



CLEAN UP ENERGYSM

DELIVERING SUSTAINABLE VALUE

**2022
SUSTAINABILITY
REPORT**





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Gabriel J. Rio
President & CEO

A MESSAGE FROM THE PRESIDENT & CEO

+ In the Truest Sense 2022 Was a Milestone Year.

In 2022, Milestone leveled up in many ways. We opened a new facility in New Mexico, earned record financial returns, and sequestered 416,732 MT of CO₂e in our facilities, a significant increase from 2021. Our Sustainability performance truly delivered financial returns, by helping us increase our market share, which translated directly into enhanced profitability. We solidified our internal processes to identify and manage ESG-related issues and risks. We also fine-tuned our carbon sequestration data collection procedures to build our customers' trust, confidence, and commitment to our services. Our Triple-Verified program is unmatched in its level of detail and truly unique among waste management service providers. We never forget that Sustainability is central to everything we do and key to our business success.

To build a leading Sustainability program, you must always deliver value. This report articulates our pathway from Sustainability to value, and we are proud of the frameworks we've created and the value we've been able to demonstrate to our customers and our investors.

Our mission to Clean Up EnergySM is far from complete. In the coming years, you can expect to see continued development of our energy waste infrastructure, so we can enable our customers to move away from polluting onsite disposal methods. We are also making tremendous progress in Milestone CarbonTM, our subsidiary devoted to developing our carbon sequestration infrastructure to decarbonize multiple types of emitters.

+ A Call to Our Customers and Stakeholders

Milestone and our customers must continue to improve environmental performance. For our customers, that means utilizing the available infrastructure to avoid risky and polluting onsite disposal methods, like reserve pits and landfarming. It also means continuing to improve our emissions profile. Milestone is committed to doing our part in this important mission – to Clean Up Energy.

The challenge to reduce Scope 3 emissions remains enormous and elusive. We are here to tell our customers, regulators, and stakeholders that Milestone is building knowledge to lead the way in our sector. We provide transparent, replicable, robust, and verified data so our customers can clearly see the GHG emissions they can avoid by partnering with Milestone to manage their waste. Many oil and gas producers have boldly stated their net-zero goals, a public commitment that we applaud, and we are giving them a practicable way to get closer. Now, as investors and regulators increasingly demand this data from our customers, Milestone is ready to provide a solution.

We are important partners in the energy transition because we provide solutions that are easy to implement and offer a ready alternative to emissions-laden traditional methods. If the industry could harness the benefits of value chain emission reduction solutions like ours, the journey to mitigating climate change will gain immediate speed and traction. It's time to Clean Up Energy.

Gabriel J. Rio



FROM THE V.P. OF SUSTAINABILITY

Carolina Ortega
V.P. of Sustainability

+ An Innovative Approach to Sustainability

At Milestone we believe that Sustainability efforts must be measured on their ability to create or protect value. In this, our third Sustainability Report, we have gone to great lengths to ensure we are crystal clear on how, where, and for whom we are creating that value. In these pages you will see that we are deliberate and strategic on the ESG initiatives we put in place. We believe this is the only way to build a resilient business that embraces and advances the energy transition.

As we endeavored to define our value-creation approach to Sustainability, we noticed that existing ESG reporting frameworks were insufficient to demonstrate value-creation to the extent we needed. So we created our own. We sourced publications and frameworks from renowned global organizations and integrated the best elements to create a bespoke approach to define and articulate the value Milestone creates – including financial value, environmental value, and value linked to sustainable development.

Milestone has always been a leader in energy waste sequestration, but we've also challenged ourselves to be thought leaders in the ESG and Sustainability conversation. Why? Because we have much to contribute. We know that contractors in the oil and gas supply chain have a role to play in helping our industry reduce Scope 3 emissions. We also know it's important to demonstrate that a company like ours can be sustainable and profitable at its core, if designed with value-creation objectives in mind.

We are proud to share our approach to Sustainability with all our stakeholders and welcome your feedback to enrich the conversation.

Carolina Ortega

ABOUT MILESTONE



Milestone Environmental Services (Milestone) is one of the largest independent providers of energy waste sequestration. We help energy companies mitigate risk, reduce their carbon impact, and advance their Sustainability efforts with our approach to waste management that is environmentally superior, cost-effective, and operationally efficient. From our headquarters in Houston, Texas, and our field office in Midland, Texas, Milestone specializes in the handling of non-hazardous oil and gas drilling, completion, and production waste streams. We do this through eight slurry injection facilities and two energy-waste landfills across the Permian Basin, Eagle Ford Shale, and Haynesville Shale. Milestone also secured a permit to expand operations and construct a landfill in East Texas, our first in the Haynesville Shale.

We are a critical component of the oil and gas supply chain, offering alternative solutions to help our customers meet their net-zero commitments, advance their ESG initiatives, and play a meaningful role in the energy evolution.



The map does not reflect the staffed office in Midland, TX.

¹ The 2021 total carbon sequestered values were amended for this report using revised density values for E&P waste derived from the EPA report, Management of Exploration, Development and Production Wastes: Factors Informing a Decision on the Need for Regulatory Action (April 2019). These densities were also used to calculate our 2022 total carbon sequestered values. https://www.epa.gov/sites/default/files/2019-04/documents/management_of_exploration_development_and_production_wastes_4-23-19.pdf

² In this report, total carbon sequestered represents the total mass of theoretical CO₂ from degradation of the total mass of injected hydrocarbons. The units of CO₂e are used to represent CO₂ conversion. No global warming potentials have been applied to calculate CO₂e emissions.



Sequestration: Our Innovative Business Model

Milestone is a premier partner to the oil and gas industry. We address the challenges of the energy transition by providing customers an easy and effective way to advance their own ESG strategies and mitigate climate-related risks. We offer solutions to substantially decrease producers' greenhouse gas (GHG) emissions through energy waste sequestration. Our proprietary technology for treatment and injection disposal securely and safely manages energy waste streams, is economically efficient, and minimizes negative environmental impacts.

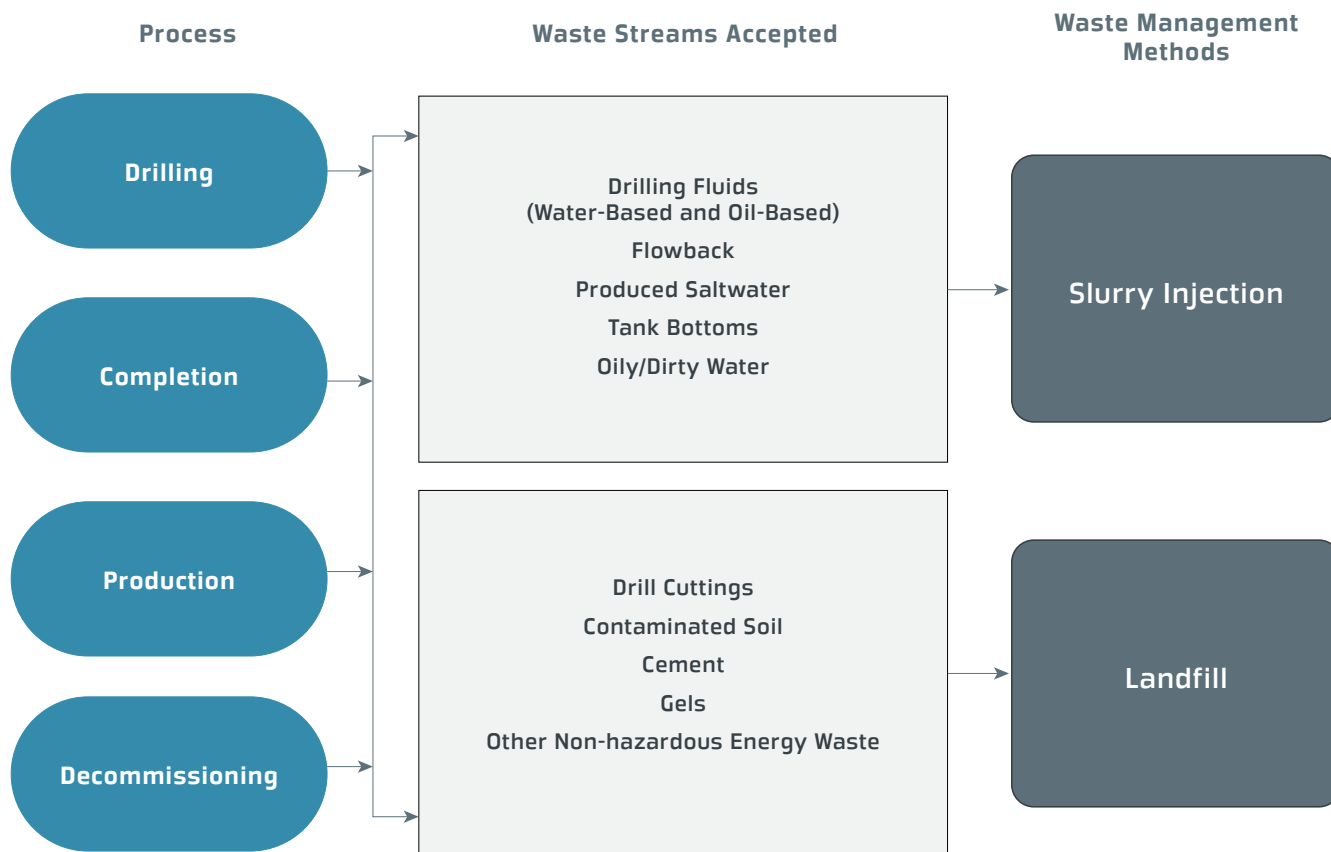
ADVANTAGES OF SLURRY INJECTION WELLS

- Reduce carbon emitted into the environment
- Reduce “free” liquids deposited into landfills
- Conserve land while minimizing visible environmental disruption
- Conserve multiples of landfill airspace
- Environmentally superior to landfarming

