates by example that business success can leave a profound, positive impact on our environment, our people, and our communities.

Sincerely,

Vijay Manthripragada
President, Chief Executive Officer, Executive Director
From the Board

We are pleased to share Montrose Environmental Group’s inaugural ESG Report, showcasing our company’s commitment to sustainability and corporate responsibility. At Montrose, our commitment to ESG defines who we are, how we succeed, and why we operate with purpose and excellence. As a Board, along with its Nominating and Corporate Governance Committee, we collectively oversee how ESG factors impact the long-term interests of our business overall and our stockholders and stakeholders. We are committed to ensuring that Montrose’s business strategy aligns with our values, culture, and corporate mission to help protect the air we breathe, the water we drink, and the soil that feeds us. As fiduciaries to our stockholders, our Board is focused on cultivating exemplary corporate governance consistent with our commitment to ESG.

In 2020, Montrose created an ESG working group consisting of dedicated internal resources and external advisors to evaluate and address ESG factors that are material to our business. Our working group evaluates potential ESG risks and opportunities relevant to our company based on the views held by our stockholders, leading ESG frameworks, and ESG rating agencies.

Our entire Board believes that achieving and sustaining business excellence is directly tied to our oversight of ESG risks and opportunities, commitment to stakeholder engagement, and transparency. Thank you for reading our ESG report. We look forward to sharing more about our ESG commitment in the coming years.

Vijay Manthripragada
President, CEO & Director

Richard E. Perlman
Director, Chairman

James. K. Price
Director

J. Miguel Fernandez de Castro
Director

Peter M. Graham
Director

J. Thomas Presby
Director

Robin L. Newmark
Director

Peter Jonna
Director
Montrose at a Glance

The environment is our business.

We provide a diverse range of solutions to help clients and communities meet their environmental goals and needs. Whether we are helping our clients plan new projects, maintain or decommission operations, rehabilitate assets, manage the impacts of climate change, or respond to unexpected environmental disruption, we are there to support commercial organizations and governments.

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

OUR VISION
To 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
Where We Started

**2012**
- Montrose is founded
- Montrose establishes air testing services, with first acquisition
- Montrose adds environmental lab testing services

**2016**
- The Montrose Community Foundation is founded

**2019**
- Montrose adds regenerable ion exchange PFAS treatment technology
- Establishes presence in Australia
- Montrose is awarded the Industry Leader Award by the National Safety Council

**2015**
- Montrose adds water sustainability, renewable energy (biogas), and environmental remediation services

**2018**
- Montrose establishes environmental compliance services with its environmental compliance and eco-services team

**2020**
- Montrose adds environmental emergency response services
- Montrose establishes presence in Europe
- Montrose becomes publicly traded on the NYSE
- Montrose forms a women's network – WeLEAD, and the Diversity, Fairness, and Inclusion Task Force

There are over 1,800 employees in over 70 offices throughout the United States, Canada, Europe & Australia.
Our ESG Approach

The integration of environmental, social, and governance best practices is fundamental to how we frame our questions and decisions. That is why we operate with the belief that effective management and prioritization of ESG matters will simultaneously enhance Montrose's value proposition to customers, drive long-term value and benefit all stakeholders, and continue to strengthen our management teams and Board of Directors (Board).

Over the past year, Montrose expanded this commitment through the creation of an ESG working group comprised of members from various internal departments and external advisors. The group identified and assessed ESG factors relevant to our business, and developed this report to expand on how we manage the associated risks and opportunities.

At the outset, the group initiated a four-step approach to identify, prioritize, and verify the ESG risks and opportunities specific to Montrose:

1. ESG DIAGNOSTIC

We performed a robust ESG Diagnostic consisting of a review of leading ESG frameworks and the collection of feedback from select stockholders regarding their views on ESG priorities. Aspects of the predominant ESG frameworks, such as the Sustainability Accounting Standards Board (SASB), Taskforce on Climate-related Financial Disclosure (TCFD), and United Nations Sustainable Development Goals (UN SDGs), were utilized to evaluate focus areas most relevant to Montrose's business.

2. STAKEHOLDER ASSESSMENT

We analyzed the ESG focus areas to determine those that are most important to our business, our stockholders, and our other key stakeholders:

- **ESG Framework Analysis**: Identified, analyzed, and summarized the key factors from the ESG frameworks most utilized by our stockholders, including the SASB standards, the TCFD recommendations, and the UN SDGs.

- **Investor Analysis**: Analyzed the current Montrose stockholder base and their policies to identify key ESG issues as prioritized by our investors in their efforts to integrate ESG considerations into their investment decisions.

- **Best Disclosure Practices**: Researched best practices to determine how we can best communicate our ESG policies, principles, and practices.

