

2024

# Sustainability Report





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# Introducing Arcwood Environmental



Guided by our **core values**, we are dedicated to our **mission** to protect human health and the environment. Our shared **vision** serves as a roadmap for how we can leverage our strengths and identify opportunities where we can make a positive impact on the world around us.

## OUR VISION

Our vision is to be **the most trusted partner** in the environmental services industry. We put our **customers first** and deliver **agile, sustainable, and innovative solutions**. We commit to **nurturing top talent** and **creating lasting value** for our customers, shareholders, communities, and the planet.

## OUR MISSION

To protect human health and the environment.

## CORE VALUES

Safe and  
Compliant,  
Always

Integrity

Shared  
Thinking

Freedom to  
do More

Innovation

# Introducing our New Brand

We've always had a strong sense of who we are and what drives us – a shared commitment to safety, sustainability, and our customers. As we've transitioned to a standalone company supported by EQT Infrastructure, we've grown in these commitments to become an even more forward-looking, customer-centric organization focused on understanding and anticipating our customer's needs like a true partner. This impactful transition serves as the perfect opportunity to use our brand to communicate our values to the world.

## DEFINING OUR BRAND NAME

In 2025, we became Arcwood Environmental, and it is our goal that our new brand identity will serve as a reminder of the strengths that have always defined us, and a demonstration of how we're building these strengths in exciting new ways moving forward.

- **The “Arc”** signifies ambition and steady forward progress. An arc is solid and balanced, but as a verb (“to arc”), it can also mean to advance with a curving trajectory.
- **The “wood”** part of the name nods to the natural world beyond us all and the trust and dependability of wood. It reminds us of the responsibility we proudly bear as an environmental services partner.
- **Our new brand colors** symbolize our commitment to the planet and the connection between the purposeful work we support and the environment.

**Arcwood Environmental** serves as a gateway to innovative environmental solutions and sustainability. Together with our partners, we're proud to minimize the impact of waste to clear the way for a better future.





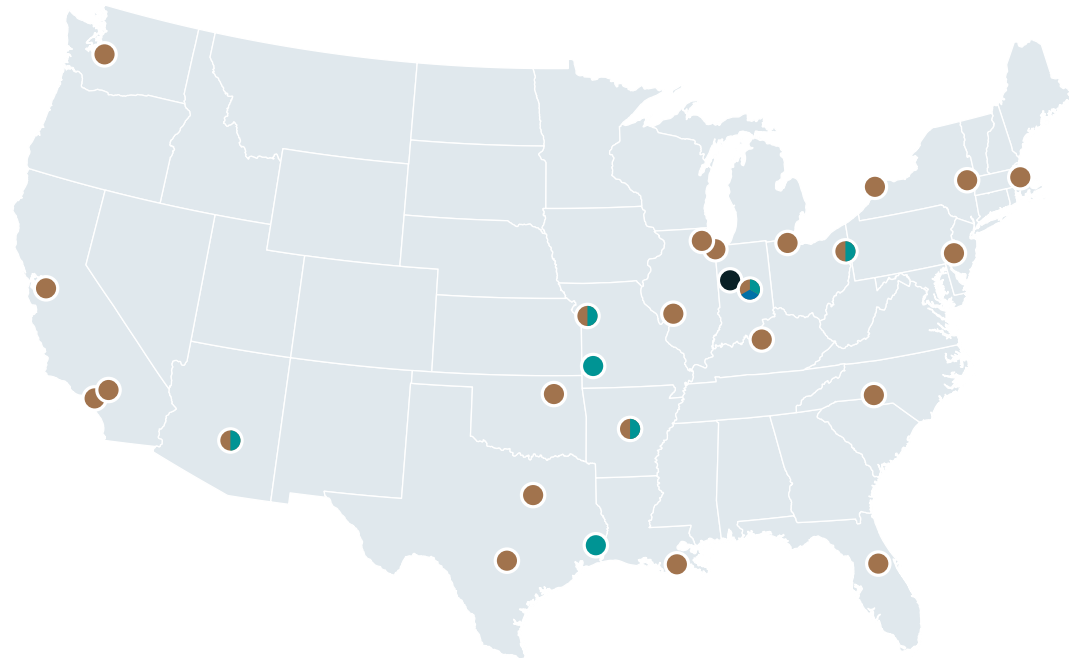
# Who We Are

## SERVICES AND LOCATIONS

Arcwood Environmental (formerly Heritage Environmental Services) is a trusted and innovative environmental services partner to industrial, commercial, and institutional customers across North America, dedicated to minimizing the impact of waste. As we celebrate our 55th year, we reflect on our early commitment to sustainability, long before it was on the agenda of most organizations. We began working side-by-side with our industrial partners to support their sustainability journey and make the world cleaner and safer. Upon our inception, our commitment to this vital work only deepens as the stakes get higher.

Our people, 2,000+ and growing every day, put their all into what they do, sharing every priority and challenge right alongside our customers. We take pride in this all-in approach, which we've used to build strong partnerships and trusted relationships for decades.

With an eye to the future, we think strategically to anticipate future waste challenges. Together, we find pathways through the ever-changing landscape of regulations and expectations, navigating our way to sustainable solutions that make all our stakeholders proud.



● LANDFILL ● SERVICE CENTER ● TREATMENT FACILITY ● HEADQUARTERS

We invite you to learn more about our continuing sustainability initiatives that influence our organization today. The information provided here is for the comprehensive organization of Arcwood Environmental in the 2024 calendar year, including Benton (AR), Niagara (NY), Orange (TX), Coolidge (AZ), Indianapolis and Roachdale (IN), and Kansas City and Joplin (MO) among others.

# Who We Are

## SERVICES AND LOCATIONS

We take pride in providing a full suite of tailored solutions to thousands of customers in hundreds of industries. Our solutions encompass every aspect of the waste management hierarchy, from prevention and training to reuse and recycling to treatment and disposal.

We own and operate eight hazardous waste treatment, storage, and disposal facilities permitted under the Resource Conservation and Recovery Act (RCRA). These facilities provide the proper treatment for each type of waste, meeting regulatory requirements and using the Best Demonstrated Available Technologies (BDAT) established by the Land Disposal Restrictions (LDR) under RCRA.

Our incinerators in East Liverpool, Ohio; Orange, Texas; and Joplin, Missouri prevent toxic organic compounds from entering the environment by destroying them and greatly reducing the volume of waste for disposal. Types of wastes managed include pharmaceuticals, chemical wastes, DEA-controlled substances, mixed infectious-hazardous waste, waste pesticides, ozone-depleting substances, energetic materials and devices, and conventional armament products. The highly regulated incineration process meets the highest standards set

by Maximum Available Control Technology (MACT) under the Clean Air Act (CAA).

Our Indianapolis, Indiana facility treats hazardous waste containing heavy metals and cyanides. The facility removes heavy metals and other contaminants from hazardous wastewater, effectively reclaiming the water. The facility also has a patented cyanide destruction unit that destroys toxic cyanide by reducing it to non-hazardous components.

Our hazardous waste landfill in Roachdale, Indiana, provides secure disposal for hazardous waste that meets LDR.