We provide the energy industry an effective way to sequester carbon by injecting Exploration and Production (E&P) slurry waste containing hydrocarbons that would otherwise biodegrade to release carbon dioxide into the atmosphere if disposal of the E&P waste was performed via traditional reserve pits or land application methods.

Safer, smarter, cost-effective, and more responsible – these are all key components of our business model.

WASTE WE ACCEPT





Milestone Carbon

Milestone Carbon, a subsidiary of Milestone Environmental Services, implements turnkey carbon capture and sequestration (CCS) solutions. We apply Milestone's demonstrated strengths and capabilities to help reduce our customers' carbon footprint and monetize their CO₂ emissions through permanent geologic sequestration.

Focusing on lower-complexity projects allows for faster implementation and facilitates expansion for future, larger CCS developments. We know how to execute successful CCS solutions for midstream, power generation, and other significant industrial emitters that safely

and permanently dispose of the CO₂ more than a mile below the Earth's surface.

Developing reliable sequestration facilities is the core of what we do. Our CCS solutions generate value for stakeholders via tax and fuel credits, as well as help customers reach net-zero goals. Most importantly, Milestone Carbon and its partners contribute to mitigating climate risk by lowering CO₂ levels in the atmosphere and Clean Up Energy.

Please visit www.milestonecarbon.com to learn more.



OUR
MISSION

To Clean Up Energy

Milestone's Mission is to Clean Up Energy. Founded to boldly advance Sustainability, Milestone succeeds by delivering best practices for the safe and secure management and disposal of energy waste.

OUR
VALUES

Milestone's values reflect our commitment to the environment, our customers, our workforce, and our communities.

+ Safety Drives Our Business

The safety and wellbeing of our employees, customers, and neighboring communities will always be our top priority.

+ Sustain Our Future

Our best-in-class carbon management and energy waste processes help our customers provide essential energy while minimizing impact to the environment.

We are committed to operational excellence so the environment and our surrounding communities remain unimpacted by the waste we manage.

+ Lead Forward

We innovate progressive technologies to protect the environment for all stakeholders and future generations.

We prioritize our stability to continue to serve all constituents.

We evaluate changes to our business holistically, considering the impact on all who depend on us.

+ Commit to Customers, Employees, and Communities

We consistently meet customer needs quickly and efficiently, so they can focus on their core business.

We are committed to being a great place to work. We treat all employees with respect, provide top-tier pay and benefits, offer opportunities for advancement, and maintain a safe workplace.

We value the communities where we operate, and we support both our corporate and field offices in philanthropic activities that help to advance the livelihoods of those surrounding us.

+ Be Reliable

We know reliability is crucial to developing and maintaining the trust of our customers, regulators, employees, communities, and investors, who must be able to count on us, 24/7/365.

+ Act with Integrity

Integrity is foundational to managing sensitive environmental matters and building a successful workplace. We believe in consistently delivering on our promises to all stakeholders and treating everyone with fairness and honesty.

GOVERNANCE





GOVERNANCE

Robust corporate governance is essential to earning and maintaining the trust of our customers, employees, and other stakeholders, and an important vehicle to delivering long-term value. Milestone's corporate governance strengthens our ability to replicate business success by focusing on what is most important, and is built on principles of transparency, integrity, and reliability.

Our Board of Directors (Board) has oversight of our Sustainability efforts and disclosures and is responsible for reviewing our financial and ESG performance, and overall Risk Management process. Milestone is a portfolio company of Amberjack Capital Partners (Amberjack), a specialized private equity firm that invests

in and partners with entrepreneurs and business owners to build market leaders serving the infrastructure, energy, and industrial end markets. To foster Milestone's long-term success, Amberjack maintains a strong presence on Milestone's Board, which is comprised of five members: two executive, two non-executive, and one independent.

In collaboration with the Board, our management team develops Milestone's business strategy so our Sustainability efforts drive financial growth. We report on material ESG issues during each quarterly Board meeting. This information is used by our Board and Amberjack to measure Milestone's ESG and financial performance.

Our approach to identifying and managing the issues most relevant to our financial and Sustainability performance is essential to understanding how we create and protect our short-, medium-, and long-term value. The four pillars of ESG management common in many voluntary ESG frameworks provide robust scaffolding that supports our Sustainability efforts to promote disciplined and systematic implementation, and long-term value creation.

FOUR PILLARS OF ESG MANAGEMENT

GOVERNANCE

We have an adequate level of accountability by our corporate governing bodies related to ESG performance.

STRATEGY

We clearly articulate how we strive to create and protect value and generate long-term success.

RISK MANAGEMENT

We have an established process for identifying, assessing, and managing the full spectrum of risks facing our business.

METRICS AND TARGETS

We disclose comparable, consistent, transparent, and reliable metrics to effectively evaluate performance.

SUSTAINABILITY AS A DRIVER OF FINANCIAL SUCCESS

Sustainability integration into our business is only effective if it creates value. In 2022 we analyzed our business model to define how our key ESG initiatives created value for us and our stakeholders. To increase the transparency of our analysis, we sought to align our understanding of value-creation with external frameworks and organizations.

Financial value-creation was identified using the publication by the World Business Council on Sustainable Development, [*Finance Factsheets for Sustainability Professionals*](#)^A.

We defined environmental value-creation if it aligned with the six environmental objectives in the [*EU Taxonomy for Sustainable Activities*](#)^B. Our initiatives had to contribute to at least one objective and do no significant harm to the other five.

And, Sustainable Development value was defined by the [*United Nations Sustainable Development Goals*](#)^C.

This chart explains if our ESG initiatives create or protect value, and define the value driver, type of value created, and beneficiaries. We hope you find this chart as informational as we found it instructional to create.



^A <https://www.wbcsd.org/Programs/Redefining-Value/Resources/Finance-Factsheets-for-Sustainability-Professionals-Oct-2018>

^B https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en

^C <https://sdgs.un.org/goals>

Legend

+ Financial Value

The World Business Council on Sustainable Development defined financial value drivers for Sustainability-inspired projects in its publication, [Finance Factsheets for Sustainability Professionals^D](https://www.wbcsd.org/Programs/Redefining-Value/Resources/Finance-Factsheets-for-Sustainability-Professionals-Oct-2018).

+ Sustainable Development Value

United Nations Sustainable Development Goals

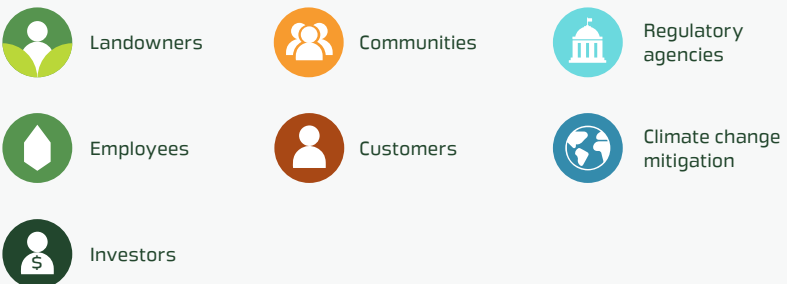


+ Environmental Value



















EU Taxonomy









































+ Beneficiaries



^D <https://www.wbcsd.org/Programs/Redefining-Value/Resources/Finance-Factsheets-for-Sustainability-Professionals-Oct-2018>