- **Internal Feedback**: Considered feedback from employees to help determine which topics have the greatest impact on our business.
ESG PRIORITIES IDENTIFICATION

Based on the outcomes from Steps 1 and 2, we identified the following ESG issues as being the most relevant to Montrose’s business:

- **Professional Integrity**
- **Health & Safety**
- **Talent Development**
- **Diversity, Fairness, & Inclusion**
- **Environmental Impact for Clients**
- **Cybersecurity & Data Privacy**
- **Corporate Governance**
- **Environmental Impact of Operations**
ESG DATA COLLECTION AND VERIFICATION

Following the identification of our priority ESG issues, internal stakeholders across our divisions were engaged to provide qualitative and quantitative information relating to our actions. As an additional measure of confidence, our calendar year greenhouse gas emission and injury rate inventories have been verified by HXE Partners, an independent third party, to a limited level of assurance in accordance with “ISO-14064-Part 3: Specification with Guidance for the Verification and Validation of Greenhouse Gas Statements.” The verification process also reviewed the metrics included in this report relating to the benefits Montrose provides our clients for methane emission reduction and PFAS water remediation.

A copy of the assurance statement can be found here.
Alignment with UN SDGs

Our business success is intrinsically tied to how we impact all of our stakeholders – our clients, our employees, our communities, and our stockholders. As we evaluated how to best initiate the bolstering of our ESG efforts at Montrose, our Board and management decided that aligning our internal ESG framework with the UN SDGs would not only make the greatest impact on solving sustainable development challenges in our society, but also dovetail with our efforts to help our clients achieve their environmental goals.

In September 2015, the UN adopted a total of 17 SDGs to drive solutions to overcome global challenges, such as climate change, hunger, poverty, and gender equality, among others. As a leader in providing environmentally-focused solutions to our clients, we want to make substantial contributions and lasting commitments aligned with those aims. In this inaugural report, we have identified specific UN SDGs that align directly with Montrose’s ESG strategy and the services we provide our clients.

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<th>ENVIRONMENT</th>
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<td></td>
<td>Ensure availability and sustainable management of water and sanitation for all.</td>
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<td></td>
<td>Take urgent action to combat climate change and its impacts.</td>
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ENVIRONMENT

At Montrose, our business is the environment. We succeed when we provide innovative environmental solutions for our clients grounded in science and a depth of expertise. These actions also support the advancement of the UN’s goals on water and sanitation and climate action. Through our remediation efforts, application of innovative technologies, and expertise of our employees, Montrose is helping improve air quality, reduce greenhouse gas emissions, remove contaminants from water supplies, respond to climate change and other environmental emergencies, and lower the carbon intensity of our clients’ operations.

CLEAN WATER & SANITATION

Ensure availability and sustainable management of water and sanitation for all:

- Deployed patent-protected innovation in low carbon intensity remediation of contaminants in water, starting in 2019.
- Treated over 2 billion liters of water for PFAS in 2020 for our clients.
- Addressed approximately 200 emergency responses in 2020 by The Center for Toxicology and Environmental Health, L.L.C. (CTEH) in onshore, over water, or offshore conditions.

CLIMATE ACTION

Take urgent action to combat climate change and its impacts:

- Detected 901,514 metric tons of carbon dioxide equivalent (mtCO₂e) methane leaks in 2020.
- Launched our first carbon footprint analysis in 2019 and expect to continue annual updates.
- Developed a platform to detect and triangulate hazardous air pollutants and greenhouse gases to facilitate rapid interventions for the benefit of public health in 2019.
We have committed to and formalized employee development policies that support diversity, inclusion, fairness, and equality, and promoted development through various leadership and talent management programs. Montrose is fully aligned with the UN’s goal to achieve equal pay for work and will continue to reduce inequalities within Montrose. Our business cannot succeed if we do not protect the safety of our employees and clients. Employee Safety is core to Montrose’s business practices.

**GOOD HEALTH & WELL-BEING**

Ensure healthy lives and promote well-being for employees at all ages:

- Conducted 18,286 hours of staff safety training in 2020.
- Received the National Safety Council’s Operational Excellence Award for 2020 safety performance.
- Formed the COVID-19 Task Force, comprised of senior leadership, to protect and promote the physical, financial, and mental well-being of Montrose employees throughout the pandemic.
- Instituted COVID-related measures for our employees, including additional paid time off, expanded work-from-home flexibility and policies, heightened quarantine procedures and office sanitization procedures, and regular employee updates and Q&A sessions with leading toxicologists and clinicians.

**DECENT WORK & ECONOMIC GROWTH**

Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all:

- Launched efforts to cultivate and develop top talent, including our Leadership Development Program, as well as our women’s mentorship program through Women Empowering Leadership (WeLEAD).
- Continued efforts of The Montrose Community Foundation, a non-profit organization formed in 2016, to facilitate employees and Board members supporting fellow employees in need.
We at Montrose believe that the key to achieving many of the UN SDGs is to develop innovative solutions that support capital-efficient environmental sustainability and economic development. This is why we invest heavily in R&D. We aim to find long-term solutions to both environmental and economic challenges, and our governance framework reinforces this focus with direct Board-level oversight and input.

**REDUCED INEQUALITIES**

Reduce inequality within and among countries:
- Committed to increase recruitment, retention and upward mobility of women leaders through WeLEAD.
- Formed the Diversity, Fairness & Inclusion Task Force to improve diversity and inclusion within Montrose.
- Conducted a gender pay parity analysis and adopted changes to ensure equal pay across job titles and functions.

