
MONTROSE
ENVIRONMENTAL
SUSTAINABILITY REPORT
2023

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MONTROSE ENVIRONMENTAL

From Our CEO

Dear Stakeholders,

As we look back on 2023, I am reminded of the significant progress we made as an organization. We continued to innovate, to have a positive impact on the environment and to expand our solutions to meet the needs of our clients. Our commitment to sustainability is unwavering, and I am proud to share with you our 2023 Sustainability Report.

At Montrose Environmental Group, Inc. ("Montrose" or "the Company"), we are dedicated to and passionate about delivering solutions that solve complex environmental challenges and create a meaningful impact on the environment. This means integrating sustainable practices into our daily operations, while also providing clients with cutting-edge solutions to maximize their impact.

We firmly believe in achieving a sustainable future, which is why we collaborate with representatives across all sectors of the economy and society, including industry and the regulatory community. Our One Montrose approach underscores this collective effort, emphasizing our ability to serve clients with a comprehensive suite of services, technologies and solutions.

To amplify our impact, we have continued to expand our services through strategic acquisitions. By joining forces with like-minded organizations, we extend our reach, improve environmental outcomes and better serve our clients.

Our commitment extends beyond solving the problems of today. To better prepare for and overcome the challenges of tomorrow and the future, we have accelerated our research and development (R&D) efforts, including our state-of-the-art Carbon Conversion Process, designed to capture carbon dioxide from manufacturing processes and convert it into usable feedstock. By asking "What's next?", we accelerate impact where it is needed most, catalyzing meaningful progress.

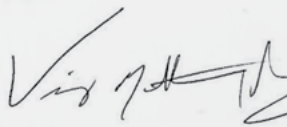
We continue to look beyond the work we do in partnership with our clients and turn inward to evaluate our own practices. In 2023, we made strides on our commitments to sustainability and governance of our business. We conducted an internal talent review and succession planning to identify talent gaps, training needs and organizational development opportunities. Further, we enhanced our processes concerning cybersecurity, safety and risk management to strengthen our resilience to future challenges.

We also established 2022 as our baseline for greenhouse gas (GHG) emissions. We aligned ourselves with the GHG Protocol and plan to annually update our 2022 energy consumption and GHG emissions baseline to retroactively account for acquired locations and fleet vehicles, based on our materiality threshold, as we strive to continuously assess the impact of our growing geographic footprint. Through this process, we also submitted our near-term and net zero targets for validation via the Science-Based Target initiative (SBTi).

As we continue through the validation of our targets, we will communicate our commitment in accordance with SBTi's guide. In 2024, we plan to explore strategies to achieve these goals.

In closing, I want to express my deepest gratitude to our employees. Their unwavering dedication, tireless collaboration and relentless pursuit of excellence drive our success. Together, we have achieved remarkable progress, and I am confident that our ability to trailblaze innovative solutions will continue to shape the future. To our valued stockholders, thank you for your trust and confidence. Your support fuels our ambition to create lasting impact. We remain focused on delivering sustainable growth and generating positive environmental change.

As we forge ahead with purpose, resilience and a shared vision, we can create a legacy that leaves our planet better than we found it.



Vijay Manthripragada
President, Chief Executive Officer, and Executive Director



About Montrose

THE ENVIRONMENT IS OUR BUSINESS.

At Montrose, we don't just navigate the shifting currents of environmental challenges; we carve our legacy on the bedrock of sustainability. Our unwavering commitment to stewardship can transform shared resources into thriving ecosystems. As trailblazers of environmental and sustainability solutions, our teams include experienced professionals who are passionate problem solvers, futuristic thinkers and proactive leaders. We employ inventive strategies to tackle our clients' environmental challenges.

Our industry-recognized solutions include monitoring and enhancing water and air quality, restoring ecosystems and reducing GHG emissions. We take pride in our ability to generate positive impacts for the environment and our communities. By helping shape the future of environmental solutions, we remain steadfast in our ability to create change.

OUR MISSION

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

OUR VISION

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

OUR PRINCIPLES

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

MONTROSE ENVIRONMENTAL

Our One Montrose Approach

We believe that our capacity to offer integrated solutions in a diverse and complex industry sets us apart as a service and solutions provider. Our clients benefit from our comprehensive and innovative approaches, ranging from on-site testing and remediation to strategic advisory services. We tackle local, regional and global challenges, collaborating across geographical boundaries to execute complex projects and deliver impactful results for our clients, communities, stockholders and the environment. Our solutions are a catalyst for positive environmental change.

Our One Montrose approach means that we provide our clients with holistic, integrated solutions. Our strategic advisory services, grounded in our environmental data platforms, support our ability to cater to client needs and goals throughout their organizations' lifecycles. This allows us to leverage our exceptional breadth of experience and depth of expertise to deliver our environmental solutions to more than 5,900 clients worldwide.



Our integrated solutions and services are designed to:



Test and Quantify

We measure air, water and soil for pollutants, safety hazards and contaminants to drive informed decisions based on thorough and accurate data. Our testing and quantification services include stack testing, environmental laboratory testing, fenceline monitoring, leak detection and repair (LDAR), optical gas imaging (OGI), real-time monitoring and environmental data management.



Navigate Compliance

We consider regulatory requirements and environmental stewardship in developing effective solutions to address air and water quality, hazardous materials, storage tanks and workplaces. We help our clients navigate compliance and regulations with the following services: permitting and regulatory compliance, chemistry consulting and auditing, environmental monitoring, and reporting and site closure activities.



Manage Risk

We work closely with clients to assess the environmental, health and safety risks they currently face as well as those on the horizon to implement appropriate mitigation strategies. We assist our clients in risk management through emergency response; safety analysis and assessment; air, water and natural resources analysis; and assessment, quantification and prioritization of environmental liabilities.



Transform Environments

We create strategic long-term plans focused on restoring and enhancing the quality of land, air and water, advancing environmental stewardship and supporting business continuity. We help transform environments through ecosystem planning, engineering, consulting, water resource management, per- and polyfluorinated substances (PFAS) removal and remediation, converting wastes into biogas, brownfields redevelopment, and water treatment, restoration and remediation.



Shape The Future

We look beyond the horizon and think past current trends, putting the brightest minds to work on the biggest challenges to create, shape and implement tomorrow's solutions. We are impacting the future through R&D, risk and resiliency analysis, sustainability strategy, business continuity strategy, climate impact, and renewable energy projects.





Montrose at a Glance: 2023[1]

~3,100
employees

~115
locations worldwide

~5,900
clients from the private and public sectors

20
patent applications in 2023, 19 patents issued/allowed, 33 pending

0.85
total recordable incident rate per 200,000 hours worked*

4+ B
gallons of water treated for PFAS, resulting in 4,071 pounds of PFAS removed from the environment globally*

63 M
gallons of water treated for other contaminants*

24%
total revenue compound annual growth rate since 2020

184,808
million British thermal units (MMBtu) of RNG generated through the application of our biogas technology*

62,320
LDAR survey workdays and 47,384 methane (CH_4) emission leaks detected through the application of LDAR survey work*

15%
average annual organic revenue growth since 2020[2]

*Indicates that a third party has independently verified the data. A copy of our independent verification limited assurance statement can be found on our website here

Innovations Creating Impact

At Montrose, innovation lies at the core of our business strategy. We stand firm in our commitment to researching new technologies and developing leading edge solutions to address critical environmental and sustainability challenges. We innovate to provide our clients with better solutions to meet their environmental needs, fulfilling this commitment through various channels, including direct investment and strategic partnerships in research, internal R&D, the development of new products and services by our operating teams, and innovation by our talented software development teams. We believe our innovation strategy, coupled with our investments and geographic expansion, will continue to distinguish Montrose in the marketplace.

Our dedicated R&D team, which leads our pursuit of assessing and developing proprietary solutions, is forward thinking and leading edge. Throughout 2023, the R&D team continued to drive innovation in the following areas:

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

Our pursuit of proprietary solutions has resulted in a strong intellectual property portfolio, currently consisting of 15 issued patents, with another four recently allowed and another 33 pending.

Our Issued and Allowed Patents to Date



Our investments support Montrose's commitment to delivering unique, technology-driven solutions to help solve some of the world's most pressing environmental challenges. In 2023, we were a lead investor in the first round of funding for TreaTech. This Swiss engineering startup developed patented technology that uses catalytic hydrothermal gasification (HTG) to convert a variety of waste streams into reusable resources. This innovative technology harnesses the power of the circular economy, helps mitigate climate change impacts and supports the transition to the low-carbon economy. Compared with incineration, the most common disposal solution, TreaTech's technology emits up to 94% less CO_2e and requires three times less space.

Additionally, our Board of Directors (Board) has assembled a Scientific Advisory Board (SAB) comprised, in part, of scientific industry experts to support our innovation endeavors.

Our Commitment to Client Satisfaction and Quality

We take pride in consistently delivering high-quality work to our clients. Providing effective, innovative and valuable client solutions is a top priority. Leveraging our dedicated team of world-class experts and supporting trailblazing technology, we aim to surpass the expectations of our clients in addressing their evolving environmental challenges. According to third-party research which surveyed over 500 of our clients, 73% expressed significant interest in an integrated environmental solution.[3] That is why we have invested in and developed our One Montrose approach to provide our clients with a holistic, and fully integrated environmental solution. We regularly track and analyze market drivers, buying behaviors and client needs to help ensure we meet and exceed client expectations. Periodically, we compile a Voice of the Client report to better understand our clients, their preferences, expectations and behaviors. Through this report, we are well equipped with the knowledge to better serve and communicate with our clients.

We also actively monitor our Net Promoter Score (NPS) to measure client satisfaction and gauge loyalty. First introduced in 2003, this widely used score has been shown to predict future referrals and purchases and correlate with revenue growth relative to competitors across a wide range of industries. NPS is based on clients' 0-10 rating of us in response to a single question regarding their likelihood of recommending Montrose to a friend or colleague. Only those who respond with ratings of 9 or 10 are classified as "Promoters," and the NPS is derived from the portion of respondents who fall into that group relative to those who do not. In the calendar years 2022 and 2023, we had a response rate of approximately 6% each year on a combined total of 7,400 surveys, and our NPS increased from 79 in 2022 to 81 in 2023, relative to the highest possible score of 100. We believe that our NPS is a predictor of strategic growth, but we also use the NPS feedback to improve upon our capabilities, delivery and support by following up with respondents who fall below the Promoter threshold to continually identify and pursue areas of focus that would result in more such clients reaching the satisfaction level of Promoters.



We are committed to staying at the forefront of modern technologies and staying well versed in the latest technical skills and best practices in our fields. That is why we prioritize continuing education, comprehensive training programs and professional development opportunities for our team members. Currently, employees who perform critical on-site testing roles participate in annual quality training programs. Additionally, many of our employees complete continuing education units, empowering them to stay informed, adapt to change and excel in their fields. We encourage our staff to obtain new certifications and licenses, expand their knowledge, serve on technical committees, take part in our mentorship programs and adapt to emerging practices. Investments in growth and development help us stay at the forefront in our respective fields, provide specialists with advancing tools and techniques, and refine our processes for efficiency and effectiveness.

In 2023, we rolled out project management training for our consulting and advisory project managers. Through this program, our project managers are armed with the knowledge, training and tools needed to deliver high-quality, high-impact projects. The training program is underpinned by established procedures and tools that standardize project management practices. These measures aim to ensure consistent outcomes in managing project risk, maintaining quality and safety standards and enhancing customer satisfaction.

Through our improvement initiatives in each business line we are thoughtfully evaluating, validating and modernizing our practices and processes, which help our cross-functional team members tackle these complex projects with confidence. To further support the quality of our products and solutions, we are further investing in and expanding our quality programs. By streamlining our best practices and quality control processes, we can collaborate more and strengthen our organization.

See the Employee Training and Development section for more information.



Our Sustainability Approach

At Montrose, we believe that achieving our long-term business strategy means accounting for the sustainability elements most relevant to Montrose and driving continual improvement. We actively manage the many different aspects of sustainability, including caring for our employees, serving our communities, positively impacting the environment and effecting change. At the same time, we focus on creating value for our stockholders through effective and innovative services, good governance and unwavering integrity.

We view sustainability as mission critical. Our sustainability approach encompasses the environmental, social and governance factors most relevant to our business, stakeholders and employees and informs our comprehensive and consistent approach to helping our clients – the One Montrose way. We believe these areas are interconnected and that active management of each can generate sustainable value. Through this 2023 Sustainability Report, we explore these areas that represent our forward-thinking, global and fully integrated company.

MONTROSE ENVIRONMENTAL

Focusing on What is Material

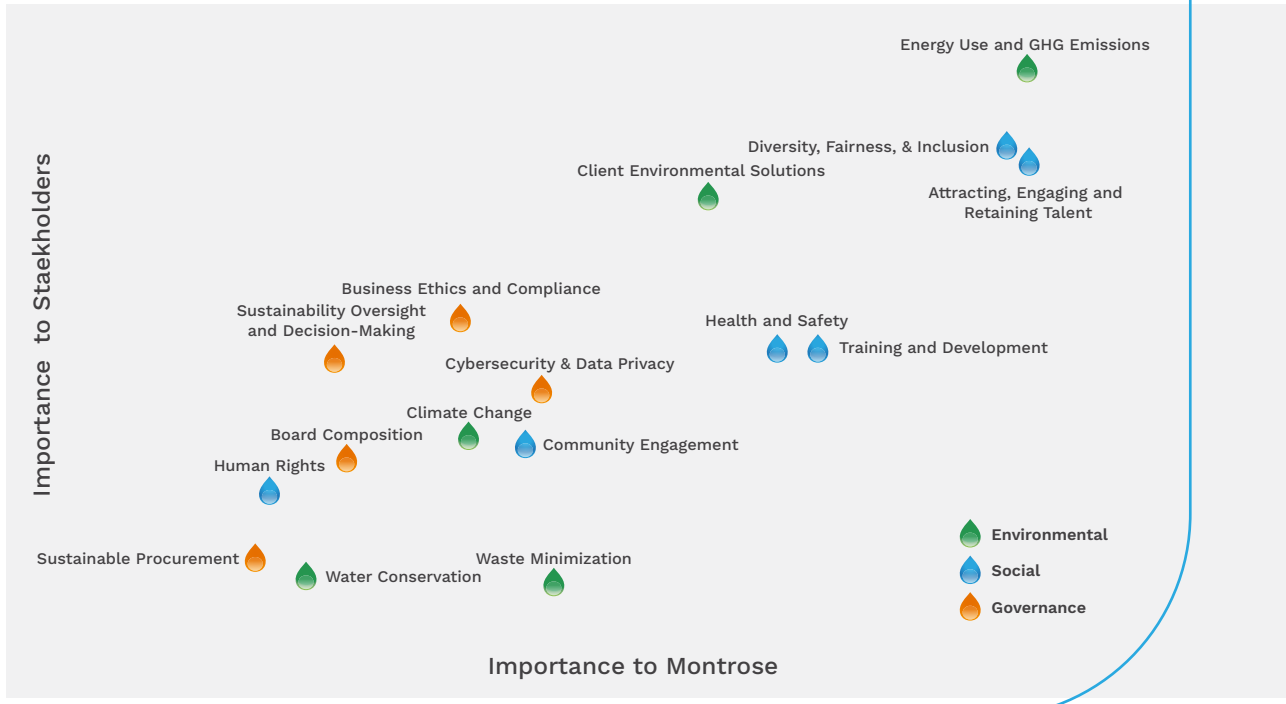
Integral to our sustainability strategy is identifying and evaluating the environmental, social and governance factors most relevant to Montrose and our stakeholders. In 2022, we conducted our first formal materiality assessment to better understand the expectations of our internal and external stakeholders, our impacts, our risks and our business opportunities. This assessment provided focus and informs our sustainability strategy, activities and allocation of resources.

As part of the process, we produced an initial list of priority areas to proactively manage in our sustainability strategy. The list was informed by researching disclosure topics from multiple sustainability reporting frameworks, including the Sustainability Accounting Standards Board (SASB), which is now part of the International Financial Reporting Standards Foundation (IFRS), Sustainability Accounting Standards, and expectations from sustainability rating and ranking organizations.

Leveraging our initial list of priority sustainability topics, we interviewed Montrose leaders, Board members and external consultants to identify the most relevant factors and solicit input on what we believe are our most significant impacts, risks and opportunities. We then analyzed input gathered from interviews to identify trends and themes. While we believe the initial list of sustainability topics is important to creating a sustainable business, in developing our materiality matrix, we have considered the impact of various factors related to our internal and external stakeholders, plotting out each one's relative importance.

Our materiality assessment process examined how these factors may affect our ability to generate value for our stakeholders and considered their potential impacts on our future success. These topics guide our sustainability strategy, assist us in identifying program priorities and enhancements, and inform our sustainability reporting and disclosures.

Our materiality matrix is an indispensable tool for identifying the sustainability topics currently most relevant to Montrose, serves as a guide for further programmatic improvements, and is essential for assessing the effective management of our sustainability strategy. As Montrose continues to evolve and expand, we seek to continually review the outcomes of this materiality assessment and adjust our sustainability strategy, as needed.



Stockholder Engagement

Our Board and management team value the opportunity to engage with our stockholders to better understand the priorities that matter most to them and to foster consistent and constructive dialogue. Following our Annual Meeting of Stockholders in May 2023, we sought to meet with stockholders representing a significant portion of our outstanding shares. As part of this extensive outreach program, we engaged directly, in person or telephonically, with stockholders representing approximately 60% of our issued and outstanding shares. The information and insight gained from these meetings, along with emerging best practices and policies are considered and evaluated by our Board and its committees and our management to enhance the evolution of our practices.

During the engagements, we discussed our efforts to enhance our corporate governance structure, our executive compensation, and various other integral matters. Throughout the year, we also sought additional opportunities to connect directly with our investors to discuss current and emerging trends and to hear investor feedback.

Please refer to Montrose's 2024 Proxy Statement for more information about our 2023 engagements, including topics discussed, feedback received and actions we are taking in response.

engaged with **60% of stockholders**



Our 2023 Accomplishments: Moving the Needle

Focusing on our sustainability priorities, we developed and implemented programmatic improvements in the following areas:

Energy Use and GHG Emissions	We expanded our energy use and GHG emissions disclosures, including recalculating our baseline inventory and undertaking an enhanced Scope 3 emissions inventory. We developed our near-term targets to underpin our net zero goal and submitted them to SBTi for validation.	See the Energy Use and Greenhouse Gas Emissions sections for more information.
Client Environmental Solutions	We made strategic acquisitions, including Matrix Solutions, Greenpath Energy and Vandrensning, to serve our clients better and deepen our expertise in new geographies.	See The Future of Environmental Solutions section for more information.
Diversity, Fairness and Inclusion (DF&I)	We continued investment in our DF&I program and our WeLEAD mentorship program. We established two new Employee Resource Groups (ERGs) and developed DF&I introductory materials for new and acquired employees.	See the Diversity, Fairness and Inclusion section for more information.
Employee Retention and Rewards	We undertook an organizationwide talent review to identify future leaders, assess talent gaps and chart future growth opportunities. Our executive leadership team (ELT) and Board undertook succession planning to support the longevity of our business.	See the Employee Retention and Rewards section for more information.

Employee Training and Development	We assessed training and development needs across the organization as part of the talent review to inform individual development needs and companywide opportunities for new and enhanced development programs.	See the Employee Training and Development section for more information.
Health and Safety	Our health and safety team improved our occupational health and safety program through additional medical surveillance protocols, such as respirator clearances and industrial hygiene monitoring.	See the Health and Safety section for more information.
Cybersecurity and Data Privacy	We expanded our dedicated cybersecurity team, established an Enterprise Security Council and further defined roles and responsibilities through a Responsibility Assignment Matrix. We established a Generative AI Policy, neared completion in implementing the requirements for Cybersecurity Maturity Model Certification Level 1 across our entire organization and began implementation of an automated security flaw remediation process. Our employees completed over 4,700 hours of cybersecurity training, as we added four new training modules to our annual cybersecurity training platform.	See the Cybersecurity and Data Privacy section for more information.

We are committed to continuous improvement and intend to evaluate our performance, identify improvements in these areas as needed and provide updates on progress each year through our annual Sustainability Report. Montrose recognizes that the landscape of these disclosures is dynamic; as our business grows, we will engage with internal and external stakeholders and routinely update our strategy and reporting to account for these changes. We plan to formally update our materiality assessment in 2025.

Our Commitment to Targeted Performance Improvements

Our firm commitment to performance improvements is reflected in our long-term goals established in 2023. These goals serve as a guide to inform our actions and direct investments.

Net Zero GHG Emissions by 2040

We have committed to near-term (2030) targets for GHG emissions reductions as we work towards our goals of being net zero by 2040. These targets have been submitted to SBTi for validation.

In 2024, our team will focus on emissions reduction planning and publicly communicating our near-term targets upon validation.

See the Greenhouse Gas Emissions section for more information.

Gender Balance Across our Workforce by 2040

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

We conduct regular pay equity assessments and engage with our leadership on this topic annually.

See the Diversity, Fairness and Inclusion section for more information.



Sustainability Oversight and Decision-Making

Our Board's Nominating and Corporate Governance Committee is responsible for sustainability oversight, including overall sustainability performance, goals and objectives. The committee monitors the evolving sustainability risks most relevant to Montrose and oversees our sustainability policies and annual disclosures. The committee receives regular updates from our ELT and advises on sustainability program priorities. Additionally, the committee makes recommendations to our Board regarding sustainability-related commitments and reviews our annual Sustainability Report.

Our ELT, including our CEO, is responsible for integrating sustainability criteria into business decision-making and soliciting stakeholder feedback. Further, they are tasked with implementing practices and initiatives that drive accountability to our sustainability goals. The daily management of our material sustainability topics is facilitated by our sustainability team, consisting of our Vice President, Sustainability and Climate Advisory and Project Consultant, Sustainability and Climate Advisory.

All of us at Montrose have a role to play in our sustainability journey. Our policies define how we expect our employees, contractors and other business associates to conduct themselves with one another and our surrounding communities. We develop and refine our policies based on best practices and the One Montrose culture, with ELT and Board approval when applicable.



Our Environmental Solutions and Impacts

MONTROSE ENVIRONMENTAL

Our Commitment to Stewardship

We are stewards of the environment and are committed to helping protect the air we breathe, the water we drink and the soil that feeds us. We diligently address complex environmental challenges, aiming to positively impact our planet. Our client solutions harness cutting-edge technologies, processes and industry-recognized strategies. We tackle critical factors related to environmental stewardship and health, air and water quality, restoration management and climate resilience. Our expert employees deliver innovative scientific solutions and accredited testing services, contributing meaningfully to our clients and communities.

Our Approach

As a leading environmental solutions company, we take a holistic and comprehensive approach to environmental management and sustainability to fully understand the impact our operations and processes have on our environment.

In 2024, we are exploring ways to further engage and educate our workforce on the environmental impacts of our projects and operations, including training and other learning opportunities.

In addition to being responsible for our operations, we contribute to environmental sustainability and generate positive environmental impacts through our client work. We help companies, government entities and communities minimize their environmental footprint, achieve their environmental goals and targets and contribute to a low-carbon economy.

See The Future of Environmental Solutions section for more information regarding the positive impacts Montrose is delivering through our client work.

Our Environmental Policy

Our Environmental Policy outlines our commitments to protect and enhance the environment through our daily business practices and operations, our supply chain and procurement practices and our client services and solutions. We strive to act as stewards of the environment, reducing our environmental impacts and continually improving our performance in the following areas:

- Achieving net zero GHG emissions
- Reducing consumption of resources
- Incorporating sustainable procurement practices
- Complying with applicable international, federal, state/provincial and local environmental laws and regulations
- Promoting pollution prevention, including implementing training and education programs to foster a culture of responsibility and innovation among our employees

A copy of our Environmental Policy can be found on our website here.

Montrose's Environmental Policy is reviewed annually and updated as needed to reflect our ongoing commitments to sustainability. Our Board's Nominating and Corporate Governance Committee, ELT, and segment and business leaders facilitate operationalizing these commitments through our everyday activities.



The Future of Environmental Solutions

We believe our distinctive One Montrose approach sets us apart in the dynamic environmental consulting field. It encompasses holistic, coordinated and diversified environmental solutions. Our strategy addresses present and future priorities, spanning climate change, air quality, water quality, contaminated soil management, infrastructure and emergency environmental response. We have invested in assets and innovative technologies to inform our clients about emerging environmental challenges.

Regulations Driving Our Services

Each of our business segments and the clients they serve are impacted by the evolving regulatory landscape in the United States and beyond. As environmental challenges increase in scope, nature and complexity, our teams work diligently to interpret regulations and align our services with these requirements. As regulations increasingly target air and water quality, climate change and GHG emissions reduction, we are well positioned to provide our clients with solutions that support compliance.

PFAS REGULATIONS

Driving our PFAS services are various proposed and recently finalized rules and regulations, such as those under the Safe Drinking Water Act.[4] PFAS are widely used “forever chemicals” that break down slowly over time in the environment. These regulations set maximum contamination levels for six PFAS and will require public water systems to monitor for these chemicals and notify the public of contamination levels. Our continued emphasis on PFAS testing, remediation and destruction drives our ability to provide our clients with a fully integrated PFAS solution.