VALUE CREATION						
		Increased Revenue			Reduced Cost	
Value Driver	Product Development and Innovation		Product Differentiation and Brand Enhancement		Eco-Efficiency	
Milestone Initiative	Milestone's proprietary/patented slurry injection process.	Energy waste sequestration services that avoid fugitive GHG emissions compared to alternative waste disposal methods.	Quantified and validated amount of avoided CO ₂ e emissions and provide data to customers.	Largest provider of energy waste disposal services utilizing slurry injection.	Large amounts of water reused and recycled in our operations to eliminate the use of fresh water resources.	Operational excellence and implementation of best industry practices.
Financial Value	Create a new product or service targeting unmet societal needs or finding alternative lower-impact ways to meet existing needs.	Develop new revenue streams through recycling waste, waste to energy, and "service-ization."	Command a price premium through Sustainability labels or features.	Increase sales and market share through enhanced customer loyalty, product or service differentiation.	Reduce operating costs through eco-efficiency (energy, water, resources, packaging, material use).	Reduce operating and compliance costs through sustainable strategies and practices.
Sustainable Development Value						
Environmental Value						
Beneficiaries						
How Sustainability at Milestone Drives Financial Growth	Addresses unmet market needs for environmentally responsible management of energy waste. We generate better margins than alternative injection methods.	The waste that we sequester provides a higher revenue because it has high carbon content.	Price premium for our services compared to our competition.	The success of our slurry injection technology allows us to raise capital to build our networks at preferential costs, which allows us to generate profits.	We recycle the waste water from customer loads in our operations, thereby creating and minimizing costs of purchasing fresh water.	By following best practices in our operations, we are reducing Milestone's risk in our facilities and we are reducing our pollution liabilities.

VALUE CREATION		VALUE PROTECTION				
Reduced Cost		Risk Management				
Staff Motivation and Retention		Reduced Reputation Risk	Reduced Cost of Capital	Reduced Operational Risk		Reduced Regulatory Risk
Rewarding workplace with improved Diversity, Equity, and Inclusion performance.	Strong safety culture amongst our employees.	Regulatory compliance and operational excellence.	Sustainability-linked loan based on MT of CO ₂ e sequestered, aligning Milestone's cost of capital with published carbon sequestration targets.	Leadership in responsible waste management and continuous improvement toward operational excellence.	Physical climate risk assessment.	Advocacy efforts to promote a more responsible waste management industry and ensure regulation does not harm our business with adverse environmental practices.
Improve productivity through employee engagement, training, and development.		Protect license to operate, brand, and company image and reputation by avoiding negative publicity, consumer boycotts, divestment, investor pressure, and regulatory risk.	Improve access to capital by achieving a lower risk rating in financial markets.	Manage risks to operations from stakeholder action or physical impacts of climate change.		Manage risks from regulatory intervention through improved reputation with regulators.
 5	 8	 8	 9	 9	 12	 13
 9	 13	 9	 11	 13	 9	
						
 	 	   	 	   	   	   
Employee retention is important for success in the volatile oil and gas industry.	Lower TRIR and MOD leads to lower insurance costs.	Safe and compliant operations build customer loyalty and brand recognition.	Lower cash cost of capital.	We are the unique energy industry partner for waste management in the energy transition.	Reduced insurance costs. We identified risks and we managed them effectively. We are protecting our assets and employees.	By managing our regulatory risk, we lower insurance costs.

Risk Management

Milestone’s approach to risk management is thorough and aligned with best Sustainability practices. Our Chief Executive Officer and Chief Financial Officer (CEO, CFO, or collectively, Executive Officers) offer strategic direction and have primary responsibility for managing risk. Our operations management team makes the decisions throughout our day-to-day activities that deliver valuable solutions to our customers. Through regular interaction with other management team members and subject matter experts, our Executive Officers proactively identify the existing and potential risks to our company in areas including financial, commercial, political, compliance, operational, reputational, cybersecurity, climate, and other risks that are inherent in or may affect our business.

+ ESG Materiality Analysis and Risk Assessment

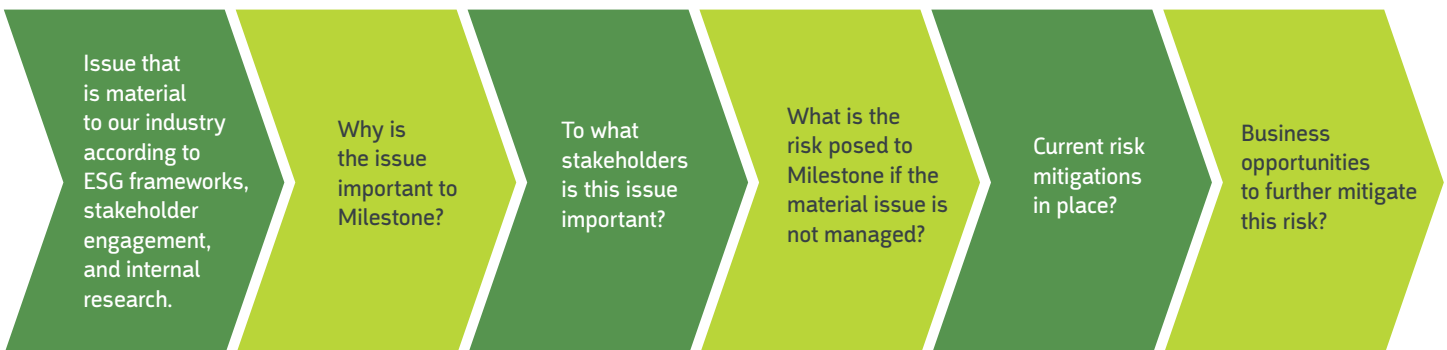
Milestone’s approach to risk management was evaluated in 2022 to ensure it is disciplined, systematic, comprehensive, and aligned with international ESG frameworks. We conducted an ESG materiality and risk assessment exercise to identify the most material issues to our industry, and to clearly evaluate and rank the risks these issues pose to our value-creation efforts. We also align all issues and risks to applicable stakeholders. As part of this exercise, we identified relevant business opportunities to further mitigate risks posed to the business. Identifying and prioritizing our risks and opportunities enables us to drive informed

business decisions about resource allocation, align our organizational priorities, and monitor emerging issues that may shape our future risk exposure. It also facilitates the selection of the most impactful ESG metrics to measure and manage our performance. As a result of this analysis in 2022, we identified the following ESG topics as the most impactful to our operations:

Environmental	Social	Governance
GHG Emissions	Workforce Health and Safety	Corporate Governance
Air Quality	Diversity, Equity, and Inclusion	ESG Risk Management
Ecological Impact	Employee Engagement and Training	Management of the Legal and Regulatory Environment
	Community Engagement and Contributions	Critical Incident Risk Management

Our ESG materiality analysis and risk assessment process includes some of the questions below to foster thorough and disciplined results:

MATERIALITY ANALYSIS AND RISK ASSESSMENT PROCESS





+ Climate-Related Risks and Opportunities

As part of our structured Risk Assessment Process, we specifically identified the climate-related risks and opportunities that can affect our business in both the near and long term. The Task Force on Climate-Related Financial Disclosures (TCFD) divides climate-related risks into two major categories: (1) risks related to the transition to a lower-carbon economy and (2) risks related to the physical impacts of climate change.

Transition Risks

Transition risks reside in how an industry must adapt or exploit business activities and investments to mitigate carbon emissions. As Milestone's operations result in minimal GHG emissions, we evaluate transition risks as they relate to the oil and gas industry in general, the role Milestone plays in this transition, and the opportunities that enable us to help mitigate this risk. Our customers' activities are subject to increasing changes in public policy and federal, state, and local laws and regulations intended to reduce the environmental impact of their operations. Furthermore, as part of the energy transition, energy companies are facing added pressure from investors to evaluate their overall climate risk exposure, resulting in a commitment to reduce the emissions intensity of their lifecycle and setting net-zero targets.

Through our innovative waste sequestration technologies, we provide our customers a means to mitigate some of their climate-related risks and achieve their carbon emissions-reduction goals in the waste management part of the E&P lifecycle. Milestone is the premier partner of oil and gas producers to address the challenges posed by the energy transition. On Page 18 we provide additional insight into how our slurry injection process translates into savings in carbon emissions. Milestone's climate change-resilient business strategy will result in financial growth as the world navigates the goals and challenges of a low-carbon future.