**GOVERNANCE, INNOVATION, & INFRASTRUCTURE**

We at Montrose believe that the key to achieving many of the UN SDGs is to develop innovative solutions that support capital-efficient environmental sustainability and economic development. This is why we invest heavily in R&D. We aim to find long-term solutions to both environmental and economic challenges, and our governance framework reinforces this focus with direct Board-level oversight and input.

**INDUSTRY, INNOVATION & INFRASTRUCTURE**

Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation:
- Provided direct Board oversight of ethics, integrity, corporate governance, and ESG ownership to the Nominating and Corporate Governance committee.
- Launched our first sustainability-linked credit agreement focused on 4 key performance areas of diversity and inclusion, PFAS water treatment, methane lead detection, and low-carbon intensity energy from waste.
- Lost $0 as a result of legal proceedings associated with professional integrity.
- Introduced GDPR-compliant information system and cybersecurity program based on NIST 800-171 Framework, implemented by internal IT governance and overseen by the Board.
INDUSTRY, INNOVATION & INFRASTRUCTURE (CONT.)

- Enforced employee policies to prohibit data sharing outside the network, with no data breaches or material vulnerabilities identified by third-party cybersecurity audits in 2020.

- Initiated a research and development department with support from key Montrose scientific advisors to facilitate the introduction of new environmental technologies.

- Developed and implemented science-based, innovative solutions that help remediate the environmental impact of coal combustion, methane infrastructure, drilling, and fracking.

- Advanced new technologies to detect, capture, and abate Hazardous Air Pollutants (HAPS), per- and polyfluoroalkyl substances (PFAS), and GHG molecules safely and cost effectively.

- Invented and optimized new sustainable technologies to remove emerging contaminants and other difficult-to-treat compounds from the environment, while minimizing associated waste generation. Awarded two patents since 2019 with additional patents pending.
Our COVID-19 Response

In 2020, we established a COVID-19 Task Force to implement policies to keep employees healthy and safe while informing them of developments on the virus, its impacts, and methods to minimize and manage infections. In addition to regular written updates, we held company-wide meetings with leading physicians, epidemiologists, industrial hygienists, and clinicians to promote awareness. We provided flexible working arrangements, Personal Protective Equipment (PPE), and a 24/7 emergency response hotline for our teams across the globe. We also launched two initiatives: the COVID-19 Time Off Grant and the COVID-19 Vacation Donation Program, which served as paid time off resources to help those who had been personally affected by the virus and/or those who needed to care for others who had been affected by the virus. Furthermore, COVID-19 testing was covered within our insurance benefits.

For our clients, we continued to provide mission-critical services in a safe and effective manner throughout the pandemic. For example, our teams used their expertise in epidemiology, occupational health, and emergency response to support COVID-19-related preparation and response plans. Through our acquisition of CTEH, our scientists and response teams have helped clients navigate their preparation for and response to COVID-19 infections by tracking test results, monitoring symptoms, providing medical screening and wellness surveys, tracking records, and providing contact tracing services. Our certified industrial hygienists also provide services ranging from cleaning and disinfecting worksites to developing and implementing protocols to help clients ensure procedures are in place to address COVID-19 concerns.
Environment

OUR STEWARDSHIP COMMITMENT

As a leading environmental solutions company, we strive to find and implement effective solutions to address our clients’ environmental needs. This necessitates innovative technologies, processes, and applications that address existing and emergent issues, such as newly identified contaminants and public health concerns, compliance with applicable laws and regulations, and management support from expert-led teams.

Environmental stewardship is fundamental to each and every one of our projects. That is why Montrose takes a big-picture view. We understand that project decisions on ecosystem assets and services, such as wetlands, forests, water purification, and climate regulation, affect clients’ social, environmental, and economic impacts. We add value by combining a precise understanding of regulatory, cultural, and ecological issues with practical, accredited, and cost-effective scientific methods. Through the leadership of our specialists, we deliver solutions for environmental challenges that make a meaningful difference for our clients and their communities.

OUR INNOVATION ETHOS

Innovation is core to our strategy. Through our international research and development teams, we strive to provide best-in-class environmental services. The teams explore new technologies and improvements to existing practices to help our clients help the environment. When treating contaminants, we minimize our carbon footprint by deploying energy efficient treatment technologies and waste minimization strategies.
### Our Holistic Environmental Solutions

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<tr>
<th>ASSESSMENT, PERMITTING &amp; RESPONSE</th>
<th>MEASUREMENT &amp; ANALYSIS</th>
<th>REMEDIATION &amp; REUSE</th>
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<tr>
<td>~30%</td>
<td>~46%</td>
<td>~24%</td>
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#### 2020 Combined Revenue Mix