Read more about our integrated PFAS solutions.



METHANE REGULATIONS

Methane regulations continue to be important to understanding environmental impacts. For example, the Environmental Protection Agency (EPA) issued the final version of the New Source Performance Standards (NSPS) Subparts OOOO, OOOOa, OOOOb and OOOOc in December 2023;[5] Environment and Climate Change Canada (ECCC) published a draft rule to reduce oil and gas methane emissions by 75% below 2012 levels by 2030;[6] and the European Union (EU) reached a provisional agreement in November 2023 on a Methane Emissions Reduction Strategy that builds upon Oil and Gas Methane Partnership (OGMP) 2.0 requirements.[7] In response, we have developed our Montrose Integrated Methane Management Solution, taking a comprehensive approach to measuring, managing and reducing methane emissions. We provide strategy and program development coupled with boots-on-the-ground methane detection and measurement, equipping our clients with the tools needed to help them address these new and emerging regulations.

Read more about our integrated methane services.

CLIMATE CHANGE AND SUSTAINABILITY

We have seen increased pressure from U.S. federal and state governments and various European countries to understand climate-related impacts and risks and a growing demand for corporate transparency and public disclosure of those risks. From the EU's Corporate Sustainability Reporting Directive (CSRD)[8] and California's Climate Accountability Package (SB 253 and SB 261)[9] to the U.S. Securities and Exchange Commission's (SEC) recently adopted Enhancement and Standardization of Climate-Related Disclosures,[10] we help our clients understand disclosure requirements, assess applicability and readiness, and develop effective disclosure strategies and action plans. We are also well positioned to offer our clients a full suite of climate and sustainability-related services, including climate-related risk and opportunity assessments, Scope 1 and Scope 2 GHG inventories, Scope 3 GHG screening and inventories, and near-term, long-term and net zero science-based target-setting, among others.

Read more about our sustainability and climate advisory services.

NEW AIR EMISSIONS REPORTING REQUIREMENTS

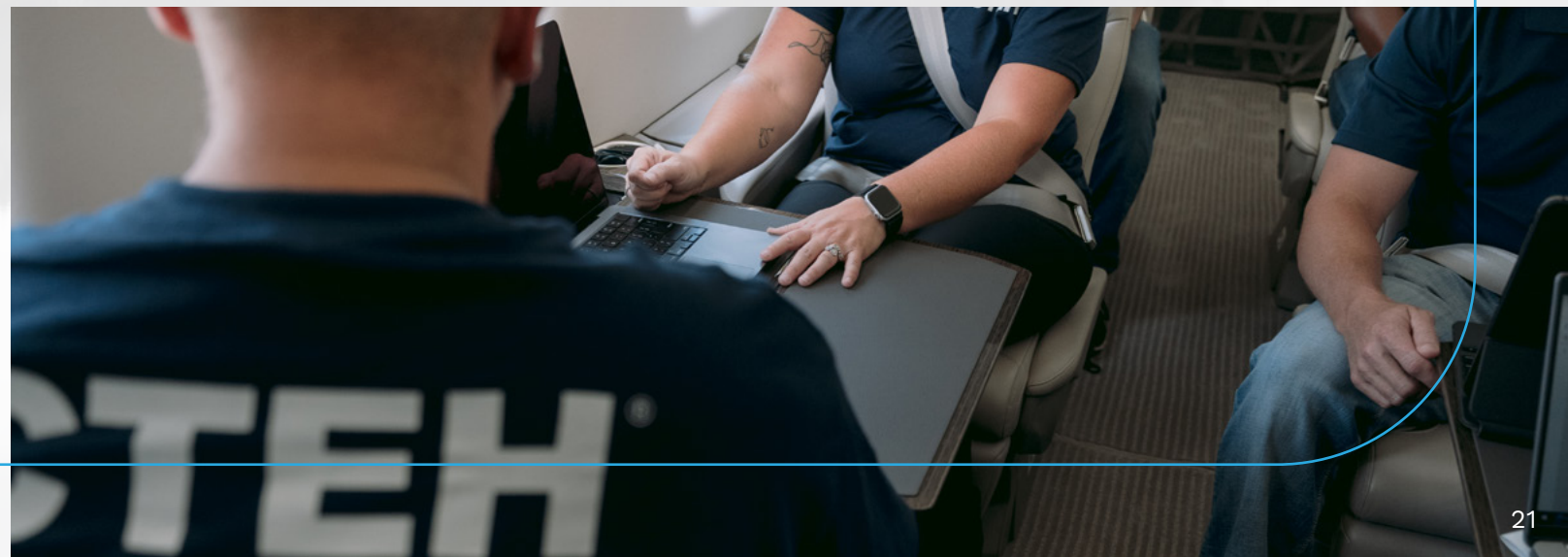
On July 25, 2023, the EPA proposed revisions to the Air Emissions Reporting Requirements (AERR),[11] seeking to enhance data collection of crucial emissions information, which is vital for conducting air quality assessment and risk analysis. Other proposed requirements include mandatory reporting of hazardous air pollutants (HAPs) and electronic reporting of nearly all source tests using the EPA's Electronic Reporting Tool (ERT). We are well positioned to assist our clients in the ever-evolving air regulation landscape. Our air quality and regulatory compliance experts are equipped to provide our clients with quality data and support our clients' emissions reporting via the EPA's ERT.

Read more about our stack testing services.

ENVIRONMENTAL JUSTICE

In recent years, we have seen increased pressure and proposed rules and regulations regarding environmental justice. In response, we have adopted an interdisciplinary approach, providing our clients with assessments, screenings, and development of policies and programs in this area. Furthermore, our applied public health team, including senior toxicologists and epidemiologists, executes impact assessments and evaluates risks. We also offer a software solution that facilitates the collection and visualization of data from air monitoring sensors.

Read more about our interdisciplinary approach to environmental justice.



Protecting the Air We Breathe

Montrose offers a comprehensive suite of solutions to address air quality and emissions. Our services include fenceline monitoring, stack testing and LDAR, using both traditional and innovative technologies. Whether dealing with international, federal, state/provincial or local environment laws and regulations, our team of regulatory experts, engineers, scientists, technicians and quality assurance personnel are well prepared to deliver customized solutions for every air quality need.

- Stack testing services are crucial for verifying compliance with emission limits on regulated air pollutants from industrial facilities. We use various methods, including advanced Fourier Transform Infrared Spectroscopy (FTIR) to accurately measure and monitor emissions, supporting compliance with regulatory standards and ensuring environmental impact is minimized.
- Ambient air monitoring services are vital to assessing and managing air quality around industrial sites. By tracking pollutants in real-time, we support compliance with environmental regulations, contributing to healthier communities and environmental protection.
- LDAR services, including EPA Method 21 and OGI, are essential for managing and reducing volatile organic compound (VOC) emissions from petrochemical companies and industrial and manufacturing operations. By employing portable instruments in the field for fugitive emissions, LDAR services efficiently identify, quantify and address VOCs and HAPs leaks, supporting environmental compliance and safety.
- Our Sensible EDP™ software is a versatile environmental data platform that enables real-time tracking of environmental metrics. With its wide-ranging sensor compatibility, we create customized, comprehensive monitoring programs to provide actionable data to support compliance.

Read more about our ambient air monitoring services.



Our Work in Practice: Alternative Work Practice in Louisiana

ENVIRONMENTAL CHALLENGE

According to the EPA, leaking equipment is the primary source of VOCs and volatile HAPs emissions from petroleum refineries and chemical manufacturing facilities. These emissions are a major component of smog and can cause respiratory disease.[12] Refineries can control and reduce their emissions by implementing an LDAR program. In 2008, the EPA established the Alternative Work Practice (AWP) to Detect Leaks from Equipment federal regulation, providing an innovative alternative to leak detection.[13] Montrose was approached by a client seeking to enhance their LDAR program by pioneering the first-ever AWP implementation at a U.S. refinery. The AWP utilizes advanced OGI and represents a transformative shift in refinery monitoring strategies, offering a dynamic alternative to the conventional LDAR program.

ONE MONTROSE SOLUTION

The One Montrose Solution, implemented at the refinery, enhances the efficiency and effectiveness of the AWP while addressing the unique challenges inherent in the refinery environment. Compared to the conventional leak detection approach, the AWP can screen a larger number of components, improve leak visibility (including hard-to-reach areas), and do so in a faster and more cost-efficient manner. Notably, the AWP allows for surveying 2,500 components per day, a significant increase compared to the traditional approach's capacity of approximately 400 components. This comprehensive approach integrates innovative strategies, advanced technology and streamlined processes to optimize inspection, data tracking and leak detection — all while ensuring regulatory compliance.

A pivotal aspect of our solution involved reorganizing the client's component inventory based on geographic regions, departing from the conventional approach. This regional segmentation allowed for more efficient inspection routes customized to the refinery's layout, minimizing travel time and maximizing coverage of OGI scans. By aligning inspection routes with specific regions, Montrose significantly improved inspection accuracy and thoroughness while optimizing resource allocation.

Additionally, we introduced our proprietary Sensible EDP™ software — a critical component of the solution. This software not only provides images but also videos of identified leaking components during OGI scans. This innovative feature enables the client's maintenance team to swiftly and precisely pinpoint leak locations, reducing the time spent locating leaks. It fosters better communication and collaboration among stakeholders, empowering maintenance teams to expedite repair efforts and minimize downtime.

OUR IMPACT

The AWP increases monitoring frequency, reduces VOC emissions and simplifies scheduling. Through the AWP, a source that could have potentially leaked for one year will leak no longer than two months. This significantly reduces the impact on the environment.

Montrose transformed the client's leak detection management by combining innovative, regulatorily accepted strategies, advanced technology and streamlined processes. Through the integration of our Sensible EDP™ software and proactive scheduling, the client achieved enhanced inspection accuracy, expedited leak detection and repair, minimized environmental impact and facilitated efficient resource allocation. Ultimately, this approach drove operational excellence and sustainability within the refinery.

Our Work in Practice: Air Monitoring in Colorado

ENVIRONMENTAL CHALLENGE

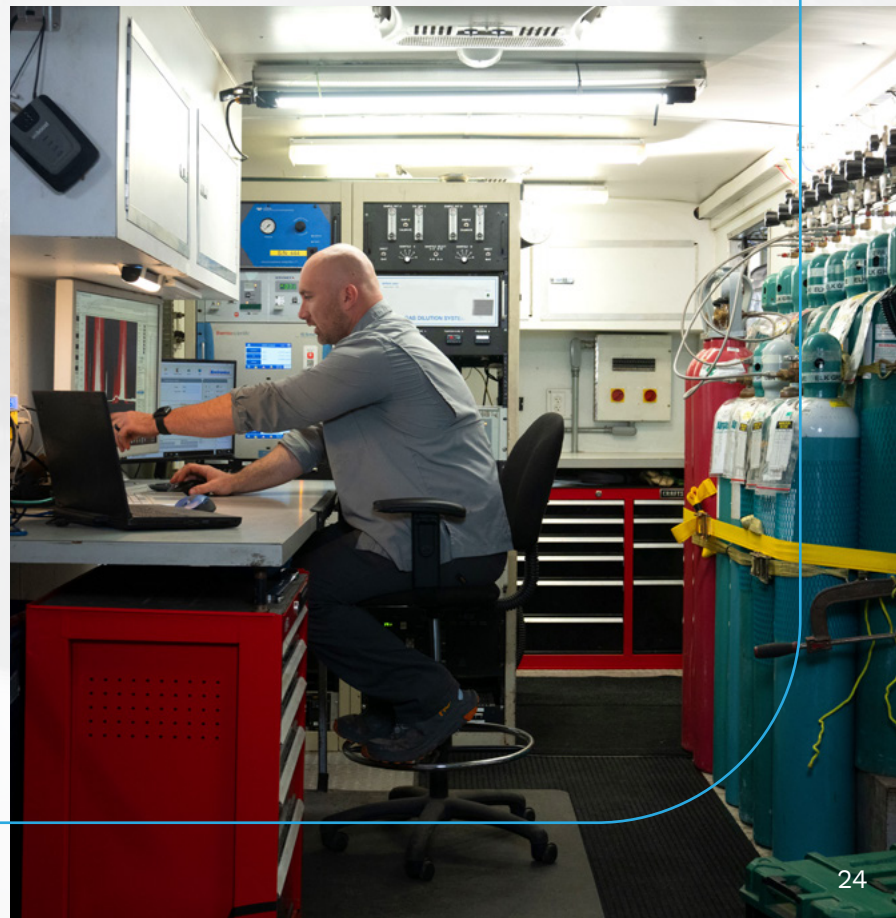
According to the EPA, people exposed to toxic air pollutants at sufficient concentrations and durations may have an increased chance of being diagnosed with cancer or experiencing other serious health effects.[14] On June 24, 2021, Colorado's governor signed HB21-1189 into law, requiring covered facilities to conduct real-time air monitoring, including fenceline and community monitoring, for three covered air toxics: benzene, hydrogen sulfide and hydrogen cyanide.[15] The law requires facilities to use optical remote sensing or other monitoring technology with the ability to provide real-time spatial and temporal data that identifies the type and amount of emissions. All collected data must be reported and made available to the public. Montrose was contracted to install and operate a fenceline air monitoring program, including the development of a monitoring plan, to satisfy the requirements of HB21-1189, the Colorado Air Pollution Control Division (APCD) and the EPA's general project plan specifications.

ONE MONTROSE SOLUTION

Montrose's expert team of technicians, project managers and scientists developed a fenceline monitoring plan to satisfy the requirements of the client and the APCD. The plan includes procuring and installing a fenceline monitoring system and building a public-facing website using our Sensible EDP™ software in English and Spanish to allow community members to see the facilities' fenceline monitoring data, measured at a five minute resolution in near real-time. Our One Montrose approach leveraged our experienced CTEH toxicologists from our emergency response division to support the development of health-based action thresholds. Our teams worked together to implement facility response if the concentrations exceed health-based thresholds. To further transparency and community engagement, we deployed a public alert system via reverse 911 calls if pollutant concentrations exceed the defined monitoring thresholds. Finally, we performed quality assurance procedures on monitoring equipment and provide detailed quality analysis of monitoring data to ensure data collection meets project objectives and that data released to the public is accurate.

OUR IMPACT

Montrose's air monitoring solution continuously monitors critical compounds at client facilities and disseminates the information to the public. The monitoring plan includes community health-based thresholds to help the community understand air quality safety levels. Through this project, we engaged with community members to offer our expertise and answer questions or concerns, solidifying our commitment to serving our clients and the community.

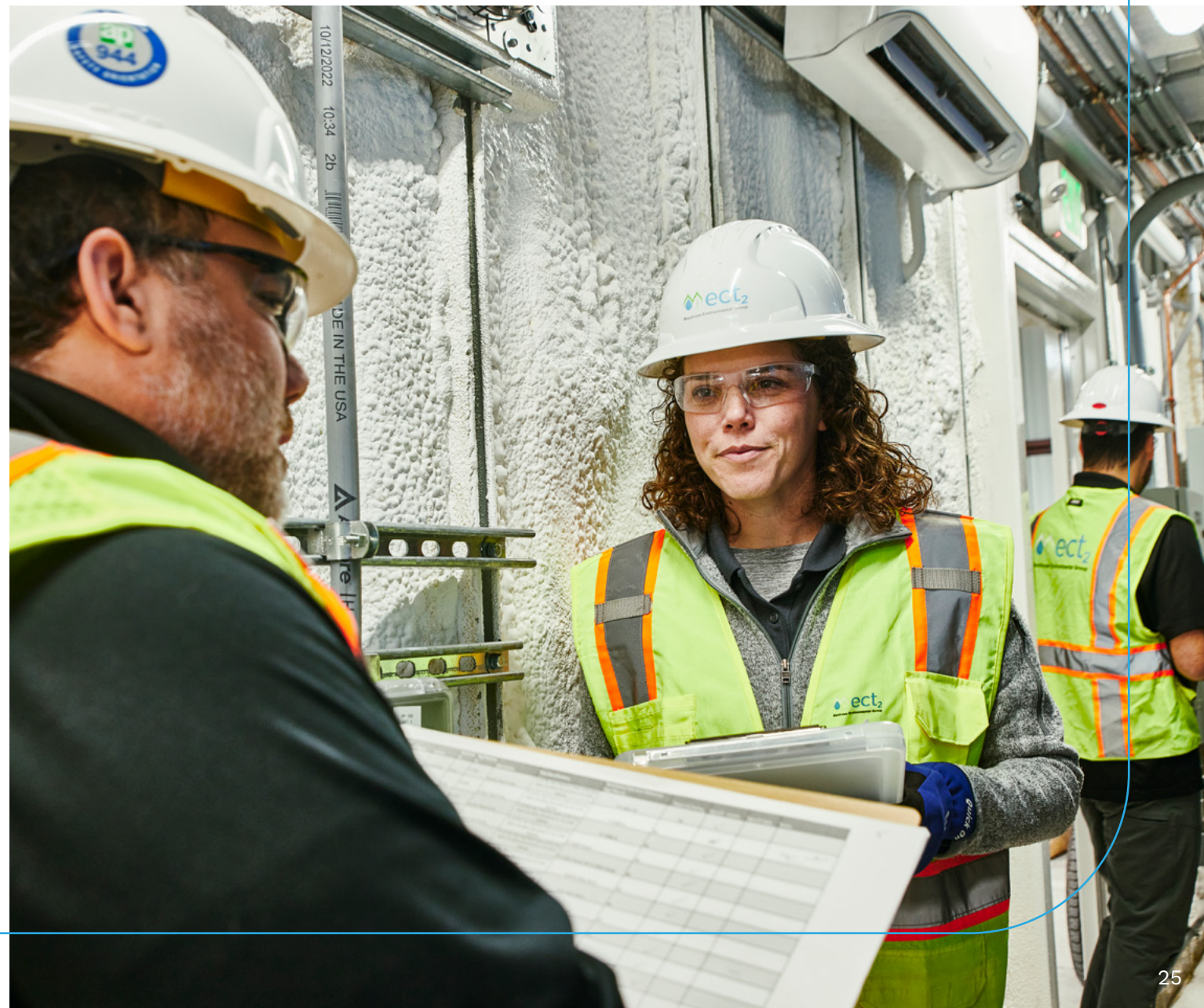


Protecting the Water We Drink

Montrose offers innovative and field-proven solutions to assist clients in treating wastewater, surface water, groundwater and drinking water. Our solutions are designed to meet regulatory requirements and prevent liabilities, ultimately safeguarding communities and the environment. Additionally, through our environmental permitting, planning and compliance, we help clients understand their water-related risks and assess how their operations impact water sources.

Within our Emerging Compounds Treatment Technologies (ECT2) division, we develop cutting-edge technology for removing challenging contaminants, including PFAS, from water and vapor. As regulations and guidelines such as the National Primary Drinking Water regulations under the U.S. Safe Drinking Water Act evolve, we work to meet contaminant-level limitations and maintain standards for managing contaminated water.

Read more about our water treatment services.



Our Work in Practice: PFAS Treatment in Missouri

ENVIRONMENTAL CHALLENGE

In January 2023, the EPA announced plans to develop new effluent limitation guidelines and pretreatment standards to reduce the presence of PFAS in landfill leachate.[16] Ahead of the regulations and to proactively address PFAS passively received in municipal solid waste, our client is working to evaluate and identify the best PFAS removal technology for landfill leachate. Landfill leachate increases the treatment challenges as it varies widely in composition and contains dissolved and suspended materials. Ultimately, our ECT2 division was engaged to design, build and operate a leachate system before it is discharged to the local wastewater treatment plant.

ONE MONTROSE SOLUTION

During the initial research phase and in deployment of a pilot system, we focused on evaluating foam fractionation because of its ability to selectively remove PFAS in complex water matrices, which is a challenge for many other traditional removal methods. We identified our FOAM-X™ treatment system to be the overall best fit to treat PFAS-impacted leachate before it is sent to the municipal wastewater treatment plant. Our proprietary, cost-effective FOAM-X™ treatment system is simple to operate and has a low energy consumption, reducing carbon and waste footprints. Additionally, our laboratory services division, Enthalpy Analytical, has added value by providing rapid sample analysis during pilot phases. Montrose will continue to support the startup of the full-scale treatment system and facilitate ongoing quarterly testing to ensure successful treatment.

OUR IMPACT

Our FOAM-X™ treatment system is designed to remove over 95% of long-chain PFAS compounds. By capturing these compounds in leachate, we are breaking the cycle of PFAS from discarded consumer products entering our waterways and disbursing through the environment.



Our Work in Practice: Selenium Water Treatment in Georgia

ENVIRONMENTAL CHALLENGE

Selenium, a naturally occurring contaminant, is prevalent in soil and groundwater and is one of the more difficult-to-treat contaminants. Selenium can enter the soil and groundwater through surface mining and coal-fired power plants, among other sources. The EPA is increasingly focused on addressing emerging contaminants, including tighter selenium discharge limits. Although the EPA has designated biological treatment as the Best Available Technology (BAT) for selenium treatment, a more efficient, simple, reliable and cost-effective treatment technology is still lacking in the market.[17] Montrose was contracted by a specialty mineral manufacturer that generates large quantities of wastewater to implement a treatment solution targeting a 3µg/L selenium discharge limit.

ONE MONTROSE SOLUTION

Montrose's ECT2 division developed a novel, differentiated and proprietary selenium treatment technology that addresses the existing performance and economic gaps in the current market. Our technology uses an innovative iron-based media (Se-media, patented) that can remove selenium from various types of water and wastewater down to very low levels. This technology has a fraction of the system footprint and investment compared to EPA's BAT. The Se-media chemically reduces both selenite and selenate to elemental selenium, which is then immobilized by absorption onto the media surface. ECT2 optimized the treatment process around the media to maximize its performance and capacity for selenium removal.

OUR IMPACT

We deployed ECT2's technology via a two-month, on-site pilot study. The successful pilot used the proprietary Se-media and consistently treated selenium to below the target limit of 3µg/L. Additionally, Se-media demonstrated the appreciable removals of other key co-contaminants present in the water, including aluminum, eliminating the need to employ separate or additional treatment technologies.

As water quality regulations continue to become more stringent for emerging contaminants such as selenium, Montrose is responding by providing innovative solutions to not only meet regulatory limits but also protect the health and well-being of our communities.



Protecting the Soil That Feeds Us

Our teams of certified scientists, geologists and engineers possess deep knowledge of environmental permitting and natural resource restoration, which helps us guide our clients in addressing their land management challenges. We deliver solutions for land redevelopment, land use planning, waste minimization, and large- and small-scale investigation and remediation of contaminated sites. Our specialized, land-focused solutions include, among many others:

- Soil stabilization and erosion control to maintain habitats and improve soil biodiversity
- Brownfields redevelopment to promote the safe and sustainable reuse of previously contaminated sites
- Phase 1 and 2 environmental site assessments to identify and characterize suspected site contamination, assess risk and develop potential remedial actions
- Ecosystem valuation services and environmental liability management to help clients understand their impacts and comply with regulations such as the Endangered Species Act (ESA) and Resource Conservation and Recovery Act (RCRA)

Read more about our soil and groundwater remediation services.



Our Work in Practice: Abandoned Mine Land Restoration in Colorado

ENVIRONMENTAL CHALLENGE

Experts estimate that there are as many as a half a million abandoned mines in the United States with both above- and below-ground infrastructure, which are known as abandoned mine lands (AML).[18] Although federal agencies are actively working to address the hazards associated with AML sites, it will likely take decades to complete this work because many of the specific locations of the abandoned mines remain unknown. In Colorado, approximately 23,000 abandoned mines are estimated to exist on both public and private lands.[19]

Montrose was engaged to deliver local, native and site-specific restoration for the Burke Martin Abandoned Land Reclamation Project in the White River National Forest (WRNF). The reclamation project is essential to WRNF because it sits upriver of the Dillion Reservoir, which supplies water to Colorado's front range and its approximately five million inhabitants. Our team of experts is providing solutions to reduce ecological risks, improve water quality and protect watersheds.

There are multiple hazards associated with AML sites. Some of the more prominent hazards include (1) the toxicity of the residual tailings, including heavy metals commonly associated with the extracted minerals (e.g., mercury, lead, antimony, cobalt, etc.), as well as residual chemicals that were used to facilitate mineral extraction (e.g., cyanide); (2) impacts to water quality, human health and wildlife from sediment and effluent release; (3) physical dangers associated with the remaining infrastructure and site instability such as sinkholes and collapsed mine adit; (4) vagrancy and trespass attracted by the remaining structure; and (5) the presence of remaining and often unstable ordnance (i.e., explosives) from previous operations.

ONE MONTROSE SOLUTION

The Montrose team is providing our client with a consistent, proven approach to riparian, wetland and terrestrial habitat restoration. Our full suite of services includes the collection of site-specific native plant materials, project reclamation design review, oversight of project implementation and revegetation and biological survey and assessment. Our site restoration plan includes approximately 10,000 site-specific native woody, forb and graminoid (grass and grasslike) species, directly preserving the biodiversity of native plant species and protecting and improving wildlife habitat. Through our integrated solution, we are improving the overall health of reclaimed mining lands by reducing the metal, nutrient and sediment loads into the surrounding watershed.