At our Benton, Arkansas; Coolidge, Arizona; Kansas City, Missouri; and Indianapolis facilities, we convert liquid and solid waste into an environmentally friendly Hazardous Secondary Material (HSM) fuel source to replace coal and/or natural gas in the production of cement at appropriately permitted cement kilns.

We have an extensive nationwide transportation network in the continental United States assuring regulatory compliance for waste generators. Recognizing that the movement of materials by rail is four times more carbon efficient than movement by highway, we move waste by rail when practical. Having received the CSX Chemical

Safety Excellence Award for the last five years in a row, we're proud to maintain an exemplary shipping reputation – backed by safety and sustainability. In 2024 alone, we transported materials over 743,520 miles by rail.

As award-winning U.S. Environmental Protection Administration (U.S. EPA) SmartWay Transportation program participants, we continue to replace older equipment with new offerings that feature increased fuel economy and minimized emissions. Older serviceable equipment is sold for reuse. Obsolete equipment is reused for parts or recycled.



# Who We Are

## OTHER EXPERTISE

We frequently provide customized onsite service programs for waste management and to promote the waste hierarchy principles. These services may be as simple as a visit by one of our employees who performs a customer's day-to-day paperwork, inspections, material labeling, and waste management reports. Other times our personnel are assigned to report to duty at a customer's facility on a scheduled part-time or full-time basis. Additional services include lab packing, household hazardous waste events, emergency response, advanced technical/engineering support, industrial cleaning, and training services.

Our service centers support our customers in industrial maintenance, emergency response, and disaster recovery. We are committed to addressing customer concerns regarding potential physical risks from climate change-related events. We benefit from lessons learned during our responses to major oil spills and collecting hazardous materials/wastes for communities after hurricanes each year. Our service centers continue to serve the communities where we live and work via ongoing household hazardous waste services and by providing emergency response and business continuity services to hundreds of factories, airlines, healthcare facilities, and schools.

We have access to a world-class research laboratory that enables us to develop innovative solutions for unique waste challenges our customers might face. We strive to reduce, reclaim, and ultimately reuse waste material to improve our natural environment. Every waste stream is seen as an opportunity to go beyond reuse and even find a commercially viable purpose for materials that were once destined for disposal.





# Who We Are: Energetics Meeting Innovation at Joplin

At our Joplin facility, we specialize in something few facilities in the world can handle: the safe disposal of end-of-life explosive materials.

Once a manufacturing site for munitions, the Joplin facility's story shifted in 1994 when it transitioned into a state-of-the-art location for incinerating and thermally treating hazardous waste with a focus on end-of-life munitions disposal. Occupying 55 acres, the facility now features specialized buildings, each engineered with safety in mind. Inside the facility, safety cells with many automated systems help our team dismantle and dispose of dangerous energetics like munitions, fireworks, and airbag propellants.

While the idea of munitions treatment might sound straightforward, the reality of safe management is far more intricate and technical. Our facility team faces unique challenges daily, like how to safely dismantle and dispose of old and often complex explosives, like smoke pots from World War II or munitions from the 1960's. These relics of another era rarely come with blueprints or detailed instructions. To safely take them apart, it's important to understand how they were initially put together. This means our engineers and technicians must reverse-engineer the design of every item, a meticulous process that involves patience, expertise, and a lot of ingenuity. From there, they develop proprietary technologies tailored to disassemble and dispose of these materials safely and efficiently.

"Our goal is to protect our people, the environment, and the communities we serve. Safety drives every decision we make, from carefully controlling the humidity in our buildings to the PPE our employees wear."

- **Dwayne Friend**, Vice President of Operations at Joplin

Joplin is more than its advanced technology; it's a place where expertise meets camaraderie. Approximately 115 employees work at Joplin, many of whom are veterans. Their backgrounds bring a unique perspective to the highly specialized work of handling explosive materials. As Friend explained, "When you've worked with these kinds of items in the military, you understand the importance of precision and discipline, and that mindset fits perfectly with what we do." And, despite the intensity of the work, Joplin fosters a tight-knit, supportive culture. "It's not just about doing the job, it's about looking out for each other," Friend shared. For our Joplin team, every controlled detonation, every munition dismantling, and every piece of reclaimed metal tells a story of innovation, responsibility, and teamwork. It's not just a job, it's a mission to make the world safer, one end-of-life explosive at a time.



# Letter From Our CEO

## Dear Valued Stakeholders,

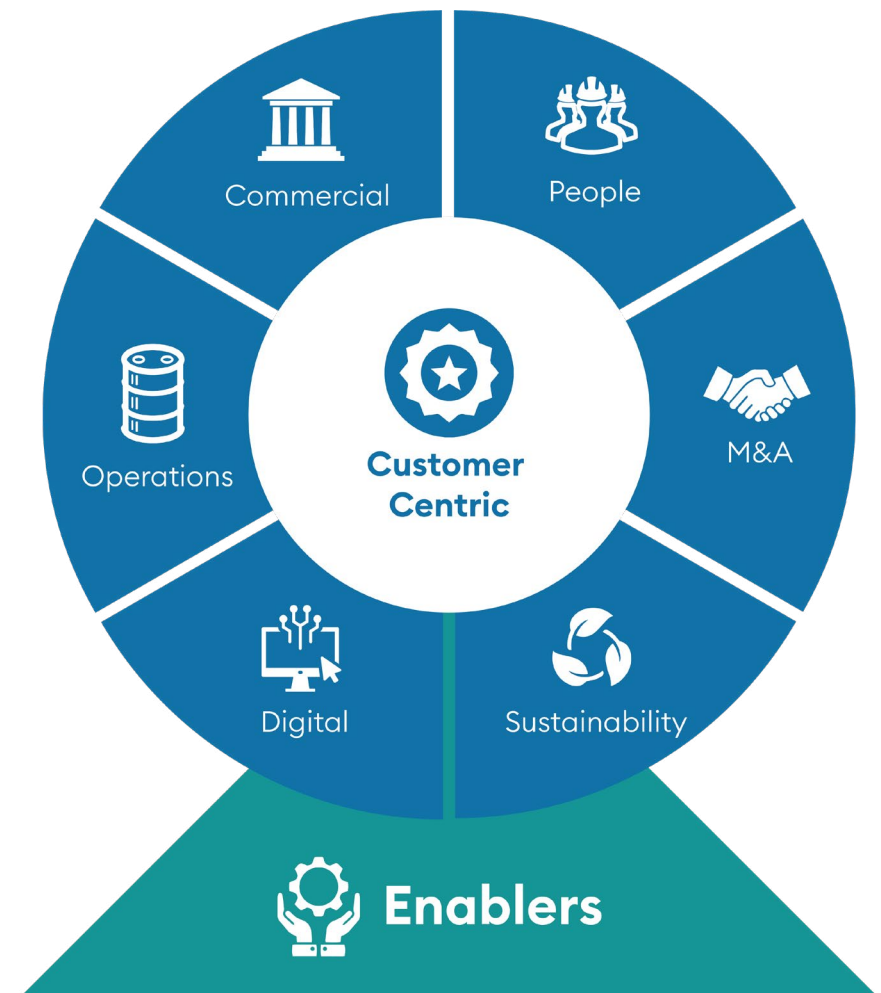
As we reflect on the past year, my first year as CEO, I am filled with pride and optimism about the future of Arcwood Environmental. This year marks a pivotal moment in our journey as we unveil our new name, brand, and vision:

“Our vision is to be the most trusted partner in the environmental services industry. We put our customers first and deliver agile, sustainable, and innovative solutions. We commit to nurturing top talent and creating lasting value for our customers, shareholders, communities, and the planet.”