Physical Risks

In late 2022, we conducted a Physical Hazard Screening to identify short-term and future climate-related physical risks for all of Milestone's operating locations. The analysis was conducted by an independent third-party consultant, who considered present-day weather and natural disaster hazards and potential future impacts of climate change. The present-day hazards were modeled based on publicly available information and analysis of

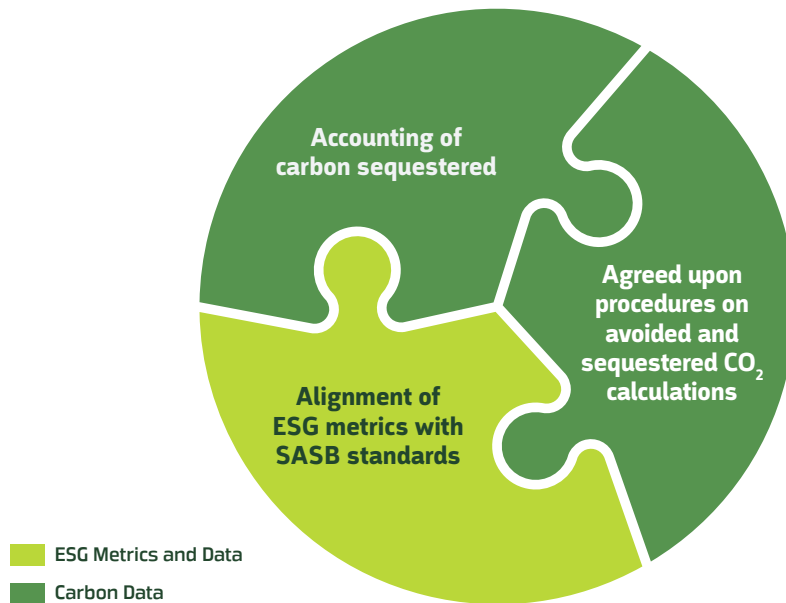


historical data. The parameters used for the potential future hazards analysis were aggregated climate metrics under two scenarios derived from the Intergovernmental Panel for Climate Change's (IPCC) Representative Concentration Pathways 4.5 and 8.5. The analysis was performed for general physical conditions at the locations without specific analysis of existing adaptation measures for our buildings, stations, and structures.

The screening did not identify any Milestone sites that could be exposed to the highest level of future climate change hazards. However, a small number of present-day hazards affecting our locations was identified. Based on these results, we reviewed the design elements of our facilities to address relevant present-day hazards and maintain the resilience of our assets for the long term. The analysis of the screening continued into early 2023, with the goal of developing mitigation measures for affected sites. For the two locations that were identified to have high-level hazards for tornadoes, we commissioned the installation of tornado shelters to protect our employees and allow the continued resilience of our business.

We will continue to conduct Physical Climate Hazard Screenings for every new facility we build in the future.

TRIPLE VERIFIED



+ Oversight and Hierarchy of Data Review

For Milestone, providing stakeholders with transparent, accurate, and robust ESG metrics and data has been central to our Sustainability strategy. Through arduous efforts that began in 2020 and were further outlined in our 2021 Sustainability Report, we have put in place a multi-tiered approach to data integrity that is best in class in our sector. In 2022, we collaborated with third parties to assist with the reporting, measurement, and verification of our reportable data to ensure cohesive alignment of our ESG metrics with industry standards, and accurate, reliable data regarding the overall impacts of our waste sequestration process to our customers' Scope 3 emissions profile.

As the oil and gas industry seeks to shed light into its Scope 3 emissions, Milestone is demonstrating that our disciplined methodology contributes to the understanding of the GHG impacts in the supply chain. The data we provide to our customers is a solution to some of the challenges posed by the energy transition. Milestone contributes to make that net-zero barrel of oil increasingly possible with the data it collects of the E&P waste it receives and sequesters.

PARTIES PARTICIPATING IN OUR HIERARCHY OF DATA REVIEW



Geosyntec Consultants worked with Milestone to refine its calculation methodology to estimate avoided carbon dioxide emissions from degradation of hydrocarbons that would have occurred if E&P waste was disposed of via landfarming vs slurry injection. Geosyntec performed the analysis on Milestone's 2022 operations data to estimate avoided carbon dioxide emissions.



CRI, our financial auditors, performed certain agreed upon procedures on the Avoided CO₂ and Sequestered Carbon Calculations of Milestone Environmental Services for the year ended December 31, 2022.³



ESG Lynk was engaged to assist in the alignment of our ESG metrics with SASB standards.

³ See [Appendix II](#) for CRI's Report.



Critical Incident Risk Management

Our Executive Officers and company-wide management team maintain an open line of communication and stand ready to address any critical incidents and risks to Milestone's business operations or employees.

Safety drives our business. At Milestone, we proactively work to prevent and prepare to respond to any emergency that may occur onsite. We have established safety policies, procedures, and manuals, and we are dedicated to continuous improvement in all aspects of our daily activities, especially with the safety of the environment, the public, and our employees. We pride ourselves on putting safety first.

Our comprehensive incident response plan establishes a clear chain of command and incident reporting requirements that enable us to expand our preparations for unplanned events:

- + Corporate Health and Safety Manual
- + Corporate and Facility Specific Emergency Action Plan (EAP)
- + Facility Specific Storm Water Pollution Prevention Plans (SWPPPs) & Spill Prevention Control & Counter Measures (SPCC) Plans
- + Emergency Evacuation and Shelter-in-Place Plans



Our extensive Health, Safety, and Environment (HSE) program provides the foundation for our critical incident risk management program. Our safety training, protocols and procedures, and routine site inspections help us to establish an industry-leading safety culture with a strong emphasis on minimizing risks in our operations, mitigating such risks, and identifying key performance indicators to continue to refine our programs.

Management of the Legal and Regulatory Environment

Milestone proactively monitors issues that can affect our operations and our workforce.

We stay at the forefront of emerging legislation and policy by monitoring the activities of legislative and regulatory bodies at all levels, and by participating in various industry organizations and associations:

- + Energy Workforce & Technology Council
- + Texas Oil & Gas Association
- + Permian Basin Petroleum Association

Milestone regularly responds to invitations by regulators to comment on proposed legislation that impacts our sector. We regularly respond to invitations for comment and participate in public forums, meetings, and information sessions held by regulatory agencies discussing matters relevant to our operations. This effective monitoring allows us to anticipate changes to industry regulations and modify our processes as necessary to maintain the safety of our employees, operations, and the public.

As a good steward of the industry, we seek to inform our clients and the public on the nature of our operations. We routinely provide tours of our facilities to clients, third-party auditors, and regulatory agencies to show that our standards are that of an industry-leading company. At public events, we seek to enhance stakeholders' knowledge of our practices, allowing them greater comfort in knowing their neighbor is working hard to keep them and its employees safe.



ENVIRONMENTAL



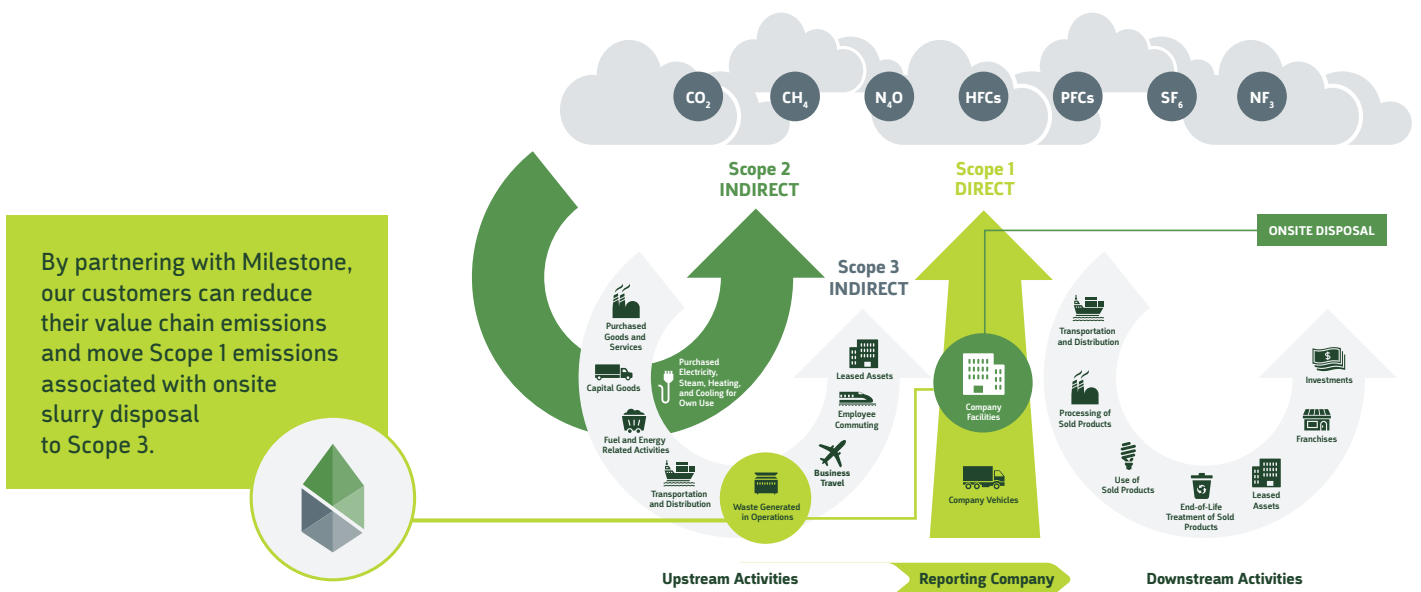
ENVIRONMENTAL

Carbon Accounting and Data Integrity

Helping our customers achieve net-zero goals requires effective carbon accounting and data collection processes to help them make decisions to manage their energy waste that align with good environmental stewardship objectives. Milestone’s focus on responsible energy waste management delivers emissions-reducing results. Over the last few years, we have worked towards refining our carbon accounting and data collection methods to accurately measure and communicate the benefit we provide to customers.