OUR IMPACT

The project team is diligently collecting site-specific native seeds. These seeds are the foundation for developing native plant materials that are critical in maintaining and restoring ecosystems. Additionally, the project team has performed an on-site survey and assessment of the specific native species and habitat types that distinguish the site. The project team has developed a draft restoration plan that includes the applicable native plant considerations and propagation protocol. Lastly, the project team is working in partnership with the WRNF to develop the applicable site remediation strategy, including water quality improvement and sediment reduction plans. Although this is an ongoing project, our team is actively reducing ecological risks and improving the resiliency and quality of the water.



Our Work in Practice: Natural Resource Valuation in the Southeastern U.S.

ENVIRONMENTAL CHALLENGE

Approximately 60% of land within the United States is privately owned,[20] and at least some habitat for 95% of all federally threatened or endangered species exists on private land.[21] Up to the mid-1900s, environmental protection land conservation was mainly a governmental enterprise involving property acquisition to protect water rights and mineral, oil and timber resources. However, we are now seeing a shift in environmental accounting, including considerations of natural capital and ecosystem services, biodiversity and other factors. Within the United States, the federal government's views on land conservation and management are evolving as the science of ecosystem services and the importance of biodiversity are becoming better recognized. Our client contacted Montrose to undertake a natural resource valuation of 119 properties throughout five Southeastern states using a detailed economic analysis.

ONE MONTROSE SOLUTION

Montrose used a willingness-to-pay approach to quantify the nonuse public interest values of ecosystem goods and services for each of the 119 properties. We assessed the bequest value of the land, or the value placed on knowing future generations will have the option to enjoy a particular environmental asset versus the existence value, which refers to the willingness to pay for environmental resources independent of use by current or future generations. To assess these values, we considered four key criteria: (1) availability of food and water; (2) flood and drought risks; (3) soil formation and nutrient cycling; and (4) availability of cultural services such as recreation, spiritual, religious and other nonmaterial benefits. This approach allowed us to combine the key criteria to determine the overall value that society places on environmental quality services and resources by setting aside public and private property for conservation.

OUR IMPACT

Montrose performed economic analyses that combine market and nonmarket values associated with ecosystem services on private lands, allowing for a defensible, parcel-specific comparison across markets and geographies at a time when there is increasing pressure to develop undeveloped land.

Our services provided our clients with a fully documented economic picture of the value of their real estate assets. We continue to analyze additional facets of potential conservation efforts, enabling the client to weigh alternatives and make more financially informed investment decisions for the future.



Our Work in Practice: Salt Marsh Restoration and Biodiversity Assessment in Massachusetts

ENVIRONMENTAL CHALLENGE

Belle Isle Marsh is one of the last remaining salt marshes in the Boston area. Like other urban salt marsh habitats throughout the Northeastern U.S., Belle Isle Marsh is impacted by limited genetic diversity, habitat loss, sea-level rise, sediment starvation and impaired water quality. Montrose was hired to provide coastal resiliency and biodiversity expertise for the restoration in partnership with the U.S. Army Corps of Engineers' Engineer Research and Development Center (ERDC), Massachusetts Department of Conservation and Recreation, the Nature Conservancy and various other groups, including municipal, state and federal regulators. Montrose was tasked with completing a site assessment using nature-based and community-informed solutions to restore the salt marsh.

ONE MONTROSE SOLUTION

Montrose provided a comprehensive solution leveraging our ecological services expertise and laboratory analysis. Our team of experts reviewed restoration design alternatives and developed a conceptual design to incorporate engineering with nature considerations into nature-based solutions in a manner that improves biodiversity; enhances critical avian, terrestrial and fisheries habitats; and reduces climate change impacts. We developed permitting recommendations for sediment nourishment and assessed the genetic diversity of Belle Isle Marsh to enhance biodiversity, ecological functionality and ecosystem resiliency, focusing on smooth cordgrass (Spartina alterniflora) and saltmarsh cordgrass (Spartina patens) using a combination of laboratory and field planting techniques. Additionally, we collaborated with local groups to integrate local experience and knowledge during the project. Environmental justice considerations were examined during the project scoping to protect at-risk communities from sea-level rise and coastal storm surges through the restoration.

OUR IMPACT

Montrose's services helped improve the understanding of salt marsh ecosystems and how their successful management can protect against climate change, storm surges and sea-level rise. We increased the utilization of hydrodynamic modeling to inform science-based considerations for salt marsh and living shoreline applications. Finally, we have established a more informed process for environmental justice considerations in urban restoration projects.



Our Work in Practice: Brownfields and Community Revitalization in Alaska

ENVIRONMENTAL CHALLENGE

The Alaska Native Claims Settlement Act (ANCSA) of 1971 included the transfer of 44 million acres of land to the Alaska Native corporations, with some land areas contaminated from a variety of past activities such as fuel storage, power generation and natural resource extraction. In 2023, Congress appropriated $20 million for the EPA to establish and implement a grant program to assist Alaska tribal corporations in addressing contamination on ANCSA lands.[22] The grants can fund site assessment, remediation, and community engagement. Our client contacted us to help navigate the grant application, remediation requirements and implementation plan, including cleanup and site reuse.

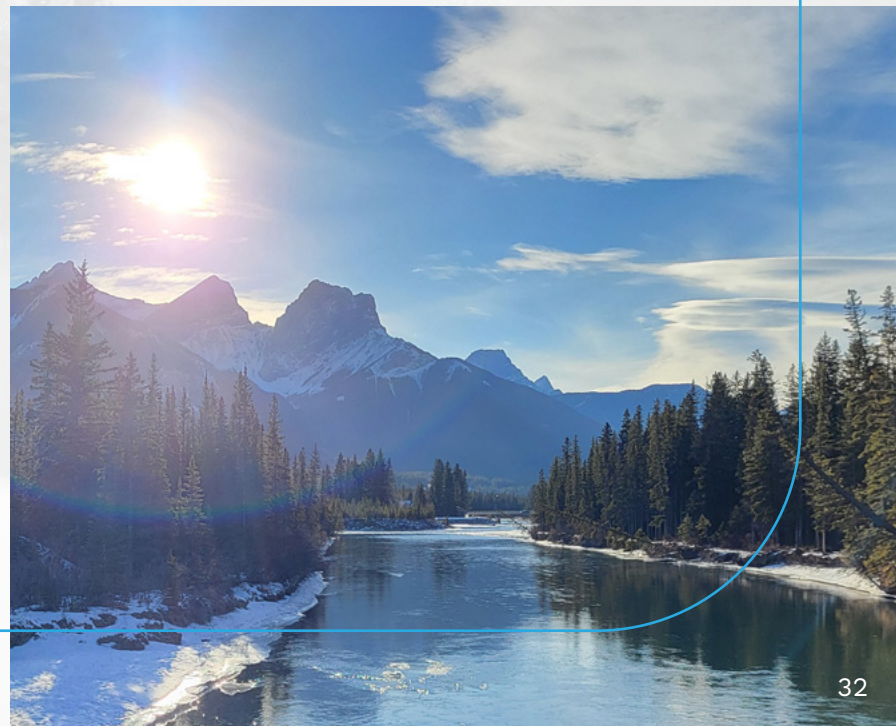
ONE MONTROSE SOLUTION

Montrose, with its unique expertise in brownfields and community revitalization, provides an integrated solution to assist our clients in building programs to achieve their specific restoration and revitalization goals. From developing funding strategies and grant applications to managing and implementing them, our team worked diligently to meet the client's needs. We leveraged our expert teams across Montrose's various segments, including consulting and engineering, testing and lab services, treatment technologies, and emergency response and preparedness. In 2023, we assisted Alaska Native corporations with $8 million of EPA brownfield and ANCSA grants.

OUR IMPACT

We assisted our clients with delivering critical funding to their communities to address a wide range of environmental issues, provide new jobs, quality affordable housing, and enhanced infrastructure and community services. Our work leveraged conventional and advanced site investigation and remediation technologies to deliver transformative results in communities that need it most.

For example, we assisted Cook Inlet Region Inc. and the Tyonek Native Corporation with a successful grant application for $3 million of EPA funding to support the restoration and reuse of the Iniskin Peninsula. Initial cleanup activities included decommissioning hundreds of decaying drums that were abandoned after decades of oil and mineral exploration activities. In addition to the restoration of impacted areas for enhanced cultural, subsistence and recreational use, reuse plans may include renewable energy, resource extraction, travel and tourism, along with other activities with substantial benefits for Alaska Natives and the regional economy.



Supporting the Transition to the Low-Carbon Economy

At Montrose, we support and encourage the transition to a low-carbon economy and the global effort to reduce GHG emissions. Our work includes solutions that promote clean energy and climate resilience. Across our business lines, we deliver industry-recognized solutions to support the transition. To further our commitments, we have a dedicated R&D team that delivers unique and innovative solutions to create real impact. We have worked diligently to create an innovative culture that empowers our teams to be trailblazers and bring these solutions to the market.



In 2023, we furthered our support by investing in TreaTech, a Swiss engineering startup that developed patented technology that uses HTG to convert a variety of waste streams into reusable energy resources. TreaTech is pioneering more efficient ways to transform waste into methane-rich renewable gas, clean water and minerals. Through this investment, we are strengthening our commitment to bringing technologies and solutions to the market that support the transition to a low-carbon economy.

Our specialized low-carbon solutions include:

- Renewable natural gas (RNG) project development
- GHG reduction programs
- Solar energy development
- Net negative carbon conversion



Our Work in Practice: Renewable Natural Gas

ENVIRONMENTAL CHALLENGE

According to the EPA, in 2021, agriculture accounted for nearly 10% of all domestic GHG emissions, including emissions from manure treatment and management.[23] A mature dairy cow, weighing 1,400 pounds, can generate around 14 gallons (or 120 pounds) of manure a day. For a farm housing over 12,000 cows, the manure collected daily is significant. The manure is often disposed of in piles, slurries or lagoons, where it releases methane and other GHGs, contributing to local air pollution and climate change. Capturing methane from farm waste and generating RNG significantly lowers emissions at dairy farms, thus lowering GHG emissions on a lifecycle basis when compared to conventional gasoline and diesel. Montrose helped our client engineer, procure and construct a fully integrated system that produces natural gas from manure, generating D3 Renewable Identification Number credits under the federal renewable fuel standard program and carbon credits under the California Low Carbon Fuel Standard (LCFS) program.

ONE MONTROSE SOLUTION

As a trusted partner that can drive a dairy RNG project from beginning to end, we were selected to be the Engineering, Procurement and Construction (EPC) firm to provide a fully integrated system. This system produces gas that meets the local Atmos Energy gas pipeline specification. Montrose handled all facets of project delivery, including technology selection and integration, detailed engineering design, guaranteed system performance and project schedule, and provided project cost certainty. Furthermore, we delivered a holistic solution to the client, serving as a single source of accountability for meeting product gas purity specifications, lab service testing, and regulatory and permitting compliance services.

OUR IMPACT

Our system was designed to generate the amount of RNG equivalent to the energy of approximately 1.1 million gallons of diesel fuel annually. In 2023, we reduced emissions from the site by more than 10,000 tons of CO_2e, compared to operating the dairy without producing RNG. Our team's leadership and ownership of design concepts through execution, startup and operations has provided our client with a state-of-the-art facility that operates with optimal uptime and reliability.

Read more about our biogas solutions.



Our Work in Practice: Carbon Conversion Technology

ENVIRONMENTAL CHALLENGE

Climate change is one of the most pervasive challenges our world faces. Efficiently and effectively reducing GHGs is paramount to help limit the consequences associated with climate change. Industrial companies are taking steps to alleviate the anthropogenic emissions of GHGs by removing carbon dioxide from their combustion processes and flue gas discharges, but this is challenging. Today, technologies offered in the marketplace require significant infrastructure investment, large quantities of material and high energy consumption, and toxic solvents. Montrose developed a novel process that requires less energy input, avoids using toxic solvents and uses the carbon dioxide captured to create a valuable product for use in the circular economy.

ONE MONTROSE SOLUTION

Using a nontoxic, water-based ionic solution, Montrose developed a simple yet reliable way to remove up to 99.99% of the CO_2 from process exhaust streams. Similar approaches had been attempted in the past but encountered issues with kinetic and mass transfer complications. These difficulties were overcome with a two-step process, allowing near-instantaneous wetting of the carbonate and eventual conversion to a solid carbonate. Our solution can have a net negative carbon intensity when waste heat from facility operations is incorporated. Montrose's solution was designed to produce either sodium carbonate (soda ash) or sodium bicarbonate, a primary ingredient used in manufacturing glass bottles. The client was specifically interested in this product. Further discussions with the client revealed that their current soda ash supply is sometimes compromised by inclement weather, resulting in a production slowdown; on-site soda ash production provides supply-side security and is a value add. Our team of experienced scientists, technicians and project managers designed and constructed a pilot unit in the summer of 2023. It was deployed and operated on-site during September and October 2023. We are now refining our design to optimize system scale-up to provide removal efficiencies and product quality. Early tests on the soda ash's purity indicate that the product is suitable for manufacturing glass beverage containers.

OUR IMPACT

During our eight week pilot program at this client facility, we removed more than 1 metric ton (MT) of CO_2 and produced 1.8 MT of soda ash with removal efficiencies as high as 99.9%. This technology could be incorporated into a wide range of industries looking to manage and reduce their CO_2 emissions. Industries using soda ash and bicarbonate include all glass manufacturers, animal feed producers, wastewater management operations and the processors of lithium chloride into battery grade lithium carbonate. Other beneficial uses being investigated are the de-acidification of oceans or application as a carbon-negative soil amendment. Ultimately, this novel solution can make a significant global impact by reducing GHG emissions, mitigating climate change effects and improving community environmental health.

Read more about our net negative carbon conversion process.



Our Work in Practice: Landfill Methane Monitoring

ENVIRONMENTAL CHALLENGE

Landfills are the third-largest source of human-related methane emissions in the United States, accounting for approximately 14.3% of these emissions in 2021.[24] Landfills estimate their methane emissions using publicly available emission factors provided by the EPA, but these only provide rough estimates and can often over- or underestimate emissions, especially from highly variable sources, such as landfills. Measuring methane emissions from landfills presents significant challenges due to several factors. First, landfills can be large, sometimes spanning over a mile, which complicates the measurement process. Second, the terrain varies with some landfills located in former quarries and mines. Finally, the sources of emissions can vary as well, including leaks from pipes, inefficient flaring or seepage directly from the landfill itself. All these factors contribute to the complexity of accurately measuring methane emissions from landfills.

To accurately capture emissions from landfills, operators must monitor and measure these emissions. Our client engaged Montrose to develop a solution for the periodic measurement of methane emissions from their landfills across the U.S.

ONE MONTROSE SOLUTION

In less than a month, Montrose developed a drone-based solution to measure methane emissions. By integrating a highly accurate, lightweight methane sensor and a three-dimensional wind speed/wind direction sensor into a drone, real-time measurements of methane levels and wind conditions were possible. We created a grid pattern on the downwind side of the landfill fenceline to fly the drone. Through this flying pattern, we were able to quantify the methane concentration and windspeed along the grid and use these results to calculate an accurate emission rate.

After concluding our initial pilot study, we took our solution to Canada to participate in a blind, controlled release study at a landfill. The study was coordinated by the Environmental Research & Education Foundation (EREF) and St. Francis Xavier University. The landfill released known quantities of methane, allowing us to test the accuracy of our drone-based solution. The initial results showed a strong correlation between the mass of methane released and the measurements taken by our drone-based solution.

OUR IMPACT

Through our solution, landfill operators can now accurately conduct methane emission measurements. By quantifying these emissions, operators gain crucial insights into their GHG emissions. Armed with this knowledge, they can fine-tune their operations, making necessary adjustments to minimize methane emissions.



Our Work in Practice: Leak Detection Sensor Network

ENVIRONMENTAL CHALLENGE

In February 2023, the EPA approved the first alternative means of emission limitation (AMEL)[25] through the Clean Air Act. The Clean Air Act establishes emission limits from industrial facilities, such as petroleum refineries, with the goal of reducing harmful air pollutants. This recent authorization empowers facilities to employ a more dynamic approach to their LDAR program compliance through a Leak Detection Sensor Network (LDSN).

Our client was searching for a partner to successfully transform their LDAR program with the development of continuous monitoring through an LDSN. Driving their transformation is the ability to use innovative technology and approaches to manage emissions more effectively and improve process safety.

ONE MONTROSE SOLUTION

After engaging in thorough discussions with our client, we gained a comprehensive understanding of their intricate operations and unique environment. To that end, the Montrose team identified sensor technology appropriate for their operations and to meet the needs of the LDSN. When deployed, the LDSN utilizes real-time sensors to continuously monitor for leaks 24/7. By implementing continuous monitoring via an LDSN, elevated concentrations can be detected significantly faster than existing practices, thereby identifying emissions sooner.

Montrose deployed the sensors and ensured the LDSN met the requirements of the AMEL framework. These networks consist of strategically placed sensors that detect VOCs. Additionally, these sensors enhance overall process safety at the refinery as they collect data every second, allowing for a faster response to any safety event or internal alert.

Furthermore, we deployed our proprietary Sensible EDP™ software, allowing the sensor to aggregate real-time data and send alerts to the client. Our software is a critical component of this project as we are arming our client with real-time data and the ability to analyze data to improve operations. Overall, the LDSN allows the client to detect emissions sooner than conventional methods and implement solutions faster.

OUR IMPACT

Through the deployment of an LDSN, our client is solidifying their commitment to sustainability, as early detection of elevated emissions reduces the overall emissions at their refinery. This programmatic change ensures that sensors are placed strategically to monitor the equipment 24/7.

Montrose delivered a comprehensive solution by combining innovative technology and our Sensible EDP™ software. We have equipped our client with real-time data to improve repair times, process safety and ultimately reduce emissions.



Our Environmental Performance

Helping clients solve their most pressing environmental challenges and reduce their environmental impacts is Montrose's primary focus. Our business is industry agnostic, and while many of our clients are in carbon-intensive industries, we develop and execute strategies that support a low-carbon economy transition. Managing our clients' resources, environmental footprints and climate change strategies are how we make the greatest impact for a more sustainable future. Even so, we believe in the importance of understanding and assessing our own environmental impacts and implementing strategies to reduce them. We are committed to environmental stewardship centered on encouraging responsible energy use, reducing our GHG emissions and minimizing impacts from our water use and waste generation.

As part of our commitment to achieving net zero, we established 2022 as our baseline reporting year. In accordance with the GHG Protocol's Corporate Accounting and Reporting Standard,[26] we will consistently recalculate our base-year energy consumption and GHG emissions based on our materiality threshold. We will recalculate and retroactively restate our 2022 energy consumption and GHG emissions to include newly acquired locations and fleet vehicles, provided they meet the 5% materiality threshold and relevant data is available. Given our growth through acquisitions, this rebaselining process is crucial for understanding our overall environmental impacts and accurately defining our reduction goals and strategies.

Our near-term targets and net zero goal include Scope 1, Scope 2 and Scope 3 GHG emissions and we have submitted our 2030 targets for validation via SBTi. In 2024, we expect to evaluate approaches toward these objectives, considering options such as the procurement of renewable energy, fleet electrification and other decarbonization solutions.

Our Resources Use in Context



One company-owned headquarters office building in Little Rock, Arkansas.



One company-owned laboratory in Richmond, Virginia.



Approximately 115 leased locations globally, consisting of laboratories, testing facilities and offices.



Approximately 500 vehicles in our field service fleet.



One aircraft for client emergency response incidents.



Approximately 3,100 employees, many engaging in business travel, commuting to and from work locations or working remotely.

Energy Use

Montrose's energy consumption primarily stems from our vehicle fleet, our natural gas usage (for heating and cooling) at our operational facilities, and our purchased electricity for those facilities. Given that we predominantly operate in leased buildings, managing energy sources and usage can be complex. However, our commitment remains strong – we intend to continue to assess energy use and look for opportunities to increase efficiency and implement actions to reduce our usage at our locations and within our transportation fleet.

While our current fuel resource mix relies solely on nonrenewable sources, we are actively exploring options for procuring renewable energy for our offices and facilities. Looking ahead, we expect to closely monitor year-on-year changes in energy consumption and gauge the impact of our actions. Additionally, we are actively exploring the integration of sustainability criteria into our lease renewal and decision-making processes.

Our restated 2022 energy usage now includes purchased electricity, natural gas use at locations and vehicle gasoline consumed by fleet vehicles from companies acquired in 2023.

Compared to 2022, our total energy consumption increased. In 2023 we purchased 30,364 more gallons of fuel for our fleet vehicles and drove 175,161 more miles than in 2022. It is also important to note that we have further refined how we estimate energy usage at our laboratory locations where energy data is not available. We developed our own natural gas and electricity estimation factor based on actual annual usage data per square foot. This refinement in our strategy more accurately reflects our usage at laboratory locations where data are not available.

In the United States the normal heating degree days in 2023 was 3,062, while in 2022 it was 4,217.[27] A lower number of heating degree days suggests that the weather was warmer in 2023, which accounts for our decreased consumption of natural gas. Finally, our aircraft fuel purchases increased as we purchased a larger aircraft that burns fuel more quickly than our previous aircraft.

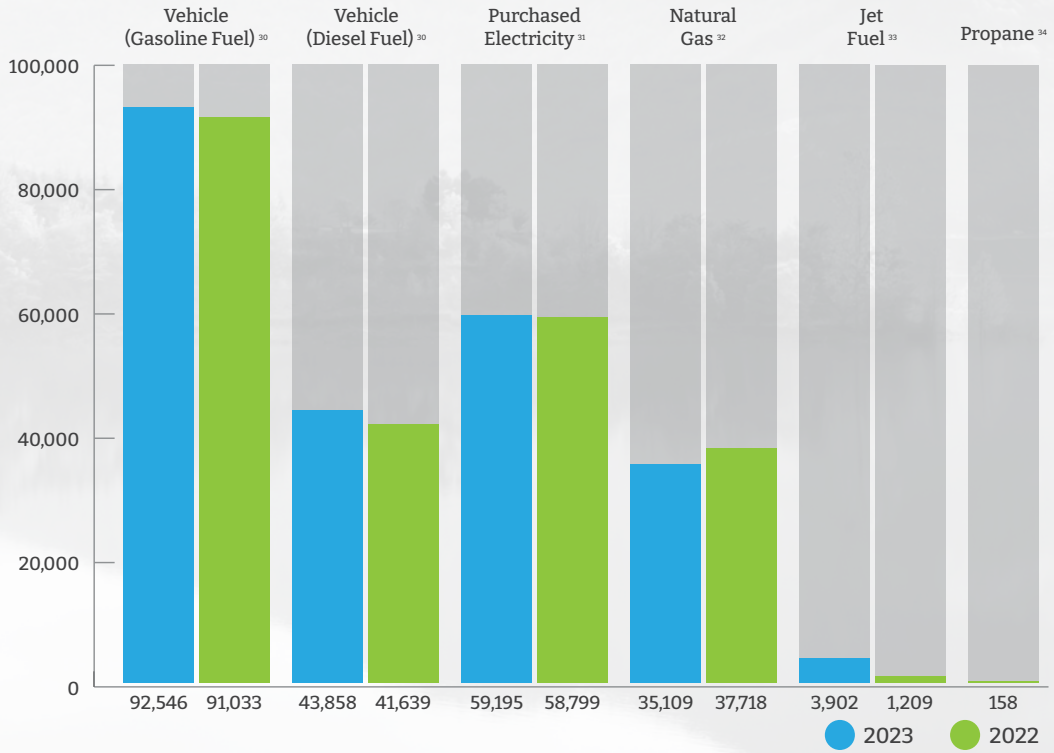
Our Energy Consumption Intensity

Energy consumption per million dollars of revenue (GJ/$M)[28]		Energy consumption per employee (GJ/headcount)[29]	
376	423.8	75.6	79.9
2023	2022	2023	2022

Total Energy Usage (GJ)

234,610	230,556
2023	2022

Our Energy Consumption Reported in Gigajoules (GJ)



See the Environmental Performance Data section in the Appendix for more information on our energy use.

Greenhouse Gas Emissions

We are dedicated to continual improvement and have demonstrated that commitment over the last four years with our expanded GHG inventories and enhanced data processes. In alignment with the GHG Protocol's Corporate Accounting and Reporting Standards, we account for our GHG emissions using the operational control approach. Given that we primarily operate out of leased buildings, this approach is consistent with our operating practices.[35]

In 2020, we inventoried our Scope 1 and Scope 2 GHG emissions for the first time for a select number of our U.S.-based locations. In 2021, we expanded the scope of our inventory to include all our U.S. operating locations. In 2022, we went further by including our global operating footprint as part of our Scope 1 and Scope 2 GHG inventory. Furthermore, in 2023, for the first time, we included emissions from refrigerants at our global operating locations in our footprint.

In accordance with SBTi and the GHG Protocol's Corporate Accounting and Reporting Standard and for consistency with best practices, we are restating our 2022 GHG emissions inventory to incorporate emissions from refrigerants at company locations and Scope 1 and Scope 2 emissions from locations and fleet vehicles acquired in 2023.