Building on our legacy of protecting human health and the environment, our new ambition, support, and renewed courage to dream big is at the heart of this vision. We are part of the solution, not the problem. As a leading full-suite environmental service provider, our 2,000+ colleagues passionately contribute daily to creating a better world for current and future generations. By prioritizing the well-being of our employees, customers, and communities, we drive a meaningful and sustainable change.

Our company culture allows us to attract, retain, and develop top talent to thrive and tackle today’s complex environmental challenges. This inspires our employees to create a collaborative workplace that solves our customers’ existing and new challenges.

We also take pride in partnering with thousands of customers across various industries who are equally passionate about their work and committed to sustainability. With our agile and innovative approach, we support them on their sustainability journey, contributing to their success.



*Arcwood's Six Key Transformations*

# Letter From Our CEO

## 2024 ACHIEVEMENTS

2024 was a year of significant change for us at Arcwood Environmental, yet sustainability remains the core of our vision and mission. I am pleased to share our annual sustainability report, highlighting our achievements. Some key accomplishments we are proud of include:

- **Agile Solutions:** At Arcwood Environmental, we leverage state-of-the-art technologies and best practices to deliver swift and effective waste management and environmental services. Our agile approach ensures we can adapt quickly to the evolving needs of our clients and the environment.
- **Sustainable Initiatives:** We are committed to embarking on projects that promote sustainability and reduce our environmental impact. Inspired by our partners and stakeholders, we continuously strive to enhance our environmental performance and contribute to a more sustainable future. With guidance from our EQT sustainability experts, we aim to source 70% of our total electricity from renewable sources and eventually achieve 100% renewable energy for our Scope 2 consumption.
- **Innovative Practices:** Fostering a culture of innovation is at the heart of our mission. We are dedicated to developing groundbreaking solutions that address complex environmental issues, transforming waste into valuable resources, and driving sustainable progress.
- **Community Outreach:** Our community engagement programs are designed to support local communities through education, volunteer efforts, and partnerships. We believe in the power of collaboration to create lasting positive impacts and promote sustainable practices. In 2024, our commitment was demonstrated by addressing food scarcity and contributing over 500 service hours to 19 food pantries across the U.S. In addition, our growing efforts to honor veterans were exhibited through our support of Wreaths Across America, where we transported wreaths over 6,583 miles and laid wreaths at eight cemeteries near our facilities.
- **Focus on People:** We prioritize initiatives focused on employee professional growth and community engagement. Investing in our people and fostering a supportive work environment makes Arcwood Environmental a great place to work and a valued community partner.

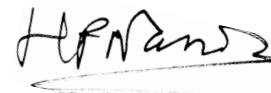
## LOOKING AHEAD

Our aspiration to grow will allow us to make a bigger impact. By 2030, we will sustainably manage 50 percent more waste than our 2024 baseline by investing strategically in new service offerings, leveraging cutting-edge recycling technology, upgrading our existing operations, and enhancing our sustainability initiatives to serve our customers and the environment better.

We remain committed to our vision and guiding principles. By putting our customers first and delivering excellence through innovative and sustainable solutions, we aim to create lasting value for all our stakeholders and communities.

Thank you for your continued support and trust in Arcwood Environmental. Together, we can make a lasting positive impact on the planet for future generations.

Sincerely,



**HP Nanda**  
CEO, Arcwood  
Environmental





# Letter From Our President

As I reflected on our company's unprecedented events of 2024, I am excited to share some impactful items in this letter. On January 31, 2024, the majority of Heritage Environmental Services was acquired by EQT, an investment organization committed to creating value by finding good companies and helping them become the most promising builders of tomorrow. EQT shares our vision for purposeful growth and has joined us on our continued journey as we enter our 55th year in 2025.

We have been settling into our new ownership position, choosing a new name, logo, and color scheme. It was bittersweet to say goodbye to the old, but we are thrilled to announce our new name, Arcwood Environmental. While our brand identity may be changing, our commitment to protecting human health and the environment remains at the core of everything we do. "Arcwood" represents our future, with an unwavering focus on innovation, sustainability, and customer-first service that helps our partners succeed.

Our avoided emission calculations suggest that the benefits we provided in 2024 are equal to removing more than **625,000** gasoline powered vehicles from the road for a year.

In addition, we have added two commercial incinerators to our portfolio. Our Orange, Texas incinerator was issued a commercial permit, and we purchased an energetics-focused incinerator in Joplin, Missouri.

I am constantly inspired by the integrity our employees demonstrate each day. With safety and environmental protection as our main priority, we proudly share our key performance indicators and sustainability metrics in this report. We have maintained our "Excellent" Net Promoter Score rating from customers and continue to invest in business excellence to achieve a "World Class" rating.

Our positive environmental impacts in 2024 include continuing to provide fossil fuel replacements to cement kilns, purchasing renewable energy certificates (RECs) to offset 70% of our Scope 2 emissions (thereby reducing our indirect emissions from purchased electricity), and reducing our mobile emissions per ton mile increasing our fleet's average miles per gallon. We also participated in several national emergency response efforts related to pipeline and rail transportation.

Looking to the future, we're proud to continue to be a leader in sustainability, assisting our customers in navigating their respective sustainability journeys.

Sincerely,



**Ernie Walker**  
President, Arcwood Environmental



# Arcwood by the Numbers

“At Arcwood Environmental, we understand the proper management of waste to ensure contamination from that waste doesn’t impact human health or the environment. We do this with three distinct approaches. When we can, we separate the hazardous chemicals from environmental media and return clean water to the environment. We destroy organic hazardous constituents and securely dispose of inorganic bearing wastes. We comply with the strictest of waste management regulations at our fully permitted facilities resulting in sustainability managed wastes.

I’m thrilled to pursue my life vocation of sustainably managing waste here at Arcwood.”



**Angie Martin**

Chief Sustainability Officer



## WASTE

### METRIC/TARGET

### CY24

CDP Intensity Metric (mt CO2e Scope 1 and 2 GHG per million \$ revenue)

311

Sustainably managed waste (tons)

402,810

Treated wastewater returned for reuse (gallons)

15,840,364

HSM fuel produced for use at cement kilns (tons)

40,248

Incinerated waste (tons)

68,478

Slag and ash generated (tons)

34,799

Steam recovered and available for reuse as heat (MWh)

76,497

Recycled materials (tons)

13,432

# Arcwood by the Numbers

## PEOPLE

| METRIC/TARGET                      | CY24 |
|------------------------------------|------|
| Total Recordable Incident Rate (#) | 1.0  |

## CARBON

| METRIC/TARGET  | CY24       |
|--|------------|
| Share of Renewable Electricity (purchased through renewable energy credits to offset grid usage) | 70%        |
| Average fuel efficiency for Class 8 vehicles (mpg)   | 6.26       |
| Roadway transport (miles)  | 18,061,684 |
| Rail transport (miles)   | 743,520    |



As we move forward, Arcwood Environmental will continue implementing initiatives and projects to promote and support sustainability. These efforts will focus on our carbon footprint, waste, and people. We will strive to reduce the intensity of our carbon footprint per ton of waste managed (Scope 1 and 2 CO<sub>2</sub>e/tons managed), increase our avoided emissions and the resultant environmental benefits of those activities, and improve the fuel efficiency of our fleet. For the calendar year 2024, we sourced renewable energy credits to cover 70% of our Scope 2 electricity purchases and plan to increase those efforts to 100% in the coming years. Arcwood Environmental is committed to managing all waste in the most sustainable manner while also increasing the total waste recycled and reused.