- Regulatory Consulting
  - Air Quality
  - Water Quality
- Planning and Ecosystems Consulting
  - NEPA Compliance Documents
  - Natural Resource Damage Assessment (NRDA)
- Emergency Response
  - Environmental Incident Response
  - Risk Assessment & Mitigation
- Air Testing
  - Source Emissions
  - Fenceline Monitoring
- Lab Services
  - Air, Soil, Water, Sediment Analysis
  - Ultratrace Analysis & PFAS
  - Environmental Toxicology
- Leak Detection & Repair (LDAR)
  - Detection & Measurement
  - Consulting & Support Services
  - Data Management & Reporting
- Water Treatment & Renewable Energy (Biogas) Solutions
  - Initial Project Assessments & Feasibility Solutions
  - Integrated System Engineering & Design, Installation, Start-up & Commissioning & O&M
- Soil & Ground Water Remediation
  - Site Investigations & Assessments
  - Remediation, System Engineering & Design, Installation & O&M
  - Underground Storage Tank Closure & Management

#### Exemplary Services

1. **Cleaner Water Back to Communities**
   
   Our unique PFAS treatment solutions are supporting private and public sector clients.

2. **Improved Air Quality**
   
   Our innovation around real time measurement of contaminants coupled with software is helping our clients and communities improve air quality.

3. **Greenhouse Gas Measurement & Reduction**
   
   Our unique imaging process coupled with software is helping clients more quickly identify (and therefore, mitigate) sources of leaks.

4. **Renewable Energy & Race to Net-Zero**
   
   Our services targeting negative carbon intensity renewable energy is helping farmers and the environment.
Montrose Capabilities Aligned with Emerging Political & Regulatory Priorities

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<tr>
<th>ASSESSMENT, PERMITTING &amp; RESPONSE</th>
<th>MEASUREMENT &amp; ANALYSIS</th>
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<td>Regulatory</td>
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<td>Testing</td>
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<td>Lab</td>
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<td>LDAR</td>
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<tr>
<td>Biogas</td>
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<td>Soil/Water</td>
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- **Climate Change and Event Driven Response**
  - Assessment
  - Permitting & Response
  - Measurement & Analysis
  - Remediation & Reuse

- **Greenhouse Gas Mitigation and Air Quality**
  - Assessment
  - Permitting & Response
  - Measurement & Analysis
  - Remediation & Reuse

- **Emerging Contaminant Regulation**
  - Assessment
  - Permitting & Response
  - Measurement & Analysis
  - Remediation & Reuse

- **Renewable Energy and Reduced Carbon Intensity**
  - Assessment
  - Permitting & Response
  - Measurement & Analysis
  - Remediation & Reuse

- **Increased EPA Regulatory Enforcement**
  - Assessment
  - Permitting & Response
  - Measurement & Analysis
  - Remediation & Reuse

- **Infrastructure and Defense Spending**
  - Assessment
  - Permitting & Response
  - Measurement & Analysis
  - Remediation & Reuse
OUR TECHNOLOGIES

Working with our clients, we have successfully mitigated the generation and/or release of greenhouse gas compounds, developed energy production from alternative fuel sources, protected the safety of our people and communities while remotely assessing hazardous emissions situations, and improved water quality through our technology deployments.

CTEH: AERIAL IMAGERY
In more cases than not, situations arise during emergency responses where it is too dangerous for people to traverse terrain to survey potential damage. By introducing our clients to aerial imagery taken in remote geographies from drones, we can rapidly collect and disseminate information among members of emergency Incident Command response teams. This aids overall transparency, as well as hazard identification, progress tracking, auditing, and site documentation.

CTEH: BSCT - OUR BOSTON DYNAMICS ROBOTIC DOG
Our mechanical canine named "BSCT" is a valuable member of our team. With capabilities that include remote operation, fenceline monitoring, hazard assessments, and more, BSCT saves our team members from engaging with unsafe situations while delivering critical readings and measurements. Custom payloads include 5-gas detector, FLIR Thermal Camera, and remote evacuated canister deploy.

LDAR SERVICES: OPTICAL GAS IMAGING
By introducing our clients to Optical Gas Imaging (OGI) for Leak Detection and Repair (LDAR), our team can locate and repair leaks more quickly and safely. This keeps the air we breathe cleaner and our communities protected. OGI takes advantage of filtered infrared cameras to scan facilities comprehensively and efficiently – including unregulated, unsafe, or inaccessible components. Accuracy increases and ghost leaks (misidentification of leaks) are eliminated because clients are able to see exactly where a leak is occurring.

REGENERABLE ION EXCHANGE RESINS: PFAS REMOVAL
Our regenerable ion exchange resins provide certain advantages over other traditional approaches in the removal of PFAS from water with high concentrations of short chain and long chain PFAS. These synthetic resins provide a combination of adsorption and ion exchange that produces a PFAS removal capacity that is 8-15 times more effective than traditional granular activated carbon. Of note, our SORBIX™ RePURE resin is a patented technology, enabled by a proprietary specialty regenerant solution, that allows PFAS-saturated resin to be regenerated onsite and reused. Following regeneration of SORBIX RePURE, the PFAS-laden regenerant solution is processed through our distillation and SuperLoading™ process, reducing waste generation by orders of magnitude. SORBIX RePURE has approximately 10 times the capacity of GAC and is best suited to applications where resin replacement would lead to high operating expenses.
MINIMIZING OUR IMPACT: CONSERVATION, CLIMATE RESILIENCY, AND TCFD

Our most significant contribution to impacting climate change is through the work we provide our clients as they transition to a low carbon future. With our day-to-day focus on meeting clients’ objectives of environmental responsibility, we are also cognizant of our use of resources, environmental impacts, and role in addressing climate change.