In 2020, Milestone conducted a sequestration analysis of samples collected from our slurry injection stream to determine the average total petroleum hydrocarbon (TPH) content. The analysis examined the carbon dioxide equivalent sequestration impact of our slurry injection disposal practices in comparison to the traditional practice of land application disposal. Through collaboration with an independent third-party consulting firm, we developed a methodology for estimating this comparison.

Overview of GHG protocol scopes and emissions across the value chain*



*Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Source: ghgprotocol.org/sites/default/files/standards/Corporate-Value-Chain-Accounting-Reporting-Standard_041613_2.pdf



MANAGING EMISSIONS ACROSS THE VALUE CHAIN

GHG Accounting Scenario 1 Landfarming and Onsite Disposal

The emissions associated with the ongoing release of carbon dioxide from drilling slurry disposed via landfarming activities onsite are categorized as the upstream oil and gas company's Scope 1 emissions.

SCOPE 1

SCOPE 2

UPSTREAM SCOPE 3

DOWNSTREAM SCOPE 3

GHG Accounting Scenario 2 Offsite Waste Disposal

The emissions associated with the ongoing release of carbon dioxide from drilling slurry disposed by a third-party vendor are categorized as the upstream oil and gas company's Scope 3 emissions.

SCOPE 1

SCOPE 2

UPSTREAM SCOPE 3

DOWNSTREAM SCOPE 3

GHG Accounting Scenario 3 Partnering with Milestone to Avoid Value Chain Emission

A partnership with Milestone to sequester slurry reduces waste-associated carbon dioxide emissions and demonstrates a commitment to environmental stewardship. Milestone provides its customers their specific volumes of avoided emissions.

SCOPE 1

SCOPE 2

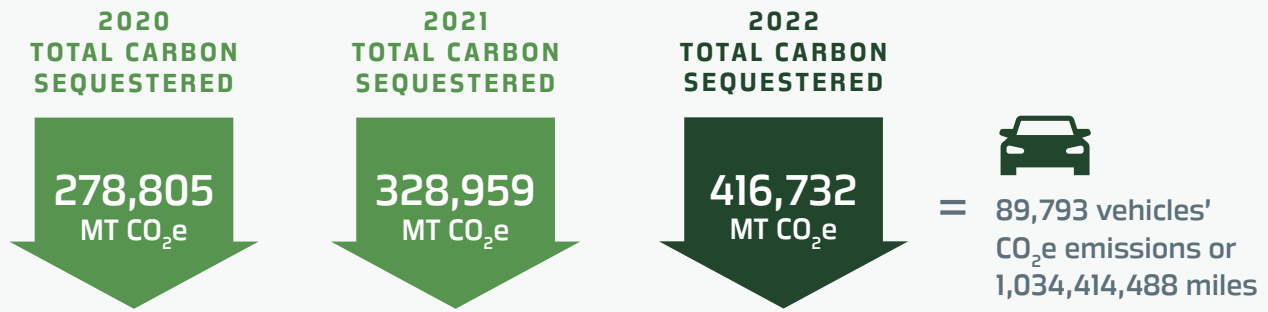
UPSTREAM SCOPE 3

DOWNSTREAM SCOPE 3

Partnering with Milestone for waste disposal can demonstrate quantifiable avoided emissions.



AVOIDED EMISSIONS



In 2021, we continued this collaboration to implement a comprehensive waste sampling protocol that offers Milestone and our customers improved insight in understanding the GHG impact of all E&P waste. We collected, analyzed, and verified samples categorized by waste types, i.e., produced water, flowback, oil-based mud, water-based mud, tank bottoms, etc. Based on analysis of these samples, the average barrel of slurry waste (i.e., excluding produced saltwater and flowback water) injected by Milestone contains approximately 49 kilograms of CO₂e per barrel (kg CO₂e/bbl).⁴ One hundred percent of the TPH contained in our injection stream is permanently sequestered in deep, further refined, secure formations.

During 2022, Milestone further refined the implemented program, with the help of nationally recognized environmental consultants, to align our process and procedures with international best carbon accounting practices. We also expanded the role of our financial accounting firm, who performed certain agreed upon procedures as part of our triple-verified process.

See [Appendix III](#) in our 2021 Sustainability Report for an executive summary of the study we previously conducted, which outlines our measurement methodology for the emissions and sequestration impacts of our slurry injection process.⁵

Helping Our Customers Achieve Net Zero

Milestone plays an important role in the energy value chain by helping our customers achieve their net zero commitments. Our customers are under increasing pressure to understand the emissions profile of their value chain activities (i.e., Scope 3 emissions), which often represent the majority of an organization's total GHG emissions. Our solutions are not only better for the environment, but also provide innovative and easy-to-implement Scope 3 emissions reduction solutions.



⁴ Per our historical volume data, approximately 3.5% of slurry receipt volume consists of non-injectable solids (e.g., cuttings) that are removed via surface equipment and sent offsite for disposal.

⁵ The methodology in [Appendix III](#) in our 2021 Sustainability Report is based on TPH content for waste received in 2021. Milestone incorporated TPH sampling results from 2022 to quantify emissions and sequestration impacts for 2022.



Milestone's Net Carbon Benefit

Our business prevents hydrocarbons contained in our customers' waste from volatilizing or otherwise degrading into fugitive emissions, and instead permanently sequesters them beneath the Earth's surface. If these waste streams had been disposed of through common practices such as land application (i.e., reserve pits), resulting fugitive emissions would otherwise occur naturally over time. Milestone has the largest slurry injection installed capacity based in the U.S. The net carbon benefit of the avoided emissions from our waste sequestration technology far outpaces our operating emissions.

The table below details our total emissions for the year ended December 31, 2022.

GLOBAL GREENHOUSE GAS EMISSIONS IN METRIC TONS OF CO₂e

Emissions avoided through carbon sequestration ⁶	(306,085)
Scope 1 direct emissions	2,439
Scope 2 indirect emissions from electricity consumed	4,157
Scope 3 other indirect emissions	3,639
Net Carbon Benefit	(295,850)

UNDERSTANDING MILESTONE'S SOURCES OF EMISSIONS

DIRECT EMISSIONS

Scope 1 emissions are defined as direct GHG emissions from sources that are owned or controlled by a company.

SCOPE 1

Slurry Facilities: Minor fugitive emissions resulting from the general operations including the receipt, handling, and temporary storage of customer waste prior to injection

Landfills: Fugitive emissions resulting from aggregated customer-specified waste in our landfills⁷

Vehicles: Emissions resulting from diesel-fueled pickup trucks and other construction/offroad equipment (i.e., "yellow iron") used by operations personnel⁸

INDIRECT EMISSIONS

Indirect GHG emissions are a consequence of the operations of a company but occur at sources owned or controlled by another company. Indirect emissions are referred to as either Scope 2 or Scope 3.

SCOPE 2

Emissions generated by the utility companies that provide the electricity we use in our operations.⁹

SCOPE 3

Emissions that occur in our value chain, including both upstream and downstream emissions. Scope 3 emissions quantified in this report consists of emissions from transportation of non-hazardous solid waste from Milestone facilities to Milestone or third party-operated landfills via contracted transportation.

⁶ Total Avoided Emissions based on the avoided CO₂ emissions from degradation of hydrocarbons that would have occurred if E&P waste was disposed of via landfarming.

⁷ Our landfill emissions were calculated by a third-party engineering firm registered within the State of Texas. These volumes were calculated using equations and programs approved by the U.S. Environmental Protection Agency (EPA) and Texas Commission on Environmental Quality (TCEQ) to support Milestone's air permit applications. Scope 1 emissions resulting from our landfills amounted to 66.14 MT CO₂e during 2022.

⁸ Scope 1 emissions resulting from company-owned vehicles amounted to 2,259 MT CO₂e during 2022. Milestone does not maintain a vehicle fleet commonly associated with waste management companies. Company-owned vehicles include diesel-fueled pickup trucks and other off-road equipment.

⁹ During 2022, all electricity consumed in our operations originated from the Electric Reliability Council of Texas (ERCOT) grid.