# Arcwood by the Numbers

## ENERGY REDUCTION PROJECTS CY24

| PROJECT TYPE                                       | Count     |
|--|-----------|
| Energy efficiency: building systems                | 10        |
| Transportation: fleet/vehicle replacement programs | 6         |
| Waste reduction and material circularity           | 2         |
| <b>Grand Total</b>                                 | <b>18</b> |



In reviewing our operational metrics, Arcwood Environmental is cognizant of our potential impacts on climate change. The following comparisons demonstrate how our efforts parallel energy and water usage by private citizens.

**Gallons of wastewater treated and returned for reuse** is equal to the average water usage of **145 homes** for one year.

**Tons of HSM fuel created for use by cement kilns** is equivalent to removing **38,000 gasoline powered vehicles** from the road for one year.

**Tons of waste materials recycled** is equal to removing **11,154 gasoline powered passenger vehicles** from the road for one year.

**MWh of steam recovered** is equal to one year of electricity for **11,565 homes** in the region where generated.

**743,520 miles of waste movement by rail** is equal to saving **48,196 gallons** of diesel fuel.

These carbon comparisons and others within the report have been calculated using the U.S. EPA **Greenhouse Gas Equivalencies Calculator**: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>.

# Arcwood's Sustainability Approach



## Natural Resource Stewardship

### Minimizing GHG through Equipment/Supply Practices

- Reducing Scope 1: Transportation equipment improvements and rail priority reduces fossil fuel usage.
- Reducing Scope 1 and 2 GHG: Implemented operational practices at our incinerators that conserve and select energy use made with lowest impact (reducing electricity and natural gas, including reclaimed fuel source).
- Reducing Scope 3 Good and Services: Use of waste with appropriate chemical constituents in place of virgin chemicals.

Review Operational Processes & Waste for Opportunities



## Toxicity Mitigation

### Reducing Toxics in the Environment

- Our incineration process prevents compounds from entering the environment and greatly reduces the amount of waste volumes destined for the landfill.
- Our wastewater treatment processes remove heavy metals and return clean water to the environment.



## Harnessing Energy Potential

### Creating New Energy Sources from Waste

- The energy value in certain waste play a large role in powering our incinerators.
- We produce Hazardous Secondary Material Fuel for cement kilns that becomes a direct replacement for fossil fuels.
- Steam recovered from our incinerator is converted to heat.

Lower GHG & Avoided Emissions



## Reduce, Reuse, Recycle

### Common Practices and Innovative Solutions

- We reduce, reuse, and recycle containers, pallets, bulbs, electronics and other typical industrial items.
- We develop and implement innovative solutions for customers' specific waste issues.
- We identify commercially viable uses for materials that were once destined for disposal (turning waste into feed stocks).

Our Sustainability Approach

# Reporting on Avoided Emissions

**The case for reporting Avoided Emissions:**

The U.S. EPA Emissions Factor Hub advises reporting direct and indirect emissions separately from claims of avoided emissions. The Net Zero Initiative, provides a dashboard and framework for “emissions avoided by my products and services.” The World Business Council for Sustainable Development (WBCSD) published “Guidance for Avoided Emissions” which defines avoided emissions accounting methodologies. The paper states, “Avoided emissions give an estimated emissions reduction in society due to the use of the solution but outside the solutions provider’s Scope 1-3 emissions.”

Arcwood Environmental continues to review how we manage our customers’ waste and the waste we generate in our operations, which impacts our carbon footprint and circularity. Our sustainability approach, committed to Natural Resource Stewardship, Harnessing Energy Potential, Toxicity Mitigation, Reducing, Reusing, and Recycling is prominent in waste decisions.

We began the process of identifying how our services may provide emission reductions as compared to other management options in 2023. We are currently calculating avoided emissions in two provided services: Ozone Depleting Substance (ODS) destruction and HSM fuel production. Additional services and activities we conduct will be added to our avoided emission calculations. For example, the recycling baseline shared on page 49 will be included here in future years. We have identified multiple additional activities connected to our circularity efforts that will be added to our avoided emissions over time. Examples include the reuse of wastes with stable chemical components and toxicity mitigation through our treatment processes, e.g., continuing our partnership with Purdue University studies on U.S. EPA’s Tool for Reduction and Assessment of Chemicals and Other Environmental Impacts (TRACI).

A reduction of direct emissions owned or controlled by a company or indirect emissions because of its activities—Scope 1, 2, and 3 greenhouse gas (GHG) emissions—are frequently measured and compared. Monitoring absolute decreases toward a multi-year goal is widely

viewed as proof of actions to protect the earth. It is not as common to explore the environmental benefits of an organization’s products or services. Arcwood Environmental worked with our external consultants at ClimeCo to ensure we consider boundaries and conditions, define reference scenarios, model appropriate solutions, and appropriately define our calculations for avoided emissions. We believe that a GHG metric cannot solely measure environmental stewardship and sustainability, and as such, we evaluate and report a variety of key performance indicators. We are not alone in this regard—our industry and national and international organizations have addressed the need to tell a broader environmental impact story. From the WBCSD guidance document, Dennis Palmer, Executive Director of Mission Innovation’s Net-Zero Compatible Innovations Initiative and Senior Advisor for RISE Research Institutes of Sweden, states: “This report is a seminal step toward an expanded climate innovation agenda where companies are not only seen as sources of emissions but also as solution providers. Solutions that deliver on societal needs in ways that allow the world to provide flourishing lives for everyone on the planet while delivering on a 1.5°C-compatible pathway” and “Avoided emissions help companies expand their climate agendas to where climate action also includes the capacity to sell products that deliver on human needs and a just transition while avoiding emissions in society, with market shares and profits as key drivers.”



# Reporting on Avoided Emissions

Our positive environmental impacts extend beyond the emissions captured in our footprint. We continue to collaborate with the experienced and knowledgeable sustainability personnel at ClimeCo to evaluate and provide appropriate accounting of the positive impacts of our services. This year, we again considered the net benefits of avoided GHG emissions associated with two of our key services: ozone-depleting substance destruction and producing hazardous secondary materials in fuel production. The net climate benefits of ozone-depleting substance destruction and HSM fuel production enable our customers to reduce their own emissions and contribute to the broader decarbonization of the waste sector and adjacent industries.