In 2019, we undertook our first carbon footprint analysis of our Scope 1 and 2 emissions for a select number of locations based on our electrical and natural gas consumption and fleet vehicle fuel use. We collected the information and used a third-party consultant to generate the emission calculations for fiscal years 2019 and 2020. In 2020, we expanded our footprint analysis to include 52 of our locations, reflecting our growing organization. As we continue to reflect on the ways we can mitigate our environmental impact, we aim to regularly update our analyses and build upon targeted strategies.

Montrose has not conducted a scenario-based climate impact analysis for this inaugural report. We will continue to assess our ESG risk and opportunities, including those related to climate change by using the framework recommended by the TCFD: Governance, Strategy, and Risk Management. As our ESG program evolves, we intend to evaluate the feasibility of disclosing quantifiable financial impacts under various global warming scenarios.

### SCOPE 1 AND 2 EMISSIONS (MTCO₂E)*

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
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<tbody>
<tr>
<td>Scope 1 GHG Emissions (Natural Gas and Fleet)</td>
<td>6,301</td>
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<tr>
<td>Scope 1– Fleet Mileage Emissions</td>
<td>3,744</td>
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<tr>
<td>Scope 1– Natural Gas Emissions</td>
<td>2,556</td>
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<tr>
<td>Scope 2 GHG Emissions (Electricity)</td>
<td>1,962</td>
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<tr>
<td>Scope 1 and Scope 2 GHG Emissions</td>
<td>8,263</td>
</tr>
<tr>
<td>Scope 1 and Scope 2 CO₂e Emissions per revenue (mtCO₂e/$M)</td>
<td>25.2</td>
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* Metric tons of carbon dioxide equivalents. The calculation presented in the table represents our North American power consumption for all locations with power usage data available via Engie. Vehicle miles driven represent all mileage data from Enterprise plus mileage data from CTEH. Emissions from these facilities and vehicles were verified by HXE Partners.
Social

At Montrose, our employees are more than our greatest asset; our employees are Montrose. Without them, Montrose would not exist. They are key stakeholders, stockholders, and sources of customer value. Each day we strive to provide safe and inclusive workplaces with a focus on a team-centric culture. Through our joint passion for the environment and compassion for each other, management and employees together are able to achieve this cultural objective.

OUR PEOPLE

Given the highly technical nature of many of our services, our focus is on hiring and retaining the best talent in the industry. Our senior leadership team includes industry pioneers who have led a number of organizations, and those who are considered among the foremost experts in the field. We are proud to have some of the most talented and experienced teams in the field, comprised of consultants, regulatory experts, project managers, engineers, scientists, specialists, analysts, and technicians.

As of December 31, 2020, we had approximately 1,850 employees. About 95% of our full-time employees are based in our U.S. operations, with the remaining 5% working out of our operations in Canada, Australia, and Europe.
DEVELOPING TALENT

We believe that Montrose is only as good as its people, which inspires us to invest in our employees and help them succeed in their careers. Our teams grow, lead, and innovate through opportunities to develop and expand their skills and expertise, while achieving their career goals.

The aim of our employee development initiatives is to provide employees and leaders with the tools and skills they need to succeed and advance both personally and professionally.

LEADERSHIP COACHING PROGRAM
Our Leadership Coaching Program offers mentorship opportunities through on-going one-on-one coaching sessions aimed to foster individually specific leadership goals.

360-DEGREE FEEDBACK SURVEYS
Our 360-degree feedback surveys and annual employee reviews assist with identifying key leader strengths and development opportunities, while providing dialogue between employees and managers on ways to plan, review, recognize, reward, and improve performance.
Our commitment to our employees also extends to their compensation and benefits programs. We offer opportunities for the reimbursement of higher education tuition as well as professional license and certification fees to ensure our team members grow professionally and remain current on new trends and research in their respective fields. Our employees are at-will and eligible employees are immediately included in our benefits programs upon hire. These benefits include paid time off, parental leave, group health insurance, life insurance, employee assistance programs, a 401k plan with company match, and various other supplemental plans.

Through our dedication and commitment to motivate, retain, and reward our employees, we offer competitive pay packages with an opportunity for equity incentives for a large number of our employees. We believe strongly in employee ownership of Montrose. This approach creates value for our clients, for our employees, for the communities in which our employees live, and for our stockholders.

Our employees’ commitment is reciprocated through our 2% annual employee turnover rate for employees who are at a Director level or above in the organization. Additionally, our employees’ passion for the environment and Montrose’s mission is readily seen in the length of time they have spent working in the industry. The average tenure of our operational leadership in the environmental industry is 25 years.