Air Quality

Milestone's prime responsibility is to comply with federal, state, and local legislation on air emissions and to ensure any hazardous air pollutants (HAPs) are appropriately captured during the handling of our customers' waste. Milestone's air emissions include relatively small amounts of non-methane volatile organic compounds and other hazardous air pollutants emitted during the receipt, handling, temporary storage, processing, and disposal of waste at our slurry facilities and landfills. The table below shows air emissions by compound for the year ending December 31, 2022.

AIR EMISSIONS IN METRIC TONS

Nitrogen oxide ("NO _x ") (excluding N ₂ O)	not meaningful
Sulfur oxides ("SO _x ")	not meaningful
Volatile organic compounds	49.51
Hazardous air pollutants	4.28

Our facilities are permitted through the Texas Commission on Environmental Quality (TCEQ), the state-level equivalent of the U.S. Environmental Protection Agency (EPA). To date, our operations have had zero incidents of non-compliance with permitting requirements.

Ecological Impacts

At Milestone, we seek to meet and exceed all applicable environmental regulations and permit requirements, and to maintain a focus on mitigating ecological impacts in all phases of the E&P lifecycle. Sustainability is integrated into every element of Milestone's business, and our highly dedicated environmental compliance team ensures our processes and facilities are designed to have minimal environmental impact and provide one-stop waste management solutions for our customers' solid and liquid wastes.

During 2022, Milestone had zero incidents of ecological impact related to our slurry injection and landfill operations practices, continuing our trend of being good stewards to the environment.

+ Land surface conservation: Our slurry injection facilities utilize a surface area that is approximately 1% of the surface area of a typical energy waste landfill.

+ Efficient use of landfill airspace: During 2022, Milestone injected approximately 7.6 million barrels of waste that would have otherwise consumed landfill airspace.

+ Lower transportation network impacts: Our close proximity to our customers' operations not only allows us to minimize the overall environmental impacts of transportation, but also reduces third-party vehicle traffic and associated road safety risks around the communities in which we operate.

Sustainable Practices for Water Management

We protect water resources through the responsible handling of waste, as our landfills are designed with sophisticated liner systems to protect against leachate leaks and are equipped with advanced technology to monitor groundwater. Water is an important component in Milestone's operations. We make every effort to re-use water from appropriate sources while minimizing use of freshwater. Most of the water we utilize in our slurry injection operations is produced saltwater and flowback from our E&P customers.

We recycle produced saltwater for our truck washout services, which greatly reduces freshwater use while simultaneously sequestering our customers' produced saltwater in an environmentally sustainable manner.

SOCIAL



SOCIAL

Workforce Health and Safety

Our deeply ingrained safety culture empowers all employees to create a safe environment and stop work immediately if unsafe conditions arise.

Milestone’s culture of safety begins with a leadership and governance structure that sets the tone for participation, respect, accountability, and continuous improvement. We advance our commitment to safety by ensuring roles and responsibilities, performance expectations, and operating procedures are clearly defined for every level of the organization.

The safety of our employees, customers, contractors, and people in the surrounding communities is always



our highest priority. We provide extensive ongoing safety training, and continuously audit our protocols for adherence and improvement. Each member of our team plays a vital role in creating a safe working environment. We ensure every new employee thoroughly understands our safety policies and procedures from day one by requiring participation and completion of our mandatory safety orientation training and our Short Service Employee (SSE) program.

On average, our operations personnel receive approximately **23 hours of safety training** each year.

Our Stop Work Authority

policy empowers and expects individual employees to stop work immediately if they encounter a potentially unsafe condition. All Milestone employees have the authority and responsibility to stop any task or operation where concerns or questions exist regarding the control of health, safety, and environmental risks. No work shall resume until all issues and concerns have been adequately addressed.





- + We strive to perform every job in the safest way possible, and believe teamwork and communication are the key to preventing injury
- + We ensure our employees are up to date on safety matters by holding routine safety meetings and training sessions
- + We adhere to internal HSE inspections and audits at all facilities, and evaluate whether safety protocols are being followed to identify potential hazards

Our site managers perform monthly inspections of their operations against a scorecard and make improvements and corrections as needed within a set period. We use the results of our inspections and audits to pinpoint areas of non-compliance to be remedied, opportunities for process improvement, and topics to be further discussed in training.

We strive every day to achieve our goal of zero recordable incidents. After being incident-free in 2020 and 2021, we experienced two recordable incidents in 2022. Our management and field teams collaborated to complete a comprehensive review of the incidents and put in place appropriate mitigation strategies. We remain committed to the implementation of our safety management system and training program to keep our field and contract employees and communities safe.



Weekly Toolbox Talks are utilized to communicate safety topics or general information regarding operations at a facility. Highlighted topics include prevent slip-trip-fall, safe loading, and incident reporting.

At Milestone, we want our employees to have a direct say in safety. Each month, hourly employees hold Safety Committee meetings where they can discuss any safety concerns. This allows all employees to express any day-to-day concerns and allows employees to have a direct impact on creating a safe workplace.

Milestone utilizes behavioral-based safety at all field sites, whereby employees observe others doing their jobs and provide corrective feedback regarding observed actions that are considered safe or at risk. By involving employees and giving them the responsibility to observe others, safe actions are recognized immediately, while potentially unsafe actions are addressed immediately.

Investing in Our People

The Milestone team is our most valuable asset, and our success depends on the talent, dedication, and well-being of our people. Our priority is to recruit, engage, develop, retain, reward, and provide advancement opportunities for our team members. This commitment provides a growth-focused workplace that enables us to fulfill our purpose to offer customers a premium energy waste solution while providing dedicated, focused customer service across our organization.

We attract and retain high-talent professionals by fostering an inclusive, collaborative environment where everyone can flourish. Milestone believes in compensating and treating our employees in a fair manner, and recognizes and respects the varying backgrounds and perspectives of our team members. We seek to make Milestone a diverse, inclusive, and equitable workplace by offering top-tier compensation and benefits packages, including retirement and health savings; paid time off; medical, dental, and life insurance; employee wellness and assistance programs; and paid parental leave.

+ Talent Acquisition and Engagement

With the opening of our new slurry injection facility, along with continued growth within our current operations, we grew our workforce by 28% during 2022. We are continually evolving our talent-attraction programming to support our workforce now and into the future. We use a variety of strategies to attract top talent, including engaging people through social media platforms, holding in-person job fairs, and reaching out to candidates by traditional pathways.

Milestone's workforce grew by 28% in 2022.

We value feedback from our team members and seek to understand their concerns and expectations. We provide various avenues to listen and engage with our team, including annual surveys and direct feedback through performance reviews. In addition to our annual engagement survey, we conduct onboarding surveys for employees at the 30-, 60-, and 90-day milestones to measure employee satisfaction regarding culture and overall work environment. Results from these surveys are shared with Milestone's leadership team so appropriate actions can be made as needed. During 2022, 58% of employees participated in our annual engagement survey. We also track and monitor our annual turnover rate and are in the process of developing an exit survey to engage with employees to better understand their reasoning for leaving.

Milestone believes in compensating and treating our employees fairly. We perform an annual salary analysis across the board for all levels within our organization to ensure competitiveness and equity in pay. Results from this analysis are shared with Milestone's leadership team to identify opportunities for improvement.

During 2022, Milestone made efforts to support our local Texas economy by hosting a variety of job fairs throughout the state, targeting areas with high unemployment rates. Members from our team attended these job fairs to speak to both educators and students to bring awareness to our industry.

+ Learning and Development

As our team members commit to delivering premium energy waste solutions to our customers, we remain committed to providing our employees with learning and development opportunities to advance their careers. In addition to traditional in-person and on-the-job training, we offer digital learning experiences which are accessible to all team members. Various training programs offered by Milestone include Leadership Skills, Sexual Harassment, Safety, and New Manager.

Beyond training resources, we also provide ongoing career development tools and opportunities for our employees. All field employees are cross-trained, which enables advancement within the organization when positions become available. We believe organic growth within our management positions fosters a strong culture where our team members fully understand the service solutions we offer to our customers.

23% of Milestone's management positions have grown organically from within our organization.