## OZONE-DEPLETING SUBSTANCE DESTRUCTION

Arcwood Environmental provides solutions for the destruction of spent refrigerants, which are regulated ODS with high global warming potentials (GWP). Using carbon offset methodologies as guidance, we calculated the emissions avoided in the destruction of refrigerants at our facilities. Refrigerants have a defined leakage rate from their systems over time, and with GWPs thousands of times stronger than carbon dioxide, even small amounts of refrigerant leakage can lead to significant GHG emissions or impacts. Through destruction, leakage into the atmosphere is avoided.

To calculate overall avoided emissions in ODS destruction, we aggregated data for all quantities of ODS we managed, combined with additional emissions arising from the process of aggregation and destruction, such as additional transportation and destruction-related fuels. By managing the destruction of these potent GHGs, which included significant quantities of high-GWP CFC-114, our incineration programs led to the avoidance of over 2.5 million metric tons of CO<sub>2</sub>e in 2024 alone, the equivalent of removing over half a million gasoline powered vehicles from the road for one year. Of this, less than 10% of GHG emissions avoided were accounted for in carbon offset-generating destructions.

## HAZARDOUS SECONDARY MATERIALS FUEL PRODUCTION

Arcwood Environmental continues to identify opportunities to aggregate wastes with heat value (BTU) to produce HSM fuel, which can be used as a replacement for fossil fuels in cement production. In 2024, we generated over 45,000 tons of HSM fuels, which were used at several cement kilns across the region. At the kiln, our HSM fuel displaces a portion of the virgin fossil fuels used in cement production, such as coal, coke, and natural gas, and can result in lower operating emissions for the kilns.

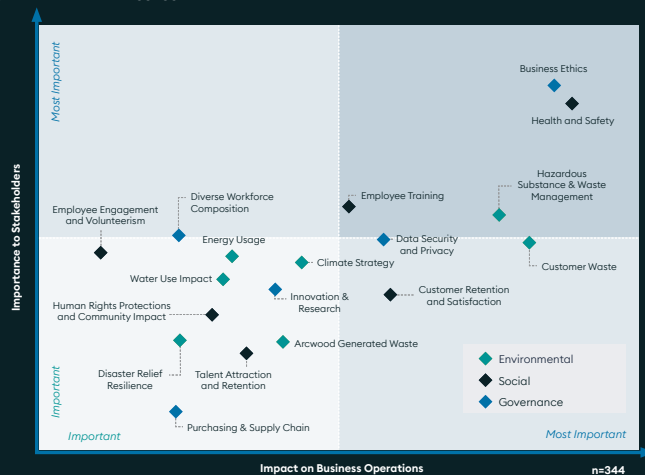
Our calculations compare a baseline scenario of business-as-usual cement kiln operations and fuel usage, along with hazardous waste treatment at our facilities, to a scenario where HSM fuels are treated as a valuable alternative fuel capable of displacing virgin fossil fuel use. By harnessing the energy potential of waste materials, we contributed to the avoidance of over 160,000 metric tons of CO<sub>2</sub>e from virgin fossil fuel use in 2024 and could help cement kilns lower their Scope 1 fuels footprint. This avoidance is equivalent to removing 38,000 gasoline powered vehicles from the road for one year.

Arcwood Environmental will continue to explore additional activities in our operations that have emissions benefits and will work to quantify those benefits in future years. While avoided emissions associated with these services are not reported in our GHG inventory or accounted for as a footprint reduction, they provide a positive environmental impact and unlock value for our customers on their decarbonization journeys.

# Four Pillars of Sustainability

Following our Materiality Assessment in 2021, an internal effort was conducted to review our sustainability reporting and communication structure. We determined Arcwood Environmental's KPIs would not align under the Environmental, Social, and Governance (ESG) categories. Instead, we've maintained a four pillar alignment which has been in place since 2011 and modified the key areas of reporting to the highest priorities determined in our Materiality Assessment. Expanding on the success of culture integration with the positive forward statement wording in our values, additional categories were defined:

2021 MATERIALITY ASSESSMENT MATRIX



Survey responses were given a standardized weight and then normalized to a 10-point scale.



Interview responses and rankings were given a higher weight due to either their familiarity with a broad spectrum of business operations, or their perspective as external stakeholders.



Interestingly, for many of the topics, priorities for Heritage and its stakeholders are consistent. Outliers exist, with Diversity and Employee Engagement ranking higher on stakeholder importance than impact on business.



Business Ethics and Health and Safety are isolated in the top right quadrant due to emphasis on how influential and impactful topics such as these are to the business.

## PRINCIPLES OF GOVERNANCE

- Integrity
- Innovation
- Cybersecurity is a shared responsibility

## PEOPLE

- Safe and compliant, always
- Freedom to do more
- Be a good neighbor

## PLANET

- Protect the earth where we live and work
- Focus on waste management
- Reduce impacts from transport operations

## PROSPERITY

- Long term satisfied customers
- Engaged supply chain with shared ethics and goals





# Principles of Governance

Strengthening Purpose

## Integrity

is not just one of our company values but becomes a measurable performance indicator as we seek zero incidences of non-compliance with laws and regulations and zero legal actions for anticompetitive behavior, or other unethical business or unfair labor practices.

| METRIC/TARGET  | CY22    | CY23    | CY24    |
|--|---------|---------|---------|
| Zero legal actions related to ethical business practices | 0       | 0       | 0       |
| Annual sustainability report                             | 04/2023 | 04/2024 | 04/2025 |







# Principles of Governance

Strengthening Purpose

## Innovation

is demonstrated through our continued significant investments in our existing operations and through thoughtful acquisitions as well as continued efforts to support our customers’ sustainability journeys with creative solutions to industry problems.

## Cybersecurity Is A Shared Responsibility

that reveals how changes in business operations across customers, suppliers, industries, and countries can impact our corporate and local operations. We are vigilant in training and developing system processes to ensure risks are minimized.

| METRIC/TARGET   | CY22 | CY23 | CY24 |
|---|------|------|------|
| Zero cybersecurity incidents causing financial harm or environmental risk | 0    | 0    | 0    |



# Integrity Drives Future Sustainability Strategy



Arcwood Environmental has long defined its integrity in terms of ethical business practices. Delving into the sustainability impacts of our acquisition by EQT (and information shared earlier in CEO letter), Arcwood Environmental conducted an intensive effort to identify a strategic and detailed review of internal processes and operations to identify growth opportunities and ensure that the right functional setup exists to execute these opportunities. As one of the six pillars in the organization's future transformation, sustainability efforts to date were reviewed for maturity, and many improvement areas associated with KPIs have been developed. Where appropriate, new high-level KPIs have been included in our 2024 reporting for baseline setting context.

# Indianapolis Facility Automated Filter Press

## APPLYING AUTOMATION TO DEWATERING PROCESS

At Arcwood Environmental's Indianapolis facility, innovative new equipment will transform the dewatering process of waste treatment filter media. The engineering control-driven project will advance inclusion efforts, improve safety, and reduce environmental impacts.

This major system automation will open opportunities for all individuals to work in this functional area. Automation will eliminate reliance on people capable of this manual labor and allow us to shift them to other tasks. The new automated controls performed from a distance are expected to attract and maintain employees in this area of the plant.

While regulations did not require this major investment, the benefits are clear. Engineering controls make the process safer by providing additional safeguards while increasing throughput.