**PROMOTING WORKPLACE SAFETY**

We make safety an integral part of our daily operations through preparation and precaution. Our Montrose Safety Team is responsible for establishing the policies and procedures to maintain a safe work environment. We expect all supervisory and management personnel, as well as the Safety Team, to monitor the safety performance of employees, and for each employee to take ownership for familiarity with the overall safety procedures.

To ensure awareness and promote compliance, we provide upwards of 20,016 on-the-job training courses. Current safety initiatives include driving safety, job safety planning, and job hazard analysis. To further our commitment to our employees, we engage a third-party occupational medical provider that is available to all employees 24/7 to discuss occupational health concerns. We have also recently obtained ISO 45001 certification in Australia.

Across our organization, we demonstrate a strong commitment to safety of our employees with frequent communications, and systems that actively engage and encourage employees’ input. The foundation of the safety program is our employee training. We supplement this with the provisioning of proper operating instruction and equipment, including PPE such as gloves, eyewear, and respirators.

In 2020, we conducted 18,286 hours of training for our full-time employees.
Furthermore, job hazards are routinely identified, mitigated, and planned for prior to work commencement, and the entire project process is documented to validate and improve performance.

We further enhance our safety initiatives by empowering all of our employees with “Stop Work Authority.” This allows for on-site work to be suspended in the event that a project or task cannot be performed safely or in compliance with rules and regulations. If it is not safe, our leadership fully supports an employee’s decision to stop a project, no matter the consequences. This ensures that there is no fear of retribution for exercising such judgement. Each “Stop Work” order is thoroughly investigated through our online reporting incident program to improve our procedures and learn from our experiences.

We are proud to have been recognized for four out of the last five years with the National Safety Council Industry Leader Awards for Outstanding Safety and Occupational Excellence Achievement, and the National Safety Council’s Industry Leader award, which is presented to only 5% of their member companies.

A ROBUST SAFETY PROGRAM

Learning from experiences and sharing incidents are critical to a robust safety program. At Montrose, we promote open communication through regular and systematized engagements:

- An online portal for training, documentation, and incident reporting
- Quarterly Safety Committee and Divisional Senior Leadership team meetings
- Quarterly Company-wide Townhall meetings
- Monthly business division Health and Safety calls
- Safety committees at regional and local offices
- Safety Flashes for immediate notifications
- Celebration and recognition moments
# Montrose 2020 Safety Performance

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Recordable Injury Rate</td>
<td>0.51</td>
</tr>
<tr>
<td>Lost Time Injury Rate</td>
<td>0.06</td>
</tr>
<tr>
<td>Experience Modification Rate</td>
<td>0.74</td>
</tr>
<tr>
<td>Fatality Rate</td>
<td>0.06</td>
</tr>
<tr>
<td>Employee Safety Training Hours</td>
<td>18.3K</td>
</tr>
<tr>
<td>Estimated Training Investment</td>
<td>$500K</td>
</tr>
</tbody>
</table>

*This is calculated by the average of three years of worker’s compensation experiences.*
OUR COMMITMENT TO DIVERSITY, FAIRNESS, & INCLUSION

At Montrose, diversity, fairness, and an inclusive environment are key to fulfilling our Company’s aspiration to be the future of environmental solutions. We aspire to create an environment in which our employees, our clients, and our vendors reflect the diverse nature of the communities in which we live and operate. We envision a team that embraces one another’s unique perspectives and differences. At the same time, we acknowledge that we are more alike than we are different.

DF&I TASKFORCE

In June 2020, we established our Diversity, Fairness, and Inclusion (DF&I) Task Force to spearhead efforts to reduce inequality, and to ensure that all of our colleagues support an inclusive work environment. The Task Force consists of a diverse group of 13 employees across different segments of the organization and offices, and reports directly to and works alongside our senior management on these issues. Beyond the Task Force, we encourage all employees to provide their insights, experiences, and ideas to create the comprehensive programs that embody Montrose’s ideals.

The DF&I Task Force has spearheaded the following initiatives:

• Promoted awareness of our company talent.

• Coordinated with our CEO to communicate on social issues.

• Advocated for enhancements to policy changes such as our floating holiday vacation policy and increase of COVID-19 leave.

• Initiated programs alongside our human resources team for recruitment and self-identification campaigns and signatures.

• Committed to building and implementing a full DF&I training program for all Montrose employees.
In January 2020, our senior female leadership, Chairman of the Board, and CEO established the Women Empowering Leadership (WeLEAD) program. This group’s mission is to foster the recruitment, retention, and professional development of women at Montrose. Our WeLEAD program has been working to develop an alliance of women leaders across Montrose, with a key emphasis on mentorship and talent development.

Since the program’s inception, a gender pay parity effort was launched across the organization to ensure equal pay across job titles and functions. Compensation paid to female and male employees for both existing employees and new hires is regularly audited. Based on the results, base salaries were and will continue to be adjusted to ensure gender pay parity.