Employee Diversity, Equity, and Inclusion

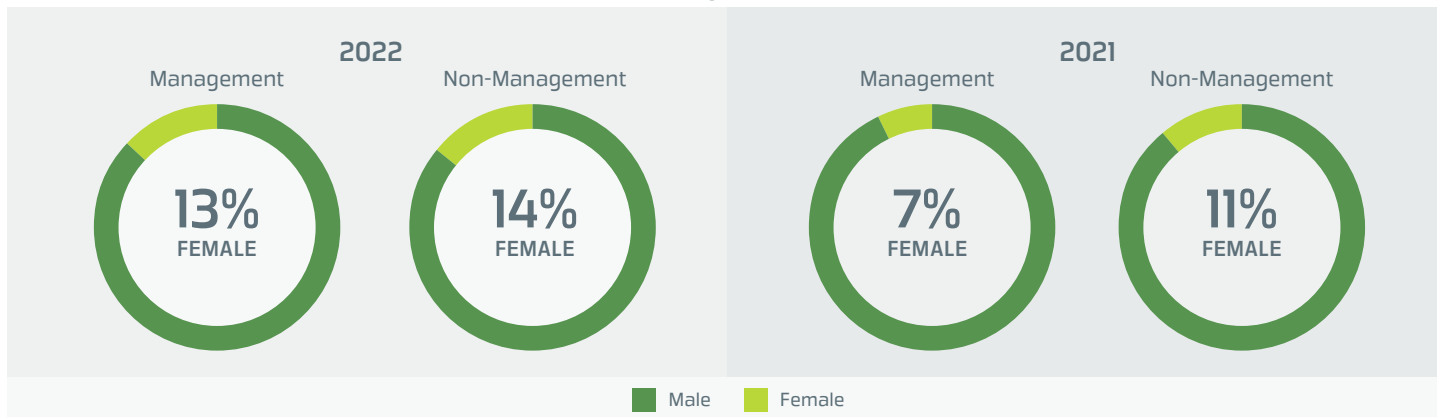
It is a fundamental principle at Milestone that all employees are always treated with dignity and respect.

We strive to make diversity, equity, and inclusion a part of our culture. The collective sum of our employees' individual differences, life experiences, knowledge, self-expression, capabilities, and talent contribute not only to our culture as a company, but also to our reputation and achievements. During 2022, Milestone implemented monthly diversity, equity, and inclusion (DE&I) meetings led by management to review internal progress and discuss ongoing initiatives to improve our DE&I measures.

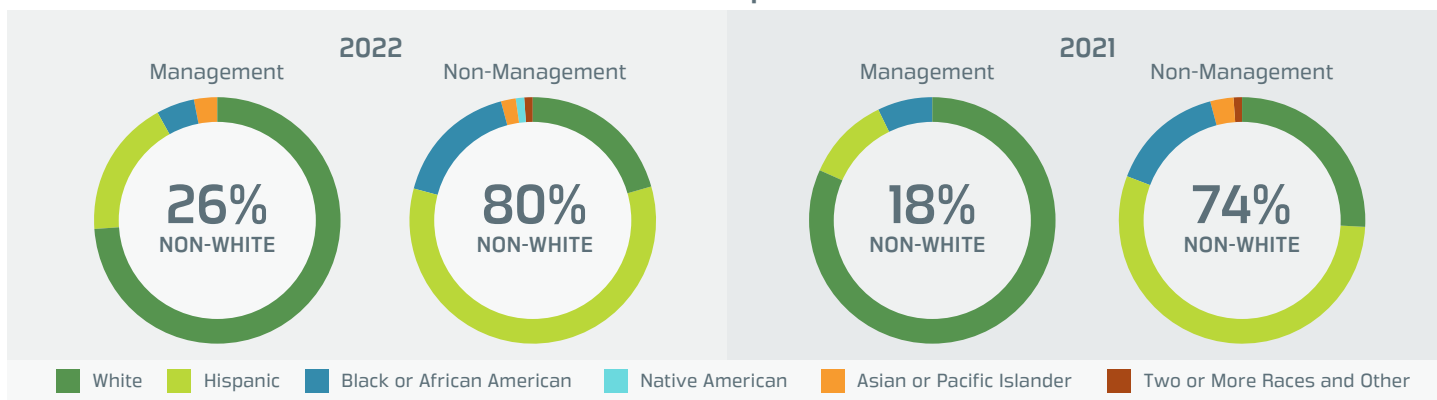


COMPOSITION OF OUR WORKFORCE

Gender Representation



Racial/Ethnic Representation



ROADMAP TOWARDS DE&I GOALS

- Recruitment
 - Focusing on diverse candidates in recruiting efforts
 - Participating in job fairs and utilizing a digital recruitment program
 - Updating our training programs
- Development & Succession Planning
 - Diversifying our succession plans
 - Developing high-potential diverse talent
- Compensation
 - Offering competitive and equitable pay
 - Performing an annual company-wide salary analysis
- Inclusion Training
 - Launching company-wide DE&I training by the end of 2023

Community Engagement

Milestone remains steadfast in our commitment to give back to the communities in which we live and operate; to make a lasting impact in the neighborhoods our customers, employees, and other stakeholders call home. Through direct monetary donations, sponsorships, and community event participation, we partner with a variety of nonprofit organizations to help tackle hunger, support first responders and veterans, and assist families in need. We also support community STEAM (Science, Technology, Engineering, Art, and Math) education events for children and multiple other children’s charities. For further details of our community involvement, please refer to our [2022 Sustainability Report](#) on our website.



ABOUT THIS REPORT

The information included in this report has been subjected to the company's policies surrounding the disclosure of financial and non-financial data. The information included in this report is as of and for the year ended December 31, 2022, unless otherwise noted. Any financial information and all non-financial data included in this report was not subject to a third-party audit verification process.

ESG Lynk, a participant in the SASB Standards Consultant Content Program, was engaged to support Milestone in the development of this ESG report to aid with alignment of topics included in the Waste Management and Oil & Gas Services SASB Standards, where such topics are considered relevant to Milestone's operations. Publication of this ESG report is the responsibility of Milestone's management. ESG Lynk can make no representation regarding the accuracy or completeness of the information included in this ESG report for any decision-making purposes.

CRI, our financial auditors, performed certain agreed upon procedures on the Avoided CO₂ and Sequestered Carbon Calculations of Milestone Environmental Services for the year ended December 31, 2022. Please see [Appendix II](#) for their Report.

+ Forward-Looking Statements

Certain information included in this Sustainability report may constitute forward-looking statements within the meaning of applicable securities laws, including but not limited to statements regarding Milestone's plans to move forward with identified environmental, social, or governance opportunities. Readers are cautioned not to place undue reliance on forward-looking statements as they are subject to a number of assumptions and known and unknown risks and uncertainties that may cause the actual results, performance, or achievements of the company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. The forward-looking statements contained herein are made as of the date of this document. Milestone assumes no obligation to update or otherwise revise these forward-looking statements, whether as a result of new information, future events, or otherwise.



APPENDIX I: PERFORMANCE DATA TABLE

METRIC	UNIT OF MEASURE	SASB CODE	2022	2021	2020
GREENHOUSE GAS EMISSIONS					
Direct Scope 1 emissions ¹	Metric tons CO ₂ e	IF-WM-110a.1	2,439	2,029	1,451
Indirect Scope 2 emissions from electricity consumption	Metric tons CO ₂ e		4,157	3,564	3,258
Other indirect Scope 3 emissions	Metric tons CO ₂ e		3,639	1,153	464
Total operated direct and indirect GHG emissions	Metric tons CO ₂ e		10,235	6,746	5,173
Emissions avoided through carbon sequestration ²	Metric tons CO ₂ e		(306,085)	(189,208) ³	(231,764)
Net carbon benefit	Metric tons CO ₂ e		(295,850)	(182,462)	(226,591)
Scope 1 emissions intensity ⁴	kg CO ₂ e/bbl		0.136	0.169	0.173
Scope 2 emissions intensity ⁴	kg CO ₂ e/bbl		0.231	0.297	0.389
Scope 3 emissions intensity ⁴	kg CO ₂ e/bbl		0.202	0.096	0.055
Total operated direct and indirect GHG emissions intensity	kg CO ₂ e/bbl		0.569	0.562	0.617
Total sequestered	Metric tons CO ₂ e		(416,732)	(328,959) ³	(278,805)
Total fuel consumed	Gigajoules (GJ) Metric tons CO ₂ e	EM-SV-110a.1	32,009 2,259	26,171 1,847	18,224 1,270
ENERGY MANAGEMENT					
Total energy consumed	Gigajoules (GJ) Metric tons CO ₂ e		40,460 4,157	32,498 3,564	27,689 3,258

¹ Direct Scope 1 emissions include MT CO₂e for SASB code EM-SV-110a.1 "Total Fuel Consumed".

² Total Avoided Emissions based on the avoided CO₂ emissions from degradation of hydrocarbons that would have occurred if E&P waste was disposed of via landfarming.

³ The 2021 total carbon sequestered values were amended for this report using revised density values for E&P waste derived from the EPA report, *Management of Exploration, Development and Production Wastes: Factors Informing a Decision on the Need for Regulatory Action* (April 2019). These densities were also used to calculate our 2022 total carbon sequestered values. https://www.epa.gov/sites/default/files/2019-04/documents/management_of_exploration_development_and_production_wastes_4-23-19.pdf

⁴ Emissions intensity calculated as follows: [Emissions ÷ (Liquids managed + Solids managed)]. Solids converted from cubic yards to barrels using 4.81 bbl/yd³.