Air monitors alert operators when respirators are needed due to ammonia levels. New system automations provide interlocks to prevent the accidental operation of a press that is not fully

closed or when the loss of power or pressure is recognized, preventing spills. Additional safety features, such as e-stops and a light curtain prevent the hydraulics from operating when they should not.

We are replacing six presses that operate in pairs, one pair per phase of installation. The first phase was completed in 2024, and installation for the second began at the end of 2024. All three phases are expected to be finished by the second quarter of 2025.

We increased the filtrate return piping diameters in the new system increasing the flowrate from 130 gallons per minute (gpm) to 250 gpm which will result in a shorter cycle time. Overall, the project anticipates a 14% increase in throughput for our aqueous treatment process.

The filter presses are used to produce a filtercake from the contaminants removed from water during aqueous treatment. Increasing the amount of liquids removed and forwarded to our wastewater treatment process increases the gallons of water Arcwood Environmental makes available for reuse. Additionally, the more water removed, the weight and volume of the filtercake is reduced.

After full implementation, we anticipate the filtercake will contain approximately 4% less water. This improvement will equate to 36 less trips to the landfill with treatment residue. The reduced transportation is a reduction of 460 gallons of diesel fuel per year, or if compared to an equivalent of carbon sequestered, 77.4 tree seedlings grown for 10 years.

Reducing filtercake production makes a downstream impact on other company assets as well. The landfill will experience less leachate production, resulting in less transportation back to the Indianapolis treatment facility. This change creates a circular reduction improving our GHG emissions across locations.



# 2024 Cost Effectiveness and Innovation Award



*Technical Services Manager, Mike Hansen, is pictured above receiving the award. This award reflects our commitment to partnership and innovation in environmental services.*

Arcwood Environmental's Seattle team was honored at a customer's Pacific Northwest Contractor Safety Forum with the 2024 Cost Effectiveness and Innovation Award. We approached the celebrated project by sharing our best practices and past knowledge gained from providing support on oil and gas industry projects utilizing horizontal directional drilling (HDD) to install underground pipelines. This streamlined approach to the scope of work allowed the project to run smoothly and efficiently. The customer shared its appreciation of our active resource management and our dedication to recycling drilling mud and cuttings generated from the onsite work. No safety or compliance issues occurred throughout the duration of the project.

# Establishing Cybersecurity and Infrastructure from the Ground Up

## 2024 SECURITY PROGRAM OVERVIEW

Arcwood Environmental's security program is built on a robust foundation and continues to align with a National Institute of Standards and Technology (NIST) compliant framework designed to safeguard our internal and customer data while enabling scalability. This approach supports regulatory compliance, and the operational resilience needed to drive our business objectives effectively.

## DATA PROTECTION AND SCALABILITY

Protecting both internal and customer data remains a cornerstone of our security strategy. We leverage a multi-layered security approach that includes advanced encryption, endpoint protection, network segmentation, and continuous monitoring through Security Information and Event Management (SIEM) systems. Our scalable infrastructure, built on cloud-native and hybrid solutions, supports our growing company initiatives by ensuring agility and resilience.

To further fortify our environment, we have implemented Zero Trust Architecture (ZTA) principles, ensuring access to systems and data is limited to authorized users and devices. Regular vulnerability assessments, penetration testing, and incident response drills help us stay ahead of emerging threats while maintaining compliance with industry and federal standards.

## CYBERSECURITY AWARENESS AND TARGETED TRAINING

Recognizing that human error remains a significant security risk, our cybersecurity awareness training program is mandatory for all employees. The training covers phishing detection, secure password practices, data handling, and incident reporting. This program is delivered through interactive modules and real-world simulations to ensure that employees are well-equipped to act as the first line of defense against cyber threats.

For targeted groups, such as IT staff, system administrators, and development teams, we require specialized training tailored to their roles. These programs include advanced courses on threat hunting, secure coding practices, vulnerability management, and compliance requirements specific to CMMC 2.0 and NIST standards. By fostering a culture of continuous learning, we empower our teams to mitigate risks and support the organization's security objectives proactively.



# Establishing Cybersecurity and Infrastructure from the Ground Up



## NIST FRAMEWORK AND CMMC 2.0 JOURNEY

At the heart of our security program is the NIST Cybersecurity Framework (CSF), which provides a structured approach to identify, protect, detect, respond, and recover from cyber threats. This framework has been pivotal in strengthening our risk management and aligning our practices with industry standards.

In 2025, we continue our journey toward achieving Cybersecurity Maturity Model Certification (CMMC) 2.0. This certification is a critical milestone, enabling us to secure new business streams in federal contracts. Our phased implementation plan involves rigorous assessments, process improvements, and technology upgrades to meet the stringent requirements of CMMC 2.0. Achieving this certification will not only enhance our security posture but also demonstrate our commitment to protecting Controlled Unclassified Information (CUI) and other sensitive data.

Our security program reflects our unwavering commitment to safeguarding our data assets, supporting our operations, and achieving CMMC 2.0 certification. Through a blend of robust frameworks, advanced technologies, and comprehensive training, we are well-positioned to navigate the evolving threat landscape and capitalize on new opportunities in the federal marketplace. Together, we are building a secure, scalable, and resilient future for our organization.

# People

Empowering and  
Promoting Growth

## Safe and Compliant, Always

is our most important company value. Every employee has the right and responsibility to stop unsafe or potentially noncompliant work – and this is communicated openly and frequently. We continue to improve our incident rates and severity rates towards an ongoing goal of zero injuries. With the desire to achieve industry-leading safety performance, we added an additional KPI to reduce workplace incidents.

| METRIC/TARGET  | CY22 | CY23 | CY24 |
|--|------|------|------|
| Lost time incident rate = 0.0  | 0.07 | 0.29 | 0.29 |
| Total recordable incident rate $\leq 1$  | 0.98 | 1.04 | 1.0  |
| Create and follow health and safety plans and/or job safety analysis plans for field service projects = 100% | 100% | 100% | 100% |

## Freedom to do More

is our commitment to provide educational and career opportunities to our employees. We continue to invest in improved learning management systems and provide training on required and emerging topics. We encourage career development and strive to provide opportunities for advancement to employees across our organization.

| METRIC/TARGET                     | CY22 | CY23 | CY24 |
|-----------------------------------|------|------|------|
| Internal promotions and transfers | 14%  | 13%  | 14%  |





# People

Empowering and  
Promoting Growth

## Be a Good Neighbor

means we will strive to enhance the well-being of the communities where we operate by being a good employer and supporting our employees in local charitable endeavors.

| METRIC/TARGET  | CY22  | CY23  | CY24  |
|--|-------|-------|-------|
| Employees completing code of ethics training = 100%  | 100%  | 98.5% | 100%  |
| Onboarding training for all new hires = 100%   | 99.7% | 100%  | 100%  |
| Employee retention > 80%   | 64.7% | 64.9% | 69.8% |
| Employee engagement: Green team organizing participation in community events and activities at all locations | 100%  | 100%  | 100%  |

# Introducing new EHS software SOSPES

As part of our continuing effort to improve our organization's safety culture, we were thrilled to introduce SOSPES as our new Environmental Health and Safety (EHS) management software. SOSPES is Latin for "to hold safe."