WeLEAD’s efforts have led to several prominent female leaders being promoted into senior roles within the Company’s science and engineering departments and enhancements to policy actions that support the development and retention of female talent, such as parental leave policy changes.
MONTROSE’S COLLECTIVE COMMITMENT

Our Board and management teams are active in the advancement of our diversity, fairness, and inclusion efforts. The Board’s Nominating and Corporate Governance Committee and Compensation Committee oversee Montrose’s strategies and policies for ESG and human capital management, including our diversity and inclusion programs, workplace environment and culture, and our development and retention programs. The chairs of the committees are actively engaged in the efforts and receive regular updates from our management team.

Our directors are also committed to a board composition that reflects a diversity of backgrounds, experience, skills, and characteristics. In our director recruitment process, the Nominating and Corporate Governance committee actively seeks out women and candidates with diverse backgrounds to include in the pool from which Board nominees are chosen when vacancies arise. Our Board of eight directors is currently comprised of one female director and three directors of diverse racial and ethnic backgrounds.

**BOARD RACE/ETHNICITY DIVERSITY**

- 62.5% White
- 37.5% Non-white

**BOARD GENDER DIVERSITY**

- 87.5% Male
- 12.5% Female
One Montrose Way:
Our singular solution for doing things, using common and consistent business processes across Montrose

Through our streamlined One Montrose Approach, we continually educate, engage, and execute on our strategies to meet the needs of our team members. Our stakeholder groups include leaders from across the organization and work streams to ensure there is continuous reinforcement of principles and encouragement of shared ideas.

Fundamentally, we seek to build a positive environment that supports human rights through a foundation of mutual respect, equal access to the same opportunities, and appreciation for the value that each and every employee delivers, across the Montrose team, our clients, and our communities.

We are an equal opportunity employer and truly believe our strength comes from a diverse group of applicants and employees. Montrose recruits, hires, trains, promotes, compensates, and administers all personnel actions without regard to race, creed, color, religion, sex, gender, sexual orientation, national origin, ancestry, citizenship status, age, marital status, political party affiliation, military or veteran status, genetic information, medical condition, physical or mental disability, or any other status protected by law. Our harassment- and violence-free workplace policies have zero-tolerances for any discrimination, harassment, or bullying. We take seriously any form of threat, discrimination, or violation of our Code of Conduct and our Ethics Policy, and have devised robust confidential reporting networks. Employees are encouraged to report any concerns to one’s manager, SVP, or HR Business Partner, or through our third-party managed Ethics Hotline.

**EMPLOYEE DIVERSITY DATA**

<table>
<thead>
<tr>
<th>EXECUTIVE MANAGEMENT</th>
<th>TECHNICAL STAFF</th>
<th>ALL OTHER</th>
</tr>
</thead>
<tbody>
<tr>
<td>82% Male</td>
<td>68% Male</td>
<td>67% Male</td>
</tr>
<tr>
<td>18% Female</td>
<td>31% Female</td>
<td>32% Female</td>
</tr>
<tr>
<td>0% Unspecified/ Non-binary*</td>
<td>1% Unspecified/ Non-binary*</td>
<td>1% Unspecified/ Non-binary*</td>
</tr>
</tbody>
</table>

* Response options include: did not self-identify, non-binary/third gender, unspecified/indeterminate/intersex
GIVING BACK - THE MONTROSE COMMUNITY FOUNDATION

In 2016, our employees formed The Montrose Community Foundation, a non-profit organization funded by personal donations from our employees and Board members for the benefit of our employees. The Foundation, through the employee-led volunteer board, confidentially provides resources to our employees in times of need. From catastrophic events such as fires or the floods in Baton Rouge, Louisiana to assistance with medical bills, our employees have helped dozens of families through financial difficulties. Our employees’ dedication of time and resources to the Foundation is a further testament to our team-centric culture.

* White includes Australian, Swedish, North African, and Middle Eastern
** United States of America
Governance

Accountability and transparency are vital to the on-going success and continued professional excellence at Montrose. Throughout all of our operations, we are committed to upholding the best practices, laws, and policies of our industry, while striving to embed an ethos of duty and compliance.

BOARD OF DIRECTORS

Montrose is governed by a Board with eight members representing the scientific community, our executive team, our initial investors, and seasoned business leaders. Seven of the Directors are independent directors unaffiliated with the Company. This Board has made an affirmative determination that each of the Independent Directors satisfies the requirements for independence prescribed by the New York Stock Exchange.

SUSTAINABILITY GOVERNANCE

Montrose’s CEO and management team solicit feedback from select stakeholders, propose and implement ESG initiatives, and use ESG criteria in decision frameworks. The Board’s Nominating and Corporate Governance committee specifically oversees and makes recommendations on Montrose’s ESG progress, including policies, activities, and opportunities. The feedback from the Board is used to update and modify Montrose’s objectives and plans, which are then implemented.
UPHOLDING HONESTY, ETHICS, & INTEGRITY

To be the future of environmental services, we are dedicated to building trust, acting with a sense of urgency, being committed to adding value, and having a stubborn refusal to not settle for second-best. To achieve this unwavering commitment, we hold ourselves to the highest level of ethical behavior and are committed to building robust programs and policies for enterprise risk management.