Our restated 2022 GHG emissions should more fully represent our global carbon impacts as our business evolves and is the baseline against which we compare and set emissions targets. As we have expanded our data sets and disclosures, the years 2022 and 2023 are no longer directly comparable to emissions for the years before 2022.

While our emissions increase from 2022 to 2023 is to be expected due to ongoing growth and acquisitions, our emissions intensity has continued to decrease reflecting our commitment to reducing our carbon footprint.

Our Scope 1 and Scope 2 GHG Emissions Intensity

Scope 1 and Scope 2 GHG emissions per million dollars of revenue ($MTCO_2e/\$M$)[36]

2023	2022	2021	2020
27.1	30.4	19.8	25.2

Scope 1 and Scope 2 GHG emissions per employee ($MTCO_2e$/headcount)[37]

2023	2022	2021	2020
5.4	5.7	4.1	6.0

Scope 1 and Scope 2 GHG Emissions[38]

Reported in metric tons of carbon dioxide equivalents ($MTCO_2e$)	2023	2022	2021[39]	2020[40]
Scope 1 Direct GHG emissions	**11,621**	**11,397**	**6,180**	**6,301**
Vehicle Fleet[41]	9,498	9,318	5,267	3,744
Vehicle, Gasoline Fuel	6,438	6,407	3,668	2,389
Vehicle, Diesel Fuel	3,060	2,911	1,599	1,355
Aircraft, Jet Fuel[42]	268	83	81	-
Natural Gas and Propane (building use)[43]	1,754	1,895	832	2,556
Refrigerants (building use)[44]	101	101	-	-
Scope 2 Indirect GHG emissions (purchased electricity, location-based method)[45]	**5,261**	**5,133**	**4,662**	**1,962**
Total Scope 1 and Scope 2 GHG emissions	**16,882**	**16,530**	**10,842**	**8,263**

See the Environmental Performance Data section in the Appendix for more information on our Scope 1 and Scope 2 GHG emissions.

In our 2022 Sustainability Report, we disclosed our Scope 3 GHG emissions for the first time. Leveraging the publicly available Quantis tools, we screened all 15 categories of Scope 3 emissions to identify those most relevant to our business. The categories identified as potentially relevant to Montrose during our first screening included:

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

In 2022, we collaborated with operational and functional leaders to assess the availability of data for our Scope 3 inventory. During this process, we determined that while Categories 10, 11, 12 and 13 were potentially material, insufficient data was available.

In 2023, we further enhanced our business processes and developed a more systematic data collection process. To achieve this, we conducted a more in-depth screening of Scope 3 categories, delving into the value chain of our different business lines. Additionally, we interviewed business line leaders to gather and analyze data. This comprehensive process confirmed that our initial screening was mostly accurate. However, we discovered that Category 9: Downstream Transportation and Distribution was also relevant due to our laboratory services division receiving shipments of samples from clients.

Further research into the GHG protocol revealed that Category 10 was not relevant for us, as we do not process intermediate goods. Additionally, although we occasionally rent products to clients, we account for these leased products in Category 11 rather than Category 13, aligning with our operational practices and the GHG Protocol.

We estimated emissions for Categories 1, 2, 4, 5, 9, 11 and 12. While direct activity data allowed us to calculate emissions in some areas (such as energy consumption, purchased electricity, and waste generation), we relied on proxy data, such as spend, for other instances.

Our Scope 3 emissions inventory may not use direct activity data across all categories, but our intent is to understand the impact of our business and identify areas where we believe we can make the most significant reductions. This strategic approach focuses us on meaningful actions to reduce our environmental footprint.

We have revised our 2022 Scope 3 GHG emissions inventory to ensure a more detailed and complete data set, as well as align ourselves with SBTi and the latest best practices. This restatement now includes emissions from Categories 9, 11 and 12. Additionally, we have recalculated several relevant categories to better encompass our value chain. This broader perspective now considers emissions from our updated energy consumption and waste generated in operations, extending beyond only waste tracked via manifests.

As a result, we believe our restated 2022 Scope 3 GHG emissions inventory provides a more comprehensive representation of our global value chain impacts. These recalculated figures will serve as the baseline against which we evaluate our performance against emissions reduction targets. By adhering to science-based practices, we aim to drive meaningful change and contribute to a more sustainable future.

Scope 3 GHG Emissions Intensity

Scope 3 GHG emissions per million dollars of revenue ($MTCO_2e/\$M$)[46]

2023	2022
137.3	121.2

Scope 3 GHG emissions per employee ($MTCO_2e$/headcount)[47]

2023	2022
27.6	22.9

Scope 3 GHG Emissions[48]

Reported in metric tons of carbon dioxide equivalents ($MTCO_2e$)	2023	2022
Total Scope 3 GHG emissions	**85,665**	**65,956**
Category 1: Purchased Goods and Services[49]	16,207	14,561
Category 2: Capital Goods[49]	20,795	14,652
Category 3: Fuel- and Energy-Related Activities[50]	3,523	3,446
Category 4: Upstream Transportation and Distribution[49]	8,988	5,812
Category 5: Waste Generated in Operations[51]	184	150
Category 6: Business Travel[49,52]	6,197	6,692
Category 7: Employee Commuting[53]	3,577	6,866
Category 9: Downstream Transportation and Distribution[49]	790	565
Category 11: Use of Sold Products[54]	25,112	13,059
Category 12: End-of-Life Treatment of Sold Products[55]	292	153

See the Environmental Performance Data section in the Appendix for more information on our Scope 3 GHG emissions.



Water and Waste

Our water usage is mainly limited to preparing media and samples at our laboratories and drinking and sanitary uses at our offices. Through our materiality assessment, we determined that water use is not a material environmental issue for Montrose. However, we understand the importance of conserving and protecting this critical and increasingly scarce natural resource, and we support our clients who often rely on a clean and secure water source to conduct their business in addressing water use, water quality and the resiliency of watersheds.

Within our operations, we generate a variety of waste types, including general office refuse, hazardous waste and nonhazardous waste. In our offices, supported by local municipalities, we provide mechanisms for segregating recyclables (e.g., paper) from nonrecyclable waste (i.e., general office refuse) at most of our locations.

We also generate waste in our laboratories operated by Enthalpy Analytical, and through R&D activities operated under our water treatment division, ECT2. In 2023, we expanded our data collection to also include waste disposal from our stack testing laboratories operated by Montrose Air Quality Services. This group has implemented an emphasized focus on routine waste disposal despite minimal waste accumulation volumes. Waste generated by these groups consists of general office refuse, nonhazardous waste beyond general office refuse and hazardous waste (including universal waste) regulated under RCRA. Laboratory-generated hazardous waste primarily consists of discarded analytical samples collected from our clients' sites. The discarded samples may include containers, associated chemical reagents and other media used to prepare each sample for analysis.

Because waste generation is largely from our laboratory and R&D facilities, we limit our waste data collection and reporting to this area of our operations.

Waste Generation, 2023[56]

Waste Type	Tons of Waste	Tons of Waste Per Employee
RCRA Hazardous Waste	103.5	0.033
Universal Waste	0.24	0.000
Nonhazardous Waste	21.8	0.007
e-Waste	2.4	0.001
Total Waste	**127.9**	**0.041**

See the Environmental Performance Data section in the Appendix for more information on our waste generation.



Enthalpy Analytical, ECT2 and Montrose Air Quality Services maintain Waste Management Policies to establish expectations regarding responsible waste accumulation, storage, handling, documentation and overall management. The Waste Management Policies are the foundation for establishing the proper handling of waste and set forth the following requirements:

- Training on the divisional Waste Management Policy for all Enthalpy Analytical employees
- Annual RCRA compliance training for any employee with hazardous waste management responsibilities, reinforcing how to successfully identify and dispose of hazardous waste and processes on how to prevent environmental impacts
- Training on Department of Transportation (DOT) hazardous materials ground shipping requirements for all employees authorized to sign manifests for the transportation of hazardous waste
- Restricting employees authorized to handle certain waste based on completing required compliance training
- Properly identifying and classifying waste utilizing regulatory and industry-accepted references
- Conducting routine hazardous waste area inspections in conformance with industry best practices, including inspection for any container leaks or damage
- Engaging with top-tier, reputable waste transportation vendors who responsibly and appropriately accept and transport waste to licensed treatment, storage and disposal facilities (TSDF)

WASTE AND SOURCE REDUCTION

Beyond waste management, some of our California laboratories proactively undertook source reduction exercises in 2023 to better understand and inventory waste streams and identify strategies to reduce waste. Two of our six California laboratories have since developed source reduction plans, each of which identifies six major waste streams and analyzes seven potentially viable source reduction measures. After evaluating the options outlined in these plans, we selected one reduction strategy commitment for each waste stream. This plan is now a blueprint or best practice document for source reduction at our other laboratory facilities. For example, we recently revamped our sample preparation methods at our Houston laboratory to use fewer hazardous chemical reagents, saving approximately 100-300 mL of reagent per sample.

Our source reduction initiatives encourage the substitution of hazardous reagents with less hazardous alternatives, modifying procedures to reduce process wastes and/or required sample volume, reinforcing employee competencies and knowledge of laboratory best practices through effective training and substituting laboratory equipment with alternatives that utilize fewer samples and/or reagents. Aligned with these approaches, our laboratory services division has implemented waste minimization practices into its standard operating procedures (SOPs).



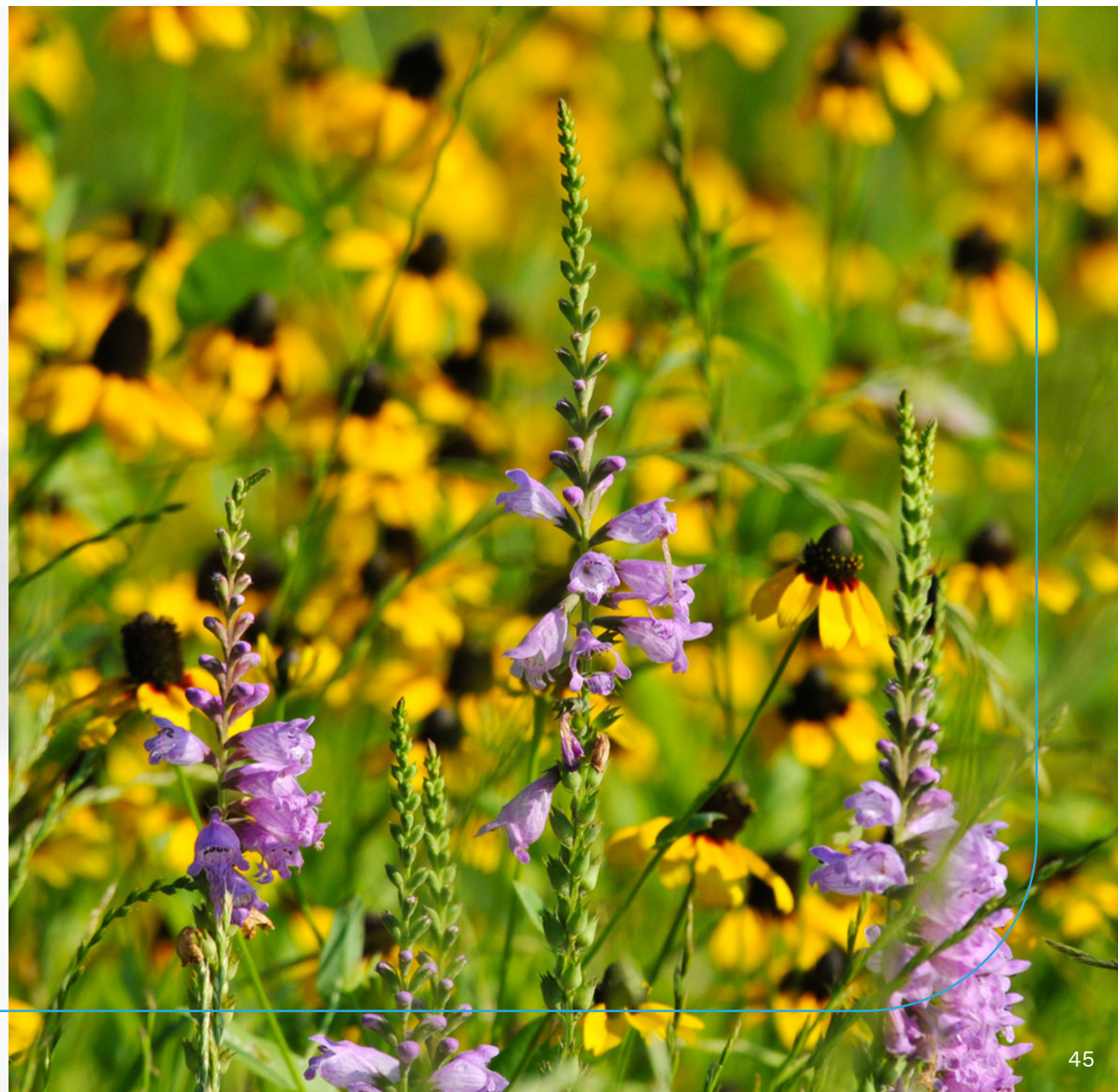
We are committed to reducing the generation of hazardous waste at its source. In 2023, we undertook laboratory-level modifications to more efficiently purchase hazardous reagents required for analysis, with High Volume Solvent Delivery System tanks, significantly reducing the generation of waste glass containers and cardboard boxes year-over-year.

In 2023, we sent 26.2 tons of hazardous waste to be recycled via fuel-blending and 2 tons of nonhazardous waste to be recycled via waste-to-energy. In 2024, we are exploring ways to further capture data regarding our waste's end use and identify strategies to increase our recycling initiatives and options.

As we better understand our waste generation and continuously improve waste management practices, we are exploring ways to calculate and quantify our waste more precisely, including identifying vendor technology to obtain data on waste streams. Finally, our Environmental Policy underpins our commitment to waste management and reduction and our overarching goal to reduce waste sent to landfills.

26.2
tons of waste recycled via fuel-blending

2
tons of waste recycled via waste-to-energy



Climate-Related Risks and Opportunities

While our climate mitigation efforts historically have centered around assessing and understanding our energy consumption, emissions inventory and broader impact on the environment, we recognize that climate change brings both risks and opportunities to our organization. As part of our risk management process and business strategy, we have identified climate-related risks and opportunities specific to Montrose. These encompass:

OPPORTUNITIES:
Amidst these challenges, there are opportunities. As an environmental services firm we have vast opportunities with our clients to assist them in reducing their GHG emissions, developing climate resiliency planning, air quality management and much more. Additionally, we can explore lower-emission energy sources and sustainable goods/services across our value chain. These critical elements affect our clients and the broader global community; to counter these impacts, our management team and technical experts across our business lines assess and solve these priorities.

- **PHYSICAL RISKS:** These include acute and chronic threats such as flooding, wildfires, storms, sea-level rise and temperature fluctuations. These natural events could potentially affect our offices and global operations. The seasonality of demand for certain Montrose services, weather conditions and other factors outside our control may adversely affect or cause volatility in our financial results. We experience seasonal demand with respect to certain services we provide, as demand for those services can follow weather trends. Seasonal effects may vary from year to year and are impacted by weather patterns, particularly by temperatures, rainfall and droughts.

- **MARKET AND REPUTATIONAL RISKS:** As stakeholder expectations around climate change increase, we face risks related to our reputation and standing in the market. Implementing effective mitigation measures within our internal operations and environmental practices is critical to maintaining competitiveness.

- **REGULATORY RISKS:** We must consider current and emerging regulatory challenges, such as pricing of CO_2 emissions, compliance costs or changes in disclosure regulations (for example, the SEC's climate disclosure requirements). These risks could potentially impact our organization in terms of financial costs and reputation. Montrose could face risks from emerging regulations that would impact our supply chain or demand for our goods and services in the future.

- **LEGAL RISKS:** Montrose recognizes the potential risks that litigation and regulatory noncompliance may pose on businesses that may impact the environment as a result of their products and services. As the impacts of climate change could place new demands on the types of products and services we offer, Montrose will need to continue to work to comply with evolving professional standards, duties and statutory obligations or our failure to provide accurate data to clients may have an adverse effect on our business.

- **TECHNOLOGY RISKS:** Montrose continues to be a leading provider of innovative environmental technologies that help our clients transition to a low-carbon future. Our innovation and acquisition strategies are focused on consistently targeting additives, services, geographies, clients and technologies. For example, we have industry-leading experience in agricultural manure, food waste, RNG and electrical generation projects. That said, new services in response to new technologies and changing industry and regulatory standards can be complex and expensive. It may be difficult or costly to update our services and to develop new services quickly enough to work effectively with new or changed technologies. In addition, our industry may be slow to adopt new technologies that we develop. As a result, new services may not be successful for several years, if at all.

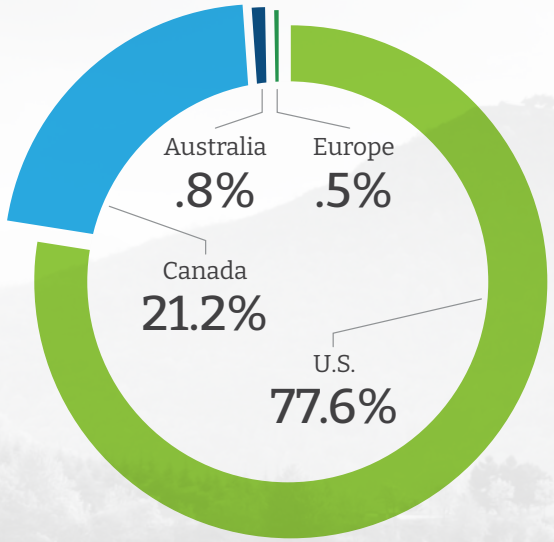
Our People and Communities

MONTROSE ENVIRONMENTAL

Our Montrose Team

We believe one of our greatest strengths is our employees who strive to innovate and deliver unparalleled service to our clients and communities. Our employees are passionate about the environment and supporting one another. We are committed to fostering a diverse, fair and inclusive workplace with a focus on respect, trust and belonging. We invest in the success of our employees and maintain people-centric strategies from recruiting, engagement, development, compensation and benefits to safety and communication.

Our human capital strategy is led by our Human Resources function under the direction of our Senior Vice President (SVP) of Human Resources, with active oversight by our Board's Compensation Committee. The Compensation Committee and Board receive regular updates on human capital matters, including training and development, and related strategic initiatives from our SVP of Human Resources and our ELT.



4:1 Ratio of permanent employees to temporary employees

7% Increase in total number of employees

10 Employees on the ELT at the end of fiscal year 2023[59]

63 Employees in senior leadership positions at the end of fiscal year 2023[60]

Our Employees at a Glance

Employee Category[57]	Total	U.S.	Canada	Australia	Europe[58]
Permanent, Full-time	2,652	1,993	622	23	14
Permanent, Part-time	134	132	0	2	0
Total, Permanent	**2,786**	**2,125**	**622**	**25**	**14**
Temporary, Full-time	8	6	2	0	0
Temporary, Part-time	307	276	31	0	0
Total Temporary	**315**	**282**	**33**	**0**	**0**
Nonguaranteed hours (casual)	1	0	1	0	0
Total	**3,102**	**2,407**	**656**	**25**	**14**

It is important to note that the previous year's total employee numbers included all contingent workers, which increased our total employee count. Going forward, data presented will not include contingent workers.



Talent Attraction

We believe that we are part of the future of environmental solutions, and we continue to differentiate ourselves by attracting top talent that brings diverse perspectives, experiences and expertise that can help solve some of the toughest environmental challenges our clients face. We are focused on attracting and hiring talented and diverse people while at the same time appreciating each candidate's career aspirations and development areas.

Our internal talent acquisition team has decades of experience that spans industries, enabling them to be forward-thinking, strategic and anticipatory of talent trends. This team performs the majority of the recruiting and hiring by partnering closely with our business leaders and technical teams to understand Montrose's current and future talent needs.

We have developed and maintained relationships with external search firms to better inform them regarding our business and talent requirements. We leverage these firms for niche and specialized executive, professional and technical roles.

We have also advanced our partnerships with select universities by engaging with 20 top-tier universities across the United States and Canada. As part of our engagement efforts in 2023, we met with over 1,000 students, participated in classroom and school panel presentations, and interviewed and hired numerous talented students. We are committed to continuing this initiative with our 2024 spring and fall university relations campaigns. We believe these campaigns can better enable us to identify and hire top talent for our internships and entry-level full-time roles, as well as to develop a strong talent pipeline for years to come.

Finally, we prioritize developing relationships and affiliations with professional organizations that promote underrepresented populations and affinity groups, such as the Society of Women Environmental Professionals. We post our career opportunities on various diversity job boards and have expanded our military recruiting initiative so that we can continue to broaden our talent pool with a diverse set of experiences and skill sets and deliver exceptional projects to our clients. As a result of our efforts, we hired 751 new employees in 2023. In addition, we brought on 630 employees through our strategic acquisitions. In total, we saw 1,381 new employees in 2023. As noted above, previous years' total employee numbers included all contingent workers, therefore overinflating our total employee count. To that end, this overinflation creates a discrepancy in our increase in employee count from 2022 and 2023 and our new hire metrics. Going forward, contingent workers will not be included in our total employee count and therefore will show a more accurate picture of our new hire metrics.

Talent Acquisition in 2023

Total number of new employees in fiscal year 2023	1,381
751	Number of new employees via recruitment/organic growth
276	Number of new female employees via recruitment/organic growth
281	Number of new nonwhite employees via recruitment/organic growth
630	Number of new employees via acquisitions
304	Number of new female employees via acquisitions
82	Number of new nonwhite employees via acquisitions

Number of roles posted which were filled by internal candidates **77**

Average time to fill positions 58 days

Employee Engagement

We actively engage with our employees to help them gain a deeper understanding of our business, to provide them with important updates, and to share information about new service offerings, R&D efforts and acquired businesses. Periodic town halls led by our CEO and quarterly town halls led by our divisional leaders are used to communicate corporate initiatives, reinforce key messages, recognize employee accomplishments and solicit employee feedback. Our monthly newsletter – Montrose Matters – is another communication channel that allows us to highlight projects, provide sustainability updates and recognize employee accomplishments. Finally, we hold annual meetings with our business leaders to provide state-of-the-business updates, as well as to facilitate team building and recognition of accomplishments.

A significant portion of our growth is attributed to strategic acquisitions, and we strive to make each new employee feel as if they have always been a part of the Montrose team. In 2023, we continued to optimize and enhance our acquisition integration process with key change management initiatives to align goals, knowledge and processes. Our corporate functions, such as HR and IT, engage with acquired employees and leaders throughout the onboarding and integration periods. We also conduct a post-integration acquisition survey to gather feedback about their integration experience and identify enhancements to our process.

In 2023, we took the initial steps to deploy a companywide employee engagement survey in 2024. Working with an external provider, our HR team is actively developing survey questions and determining appropriate data to gather. This survey will help us understand the employee experience, identify opportunities for improvement, and plan actions to improve employee engagement and satisfaction. We intend to conduct this survey in late 2024 and expect to disclose key opportunities for improvement identified in the survey in our next Sustainability Report.



Employee Retention and Rewards

We understand that high-potential and high-performing employees want to be part of an organization that makes meaningful impacts while also progressing in their careers. Investing in our employees' professional career paths creates a sense of belonging and is a key pillar of our retention strategy.

Our divisional and corporate leaders work closely with their teams to understand each employee's career aspirations and support their professional development. Leaders engage with employees to establish goals aligned with their career paths, identify areas for development and facilitate their professional growth. Goals and development areas are reviewed during year-end performance reviews. We believe this level of engagement, with goal setting and development plans, is critical for talent attraction and retention. Moreover, we leverage our internal employee Talent Profile tool for employees to document their career accomplishments, certifications and career aspirations. Our employees use our Talent Profiles to source talent throughout the organization for their projects.



We conduct organizational talent reviews to assess our collective talent, evaluate macro-organizational trends, identify and mitigate talent risk, identify successorship opportunities, and enable us to have the talent to meet our goals and serve our clients. In 2023, we held robust calibration exercises and talent review discussions with executive and senior leaders across our business, which resulted in action plans designed to further develop, engage and retain our talent; build successorship; and meet business objectives. Our Board and its committees are also regularly updated on our organizational talent reviews and talent development efforts as part of their succession planning oversight.



We also believe in recognizing our employees for their contributions. Our leaders have opportunities to identify and nominate employees who have excelled and gone above and beyond their responsibilities and exceeded expectations. These employees are recognized individually, in team settings or by our CEO in broader settings.

In 2023, our combined voluntary and involuntary turnover rate was 28%. Since our inception in 2012, our 11-year history has been characterized by robust headcount growth. Despite this growth, our average employee tenure is four years.

Average years employed for male employees[61]	4 Years
Average years employed for female employees[61]	4 Years

We recognize that we have improvements to make in this area. To that end, we are enhancing our talent retention efforts by incorporating talent retention metrics into managers' Annual Incentive Plans (AIPs), expanding our mentorship programs to facilitate knowledge transfer, offering continuous professional development opportunities with our Montrose Leadership Excellence (MLE) program and Montrose Leadership Development Program (MLDP), and supporting flexible work arrangements to support unique situations and work-life balance.