SOSPES is a workplace safety software tool that allows employees to submit incidents, close calls, or observations from any computer or mobile device. The core components of this software are ease-of-use for employees, action-driving tools for managers, and data analytics with accountability for all. Additionally, the system allows everyone to fill out other customizable documents, such as inspection forms.

- **Incident Reporting:** Incident Reports document any event that resulted in an injury, property damage, environmental release, motor vehicle accident, or security threat. These submissions are crucial to tracking incident rates and improving workplace safety. An incident is any event that results in one of the following:
  - › **An Injury** - Anything causing harm to a person, even a slight bruise.
  - › **Property Damage** - Any time a piece of property collides with another, it is dropped or impacted.
  - › **Environmental Releases** - Any type of material release (gas or liquid).
  - › **Motor Vehicle Incident** - A road-registered vehicle is damaged.
  - › **Security Threat** - A hostile encounter, HR issue, or breach of standard procedures.
- **Observation Reporting:** Observations are a quick and easy way to document things in the field. Sometimes referred to as Behavior Based Safety (BBS) reports, these simple submissions significantly reduce incident rates and improve employee engagement.

As we have a significant number of employees who work mobile or in the field at customer or work sites, they have limited computer access. The SOSPES phone application helps our employees to quickly and easily access forms and upload photos to document incidents and observations.

In the first 90 days after implementation, Near Miss Reporting had already improved. Additionally, management quickly appreciated the ability to access leading and lagging indicators in one system. With SOSPES now fully operational, we are looking forward to every member of our organization participating in and helping us create a safer and more productive workplace.





# Safety in Action

## OCTC 2024 AWARD FOR EXCELLENCE

Powered by our core value, safe and compliant, always, Arcwood Environmental employees have been recognized for their performance and continuing efforts.

Our incineration facility in East Liverpool, Ohio, was recognized on Earth Day, 2024, by a leading Ohio industry group. “Each year, the Ohio Chemistry Technology Council (OCTC) recognizes exceptional performances in environmental, health, safety and security in Ohio’s chemical industry through the Awards for Excellence,” said Jenn Klein, president of the statewide organization of chemical manufacturers.

The OCTC recognized Arcwood Environmental employees in East Liverpool for achieving a million worker hours without a lost time accident during the period October 6, 2020, to May 31, 2023. “We are honored to be recognized by the state’s chemical manufacturers for our performance,” said company leader Christopher Pherson. “A successful safety program takes the unwavering commitment of all employees,” he added. “Safety never takes a break, and neither do we.”

Arcwood Environmental East Liverpool was among 25 facilities to be honored with an Award for Excellence at this year’s OCTC conference. According to the chemical trade group, nominations are judged by a panel of industry peers and awarded based on demonstration of commitment and achievement in protecting people and the environment.

Pictured to the right receiving the award are **Evonne Masello**, *Health & Safety Manager*, and **Paul Beauchemin**, *Vice President of Operations*.



## CSX 30TH ANNUAL CHEMICAL SAFETY EXCELLENCE AWARDS

CSX Corp. recognized Arcwood Environmental as a winner of the company’s Chemical Safety Excellence Award for their outstanding dedication to the safe transportation of hazardous materials.

For 30 years, CSX has acknowledged select customers for their shared commitment to safety with this recognition. The longevity of this distinguished honor highlights the essential role collaboration and partnerships play in protecting people and communities. The award reinforces the position of rail as the safest mode for transporting chemicals over land.

To qualify for the award, a rail shipper must have shipped a minimum of 600 rail cars of hazardous materials within the calendar year without any non-accidental releases of regulated hazardous materials. In total, 53 winners collectively shipped 144,640 carloads across the CSX network during the year.

CSX highlighted Arcwood Environmental as a five-year consecutive milestone winner, but we have been honored a total of seven times. Arcwood Environmental has not always met the minimum shipment volumes to qualify for consideration, thereby breaking an earlier continuous streak.

Collaborative partnerships within our supply chain reduce risks and exponentially enhance overall safety.



# Safety in Action

## WORKER SAFETY TRAINING APPLIED IN THE COMMUNITY

Each quarter, Arcwood Environmental recognizes employees with a significant “Safety Leader” award for actions that apply their training/knowledge or stop work authority to prevent or minimize unsafe acts. Sometimes, that training can extend to use outside of the work environment, and we like to take special notice of these individuals.

On a cold March morning, Arcwood Environmental employees whose work assignment had them report to work at a customer’s facility put their safety training into action. While exiting the parking garage at the customer’s site, Keith Bucholz saw a woman lying on the ground. She told him she had tripped, which caused her to hit her head on the pavement. She had a gash on her head that was bleeding profusely. After calling 911, Keith used her jacket to apply pressure to the wound. He then called Derek Ferguson, who responded with the first-aid kit from their Arcwood Environmental office. Derek took over from Keith, applying pressure to the wound, wearing gloves, and using a sterile absorbent pad from the kit. Keith was directing traffic around the victim. Paramedics arrived to take over from our team. The pair appreciated their training, which greatly helped in their response. The injured woman, an employee of the customer, never lost consciousness and was on her way to recovery with a few stitches. **Derek**, a *Tech Services Project Manager*, and **Keith**, a *Lead Chemist*, were recognized by Arcwood Environmental with “Safety Leader” Awards.



## A REMARKABLE MOMENT OF PROFESSIONAL INTERVENTION

In July 2024, **Eric Baptiste**, a *Field Supervisor* from Signal Hill, California, demonstrated exceptional safety leadership and quick professional judgment at a customer site. Our customer’s employee experienced an adhesive chemical exposure on her arm and hand, creating a potentially serious workplace safety incident.

Eric immediately recognized the employee’s distress and swiftly guided her to the designated safety shower station. He carefully administered a water rinse for a full 15 minutes. Beyond immediate action, he reviewed chemical safety documentation to ensure a comprehensive understanding of potential risks. Eric provided clear guidance for the employee to report to her EHS department and promptly informed his direct supervisor, George Guzman. His actions represent more than a procedural response. Eric provided attentive, professional intervention.

Eric won the Arcwood Environmental Quarterly Safety Award and also received an additional safety bonus as our Grand Prize winner for 2024. This achievement is special because our customer also recognized Eric’s outstanding commitment to safety. This dual recognition further emphasizes the impact of Eric’s actions and his embodiment of safety principles that resonate beyond our organization.



# Benton Facility Female Locker Room



We continue to implement changes addressing the underlying conditions that might adversely impact hiring and retention at our facility in Benton, Arkansas. Our Benton facility is engaged primarily in the production of HSM fuels for cement kilns blended from hazardous and other industrial wastes.

Benton originally had one locker room for female employees, designed to accommodate women in our laboratory. As more women joined our production crews, they had to share a single locker room adjacent to the laboratories. Not only did crowding quickly become uncomfortable, but the location was not convenient for production employees. We invested in additional new locker facilities for our female workforce located near the existing men's locker room with equal proximity to our production facility.

Now, all locker rooms for production workers include dirty and clean sides designed to prevent cross-contamination on uniforms from transferring to street clothes and/or personal property.

The boost to employee morale was immediately evident. By demonstrating genuine concern for our employees' personal well-being, we foster a collegial work environment that encourages both new hires and employee retention. This improvement is just one step forward towards treating all employees respectfully in every regard.