METRIC	UNIT OF MEASURE	SASB CODE	2022	2021	2020
AIR QUALITY					
Nitrogen oxide (NO _x) emissions	Metric tons	IF-WM-120a.1	not meaningful	not meaningful	not meaningful
Sulfur oxide (SO ₂) emissions	Metric tons	IF-WM-120a.1	not meaningful	not meaningful	not meaningful
Volatile organic compounds	Metric tons	IF-WM-120a.1	49.51	49.56	49.11
Hazardous air pollutants	Metric tons	IF-WM-120a.1	4.28	4.49	4.45
Slurry emissions	Metric tons CO ₂ e		114.28	115.99	119.21
Landfill emissions	Metric tons CO ₂ e		66.14	66.14	61.67
Number of facilities in or near areas of dense population	Number	IF-WM-120a.2	0	0	0
Number of incidents of non-compliance associated with air emissions	Number	IF-WM-120a.3	0	0	0
MANAGEMENT OF LEACHATE AND HAZARDOUS WASTE					
Number of correction actions implemented for landfill releases	Number	IF-WM-150a.2	0	0	0
Number of incidents of non-compliance associated with environmental impacts	Number	IF-WM-120a.3	0	0	0
WORKFORCE HEALTH AND SAFETY					
Total recordable incident rate (TRIR)	Rate	IF-WM-320a.1 EM-SV-320a.1	0.8	0.0	0.0
Fatality rate	Rate	IF-WM-320a.1 EM-SV-320a.1	0	0	0
Near miss frequency rate (NMFR)	Rate	IF-WM-320a.1 EM-SV-320a.1	0	0	0
Number of road accidents and incidents	Number	IF-WM-320a.3	0	0	0
Average hours of health, safety, and emergency response training for full-time employees	Number	EM-SV-320a.1	20 hrs/year/ employee	not provided	not provided
Average hours of health, safety, and emergency response training for contract employees	Number	EM-SV-320a.1	20 hrs/year/ employee	not provided	not provided
Average hours of health, safety, and emergency response training for short-service employees (less than 6 months on the job)	Number	EM-SV-320a.1	23 hrs/year/ employee	not provided	not provided




METRIC	UNIT OF MEASURE	SASB CODE	2022	2021	2020
DIVERSITY – MANAGEMENT					
Gender Representation – Management					
Female	Percentage		13%	7%	12%
Male	Percentage		87%	93%	88%
Racial/Ethnic Group Representation – Management					
White	Percentage		74%	82%	84%
Hispanic	Percentage		18%	11%	12%
Black or African American	Percentage		5%	7%	4%
Asian or Pacific Islander	Percentage		3%	0%	0%
Native American	Percentage		0%	0%	0%
Two or More Races and Other	Percentage		0%	0%	0%
DIVERSITY – NON-MANAGEMENT					
Gender Representation – Non-Management					
Female	Percentage		14%	11%	15%
Male	Percentage		86%	89%	85%
Racial/Ethnic Group Representation – Non-Management					
White	Percentage		20%	26%	28%
Hispanic	Percentage		59%	55%	55%
Black or African American	Percentage		17%	15%	16%
Asian or Pacific Islander	Percentage		2%	3%	0%
Native American	Percentage		1%	0%	0%
Two or More Races and Other	Percentage		1%	1%	1%

METRIC	UNIT OF MEASURE	SASB CODE	2022	2021	2020
ACTIVITY METRICS					
Number of customers	Number	IF-WM-000.A	1,142	736	669
Active landfills	Number	IF-WM-000.C	2	2	2
Active slurry injection facilities	Number	IF-WM-000.C	8	8	7
Total volume of liquids managed	Barrels	IF-WM-000.D	15,785,952	10,772,319	8,004,221
Total volume of incidental solids managed	Cubic yards	IF-WM-000.D	457,959	256,175	79,112

ADDITIONAL RESOURCES

Milestone has a library of resources available to share information with stakeholders about our service offerings, and further details about how we safely reduce the carbon impact of our customers. Throughout past years, we have provided a wealth of information that is still relevant today that can serve as background to support and enhance other sections of this report. Please refer to the links on our website.




[Milestone Manages Waste in the Energy Lifecycle](#) 




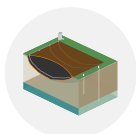
[Measuring Milestone's Carbon Impact](#) 




[Milestone's Carbon Capture and Sequestration Process](#) 



[Milestone's Slurry Injection Process](#) 



[Milestone's Landfill Carbon Storage](#) 

APPENDIX II: CRI'S REPORT



Carr, Riggs & Ingram, LLC
Two Riverway
15th Floor
Houston, TX 77056

713.621.8090
713.621.6907 (fax)
CRIcpa.com

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors and Management
Milestone Environmental Services, LLC
Houston, Texas

We have performed the procedures enumerated below on the Avoided CO₂ and Sequestered Carbon Calculations of Milestone Environmental Services, LLC for the year ended December 31, 2022. Milestone Environmental Service LLC's management is responsible for the Avoided CO₂ and Sequestered Carbon Calculations.

Milestone Environmental Services, LLC has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of comparing and recalculating certain information contained in the Avoided CO₂ and Sequestered Carbon Calculations for the year ended December 31, 2022. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are included in the attached Schedule of Procedures and Associated Findings.

We were engaged by Milestone Environmental Services, LLC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Avoided CO₂ and Sequestered Carbon Calculations for the year ended December 31, 2022. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Milestone Environmental Services, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Directors and management of Milestone Environmental Services, LLC, and is not intended to be and should not be used by anyone other than those specified parties.

Carr, Riggs & Ingram, L.L.C.

Houston, Texas
April 13, 2023



Schedule of Procedures and Associated Findings

Obtained the following from Geosyntec Consultants, Inc.

- + Milestone 2022 Carbon Sequestration Calculation worksheet (Worksheet) from the 2022 Avoided CO₂ Production and Sequestration Carbon Calculations workbook
- + Hydrocarbon Sequestration and Avoided Carbon Dioxide Emissions Process and Calculation Standard dated March 2023 (Standard)
- + 2022 Straight Average Total Petroleum Hydrocarbon Calculation Memorandum dated March 16, 2023 (Memorandum)

Performed the following procedures with respect to the sample data on the Worksheet

- + Compared the 2022 Volume (bbl) for each waste stream to the detail report of waste volumes delivered to Milestone waste disposal facilities (Volume) and noted no differences.
- + Compared the average total petroleum hydrocarbon content (TPH Content) for each carbon chain length for each waste stream to the Memorandum and noted no differences.

Performed the following procedures with respect to each Hydrocarbon Group on the Worksheet

- + Compared the waste stream density (kg/bbl) (Density), percent weight of carbon (PWC), and relative molecular weight ratio (MWR) to Table 2, Table 3, and Equation 3, respectively, in the Standard and noted no differences.

Performed the following procedures with respect to the Total Sequestered Carbon and Total Potential Avoided CO₂ Production from Hydrocarbon Degradation data on the Worksheet

- + Recalculated the sequestered carbon chain (kg) (SCC) for each waste stream using the volume, density, TPH Content, and PWC included in the Worksheet and noted no differences.
- + Recalculated the total potential avoided carbon dioxide production (PACDP) for each waste stream using the SCC and relative MWR included in the Worksheet and noted no differences.

Performed the following procedures with respect to the Avoided CO₂ Production from Hydrocarbon Degradation Relative to Landfarming Scenario data on the Worksheet

- + For each hydrocarbon group compared the mass percent degraded to carbon dioxide during landfarming operations (MPD) to the Standard and noted no differences.
- + Recalculated the avoided carbon dioxide production (ACDP) for each waste stream using Volume, Density, TPH Content, PWC, MPD and relative MWR in the Worksheet and noted no differences.

Performed the following procedures to the Summary of Analysis on the Worksheet

- + Totaled the SCC for each waste stream and compared it to the Summary of Analysis.
- + Totaled the PACDP for each waste stream and compared it to the Summary of Analysis.
- + Totaled the ACDP for each waste stream and compared it to the Summary of Analysis.

CRI Totals

Total SCC – 113,655
Total PACDP – 416,732
Total ACDP – 306,085

Summary of Analysis

Total SCC – 113,655
Total PACDP – 416,732
Total ACDP – 306,085

No differences noted.



MILESTONE
ENVIRONMENTAL SERVICES

Contact Milestone and find out more.
832.739.6700 | [Milestone-ES.com](https://www.Milestone-ES.com)