COMPENSATION

Also core to our talent retention strategy is our carefully designed and comprehensive compensation package. We strive to maintain a fair and equitable compensation program for comparable roles, experience and performance. We conduct annual compensation planning in which division leaders and corporate leaders evaluate team members for performance-based salary increases and promotions.

To further our commitment to fair and equitable compensation planning, we also conduct an annual gender pay equity assessment designed to support equitable compensation for employees performing substantially similar work by job and level across all divisions and all corporate functions, regardless of gender.

See the DF&I Commitments section for more information on our annual pay equity assessment.

We offer long-term equity incentives to many of our employees under our stock incentive plan. We believe strongly in employee ownership of Montrose, and we believe our equity incentives can help retain employees and create value for our clients, our employees and our stockholders.



BENEFITS

Our comprehensive benefits packages align with our commitment to our employees' physical health and mental well-being. Our benefits programs vary by country to allow for market competitiveness and plans that meet employee needs. Depending on the country, our standard health benefit offerings include medical, dental and vision insurance and life and disability insurance. Our health benefits also provide employees with choices to meet their individual needs, including company Health Savings Accounts (HSA) with employer and employee contributions. We also offer Flexible Spending Accounts (FSA), allowing our employees to set aside pre-tax dollars to pay for medical, childcare and commuting expenses such as public transit.

In 2023, we further expanded our robust Employee Assistance Program (EAP) to include online modules and coaching sessions, which provide our employees and their families with confidential, personal support on a wide variety of relevant topics such as stress management, wellness and financial planning resources.

Employee Assistance Program

Coaching and Counseling	Learn, develop and practice new skills to improve mental fitness and emotional well-being, including sessions with master's and doctoral-level counselors.
Work-Life Balance	Develop work-life balance with access to specialists in the areas of family and caregiving, health and wellness, daily living, and balancing work and life responsibilities.
Financial Resources	Access to tools enabling you to develop your budgeting and financial planning skills with financial coaching.



We recognize the importance of each employee's need to take time away from work and have implemented a progressive vacation and routine time-off program for our nonexempt and exempt employees. Additionally, we provide each of our employees with a floating holiday to observe the cultural day or holiday that is important to them. We provide paid bereavement leave, parental leave, and time off for jury duty and voting for all employees worldwide. Our U.S. parental leave policy offers eight weeks of paid leave for primary caregivers regardless of gender or seniority. Pregnancy loss is also a part of our bereavement leave policy.

At Montrose, we aim to set up our employees for future success and well-being. That is why we offer our U.S. employees a 401(k) with a 4% company match, as well as an after-tax Roth 401(k) option. We also offer our Canadian employees a group Registered Retirement Savings Plan (RRSP) account with a 4% company match.

We believe that a strong and cohesive organization benefits from continued education, enhanced skill sets and staying abreast of best practices. Montrose prioritizes employee career success by providing opportunities for skills development, new experiences and achieving career goals. We back this commitment by investing in education benefits and tuition reimbursements for our employees and providing financial assistance for professional certifications and/or higher education consistent with employee career development goals.



Employee Training and Development

At Montrose, our employees are passionate about the environment, working on challenging projects and collaborating with team members. We empower our employees to grow through skills development and invest in training programs to provide necessary resources. We have seen firsthand the success of these programs, and we are committed to providing our employees with the tools and skills they need to succeed and advance.

As stated above, in 2023 we conducted an organizationwide talent review to assess our training and development needs. We plan to conduct this assessment annually to evaluate and understand evolving talent needs and employee growth. The results of this process will underpin future training and development programs we deploy.

CONTINUOUS LEARNING

Our employee-centric model is focused on serving our employees and empowering them to grow professionally and personally. We make investments in a variety of training and development programs, including mentoring, on-the-job and classroom training and a tuition reimbursement program. Our employees' ability to grow and learn reflects directly on Montrose, therefore we also encourage our employees to obtain professional licenses and certifications to stay current in their field.



Additionally, we provide in-house compliance-based, skills-based and quality assurance-based training. Our compliance-based training includes sessions regarding ethics and code of conduct, anti-harassment, cybersecurity and DF&I. Our skills-based training includes sessions on leadership development and direct-report career coaching, project management, time management and successful transitioning to leadership. Finally, our quality assurance-based training includes sessions specific to business lines and employee responsibilities such as sampling and analytical methods, standard operating procedures, regulatory compliance and more.

We regularly review and update our training and development programs to reflect developments in applicable fields, lessons we have learned and employee feedback.

Employee Training in 2023

Total training hours (skills and development, quality and technical, compliance and safety) across Montrose[62]	**65,126**
Total compliance-based training hours across Montrose (including ethics and code of conduct, anti-harassment, cybersecurity and DF&I training)	**25,522**
Total skills and development and quality and technical training hours across Montrose	**6,545**
Total training hours per employee[63]	**21**
Total training and development expenditure, including safety training	**$4.2M**

ADVANCING OUR LEADERS

Our talent development programs are designed to support top talent as they grow into and progress in their leadership roles. We review and assess our programs regularly to ensure our leaders have the knowledge, skills and capabilities required to meet the current and future needs of clients and communities.

LEADERSHIP DEVELOPMENT TRAINING PROGRAMS

In 2023, we piloted an executive coaching series with a select group of key leaders throughout the organization to help foster their development and equip them to lead and scale their respective areas effectively. We also executed three key leadership development programs in 2023, designed to support our talent as they grow into and progress in their leadership roles. We believe these programs help cultivate our sustainable leadership pipeline, while motivating employees and enhancing their skill sets.

Montrose Leadership Development Program (MLDP)

This program is a 10-month learning journey designed for our mid-level consulting professionals. Participants nominated by the ELT attend live and virtual sessions that focus on persuasive communication, cross-collaboration and negotiation, and group engagement and presentation skills. In partnership with a recognized development firm, the program includes individual and group coaching with an emphasis on ongoing learning where leaders deploy their new skills into the workplace immediately and are coached in real-time.

At the end of the program, to further hone their skills, MLDP participants are divided into cohorts tasked to identify a business opportunity for Montrose. Each cohort presents its identified opportunity and its critical success factors for its implementation to the senior leadership team.

New Leader Assimilation (NLA)

As we introduce new leaders, it is essential for their teams to get to know and understand the new leader's expectations and ways of working. We leverage the New Leader Assimilation exercise, facilitated by our Human Resources business partners, to enable a new leader to set expectations, share their vision and strategy and accelerate the coalescing of the new team. During this process, the new leader shares their vision, goals and plan to develop a team-centric culture.

Montrose Leadership Excellence Program (MLE)

This is an eight-month program, designed for recently promoted leaders, sponsored by our EVP of Sales and facilitated by a specialized development firm. Leveraging our talent grid, our ELT nominates these individuals. Participants attend in-person sessions, virtual sessions and one-on-one coaching. The program includes topics such as strategic communications, influencing and change management. The program focuses on equipping the new leaders with skills to lead their teams, develop plans to increase team performance through collaboration, and enhance their abilities to deliver coaching conversations that drive engagement with confidence and competence.

At the end of this program, participants complete a case study analysis to identify business challenges and implementable solutions. This capstone allows participants to showcase and sharpen their newly learned skills.

Diversity, Fairness and Inclusion

At Montrose, diversity, fairness and an inclusive environment are key to fulfilling our aspiration to be the future of environmental solutions. If we have the courage to embody, embrace and empower the diversity within, we can bring forth that passion for blazing new innovative trails beyond.

We strive to create an environment in which our employees, clients and 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 whether that be race, ethnicity, gender identification, sexual orientation, age, religion, culture, military status, title or position in the company, geography, educational background or disability.

We aim to build positive environments built on mutual respect, equitable access to opportunities, and appreciation for the value each employee delivers to the Montrose team, clients and communities.

Montrose established DF&I objectives to drive our actions as we strive to offer equal employment opportunities, continuously improve the diversity of our workforce, ensure fair treatment of all employees and promote an inclusive culture.

OUR DF&I OBJECTIVES:

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



DF&I Oversight

Our Board and ELT are passionate about and drive our ability to foster a diverse and inclusive environment at Montrose. Our Board's Compensation Committee has direct oversight of our DF&I programs, priorities and strategies.

Furthermore, we have established a DF&I Committee comprised of employees across our various teams, divisions and geographies. They work to build awareness and formalize employee engagement, training, development and policies that support our DF&I goals and initiatives. In 2023, we installed our SVP of Human Resources as the committee's executive sponsor, serving as the liaison between the committee and our ELT and working to formalize DF&I objectives and increase communications across Montrose. The Compensation Committee receives quarterly updates from our DF&I executive sponsor and ELT on the progress of DF&I initiatives, goals and overall program management.

DF&I Commitments

We are committed to achieving and maintaining gender balance across our workforce by 2040. To reach this goal, our DF&I Committee actively works with our Human Resources and talent acquisition teams to expand our recruiting efforts of science, technology, engineering and math professionals, as well as engaging with colleges and professional organizations that promote individuals from underrepresented populations. For example, we have sponsored events for the Society of Women Environmental Professionals to build a long-term relationship. Additionally, the committee, in coordination with our Human Resources team, continues to review our job posting templates for inclusive and fair recruitment language aimed toward facilitating a diverse applicant pool.

Additionally, we are committed to continuing our work to achieve and maintain gender pay equity. We believe that regardless of gender, age or race, employees who conduct the same job function and are at the same level should be paid similarly. In support of this commitment, we conduct an annual gender pay equity assessment. Through this assessment we evaluate male and female pay for similar job titles. We then identify changes in pay that need to be made to align job title pay, regardless of gender. This exercise demonstrates our leadership's dedication to gender pay equity and underscores the importance of fairness within our organization.



DF&I Practices

In 2023, we continued to implement our DF&I strategic roadmap. Established in 2021, our strategy was informed by the worldwide DF&I survey conducted that same year. While we initially intended to conduct these surveys every two years, in 2024 we will launch a broader, employeewide satisfaction and engagement survey that will include questions on DF&I at Montrose.

We achieved the following in 2023:

- Launched two new ERGs, with plans to expand in 2024
- Identified new committee members, advocates and sensitivity readers to communicate initiatives, act as a resource for questions, and serve as a culture check for each office, region and division
- Developed DF&I introductory materials for new and acquired employees
- Continued our Women Empowering Leadership (WeLEAD) mentorship program with one-on-one mentorship sessions and small group networking forums

Under our policies, we have zero tolerance for any behaviors that are contrary to our inclusive culture, such as harassment, discrimination, bullying or threats. These expectations are in our Code of Conduct and Ethics Policy and our Employee Handbook. Montrose employees are expected to report any suspected violations of our policies.

See our Code of Conduct and Ethics Policy and the Business Ethics and Compliance section for more information on our specific policies.

DF&I training

The course is designed to give an overview of the fundamental aspects of diversity, fairness and inclusion and how they bring value to the workplace. Topics covered include how certain policies and practices have historically undermined these concepts, how discrimination and harassment continue to play a part in today's professional landscape, challenges faced by those in the LGBTQIA+ community, and implicit bias and the destructiveness of microaggressions.

DF&I training completion rate[64]

92%

WeLEAD number of participants

126



We continue our efforts to highlight the diverse perspectives of our employees and the celebration of holidays and commemorative periods throughout the year. The DF&I Committee released reflections of employees, internally and externally, and educational communications for holidays, heritage months and various dates dedicated to diverse backgrounds and cultures.

In 2023, we established two ERGs. The committee worked with Human Resources to understand our employee population and chose two ERGs that we believed could have the highest impact. To that end, we established BEAM (Black Employees at Montrose) and PRISM (Pride, Recognition, Identity, Solidarity at Montrose). These ERGs are overseen by an executive and led by an employee chairperson. The sponsor and chair organize and facilitate discussion and delegate tasks associated with ERG goals and objectives. Groups are open to all employees and are used to promote diversity, inclusion and engagement and to build trust and respect. The ERGs also offer a safe space to support our colleagues.



BEAM is dedicated to creating an inclusive and equitable workplace where diversity thrives, and the unique experiences and perspectives of our Black colleagues are celebrated. BEAM's mission is to foster an environment where everyone feels valued, supported and empowered to reach their fullest potential. Leveraging the power of collective advocacy and mentorship to shape the future leaders of the Company, BEAM aims to provide essential tools, initiatives and a platform for professional growth to propel its members toward excellence in both their careers and environmental stewardship.

PRISM is a collective of LGBTQIA+ employees and supportive nonidentifying employees - all dedicated to community outreach and advocacy, creating visibility and promoting leadership development. PRISM's mission is to promote inclusivity and equity regardless of LGBTQIA+ identity at Montrose by partnering with employees, clients and vendors and participating in PRIDE events.

Additionally, we are committed to continuing our WeLEAD program, which focuses on fostering the recruitment, retention and professional development of women at Montrose, with our General Counsel (GC) serving as the executive sponsor. WeLEAD was expanded in 2023 due to increased interest and success of the program. WeLEAD works across departments, divisions and job levels to promote women's professional growth, with significant importance and attention to mentorship. This program is paramount to our success.



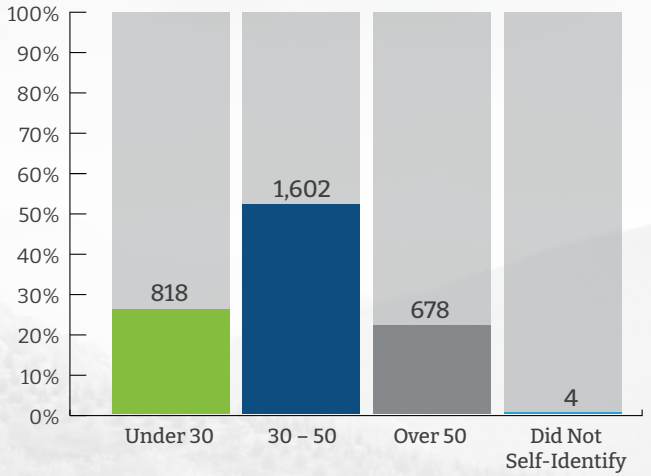
Diversity at Montrose[65]

As of the 2023 fiscal year-end, our workforce was 60% male, 39% female and 1.3% nonbinary or did not self-identify. This exceeds the average female representation for the broader architecture, engineering consulting and construction services sectors, where women make up less than 30% of employees. Montrose is also more racially and ethnically diverse compared to our professional services cohort, where racially and ethnically diverse employees remain less than 20% of the total workforce.[66] At Montrose, 23% of our employees identify as racially and/or ethnically diverse.

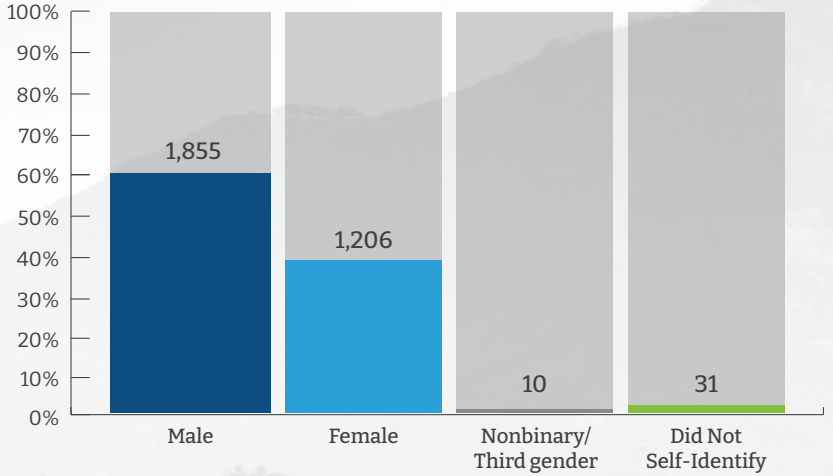
It is important to note that the numbers disclosed below are not comparable to our previous years' sustainability reports, due to our change in approach to employee count described in the "Our Montrose Team" section.

Finally, we have updated the age groups we use to disclose age diversity; in previous reports we used generational labels and going forward we will use the groups: over 50, 30-50 and under 30.

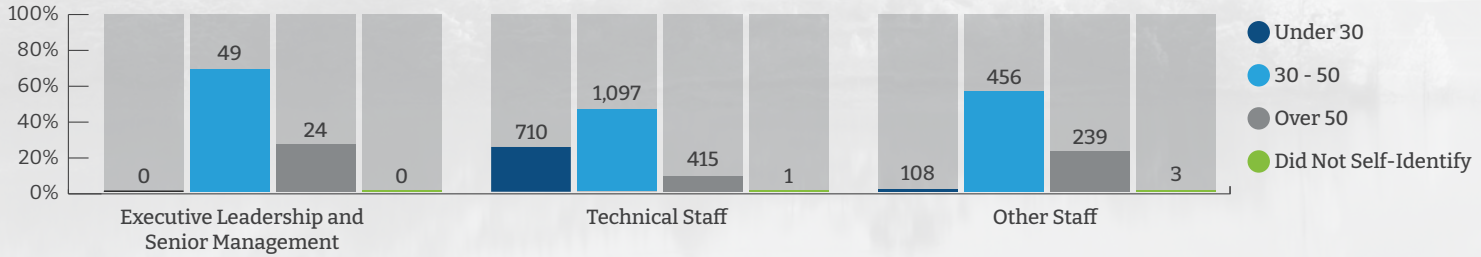
Age Diversity, Overall



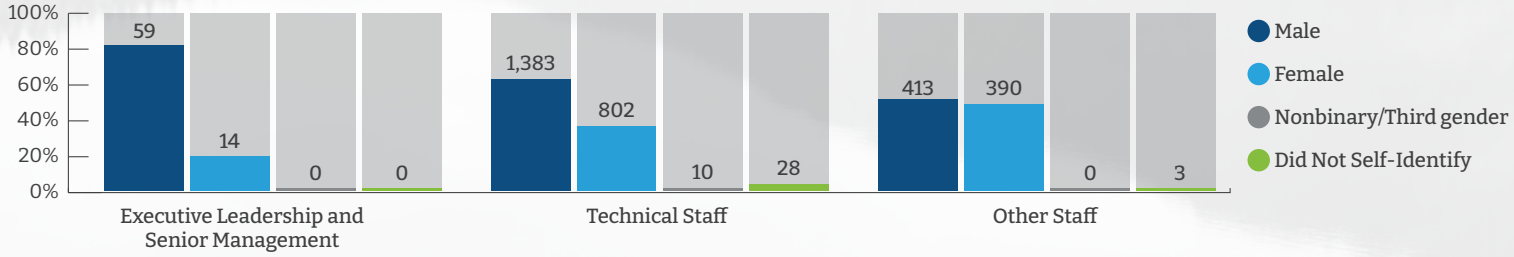
Gender Diversity, Overall[67]



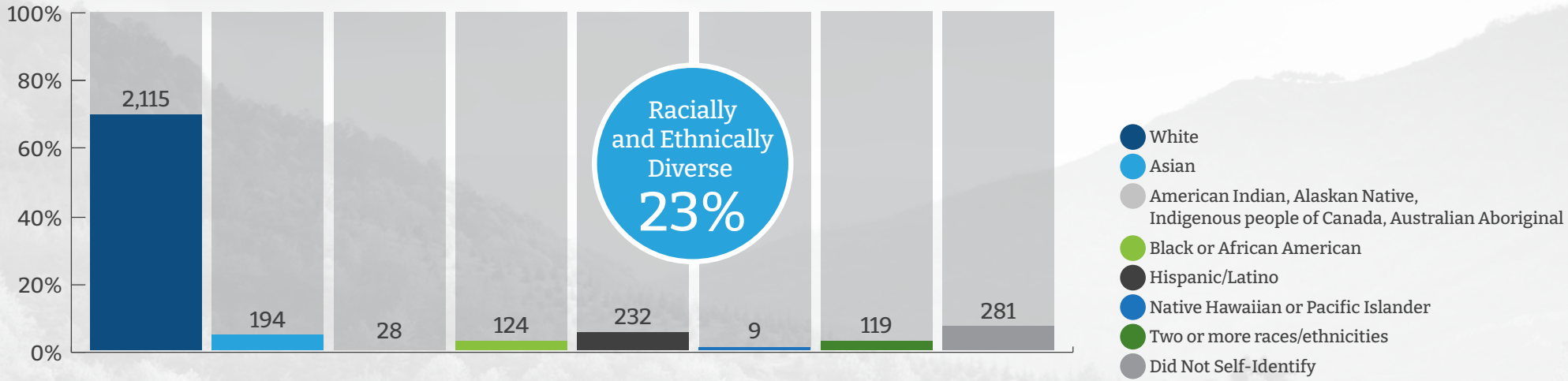
Age Diversity by Employee Type



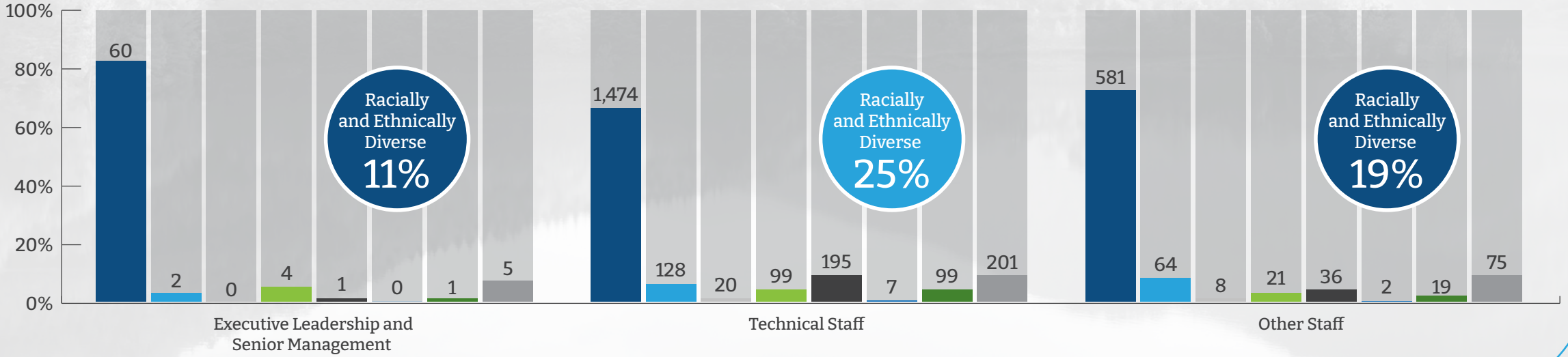
Gender Diversity by Employee Type[67]



Racial and Ethnic Diversity, Overall[68]



Racial and Ethnic Diversity by Employee Type



Health and Safety

Our people are our top priority. We are committed to protecting our employees and their health and safety at work. Our success in providing the best environmental solutions for our clients and communities is underpinned by our health and safety policies and practices. We uphold this commitment by keeping health and safety at the forefront of Montrose activities and operations.

Each year, our health, safety and environment (HSE) team partners with operations to develop safety goals that will drive focused actions and advancement. These goals are determined by assessing the previous year's performance and identifying improvement areas. Progress toward the goals is evaluated throughout the year and implementation plans are adjusted as needed.

In 2023, Montrose's health and safety priorities included:

- Identifying, implementing and measuring employee engagement priorities and progress
- Conducting risk-based compliance assessments for business locations
- Standardizing and improving incident reporting and investigation

Health and Safety Oversight

While safety is everyone's responsibility, Montrose maintains a dedicated team of health and safety professionals, including division-specific safety leaders and specialists, to establish policies, procedures and practices to continually improve and maintain a safe work environment. Our HSE team is responsible for both preventing injuries and illnesses and supporting compliance management in our daily operations. These health and safety professionals work alongside our project teams to understand risks, identify training needs and develop plans to manage health and safety priorities effectively.

Oversight of our health and safety programs and policies is led by our SVP of Risk Management and Regulatory Affairs, who reports directly to our CEO. Further management oversight is provided by our Executive HSE Committee. This committee includes our CEO, Chief Operating Officer, GC, SVP of Risk Management and Regulatory Affairs, SVP of Human Resources and our Vice President of HSE. The committee meets quarterly to discuss safety performance, identify areas for improvement and guide the overall safety program. Our dedicated HSE team also actively provides updates to the Executive HSE Committee on emerging regulations and the potential impact on Montrose operations. Our safety responsibilities go beyond our HSE team and committees by empowering our employees and encouraging them to identify areas where safety processes and procedures can be further refined.