Our overarching ethics policy is Montrose's Commitment to the Respect of Human Rights. For us, the idea of human rights is simple: all people have a right to life, to liberty, to security of person, and to be treated with dignity. Pursuant to this policy, we have a responsibility to respect and advance human rights with the work we do, domestically and internationally, either directly or through our business partners. It is this foundation that guides every interaction with our clients, our people, our community, and our stockholders.

Montrose’s Board and employees follow a robust written Code of Conduct and Ethics Policy, which guides our actions and behaviors. In addition to compliance with legal and regulatory requirements in the normal course of business operations, our policies, among others, address:

- Conflicts of Interest
- Anti-Bribery
- Insider Trading
- Gifts and Entertainment
- Fair Use of Company Property, Funds, and Information
- Proprietary Information Protection
Our continued ability to operate and engage in all interactions with the utmost attention to professional integrity and ethics depends on each one of us at Montrose. We encourage all employees to report any acts of behavior or conduct that may be reasonably interpreted to be unsafe or an act of misconduct. Reports can be made to any manager, HR Business Partner, or the General Counsel. These reports are immediately raised to the Senior Vice President of Human Resource or the General Counsel, which are in turn promptly reviewed under the utmost confidentiality. In 2020, we rolled out our Ethics Hotline through Navex Global to allow for anonymous reporting. Each anonymous report is logged, investigated, and responded to through the platform.

Oversight of our business ethics and compliance is handled by our Audit Committee. To further enhance our commitment to ethics and integrity, we are implementing an annual training program for all employees that addresses our Code of Conduct and Ethics Policy, and expectations of ethical and professional behavior.

**CYBERSECURITY – PROTECTING VALUABLE INFORMATION**

With more than 5,000 clients operating within a variety of sectors and industries, including oil and gas, utilities, and construction, and across all levels of government from the local, state, provincial, and federal entities, the protection of their sensitive information is of utmost concern.

Our Security Team is working to implement a certified information security management system that employs the National Institute of Standards (NIST) 800-171 cybersecurity strategy and framework company-wide, in addition to working towards Cybersecurity Maturity Model Certification (CMMC) Level 3 compliance for certain offices. We are also enhancing a few of our procedures this year through the implementation of cybersecurity awareness training and physical controls such as employee badges. We had no data breaches or material vulnerabilities identified by third-party cybersecurity audits in 2020.

Our information security management system includes:

1. Penetration and vulnerability testing of internal and external facing services
2. Annual audits and tests of our data information systems
3. Daily 3rd party monitoring, mitigation, and remediation processes
4. Business Continuity and Disaster Recovery plans
5. Anonymized and encrypted in-field data acquisition
6. Multi-Factor authentication with YubiKey access for critical functions

In addition to our daily, monthly, quarterly, and annual security procedures, our Audit committee is responsible for the oversight of our internal controls. Our management team reports to the committee quarterly with updates on our activities along with annual reviews of our security processes and procedures, and risk potentials.
Our ESG Commitment

At Montrose, our business is driven by a dedication to environmental responsibility, which we view as an imperative and strategic asset. In this inaugural report, we’ve been honored to share our current progress on our environmental, social, and governance efforts, and look forward to continuing to provide the transparency that keeps us honest and accountable. As we look to the future, we remain committed to our mission of helping to protect the air we breathe, the water we drink, and the soil that feeds us, while supporting our people and the communities in which they live and work, as well as driving our financial success.
FORWARD LOOKING STATEMENT

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements relate to matters such as our industry, business strategy, goals and expectations concerning our market position, future operations, margins, profitability, capital expenditures, liquidity, capital resources and other financial and operating information. Forward-looking statements may be identified by the use of words such as “intend,” “expect,” and “may,” and other similar expressions that predict or indicate future events or that are not statements of historical matters. Forward-looking statements are based on current information available at the time the statements are made and on management's reasonable belief or expectations with respect to future events, and are subject to risks and uncertainties, many of which are beyond the Company's control, that could cause actual performance or results to differ materially from the belief or expectations expressed in or suggested by the forward-looking statements, including general global economic, business and other conditions, the cyclical nature of our industry, the significant fluctuations in events that impact our business, our ability to execute on our strategies and realize the anticipated benefits thereof, our ability to promote and develop our brands, safety-related issues, our ability to adapt to changing technology, industry standards, or regulatory requirements, and any failure in or breach of our networks and systems. Further, many of these factors are, and may continue to be, amplified by the COVID-19 pandemic. Additional factors or events that could cause actual results to differ may also emerge from time to time, and it is not possible for the Company to predict all of them. Forward-looking statements in this report speak only as of the date of the report, and the Company undertakes no obligation to update any forward-looking statement to reflect future events, developments or otherwise, except as may be required by applicable law. You are referred to the Company's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2020, for additional information regarding the risks and uncertainties that may cause actual results to differ materially from those expressed in any forward-looking statement.