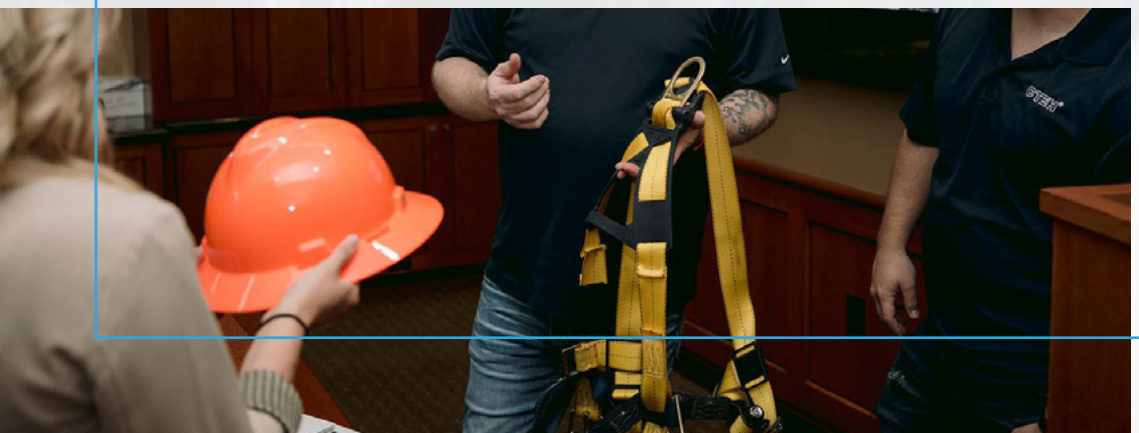


Health and Safety Management System

Our health and safety management system is central to our operations and success. We prioritize management oversight, employee participation, engagement and empowerment, coupled with systemized processes. To that end, we continue to evaluate opportunities to implement and expand coverage of our companywide health and safety management system.

Montrose's health and safety management system is a comprehensive framework underpinning our health and safety program and its implementation to continually improve our performance. The management system is modeled after globally recognized standards and promotes compliance with HSE regulations and requirements, supports risk management, and drives health and safety improvements. Our management system follows a Plan – Do – Check – Act model, allowing us to continually identify improvements and be agile in our response.

In 2023, we expanded the locations that are certified to the International Organization for Standardization (ISO) to include our Sweden operations. As of the end of 2023, our Australia and Sweden operations are both certified to ISO 9001 for quality management, ISO 14001 for environmental management and ISO 45001 for occupational health and safety management system standards. We continue to explore how we can further develop, implement and mature our health and safety management system, including broader conformance to these ISO standards across our operations.





Integral to our safety program is active performance monitoring and risk identification. We are committed to understanding the risks and job hazards associated with our employees' daily work. Before new projects begin and throughout project lifecycles, project managers must identify, assess, mitigate and plan for job hazards. We also maintain procedures that establish companywide requirements for conducting work safely. All employees must comply with these procedures in the execution of their daily work. Also, our divisional safety leaders conduct internal audits at many of our project sites and audits of our health and safety programs to evaluate the effectiveness of our processes and our overall management system.

In 2023, we improved our occupational health program by establishing additional medical surveillance protocols for each division. Our formalized program includes DOT-compliant physicals, respirator clearances and Occupational Safety and Health Administration (OSHA)-compliant audiograms for our field-based employees. We also conduct industrial hygiene monitoring for our employees who work with hazardous chemicals, based on regulatory requirements and risk-based evaluations. Furthermore, we engage a third-party occupational medical provider available to employees 24/7 to discuss occupational health concerns.

Finally, we provide our employees with the appropriate safety equipment to complete their daily activities, including the provision of personal protective equipment (PPE), prescription safety glasses and appropriate safety footwear.

Incident Management

In accordance with our Incident Reporting and Investigation Policy, employees must immediately and verbally report incidents to their supervisor. This allows Montrose to provide the best care to injured workers and helps improve overall case management. We also require that all incidents be reported via our online HSE management system within 24 hours so that proper incident documentation can be maintained. Under our policies, incidents are thoroughly investigated using root cause analysis methodology aimed at preventing similar occurrences. As a result of an investigation, the HSE team may work with operations to develop corrective action plans, which must be completed in full. This policy also applies to contract/temporary employees, subcontractors and other service providers. In 2023, our rate of timely incident reporting (incidents being reported within 24 hours) continued to satisfy targeted outcomes.

We track key safety performance metrics and incident reporting for each division in our online HSE management system. Our HSE team produces division-specific and overall quarterly health and safety performance reports to share safety highlights and milestones and to promote improvement across the organization.

Employees are empowered to promote a strong safety culture through Stop Work Authority, Good Catch and Near Miss reporting. All reporting is completed through our online HSE management system and reviewed and investigated by our HSE team.

Stop Work Authority empowers employees to suspend work if a project or task cannot be performed safely or in compliance with rules, regulations or Montrose procedures. Our leadership fully supports the decision to stop an unsafe task, no matter the consequences, and will never exercise judgment or retaliation on an employee for using such authority.

Good Catch reporting is used to recognize an event or circumstance that had the potential to cause injury, illness or property damage but did not occur due to early identification and intervention. Good Catches can also be utilized to encourage safe behaviors and conditions in the workplace. Our employees are encouraged to report to Good Catches to prevent safety incidents and identify gaps in training or knowledge that may require programmatic improvements. We believe that a successful safety program starts with a proactive safety culture and will never exercise judgment or retaliation on an employee for submitting a Good Catch.

Finally, we encourage our employees to report Near Misses. Near Misses are work-related events that under different circumstances could have resulted in an injury or incident. Near Miss reporting allows our team to evaluate working conditions, safety practices and areas for improvement.



Health and Safety Engagement and Training

The health and safety of our employees is paramount to our success, as is the engagement and training of those employees. We believe that a strong health and safety program is underpinned by the quality of our training, a culture of empowered employees and a shared responsibility across our workforce. We are committed to actively communicating and sharing safety updates and delivering appropriate training to our employees.

HEALTH AND SAFETY ENGAGEMENT

Our robust safety program includes regular and systematized engagements to learn from employee experiences, share lessons learned from incidents and promote open communication. Safety performance is discussed at quarterly meetings with the Executive HSE Committee. Additionally, reviews of our safety program and suggested improvements are discussed in monthly HSE team meetings. Safety updates, enhancements and expectations are also included in companywide and businesswide town hall meetings. If an immediate safety notification is warranted, such as heat stress warnings, we strive to develop and communicate Safety Flashes or alerts to the appropriate teams or divisions.

RECOGNIZING SAFETY IN ACTION

The safety of our employees is our highest priority. To support our commitment, we implement an internal safety award program to recognize and celebrate our employees' dedication and contributions to safety excellence. These recognitions can be both individual and team-based and are awarded quarterly (for individuals) and annually (for teams). We use these recognition programs to promote our safety culture, empower employees to be vigilant and observant when on the job and encourage safety collaboration among employees.

HEALTH AND SAFETY TRAINING

We require employees to complete comprehensive health and safety training annually, further strengthening our commitment. To help each employee complete the most relevant training for their role, our HSE team assigns the training based on the category of work performed by the employee's division. This strategy allows our employees to focus on the most relevant and important safety risks and how to mitigate them according to their roles.

Our employees participate in both live and e-learning courses to develop their skills and remain current on the most effective health and safety practices. In-person trainings may include first aid, CPR, and hazardous waste operations and emergency response (HAZWOPER) training, while e-learning courses typically include incident reporting and injury management procedures, hazard communication, driver safety, injury and illness prevention and more.

In addition to our health and safety training programs for employees across all divisions, the health and safety professionals that make up our HSE team participate in professional development programs, such MLDP, to further develop their HSE leadership capabilities. We also encourage our HSE team members to participate in safety conferences and trade associations.

Safety Training Metrics

	2023	2022	2021	2020
Employee health and safety training hours[69]	33,059	28,387	20,604	18,300
Health and safety training investment	$2.3M	$1.1M	$1M	$500K

Safety Performance

We continued to expand methods to measure and improve our safety performance in 2023. We are proud to have begun tracking additional leading indicators in safety such as program assessments, safety inspections and Good Catch reporting. Our Total Recordable Injury Rate (TRIR), Days Away, Restricted, or Transferred (DART) and Experience Modification Rate (EMR) have gone up slightly due to recent injuries and claims. Although these rates have increased, we are committed to decreasing these rates in 2024 with our continued focus on injury and illness prevention. Although we had no work-related fatalities in our operations prior to 2023, an aviation incident in February 2023 resulted in five fatalities. Given this aviation incident was an anomaly, it is important to understand our TRIR and EMR trends over time and assess our underlying safety performance, excluding this event. Our 2023 TRIR without the aviation incident is 0.66. Our 2023 EMR is not impacted by the aviation incident. The Federal Aviation Administration (FAA) and the National Transportation Safety Board (NTSB) have issued a preliminary investigation report related to the incident, but the final report has not yet been issued.

Safety Performance[70]	2023	2022	2021	2020
Total Recordable Injury Rate per 200,000 hours worked	0.85	0.18	0.29	0.51
Total Recordable Injury Rate per 200,000 hours worked excluding anomalous aviation incident	0.66	N/A	N/A	N/A
Lost Time Injury Rate per 200,000 hours worked	0.19	0.05	0.05	0.06
Experience Modification Rate (Average Prior EMR)[71]	0.97	0.93	0.81	0.74
Days Away, Restricted, or Transferred rate per 200,000 hours worked	0.19	0.05	0.05	0.06



Human Rights

The One Montrose approach encompasses a holistic perspective that guides our actions and interactions. We understand that fulfilling our mission of helping to protect the air we breathe, the water we drink and the soil that feeds us means caring for the entire ecological system. In doing so, we recognize the interconnectedness between environmental sustainability and the well-being of individuals and communities. We firmly believe that everyone, regardless of their background, should be safeguarded through our business practices, ensuring their right to life, liberty, security of person and dignity.

Our commitment to ensure the right to life, liberty, security of person and dignity is formalized in our Human Rights Policy. Our Code of Conduct and Ethics Policy is the foundation of our commitment to human rights, and our Human Rights Policy builds on it, outlining our responsibility to uphold and promote human rights across all aspects of our business, both domestically and globally. Our Human Rights Policy applies to our direct operations and engagements with business partners across our value chain.

Montrose's Board and its committees provide active oversight regarding the implementation of our Human Rights Policy. The development and maintenance of this policy is the shared responsibility of Montrose's GC and SVP of Human Resources. This policy will be reviewed annually and updated as needed to reflect our ongoing commitment to human rights.

In alignment with the United Nations International Bill of Human Rights, Montrose is committed to upholding and promoting human rights in the following areas:

- Working conditions
- Nondiscrimination and harassment
- Child labor
- Modern slavery and human trafficking
- Freedom of association and collective bargaining
- Employee health and safety

All employees are required to complete the annual Code of Conduct and Ethics training, which includes elements related to human rights, such as modern slavery, human trafficking and nondiscrimination. We expect all our employees, including part-time and temporary workers, to adhere to this policy in their day-to-day business operations and in interactions with fellow employees, business partners and clients. Employees are expected to report any known or suspected violations of our Human Rights Policy.

By integrating human rights into our core practices, we strive to create a positive and inclusive environment that respects and protects the rights of all individuals involved in our business and communities.

A copy of our Human Rights Policy can be found on our website here.

Our Commitment to Our Communities

SERVICE THROUGH OUR CLIENT WORK

We work diligently to create a positive environmental impact by improving air quality, enhancing water quality and reducing GHG emissions. We work alongside our clients to understand community expectations and deliver solutions in line with community and client needs. We are committed to delivering environmentally responsible solutions and active community engagement. We impact people's lives every day by delivering effective environmental solutions to our clients.

Montrose prioritizes engagement with the communities in which we have projects. Specifically, we believe that it is important to establish community engagement within Canada's Indigenous populations and are working with them to better understand expectations around projects and the impacts our projects will have on their communities.

See the Brownfields and Community Revitalization in Alaska for more information about how we engage with native communities.

See The Future of Sustainable Solutions section for more information on our client services.



Our Work in Practice: Environmental Justice and Community Impact

ENVIRONMENTAL CHALLENGE

Environmental justice can generally be described as a societal challenge regarding environmental harms inequitably distributed on the basis of race, color, national origin or class. Heavily influenced by civil rights concerns, environmental justice encompasses a broad array of public health, social costs, welfare impacts and cumulative environmental impacts. While existing regulatory and permitting standards establish measures designed specifically to protect the environment and human health, environmental justice concepts are centered around ensuring fair treatment for minority and underrepresented communities as well as meaningful involvement in the decision-making process to give a greater voice to those who live, work, and learn closest to industrial facilities.

ONE MONTROSE SOLUTION

Valero, a U.S.-based downstream oil and gas company, maintains that environmental justice is an important element in protecting and nurturing its license to operate in communities where it owns and operates refineries and other critical energy infrastructure. To identify opportunities for improvement to further strengthen its overall approach to assuring and promoting environmental justice, Valero retained Montrose to assess Valero's environmental justice commitments and actions.

Montrose's audit focused on gathering baseline information about Valero's refineries and the surrounding communities to identify environmental justice-relevant operations, programs, actions, and issues. This initial phase included both a review and analysis of publicly available information and data (e.g., regulatory information and emissions data related to Valero sites, community demographic data, etc.), as well as information provided directly by Valero via completed questionnaires, shared documents and internal interviews. Montrose also reviewed the results of external community surveys and conducted phone interviews with key outside stakeholders and leaders in the communities. With this information in hand, Montrose completed a detailed review of Valero's current approach to environmental justice and community outreach and engagement. Montrose's findings were based on the gathered evidence, analyzed through its knowledge and experience on technical and environmental justice matters, and further informed by outside resources, such as the EPA's Technical Guidance for Assessing Environmental Justice in Regulatory Analysis to provide context to findings.

OUR IMPACT

Montrose's audit concluded that Valero's commitment to environmental protection and its community investment and volunteerism go beyond compliance and align with the key pillars of environmental justice. That said, in the spirit of continual improvement and demonstrating leadership in the industry, Montrose provided Valero with a list of recommended actions for Valero to consider in to further operationalize its commitment to environmental justice. Underpinning its commitment to be a good neighbor, Valero chose to share these opportunities – and the full audit report – via its website for the public to access. As a result of the audit, Valero has been able to drive additional, focused efforts and investments to support its fenceline communities.



Community Engagement and Support

We are committed to supporting our employees and the communities in which we live and work. In this spirit, in 2016 we established the Montrose Community Foundation, an employee-operated 501(c)(3). The foundation provides financial support for our employees and their families who are impacted by an event out of their control. Whether that is a natural disaster or medical emergency, we are dedicated to supporting our employees through challenges and fostering a supportive and caring employee base.



In addition to the support provided through the Montrose Community Foundation, we have provided support to several nonprofits focused on community welfare, including:

bike MS TEXAS MS 150

In April 2023, several members of our Houston Montrose team participated in the largest fundraising cycling series in the world, BikeMS. Through TexasMS150, the Montrose cycling team rode 100 miles on day one and continued for an additional 80 miles on day two, finally concluding the ride at College Station, Texas. Through this event they raised $23,000 for multiple sclerosis.

ARKANSAS FOOD BANK

On Giving Tuesday, our Little Rock office volunteered with the Arkansas Foodbank – serving 33 counties in Arkansas in the fight against hunger.

Festival of Stars
BENEFITING ARKANSAS CHILDREN'S

During the holidays, Montrose supported the Festival of Stars Toy and Donation Drive, Arkansas Children's Hospital's largest statewide event brining joy to the patients.



Our Commitment to Acting Responsibly

MONTROSE ENVIRONMENTAL

Business Ethics and Compliance

Montrose is committed to conducting business ethically and in compliance with applicable laws and regulations. To achieve this commitment, we established robust governance mechanisms for ethics and compliance oversight, set forth expectations through policies and programs, provide training and reporting channels for our employees, and manage compliance through our internal monitoring and audits. We believe it is our shared duty to integrate ethics and compliance into our entire organization.

Ethics and Compliance Oversight

Our Board maintains oversight of our ethics and compliance expectations and policies. Specific responsibility is delegated to the Board's Audit Committee, which meets quarterly to review and discuss ethics and compliance practices, programs, misconduct reporting and compliance procedures. Responsibility for maintaining business ethics and compliance within our organization sits with our ELT, including our GC, supported by our legal team and internal auditors. The Audit Committee and the GC review the implementation and effectiveness of our business ethics policies and compliance programs at least annually.

Business Conduct and Policies

We set business conduct expectations for our employees in our Code of Conduct and Ethics Policy. We also expect our affiliates, including contractors, and other business partners, to adhere to the policy. This Code of Conduct and Ethics Policy sets requirements related to:

- Anti-bribery, corruption and fraud
- Anti-competitive behavior
- Conflicts of interest
- Fair use of company property, funds and information
- Gifts and entertainment
- Insider trading
- Political activities
- Proprietary information protection

A copy of our Code of Conduct and Ethics Policy can be found on our website here.

Business conduct expectations for employees are also communicated through the Montrose Employee Handbook. The handbook emphasizes the ethical principles that guide our business activities in the Code of Conduct. Additionally, the handbook details Montrose's standards of conduct designed to ensure the best treatment of each other and our communities. These standards, coupled with our Code of Conduct and Ethics Policy, set forth the framework and principles by which we operate and expect our employees to operate. Behaviors expressly prohibited in the standards of conduct include, but are not limited to, theft of Montrose property, actual or threatened violence toward another, dishonesty or deliberate falsification of any information, and working under the influence of drugs or alcohol.

Montrose's Human Rights Policy also governs business conduct related to working conditions, nondiscrimination and harassment, child labor, modern slavery and human trafficking, freedom of association and collective bargaining, and employee health and safety.

See the Human Rights section and the Human Rights Policy on our website for more information.

Through these policies, Montrose commits to conducting business ethically, with integrity and sound judgment, and in adherence to applicable laws and regulations. Our legal department and our Board's Audit Committee regularly review these policies to ensure they remain effective and are updated as needed.

Ethics Reporting and Training

We require all employees to report behavior or conduct that may be reasonably interpreted as unsafe, unlawful, unethical or violates our policies. We encourage our employees to promptly report suspected Code of Conduct or policy violations to an SVP, the Vice President of Internal Audit or the GC. Montrose also maintains a third-party ethics hotline where concerns can be reported anonymously and confidentially. Reports to the third-party hotline can be made by phone or via the online platform; each report is to be documented, investigated and responded to.

All whistleblower complaints must be reported to our Board's Audit Committee within three business days of receipt. Under our policies, each report of potential misconduct is to be treated seriously, and no retaliation will be taken or tolerated against anyone who reports or supplies information about a concern. Upon receiving a report, depending on the nature of the report, the SVP of Human Resources, the Vice President of Internal Audit and/or the GC are immediately notified. Reports are reviewed promptly with the utmost confidentiality, as permitted under applicable law. To provide transparency, the reporting individual will receive confirmation of receipt, as well as a notification once the investigation closes. In 2023, there were six complaints formally submitted through these channels, all of which were promptly investigated and addressed under our whistleblower policy and protocols.

Montrose also deploys an annual code of conduct and ethics training course and requires that all employees complete it at least once every 12 months. The annual training material is underpinned by expectations in our Code of Conduct and Ethics Policy and covers topics such as conflicts of interest, gifts, entertainment and hospitality, anti-corruption, bribery, financial integrity and insider training, and it includes detailed information on reporting and our no-retaliation policy. Additionally, we require all employees to take an anti-harassment training program, which covers prohibited conduct, including any discriminatory action inflicted on someone because of that individual's protected status. This training further solidifies our commitment to ethics and integrity by helping our employees build a foundation to uphold high standards of conduct and make principled decisions during their time at Montrose.

86%
Completion rate for employees assigned ethics and code of conduct training due in 2023

91%
Completion rate for employees assigned anti-harassment training due in 2023

19,864
Total hours of ethics and compliance training, including anti-harassment training in 2023



Compliance Management

Montrose operates in many geographies, and we are subject to many laws and regulations related to environment, health and safety, cybersecurity and data privacy, anti-corruption, financial reporting and more. We maintain a robust compliance management program, consisting of processes and procedures for monitoring compliance with legal regulations, industry standards and internal guidelines. We have effectively implemented compliance measures into our daily business operations, and we proactively address current mandates while being vigilant of any new or emerging issues. We are committed to safeguarding our operations and business processes and are well positioned to implement any corrective action plans as needed.

To support our efforts against bribery, corruption and other fraud, our internal audit team conducts enterprisewide audits twice per year. Our compliance management process involves testing our operations with our robust audit and assessment tool. This tool assists our internal audit team in their assessment of our principles, including evaluating which employees have acknowledged our Code of Conduct and Ethics Policy, confirming that all the whistleblower hotline functions are operable and ensuring the hotline is accessible to all entities we have business relationships with.





Sustainable Procurement

Montrose is dedicated to integrating fair, ethical and environmentally responsible practices into every facet of our operations, including within our value chain. We focus on various key aspects in our approach to enhance supply chain management, such as human rights, health and safety, risk management, compliance and environmental impact.

In 2023, we took significant strides in aligning our procurement strategy with our mantra, One Montrose, signifying a unified, companywide approach to sustainability. Our expanded team of procurement and supply chain professionals have undergone training with a continued leadership development initiative to enhance cross-functional collaboration, further integrating our sustainability ethos into our procurement practices. Our assessment of current strategies, the identification of improvement opportunities and the development of business practices that drive us toward our sustainability targets is an ongoing effort. Nonetheless, a pivotal part of our current strategy is the emphasis on human rights, diversity and environmental stewardship. We have refined our procurement terms and conditions to include expectations for our suppliers that align with our Human Rights Policy. Additionally, we are launching an inclusive supplier onboarding process, which facilitates lateral communication to enhance compliance and mitigate environmental impacts.

Vendor Code of Conduct and Purchasing Policy

In 2023, we initiated a comprehensive review of our purchasing processes to better align with external expectations and best practices. Our collaborative efforts have culminated in a draft purchasing policy that is the standard for sustainable and ethical sourcing. This policy is a testament to our unwavering commitment to responsible procurement and is scheduled for implementation in 2024.

In parallel, our sustainability, global business services and procurement teams have developed a Vendor Code of Conduct. This code is underpinned by our own Code of Conduct and Ethics Policy and reinforced by our Human Rights Policy. It outlines safety expectations and ethical standards we expect all suppliers to meet. We anticipate launching this Vendor Code of Conduct in 2024, marking a significant milestone in our journey toward ethical procurement.



Enterprise Risk Management

Effective risk management is a proactive, interactive and continuous process. Our enterprise risk management (ERM) approach is embedded into our day-to-day activities and designed to strengthen internal controls and generate and enhance stockholder value. Montrose is committed to effective risk identification, assessment and management to improve long-term organizational performance and resiliency and support the achievement of strategic objectives.

Enterprise Risk Management Oversight

The Board of Directors oversees our risk management process. The Board utilizes a companywide approach to risk management, designed to enhance stockholder value, support the achievement of strategic objectives and improve long-term organizational performance.

The Board, in its risk oversight role, is responsible for, among other things:

- Reviewing and overseeing the Company's risk management framework, policies and procedures and ensuring that they are in place and operating as intended
- Considering the effectiveness of the internal control environment and risk mitigation efforts taken by management in managing risks
- Reviewing the Company's risk register on a regular basis
- Providing risk management advice and guidance

The Board utilizes these processes and inputs as well as the participation and feedback of management to develop a strategy that reflects both the Board's and management's consensus as to appropriate levels of risk and the appropriate measures to manage those risks. The Board also considers risk when evaluating proposed transactions and other matters presented to the Board, including acquisitions and financial matters.

In 2023, under the oversight of the Board, Montrose established a structured Management Risk Oversight Committee composed of members of our ELT, with participation by a representative of our internal audit department. The Management Risk Oversight Committee is responsible for:

- Ensuring that material organizational risks are recorded in the Company's risk register and updated regularly
- Coordinating quarterly risk register reviews
- Ensuring risk owners are appropriately mitigating prioritized risks
- Confirming prioritization of risks and mitigation efforts with the Company's CEO on a regular basis
- Reporting the risk register to the Board of Directors on a periodic basis, or as needed

Enterprise Risk Management Process and Approach

Our comprehensive ERM process consists of four key steps: risk identification, assessment, management, and monitoring and reporting. Through this process and to establish effective risk management, the Management Risk Oversight Committee maintains a comprehensive risk register and tracking tool.

Each identified risk is assigned an owner responsible for managing the relevant risk consistent with our tolerance levels, overseeing implementation and monitoring efforts of risk controls and actions.

Montrose seeks to carefully balance its tolerance of risks, assessing potential risks without being overly cautious or aggressive, and considering the possible financial, safety, reputational and cultural impacts. Montrose's ERM approach is designed to ensure a nimble, proactive and collaborative process.

Specific to our client work, we have established a robust go-no-go process for specific business lines to identify and assess risks related to potential project work. This practice helps us identify projects with an intolerable risk, signaling when we should not pursue them. The go-no-go process looks at key factors, such as the nature of the work, the location where the service is to be performed, and the client or any subcontractors involved. This is an essential step to evaluating the associated risk and supports making well-informed and risk-averse project decisions. In 2024, we will expand upon our existing tools to improve the selection and management of our subcontractors. This process will enhance our ability to identify and manage third-party risks related to our client work.



Cybersecurity and Data Privacy

Montrose is committed to protecting our clients' and employees' sensitive information and takes this responsibility seriously. Our global client base includes a wide variety of sectors and industries, comprising both private and public entities. Similarly, our ever-growing employee base is across geographies and completes projects for our wide array of clients. We seek to ensure the protection of sensitive data through our recently expanded and dedicated cybersecurity and information technology teams and our robust cybersecurity policies, systems and practices.

Cybersecurity and Data Privacy Oversight

Montrose's cybersecurity team executes our day-to-day cybersecurity and data privacy practices. In 2023, we focused on expanding this dedicated team; we hired a permanent Chief Information Officer (CIO) and a Chief Information Security Officer (CISO). The CIO is a member of the ELT and reports directly to the CEO, while the CISO reports to the CIO. Our cybersecurity team is proactive in its intervention procedures and implements comprehensive governance, risk management and compliance measures to protect the integrity of our information systems and data, fostering a culture of compliance and cybersecurity awareness across our business.

The Board of Directors takes an active role in overseeing management's processes for identifying and mitigating risks, including cybersecurity risks, to help align our risk exposure and our strategies for dealing with this risk with our long-term objectives. The Board has delegated the cybersecurity risk oversight function to the Audit Committee. To support our Audit Committee in this function, it has engaged a third-party expert to advise it and the Board on cybersecurity matters, including oversight of the Company's continued development, evolution and investments in cybersecurity infrastructure, policies and practices. Senior leadership, including our CIO and CISO, brief the Audit Committee quarterly, or more regularly as needed, on the Company's cybersecurity program including cybersecurity risks, business-impacting incidents, and ongoing and future cybersecurity project status. In addition, the Audit Committee's third-party cybersecurity advisor meets regularly with the CIO and CISO to review our cybersecurity strategy and key initiatives and progress toward meeting our objectives. The Audit Committee reports to the full Board at least quarterly regarding its oversight of cybersecurity risks, events, developments and other related matters, as relevant. The full Board also periodically receives briefings from management on our cybersecurity risk management program.



In the event of a potentially material cybersecurity event, pursuant to our incident response plan, in addition to notification and involvement of our GC, Chief Financial Officer and CEO, among others, the Audit Committee would be notified and briefed, and meetings of the Audit Committee and/or full Board of Directors would be held as appropriate.

At the management level, we have established an Enterprise Cybersecurity Council, which includes our CIO, CISO, Director of Information Security, Director of Infrastructure, Senior Security Architects and Engineers, that meets monthly to identify opportunities to further strengthen our cybersecurity risk management program, including the prevention, detection, mitigation and remediation of cybersecurity incidents. This group is responsible for developing and coordinating risk identification and remediation, performance metrics and policy enforcement, and guiding management and oversight bodies. Members of the group have significant cybersecurity experience and hold several certifications, including Certified Information Security Manager (CISM), Certified Information Systems Security Professional (CISSP), Certified Ethical Hacker (CEH) and Cisco Certified Network Associate (CCNA).





Cybersecurity and Data Privacy Policies and Systems

Our comprehensive cybersecurity and data privacy policies outline employee expectations to safeguard the security of a company, client, employee and other sensitive information. Our Privacy Policy, IT Policy and Data Retention Policy detail the acceptable use, collection, storage and sharing of information. These policies help ensure that we comply with applicable legal and regulatory requirements. As outlined in our Privacy Policy, we will not and have not sold personally identifiable information to third parties in the preceding 12 months (in this case, in calendar year 2023). We also have established a Generative AI Policy. This policy expressly prohibits the input of company, client or employee information, or company and third-party intellectual property into Generative AI.

Our systems provide continuous monitoring and mitigation of cybersecurity risks. Our cybersecurity team has implemented a companywide security information management system (SIMS) that employs the National Institute of Standards (NIST) 800-171 cybersecurity strategy and framework. The NIST standard requires best-practice cybersecurity processes such that all sensitive information on our networks is secure and protected. We are currently leveraging NIST Revision 2 and have partnered with a third party to assess the success of our implementation process. We are working diligently to align our process to NIST Revision 3 requirements.

To strengthen our systems, we have established a Managed Security Service Provider (MSSP) to improve the management of cybersecurity and data privacy incidents and incident response. We leverage our MSSP during an incident to provide rapid response when needed. Our rigorous cybersecurity and data privacy compliance program sets objectives and standards to protect sensitive information. As part of this process, and as required for contracts with certain government entities, we are working to implement the requirements for Cybersecurity Maturity Model Certification (CMMC) Level 1 across our entire organization. The CMMC program is in the final phases of implementation, and our team is working diligently to ensure we are CMMC Level 2 compliant at our offices that currently or may support U.S. federal projects. We are staying abreast of the model and certification timelines.

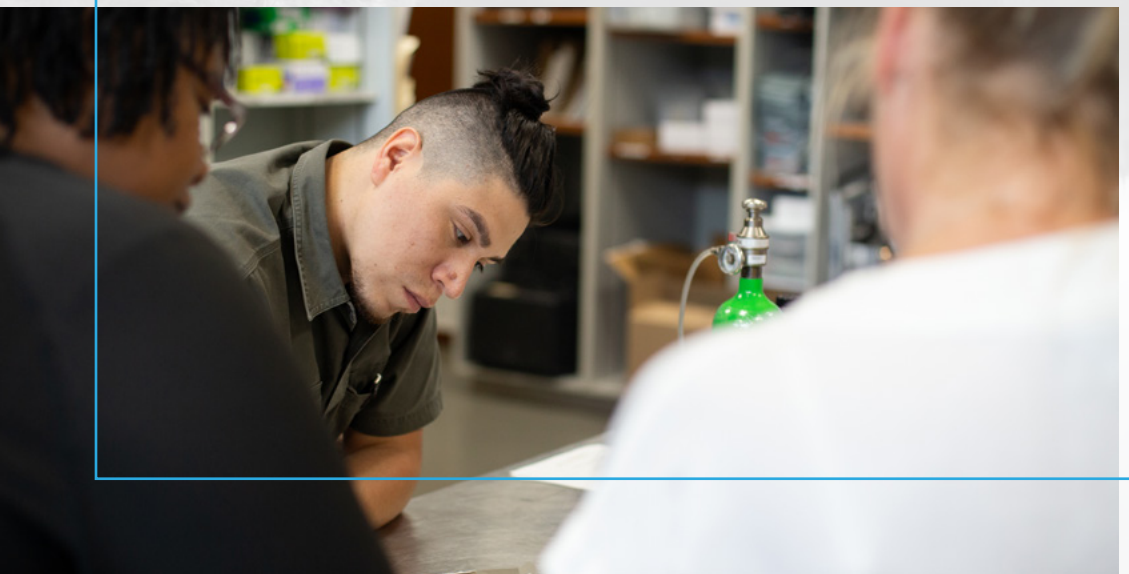
Our SIMS sets requirements and expectations, including:

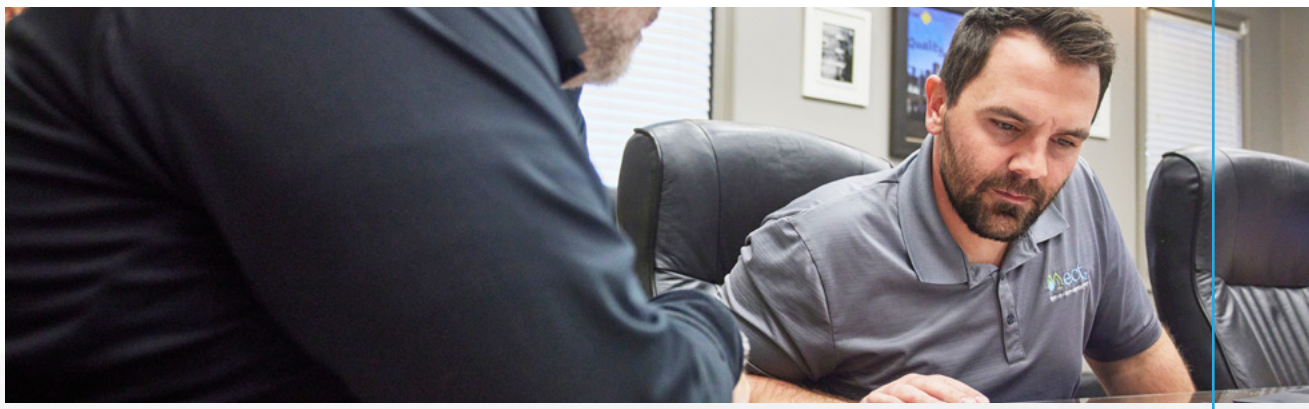
- Annual audits and verifications of IT controls and processes
- Monitoring, mitigation and remediation processes
- Business continuity and disaster recovery plans
- Disaster recovery location(s)
- Capability to recover data to help maintain continuity
- Anonymized and encrypted in-field data acquisition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



Cybersecurity and Data Privacy System Monitoring and Enhancements

We implement daily, monthly, quarterly and annual security procedures to monitor the efficacy of our systems. In coordination with the Board's Audit Committee and our cybersecurity team, our internal auditor also conducts a quarterly review of our security systems. The internal audits leverage the compliance components of System and Organization Controls (SOC) 1 and 2. Additionally, our internal audit conducts quarterly reviews of permissions for administrative accounts to confirm that only appropriate personnel have access to information. We also engage an external advisor, annually and in compliance with best practices, to assess our cybersecurity maturity, systems and processes. We also monitor our systems by conducting stress tests, penetration tests, maturity assessments and phishing exercises, and we implement enhancements to our on-site security systems, such as National Defense Authorization Act (NDAA) compliance cameras and visitor logbooks, as needed.





In 2023, we began to automate the removal of vulnerabilities from our IT systems in our security flaw remediation processes, supporting proactive deployment of software and operating system updates. We plan to implement automated security flaw remediation enterprisewide in 2024. We also established more robust risk criteria that help develop our threat profile. Through this process, we further defined roles and responsibilities related to cybersecurity and data privacy through a Responsibility Assignment Matrix. In early 2024, we plan to leverage our MSSP to evaluate our incident response plans, conduct further evaluations, and update our incident response plans, policies and procedures.

As of December 31, 2023, we were not aware of any risks from cybersecurity threats, including risks as a result of any previous cybersecurity incidents, that have materially affected or are reasonably likely to materially affect our business strategy, operations or financial condition. However, we acknowledge the importance of being vigilant in our cybersecurity systems. To that end, we engage yearly with a third party to assess our security vulnerabilities and provide appropriate solutions to remediate security issues effectively and reduce risks. This assessment is designed to mirror the approach of a malicious actor, providing the most accurate review of our infrastructure. We also deploy tools to aid our cybersecurity team in effective monitoring and assessment, including security incidents and vulnerability management.

Cybersecurity and Data Privacy Training and Awareness

Engaging our employees on cybersecurity and data privacy threats and issues is essential to effective risk management. In 2023, we deployed routine phishing exercises, including simulated phishing attacks, to assess our employees' ability to identify malicious attacks. We highlighted Cybersecurity Awareness Month in October 2023 through the deployment of weekly bulletins to employees. These bulletins included tips for staying safe in employees' personal and professional lives, including identifying fake email correspondence and attachments, detecting new and unique scamming techniques and other critical matters.

To educate our employees regarding cybersecurity and data privacy best practices, all employees must complete annual, role-based training through our online platform. Training modules deployed in 2023 included:

- Business travel cybersecurity awareness
- Identifying mechanisms of spam, phishing and ransomware
- Mobile device security
- Social engineering red flags and common threats

For our cybersecurity team, we encourage ongoing training in best practices and participation in industry conferences. Active engagement with cybersecurity and data privacy practitioners expands our skill sets and improves our overall capabilities by learning from the experiences and insights of others. We encourage our teams to attend cybersecurity-focused events such as SysAdmin, Audit, Network and Security's (SANs) conferences and obtain cybersecurity-focused certifications.



91%

Completion rate for employees assigned cybersecurity training in 2023

4,772

Total hours of cybersecurity training in 2023

Corporate Governance

Montrose is committed to sound governance and principled decision-making. Our policies, practices and structure drive our ability to serve our employees, clients, shareholders, communities and other stakeholders.

Governing Practices

The framework for corporate governance at Montrose is established via our Principles of Corporate Governance (Principles). These Principles set forth our governance structure and define the primary roles, responsibilities and duties of our Board and Board committees. Our Code of Conduct and Ethics Policy and our Code of Business Conduct and Ethics for Members of the Board of Directors further support our governing practices. These documents establish mechanisms that safeguard and enhance our operations and solidify our governance structure and responsibilities.

Key Corporate Governance Practices include:

- Separate Board Chair and CEO
- Independent Board Chair
- Entirely independent Board committees
- Executive session of independent directors
- Periodic Board and committee evaluations
- Succession planning
- Executive and director stock ownership guidelines
- One-share, one-vote standards

A copy of our Code of Business Conduct and Ethics for Members of the Board of Directors can be found on our website here.



Board of Directors

Montrose is governed by an eight-member Board tasked with providing oversight and advising and guiding Montrose management in the best interests of Montrose, its shareholders and stakeholders.

The Board, elected by Montrose's stockholders, oversees the management of Montrose and its business. The Board selects the senior management team, which is responsible for Montrose's business operations and monitors the performance of senior managers. Consistent with the oversight function of the Board, its core responsibilities include:

- Assessing CEO and senior management performance and setting their compensation
- Overseeing senior management development as well as CEO and senior management succession planning
- Engaging in succession planning for the Board and key leadership roles on the Board and its committees
- Reviewing the Company's strategies and monitoring related implementation and results
- Overseeing the integrity of the Company's financial statements and the Company's financial reporting process
- Overseeing the Company's processes for assessing and managing risk
- Overseeing legal and regulatory compliance
- Nominating the Company's director candidates and appointing committee members
- Shaping effective corporate governance
- Providing advice and counsel to management regarding significant Company issues and reviewing and approving significant corporate actions

Our nonexecutive chair is responsible for leading our Board in agenda setting, stakeholder engagement and overall Board management. All directors are responsible for understanding and overseeing our material risks and opportunities, including actively advising on risk management processes.

A copy of our Principles of Corporate Governance can be found on our website here.





Board Composition

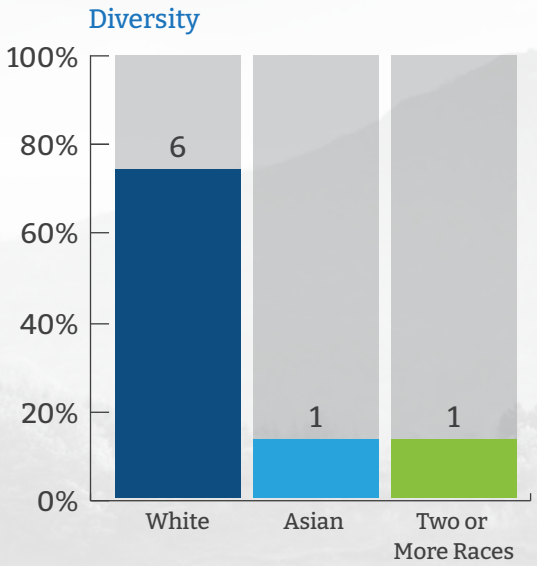
Our Board is comprised of eight directors, including leaders from the scientific community, seasoned business executives, and experienced accounting and financial professionals.[72] All our directors, except for our President/CEO, are independent according to the requirements prescribed by the New York Stock Exchange and the SEC. Collectively, we believe our Board provides a significant breadth of experience, knowledge, independence and ability to effectively represent the interests of our stakeholders, uphold our mission and provide a broad set of perspectives.

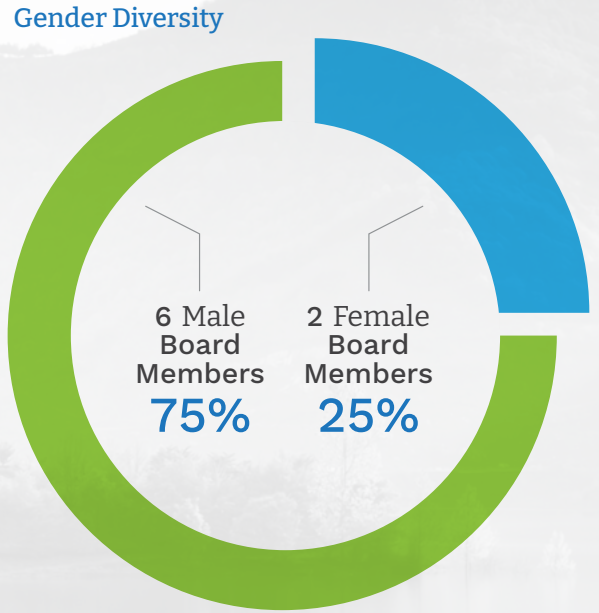
Please refer to Montrose's 2024 Proxy Statement for more information about individual directors, including their skills and experience.

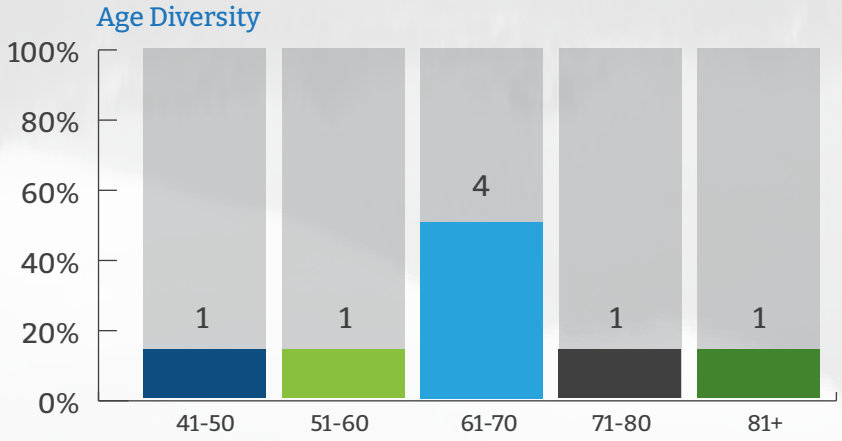
Our directors are committed to a Board composition that reflects a diversity of backgrounds, experiences, skills and characteristics. As vacancies arise, the Nominating and Corporate Governance Committee curates a pool of qualified candidates. There were no changes to our Board of Directors in 2023.



Our Board composition as of the end of 2023 is as follows:







Board Committees

In 2023, and since we became a public company, the Board operated three standing committees: Audit, Nominating and Corporate Governance, and Compensation:

AUDIT COMMITTEE: Focuses on financial risk, including internal controls, and discusses the Company's risk profile with the Company's independent registered public accounting firm and our internal audit function, which conducts an annual risk assessment that is presented to the Audit Committee and the Board. In addition, the Audit Committee oversees the Company's compliance program concerning legal and regulatory requirements, including the Company's codes of conduct and policies and procedures for monitoring compliance. The Audit Committee also has primary responsibility regarding cybersecurity risk oversight.

COMPENSATION COMMITTEE: Periodically reviews compensation philosophy, policies and programs and assesses whether appropriate incentives for management and employees are established. Reviews and approves corporate goals and objectives relevant to the CEO. Additionally, the committee oversees the strategies and policies related to human capital management, including matters such as diversity and inclusion, workplace environment and culture, and talent development and retention.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE: Annually evaluates the composition of the Board and periodically reviews and recommends to the Board the skills, experience, characteristics and other criteria for identifying and evaluating directors. Oversees succession planning at least annually, including recommendations and evaluations of potential successors. In addition, the committee oversees and makes recommendations to the Board regarding sustainability matters relevant to our business, including policies, activities and opportunities.



Each standing committee operates under a written charter that sets forth the purposes and responsibilities of the committee as well as the qualifications for committee membership. Each standing committee assesses the adequacy of its charter annually and recommends changes to the Board as appropriate. All committees report regularly to the full Board concerning their activities.

A copy of our committee charters are available in the Governance Documents section of our website here.

See the Sustainability Oversight and Decision-Making section for more information on governance related to sustainability and climate change.



Our Sustainability Commitment

At Montrose, we take immense pride in tackling the most intricate environmental challenges facing our world today. Our team comprises seasoned scientists, engineers, technicians and dedicated professionals who share a passion for creating positive environmental impacts. Our commitment extends to conducting business with environmental and social responsibility, guided by strong ethical standards and professional integrity. We diligently monitor and evaluate our progress on material issues, to deliver high-quality information to our stakeholders. Our sustainability program is a dynamic journey, constantly evolving and considering best practices. We report transparently on our progress toward our goals, trailblaze solutions that safeguard the air we breathe, the water we drink and the soil that feeds us. As we serve our employees, clients and communities, we remain steadfast in our dedication to creating positive environmental impacts.

MONTROSE ENVIRONMENTAL

Appendix

ABOUT THIS REPORT

Montrose's 2023 Sustainability Report provides information on how we serve our people, clients and communities and how we address the sustainability issues that we consider to be most relevant to our company and our stakeholders. In this report, all information referenced is for the fiscal year ending December 31, 2023, unless otherwise stated. As part of our commitment to integrity and transparency, most of our reported data is independently verified by a third party.

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

MONTROSE ENVIRONMENTAL

SASB STANDARDS INDEX[73]

Topic	Accounting Metric	Code	Disclosure Response
Data Security	Description of approach to identifying and addressing data security risks	SV-PS-230a.1	Cybersecurity and Data Privacy
	Description of policies and practices relating to collection, usage, and retention of customer information	SV-PS-230a.2	Cybersecurity and Data Privacy Oversight
	Number of data breaches, percentage involving customers' confidential business information or personally identifiable information, number of customers affected	SV-PS-230a.3	Cybersecurity and Data Privacy System Monitoring and Enhancements
Workforce Diversity & Engagement	Percentage of gender and racial/ethnic group representation for executive management and all other employees	SV-PS-330a.1	Diversity at Montrose
	Voluntary and involuntary turnover rate for employees	SV-PS-330a.2	Employee Retention and Rewards
	Employee engagement as a percentage	SV-PS-330a.3	Employee Engagement
Professional Integrity	Description of approach to ensuring professional integrity	SV-PS-510a.1	Enterprise Risk Management
	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	SV-PS-510a.2	Annual Report – Commitments and Contingencies
Topic	**Activity Metric**	**Code**	**Disclosure Response**
Workforce Diversity & Engagement	Number of employees by full-time, part-time, temporary, and contract	SV-PS-000.A	Our Employees at a Glance
	Employee hours worked; percentage billable	SV-PS-000.B	3,466,966

GRI CONTENT INDEX[74]

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	About Montrose → Montrose at a Glance
	2-2 Entities included in the organization's sustainability reporting	Appendix → About This Report
	2-3 Reporting period, frequency and contact point	Appendix → About This Report
	2-4 Restatements of information	None
	2-5 External assurance	Appendix → About This Report
	2-6 Activities, value chain and other business relationships	Our One Montrose Approach
	2-7 Employees	Our People and Communities → Our Employees at a Glance
	2-8 Workers who are not employees	Our People and Communities → Our Employees at a Glance
	2-9 Governance structure and composition	Our Commitment to Acting Responsibly → Corporate Governance → Board Composition
	2-10 Nomination and selection of the highest governance body	Proxy Statement - Corporate Governance
	2-11 Chair of the highest governance body	Our Commitment to Acting Responsibly → Corporate Governance → Board of Directors
	2-12 Role of the highest governance body in overseeing the management of impacts	Our Sustainability Approach → Sustainability Oversight and Decision-Making
	2-13 Delegation of responsibility for managing impacts	Our Sustainability Approach → Sustainability Oversight and Decision-Making
	2-14 Role of the highest governance body in sustainability reporting	Our Sustainability Approach → Sustainability Oversight and Decision-Making
	2-15 Conflicts of interest	Our Commitment to Acting Responsibly → Business Ethics and Compliance → Ethics and Compliance Oversight

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	Our Commitment to Acting Responsibly → Business Ethics and Compliance → Ethics and Compliance Oversight
	2-17 Collective knowledge of the highest governance body	Our Sustainability Approach → Sustainability Oversight and Decision-Making
	2-18 Evaluation of the performance of the highest governance body	Proxy Statement - Corporate Governance
	2-19 Remuneration policies	Proxy Statement - Compensation Discussion and Analysis
	2-20 Process to determine remuneration	Proxy Statement - Compensation Discussion and Analysis
	2-21 Annual total compensation ratio	Proxy Statement - Compensation Discussion and Analysis Proxy Statement - CEO Pay Ratio
	2-22 Statement on sustainable development strategy	From Our CEO
	2-23 Policy commitments	Our Environmental Solutions and Impact → Our Commitment to Stewardship → Our Environmental Policy Our People and Communities → Human Rights Our Commitment to Acting Responsibly → Business Ethics and Compliance → Business Conduct and Policies Our Commitment to Acting Responsibly → Cybersecurity and Data Privacy → Cybersecurity and Data Privacy Oversight

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	Our Environmental Solutions and Impact → Our Commitment to Stewardship → Our Environmental Policy Our People and Communities → Human Rights Our Commitment to Acting Responsibly → Business Ethics and Compliance → Business Conduct and Policies Our Commitment to Acting Responsibly → Cybersecurity and Data Privacy → Cybersecurity and Data Privacy Oversight
	2-25 Processes to remediate negative impacts	Our Commitment to Acting Responsibly → Business Ethics and Compliance → Ethics Reporting and Training
	2-26 Mechanisms for seeking advice and raising concerns	Our Commitment to Acting Responsibly → Business Ethics and Compliance → Ethics Reporting and Training
	2-27 Compliance with laws and regulations	Montrose identified zero instances of noncompliance with laws and regulations which occurred during the reporting year.

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-28 Membership associations	Our memberships include, but are not limited to: American Biogas Council, Air & Waste Management Association (AWMA), Professional Environmental Management Association (PEMA), Methane Leadership Alliance (MELA), Society of Women Environmental Professionals, American Water Works Association (AWWA), and National Environmental Health Association (NEHA)
	2-29 Approach to stakeholder engagement	Our Sustainability Approach → Stockholder Engagement
	2-30 Collective bargaining agreements	Annual Report - Human Capital Resources
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our Sustainability Approach → Focusing on What is Material
	3-2 List of material topics	Our Sustainability Approach → Focusing on What is Material
	3-3 Management of material topics	Management of material topics is described in each topic section/subsection of the report, as noted in the topic-specific disclosures listed below.
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual Report - Consolidated Statements of Cash Flows
	201-2 Financial implications and other risks and opportunities due to climate change	Our Environmental Solutions and Impacts → Our Environmental Performance → Climate-Related Risks and Opportunities

GRI Standard	Disclosure	Location
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	Our People and Communities → Our Montrose Team → Employee Retention and Rewards
	201-4 Financial assistance received from government	Montrose received no financial assistance from the government during the reporting year.
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Our Commitment to Acting Responsibly → Enterprise Risk Management
	205-2 Communication and training about anti-corruption policies and procedures	Our Commitment to Acting Responsibly → Business Ethics and Compliance → Ethics Reporting and Training
	205-3 Confirmed incidents of corruption and actions taken	Montrose identified zero incidents of corruption with third parties.
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Our Environmental Solutions and Impacts → Our Environmental Performance → Energy Use
	302-2 Energy consumption outside of the organization	We estimate the Scope 3 GHG emissions from our value chain based on spend data. We do not currently quantify energy consumption outside of the organization.
	302-3 Energy intensity	Our Environmental Solutions and Impacts → Our Environmental Performance → Energy Use

GRI Standard	Disclosure	Location
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Our Environmental Solutions and Impacts → Our Environmental Performance → Greenhouse Gas Emissions
	305-2 Energy indirect (Scope 2) GHG emissions	Our Environmental Solutions and Impacts → Our Environmental Performance → Greenhouse Gas Emissions
	305-3 Other indirect (Scope 3) GHG emissions	Our Environmental Solutions and Impacts → Our Environmental Performance → Greenhouse Gas Emissions
	305-4 GHG emissions intensity	Our Environmental Solutions and Impacts → Our Environmental Performance → Greenhouse Gas Emissions
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Our Environmental Solutions and Impacts → Our Environmental Performance → Water and Waste
	306-2 Management of significant waste-related impacts	Our Environmental Solutions and Impacts → Our Environmental Performance → Water and Waste
	306-3 Waste generated	Our Environmental Solutions and Impacts → Our Environmental Performance → Water and Waste
	306-4 Waste diverted from disposal	Our Environmental Solutions and Impacts → Our Environmental Performance → Waste → Waste and Source Reduction
	306-5 Waste directed to disposal	Our Environmental Solutions and Impacts → Our Environmental Performance → Waste → Waste and Source Reduction

GRI Standard	Disclosure	Location
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Our People and Communities → Our Montrose Team → Talent Attraction Our People and Communities → Our Montrose Team → Employee Retention and Rewards
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People and Communities → Our Montrose Team → Employee Retention and Rewards
	401-3 Parental leave	All full-time Montrose employees are entitled to parental leave. In future years, we expect to disclose data related to this topic.
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Our People and Communities → Health and Safety → Health and Safety Management System
	403-2 Hazard identification, risk assessment, and incident investigation	Our People and Communities → Health and Safety
	403-3 Occupational health services	Our People and Communities → Health and Safety → Health and Safety Management System
	403-4 Worker participation, consultation, and communication on occupational health and safety	Our People and Communities → Health and Safety → Health and Safety Oversight
	403-5 Worker training on occupational health and safety	Our People and Communities → Health and Safety→ Health and Safety Engagement and Training
	403-6 Promotion of worker health	Our People and Communities → Health and Safety → Health and Safety Management System
	403-8 Workers covered by an occupational health and safety management system	Our People and Communities → Health and Safety → Health and Safety Management System
	403-9 Work-related injuries	Our People and Communities → Health and Safety → Safety Performance

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

GRI Standard	Disclosure	Location
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Annual Report - Human Capital Resources: Employees
GRI 415: Public Policy 2016	415-1 Political contributions	In 2023 we did not contribute to any specific political party or candidate Our political contributions during the reporting year included: Bracewell LLP (lobbyist): $150K California Strategies (lobbyist) $45K Mississippi Energy Institute (non-profit energy-related economic development organization): $96K Eddins & Associates (Arkansas-specific lobbyist): $60K Johnston & Stewart (Florida-specific lobbyist): $78K
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Our Commitment to Acting Responsibly → Cybersecurity and Data Privacy → Cybersecurity and Data Privacy System Monitoring and Enhancements

UN SUSTAINABLE DEVELOPMENT GOALS

UN SDG	UN SDG Target	Montrose's Contribution
 Ensure healthy lives and promote wellbeing for all at all ages	**3.4**: By 2030, reduce by one third premature mortality from noncommunicable diseases through prevention and treatment and promote mental health and wellbeing **3.9**: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	See The Future of Environmental Solutions and Health and Safety sections for more information.
 Ensure availability and sustainable management of water and sanitation for all	**6.3**: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	See the Innovations Creating Impact and Protecting the Water We Drink sections for more information.

UN SUSTAINABLE DEVELOPMENT GOALS

UN SDG	UN SDG Target	Montrose's Contribution
 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	**8.2**: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors **8.4**: Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead **8.5**: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value **8.7**: Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms 8.8: Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	We have established a Human Rights Policy, which can be found here. See the Our Montrose Team, Diversity, Fairness and Inclusion, Health and Safety and Human Rights sections for more information.

UN SDG	UN SDG Target	Montrose's Contribution
 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	See the Innovations Creating Impact and The Future of Environmental Solutions sections for more information.
 Reduce inequality within and among countries	10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, or economic or other status 10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard 10.4: Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality	See the Our Commitment to Targeted Performance Improvements and Diversity, Fairness and Inclusion sections for more information.

UN SDG	UN SDG Target	Montrose's Contribution
 Take urgent action to combat climate change and its impacts	13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	See the Our Commitment to Targeted Performance Improvements, Supporting the Transition to the Low-Carbon Economy, Greenhouse Gas Emissions and Climate-Related Risks and Opportunities sections for more information.
 Protect, restore and promote sustainable use of terrestrial ecosys-tems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	15.3: By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world	See the Protecting the Soil That Feeds Us section for more information.

OUR ENVIRONMENTAL PERFORMANCE DATA

Data presented here supports the Our Environmental Performance section of the report.

Scope 1 Emissions by Country/Region ($MTCO_2e$)

Country /Region	2023	2022
United States of America	8,986	8,643
Canada	2,563	2,689
Australia	44	37
Europe	28	28

Scope 2 Emissions by Country/Region ($MTCO_2e$)

Country /Region	2023	2022
United States of America	4,130	4,138
Canada	976	840
Australia	145	145
Europe	10	10

Scope 3 Emissions by Country/Region ($MTCO_2e$)

Country /Region	2023	2022
United States of America	73,509	56,389
Canada	1,614	1,635
Australia	1,334	734
Europe	9,209	7,198

Total GHG Emissions by country/region ($MTCO_2e$)

Country /Region	2023	2022
United States of America	86,626	69,170
Canada	5,152	5,164
Australia	1,522	915
Europe	9,247	7,237

Total GHG Emissions and Emissions Intensity ($MTCO_2e$)

Category	2023	2022	2021	2020
Scope 1	11,621	11,397	6,180	6,301
Scope 2	5,261	5,133	4,662	1,962
Scope 3	85,665	65,956	-	-
Total GHG emissions	**102,547**	**82,486**	**10,842**	**8,263**
Total GHG emissions per million dollars of revenue ($MTCO_2e$/$M)	164.3	151.6	19.8	25.2
Total GHG emissions per employee ($MTCO_2e$/headcount)	33.1	28.6	4.1	6.0

OUR ENVIRONMENTAL PERFORMANCE DATA - CONTINUED

Data presented here supports the Our Environmental Performance section of the report.

Scope 1 and Scope 2 GHG Emissions Intensity

	2023	2022	2021	2020
Scope 1 and Scope 2 GHG emissions per million dollars of revenue ($MTCO_2e$/$M)	27.1	30.4	19.8	25.2
Scope 1 and Scope 2 GHG emissions per employee ($MTCO_2e$/headcount)	5.4	5.7	4.1	6.0

Scope 3 GHG Emissions Intensity

	2023	2022
Scope 3 GHG emissions per million dollars of revenue ($MTCO_2e$/$M)	137.3	121.2
Scope 3 GHG emissions per employee ($MTCO_2e$/headcount)	27.6	22.9

Energy Consumption Intensity

	2023	2022
Energy consumption per million dollars of revenue (GJ/$M)	376	423.8
Energy consumption per employee (GJ/headcount)	75.6	79.9

Energy Consumption by Country/Region (GJ)

Country/Region	2023	2022
United States of America	186,110	181,804
Canada	45,632	45,982
Australia	1,502	1,404
Europe	1,366	1,366

OUR ENVIRONMENTAL PERFORMANCE DATA - CONTINUED

Data presented here supports the Our Environmental Performance section of the report.

Waste Generation (tons)

Type of Waste	2023	2022	2021
RCRA Hazardous Waste	103.5	76.3	76.9
Universal Waste	0.24	0.34	Data Not Reported
Non-Hazardous Waste	21.8	24.2	Data Not Reported
E-Waste	2.4	Data Not Reported	Data Not Reported
Total Waste	**127.9**	**100.8**	**76.9**

Waste Intensity (tons /headcount)

Type of Waste	2023	2022	2021
RCRA Hazardous Waste	0.033	0.026	0.029
Universal Waste	0.000	0.000	Data Not Reported
Non-Hazardous Waste	0.007	0.008	Data Not Reported
E-Waste	0.001	Data Not Reported	Data Not Reported
Total Waste	**0.041**	**0.035**	**0.029**

Waste Diverted from Disposal (tons)

Type of Recycling	2023
Fuel-Blending	26.2
Waste to Energy	2
Total Waste Diverted	**28.2**

ABBREVIATION INDEX

AERR	Air Emissions Reporting Requirements
AIP	Annual Incentive Plans
AMEL	Alternative Means of Emission Limitation
AML	Abandoned Mine Lands
ANCSA	Alaska Native Claims Settlement Act
APCD	Colorado Air Pollution Control Division
AWP	Alternative Work Practice
BAT	Best Available Technology
BEAM	Black Employees at Montrose
Board	Board of Directors
CCNA	Cisco Certified Network Associate
CEH	Certified Ethical Hacker
CH_4	Methane
CIO	Chief Information Officer
CISM	Certified Information Security Manager
CISO	Chief Information Security Officer
CISSP	Certified Information Systems Security Professionals
CMMC	Cybersecurity Maturity Model Certification
CO_2	Carbon Dioxide
CSRD	Corporate Sustainability Reporting Directive
DART	Days Aways Restricted and Transferred
DF&I	Diversity, Fairness and Inclusion
DOT	Department of Transportation
EAP	Employee Assistance Program
ECCC	Environment and Climate Change Canada
ECT2	Emerging Compounds Treatment Technologies
ELT	Executive Leadership Team
EMR	Experience Modification Rate
EPA	Environmental Protection Agency
EPC	Engineering, Procurement and Construction
ERDC	Engineer Research and Development Center
EREF	Environmental Research & Education Foundation
ERG	Employee Resource Group
ERM	Enterprise Risk Management
ERT	Electronic Reporting Tool
ESA	Endangered Species Act
EU	European Union
FAA	Federal Aviation Administration
FSA	Flexible Spending Account
FTIR	Fourier Transform Infrared Spectroscopy
GC	General Counsel
GHG	Greenhouse Gas
GJ	Gigajoule
GWP	Global Warming Potential
HAP	Hazardous Air Pollutant
HAZWOPER	Hazardous Waste Operations and Emergency Response
HSA	Health Savings Account
HSE	Health, Safety and Environment
HTG	Hydrothermal Gasification
IFRS	International Financial Reporting Standards Foundation
IPCC	Intergovernmental Panel on Climate Change
ISO	International Organization for Standardization
LCFS	California Low Carbon Fuel Standards
LDAR	Leak Detection and Repair
LDSN	Leak Detection Sensor Network
MLDP	Montrose Leadership Development Program
MLE	Montrose Leadership Excellence
MMBtu	Million British thermal unit
MSSP	Managed Security Service Provider
MT	Metric Ton
$MTCO_2e$	Metric Tons of Carbon Dioxide Equivalent
N_20	Nitrous Oxide
NDAA	National Defense Authorization Act
NIST	National institute of Standards
NLA	New Leader Assimilation
NPS	Net Promoter Score
NSPS	New Source Performance Standards
NTSB	National Transportation Safety Board
OGI	Optical Gas Imaging
OGMP	Oil and Gas Methane Partnership
OSHA	Occupational Safety and Health Administration

ABBREVIATION INDEX

PFAS	Per- and Polyfluorinated Substances
PPE	Personal Protective Equipment
PRISM	Pride, Recognition, Identify, Solidarity at Montrose
R&D	Research and Development
RCRA	Resource Conservation and Recovery Act
RNG	Renewable Natural Gas
RRSP	Registered Retirement Savings Plan
SAB	Scientific Advisory Board
SAN	SysAdmin, Audit, Network and Security
SASB	Sustainability Accounting Standards Board
SBTi	Science-Based Target initiative
SDG	UN Sustainable Development Goal
SEC	Securities and Exchange Commission
SIMS	Security Information Management System
SOC	System and Organization Control
SOP	Standard Operating Procedure
SVP	Senior Vice President
TRIR	Total Recordable Injury Rate
TSDF	Treatment, Storage and Disposal Facilities
VOC	Volatile Organic Compound
WeLEAD	Women Empowering Leadership
WRNF	White River National Forest

FORWARD LOOKING STATEMENTS

This Sustainability 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. 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, results or outcomes 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, including inflationary pressures and rising interest rates, the cyclical nature of our industry and the significant fluctuations in events that impact our business; significant environmental governmental regulation and liabilities; and our ability to adapt to changing technology, industry standards or regulatory requirements, including emerging environmental, social and governance requirements. 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. In addition, historical, current and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future. Forward-looking statements speak only as of the date on which they are made, 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. Investors 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, 2023, for additional information regarding the risks and uncertainties that may cause actual results or outcomes to differ materially from those expressed in any forward-looking statement.

06/24/2024

ENDNOTES

1 As of December 31, 2023.

2 Excludes discontinued services, which generated revenues of $51.5 million in 2020, $36 million in 2021, $20.6 million in 2022 and $8.8 million in 2023.

3 Conducted by KS&R Research from January 26 to February 15, 2023, this study surveyed 505 respondents online to assess awareness and associations with Montrose Environmental Group's brands versus competitors. It explored the buying journey for environmental services and solutions, and gauged reactions to an integrated service model concept, focusing on interest and potential usage.

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6 Canada. (2023, December). Proposed Amendments to the Federal Methane Regulations for the Oil and Gas Sector - Technical backgrounder. https://www.canada.ca/en/services/environment/weather/climatechange/climate-plan/reducing-methane-emissions/proposed-amendments-federal-methane-regulations-oil-gas-sector.html

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8 European Commission. (2024, January). New rules on corporate sustainability reporting: The Corporate Sustainability Reporting Directive. https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en

9 National Law Review. (2023, November). California Enacts Landmark ESG Legislation. https://natlawreview.com/article/california-enacts-landmark-esg-legislation

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16 EPA. (2023, January). EPA Announces Plans for Wastewater Regulations and Studies, Including Limits for PFAS, New Study for Nutrients. https://www.epa.gov/newsreleases/epa-announces-plans-wastewater-regulations-and-studies-including-limits-pfas-new-study

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24 EPA. (2023, July). Basic Information about Landfill Gas. Landfill Methane Outreach Program (LMOP). https://www.epa.gov/lmop/basic-information-about-landfill-gas

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27 American Gas Association (AGA). (2023). Table 6-16: Heating Degree Days by Region, 2022 and 2023. https://www.aga.org/wp-content/uploads/2023/01/Table6-16.pdf

28 The episodic nature of the CTEH response revenue could materially skew the normalization of these data in a given fiscal year.

29 Per-employee energy consumption was calculated based on the total number of all employees at the applicable year-end. Part-time employees are not prorated based on hours worked.

ENDNOTES

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

31 Electricity consumption represents purchased electricity for all our U.S., Canada, Australia and Europe locations, based on electricity use data from our utility providers, where available. In cases where quantified purchased electricity data was not available, estimates of electricity consumption were made based on Montrose-occupied building square footage. For office buildings, The Climate Registry's Default Emission Factors for U.S. Electricity and Natural Gas Intensity by Building Activity is used. For our laboratories we developed our own estimation factor based on actual usage at other laboratories per square footage.

32 Natural gas consumption represents purchased electricity for all our U.S., Canada, Australia and Europe locations, based on electricity use data from our utility providers, where available. In cases where quantified purchased electricity data was not available, estimates of electricity consumption were made based on Montrose-occupied building square footage. For office buildings, The Climate Registry's Default Emission Factors for U.S. Electricity and Natural Gas Intensity by Building Activity is used. For our laboratories we created our own estimation factor based on actual usage at other laboratories divided by square footage.

33 Jet fuel energy consumption was based on actual jet fuel purchase records. In 2023, we saw an increase in jet fuel purchases as our new aircraft is larger and burns more fuel.

34 Propane energy consumption for 2022 was limited to a single location and was based on actual propane used, as determined via local utility bills. In 2023, we no longer occupied this building.

35 The Greenhouse Gas Protocol (2004). GHG Protocol Revised Edition: A Corporate Accounting and Reporting Standard. https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf

36 The episodic nature of the CTEH response revenue could materially skew the normalization of these data in a given fiscal year.

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

38 GHGs accounted for in these calculations include those relevant to sources included in our inventory: carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O). Global Warming Potential (GWP) rates for these GHGs were sourced from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment (AR5). GHG emissions were calculated in accordance with the methodology established in the GHG Protocol Corporate Accounting and Reporting Standard, Revised Edition. The absolute GHG emissions data presented in this table has been independently verified by a third party. GHG emissions were quantified using the operational control approach; under this approach, approximately 100% of the GHG emissions from Montrose's global operations are accounted for.

39 2021 Scope 1 and Scope 2 emissions calculations were limited to activities associated with our global vehicle fleet, our aircraft, and our natural gas usage and purchased electricity at our U.S. operating locations. Office and other operating locations outside of the U.S. were not included (outside of vehicle fleet). Please refer to our 2022 ESG Report for additional details on calculations associated with our 2021 GHG emissions.

40 2020 Scope 1 and Scope 2 emissions calculations were limited to activities associated with our U.S. vehicle fleet and a subset of our U.S. operating locations. Please refer to our 2021 ESG Report for additional details on calculations associated with our 2020 GHG emissions.

41 Vehicle fleet emissions were calculated by applying emission factors from the sources listed below to the fuel consumption data (gasoline and diesel) for our global vehicle fleet. Note that Montrose does not own or lease-to-own vehicles in Sweden. US: GHG Protocol Emission Factors from Cross-Sector Tools, Table 12 and 13 (2017); Canada: Canada's Official Greenhouse Gas Inventory Table A6.1-14; Australia: Australian National Greenhouse Accounts, National Greenhouse Accounts Factors, Table 9.

42 Aircraft emissions were calculated by applying emission factors from The Climate Registry's Default Emission Factors, Table 2.1 and 2.7 to the aviation fuel consumption data for Montrose's only airplane (used by the CTEH emergency response group).

43 Natural gas emissions were calculated by applying emission factors from the sources listed below to the natural gas consumption data from our global operations. U.S.: 40 CFR Appendix Table C-1 & C-2 to Subpart C of Part 98; Canada: Emission Factors and Reference Values, Canada Greenhouse Gas Offset Credit System, Table 1 and Table 2; Australia: Australian National Greenhouse Accounts, National Greenhouse Accounts Factors, Table 5; Sweden and Denmark: IPCC 2006 Guidelines for National Greenhouse Gas Inventories, Table 2.4 (for CO_2) and The Climate Registry's Default Emission Factors, Table 1.10 (for CH_4 and N_2O).

44 Refrigerant emissions were calculated by assuming the HFC refrigerant charge per square footage and the refrigerant type of R-134a based on the total refrigerant emissions reported in the EPA's Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990 -2006 and applying Global Warming Potentials (GWPs) for R-134a sources from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment (AR5).

45 Purchased electricity emissions were calculated by applying emission factors from the sources listed below to the actual and estimated purchased electricity consumption data at all our operating locations. U.S.: EPA Emissions and Generation Resource Integrated Database (eGrid), using the EPA Emission Factors for Greenhouse Gas Inventories, Table 6; Canada: The Climate Registry's Default Emission Factors, Table 3.2; Australia: Australian National Greenhouse Accounts, National Greenhouse Accounts Factors, Table 1; Sweden and Denmark: National and European Emission Factors for Electricity Consumption (NEEFE), Table 2.

46 The episodic nature of the CTEH response revenue could materially skew the normalization of these data in a given fiscal year.

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

48 GHGs accounted for in these calculations include those relevant to sources included in our inventory: carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O). Global warming potential (GWP) rates for these GHGs were sourced from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment (AR5). GHG emissions were calculated in accordance with the methodology established in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

49 GHG emissions associated with Categories 1, 2, 4, 6 and 9 were calculated using the spend-based method by applying emission factors from the EPA's Office of Research and Development, Supply Chain GHG Emission Factors for US Industries and Commodities, 2016 Detailed Commodities to the total spend in these categories.

ENDNOTES

50 GHG emissions associated with Category 3 were calculated using the activity-based method by applying emission factors from the United Kingdom's Department for Environmental Food & Rural Affairs Well-to-Tank and transmission and distribution energy consumption data. Per the EPA Scope 3 Inventory Guidance, this approach is consistent with U.S. methodologies for calculating upstream impacts from energy use in this category.

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

52 In addition to using the spend-based method for most of our business travel emissions, we use activity data for a subset of our calculations from air travel and personal vehicle mileage. GHG emissions associated with this subset of air travel and personal vehicle mileage were calculated using the EPA's GHG Emission Factors Hub, Table 10 applied to the miles flown and miles driven. As a conservative estimate, we assume that all personal vehicle miles were driven using a passenger car.

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

54 GHG emissions associated with Category 11 were calculated using the activity-based method by applying the U.S. average electricity emission factors from EPA's Emissions and Generation Resource Integrated Database (eGrid), using the EPA Emission Factors for Greenhouse Gas Inventories, Table 6 to our assumed lifetime energy usage to our products sold in the fiscal year.

55 GHG emissions associated with Category 12 were calculated using the activity-based method by applying emission factors from the EPA's GHG Emission Factors Hub, Table 9 to products-sold data. In this calculation, we use the emission factor for mixed metal as a conservative estimate for lithium-ion battery disposal.

56 Waste generation in 2023 includes waste generated by our laboratory services division, Enthalpy Analytical and Montrose Air Quality Services' stack testing laboratories. Per-employee waste generation was calculated based on the total number of all employees as of the applicable year-end. Part-time employees are not prorated based on hours worked.

57 Employee data represents employee head count as of December 31, 2023.

58 Europe includes our employees in Belgium, Denmark and Sweden.

59 Executive leadership team includes all employees listed here.

60 Senior leadership includes all Vice President-level employees and above, except our ELT.

61 As of December 31, 2023.

62 2023 total training hours data has been independently verified by a third party.

63 Total training hours are calculated accounting for all employees as of the applicable year-end. Part-time employees are not prorated based on hours worked.

64 Completion rate for inclusion training has been independently verified by a third party. This represents permanent full-time employees assigned training as of June 30, 2023.

65 Demographic and diversity percentages are calculated for all employees across our global operations. Executive management includes Vice President level and above. Technical staff includes all engineers and field-based employees. All other staff includes all staff other than executive management and technical staff. Values may not sum up to 100% due to rounding.

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

67 Response options included: male, female, nonbinary/third gender or choose not to self-identify.

68 White includes Australian, Swedish, Canadian and North African. Ethnically diverse includes categories American Indian/ Alaskan Native, Aboriginal and/or Torres Strait Islander (Australia), Indigenous (Canada), East Asian, South Asian, Southeast Asian, West or Central Asian, Asian, Black or African American, Hispanic/Latino, Latin American or Latinx, Native Hawaiian or Pacific Islander, mixed race or ethnicity, and two or more races.

69 Our employee health and safety training hours have been independently verified by a third party.

70 Our safety performance data, with the exception of the adjusted TRIR and EMR, has been independently verified by a third party.

71 This is calculated by the average of three years of workers' compensation experiences. Values reported represent all full- and part-time employees.

72 Montrose has nine board seats. However, a director position reserved for the holder of our Preferred Series A-2 Shares remains unfilled.

73 Montrose has reported the information cited in this SASB Standards Index for the professional and commercial services standards for the period January 1, 2023 – December 31, 2023.

74 Montrose has reported the information cited in this GRI content index for the period January 1, 2023 – December 31, 2023 with reference to the GRI Standards.

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