Our recruitment personnel share potential career paths with all candidates equally and communicate that all genders are considered for all positions as long as qualifications are met.

# International Women's Day

Each year, Arcwood Environmental highlights women who make a difference in our business. We are proud of our female employees. The individuals highlighted this year represent a cross-functional look at how women play a significant role in the success of our organization. International Women's Week has been globally observed since the 1900s to celebrate the progress made in fighting for equal opportunities and eradicating gender biases. Arcwood Environmental embraces equal opportunity in our hiring practices and makes specific efforts to provide opportunities in previously male-dominated fields.

At Arcwood Environmental, we are an equal opportunity employer. Our efforts to ensure our employees have a sense of belonging widen our potential workforce. It is our firm belief that the results are a differentiation of ideas that shape our organization with a unique industry perspective and ability to address unique customer needs. We asked our female leaders:

**DO YOU HAVE ANY TIPS, STRATEGIES YOU'VE EMPLOYED, OR LESSONS LEARNED THROUGHOUT YOUR CAREER THAT YOU WOULD LIKE TO SHARE WITH ASPIRING FEMALE PROFESSIONALS?**



**Lea Wilson**

**Strategic Projects Supervisor**

Started 2013

Be your best self every day. Listening is key but never be afraid to ask questions or express opinions. Open yourself to continuous learning, as there are always things out there you didn't know the day before. I came in with customer service skills and broadened my knowledge of science, chemicals, compatibility, and many other areas simply by listening and asking questions.



**Melissa Fisk**

**Lead Environmental  
Customer Coordinator**

Started 2004

Integrity, good communicator, compassionate, positive attitude, encourager, trustworthy.



**Karen Esquivel**

**Environmental Customer  
Coordinator Lead**

Started 2017

Always be willing to keep moving forward no matter the obstacle that comes your way with integrity.



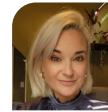
# International Women's Day

## DEFINE A GREAT LEADER—WHAT ARE SOME TRAITS YOU THINK GREAT LEADERS POSSESS?



**Shannon Dippel**  
Account Representative  
Started 1998

A good leader should have integrity, self-awareness, courage, respect of their peers, compassion, and the ability to listen. They should be able to flex their influence, not their title or “muscle”. Good leaders show gratitude often, empower their employees, and inspire those around them, both professionally and personally, to just be better humans.



**Whitney King**  
Account Representative  
Started 2021

The qualities I think define a great leader are knowledge, kindness, and the ability to listen. If you spend the entire time directing versus listening to what your team actually needs, you don't provide people with the ability to learn or grow. I think the goal of a great leader should be to inspire people to be the best they can be independently.



**Taylor Harvey**  
Director, Talent Management  
Started 2023

A great leader is someone who keeps listening and has curiosity at the core of their approach. To quote Will Guidara (restaurateur and author), a quality team member and leader is someone who “is curious about what they don't know, and generous with what they do.” I believe successful leaders are those who embody a growth mindset and embrace each day as their own opportunity to learn from the team they're surrounded by.



**Susan Adams**  
Director, Human Resources  
Started 1999

I believe that great leaders possess traits such as empathy because understanding and caring for others creates a supportive environment. This trait, along with being honest, ethical, and trustworthy, is essential to building trust and respect within a team. Additionally, the ability to develop team members while providing a clear vision that others may not yet see also complements or contributes to making a leader great and inspiring.

# Celebrating Juneteenth and Pride Month

During the month of June, Arcwood Environmental family members are asked to submit information about the 501(c)(3) charitable organizations they embrace and support in honor of Juneteenth and Pride month. Three charities were selected to receive financial donations from Arcwood Environmental in 2024. We intend to continue this effort and to do our part to make a difference where it matters most to our employees.

Here are the charities selected and what they mean to members of our Arcwood family:

**“The Trevor Project** provides resources to LGBTQ+ kids who are considering suicide to help them when they are at their lowest point.” Their mission recognizes that “Being gay isn’t a choice, and kids deserve to know they are loved and cherished and that there are people in the world who genuinely care for their wellbeing... even if it’s just a kind person on the other end of a phone call.”

– **Elizabeth Smith**, *Corporate Account Coordinator II*

**“United Way of Orange County** provides so many resources to the culturally diverse community of Orange County, Texas. From financial support to families in need, to community clean-up work and recovering from natural disasters. The members and volunteers of this organization have provided essential needs and services to the community for years.”

– **Jason McDonald**, *Operations Manager*

**Peaceprints of WNY:** “The Peaceprints organization plays a big role in sustaining the growth of diverse communities in Western New York. They are well known for their voice in advocating for change. They specialize in housing and community programs, especially in helping jail inmates with different therapies and helping them to reenter society. They also work with many youth-based programs, including mental health awareness and mentoring. They also run a food pantry in the city.”

– **Amber Trimmer**, *Transportation Specialist*

# Celebrating Our Veterans

We are privileged to work alongside veterans who have served our nation with courage, honor, and resilience. We are proud to spotlight several incredible individuals on our team who once wore the uniform and continue to serve, bringing the skills, values, and discipline they learned in the military to their current roles.

At Arcwood Environmental, we welcome all individuals. We work to ensure our employees feel a sense of belonging. It is our belief that the results widen our potential workforce.

Not included in this group are the many veterans who joined our organization during the reporting year via our acquisition (see page 8) in Joplin, Missouri. As the facility operations in Joplin were historically focused on serving military customers and the services provided require unique skills and knowledge around munitions, there is a higher than typical veteran workforce. We welcome this group to our team with respect and look forward to recognizing individuals in the future.

## Seth Baize Truck Driver II



Seth, a former Navy Master-at-Arms, reflects on Veterans Day as “a day to remember those who made the ultimate sacrifice so that all Americans maintain our freedoms granted by the U.S. Constitution.” This sense of integrity and responsibility continues in his work at Arcwood Environmental. “The people I work with in Kansas City have a camaraderie that reminds me of my time in the military,” says Seth. “We all work together well to accomplish the company’s mission.”

## Jerel Thompson 10 Day Coordinator



Jerel, who served in the Army as a Human Resources Specialist, said, “Veterans Day to me is a time not only to reflect, and reminisce the soldiers that have fallen and sacrificed, but to honor and appreciate being a part of a group of people that come together from all walks of life to protect, defend, and serve.” His military background helped him develop empathy and diligence—qualities he channels into building a strong culture at Arcwood Environmental.

## Austin Jackson Project Manager I



Austin, a former Marine in Aviation Ordnance, says Veterans Day holds a special significance. “I have spent my entire life around Marines, working with Marines, deploying with Marines,” he says. “My father, a current active-duty Marine, enlisted in 1999 and, I followed suit in 2019. Veterans Day is a reminder of those who sacrificed everything for us. It is also a day that reminds me of just how grateful I am for the friends and family I have made during this journey.” As a project manager at Arcwood Environmental, Austin finds a familiar sense of teamwork and respect, valuing the commitment of his Arcwood Environmental colleagues.

# Celebrating Our Veterans

## Robert Killian Transport Mechanic



Robert, an Army National Guard veteran, views the day as “a time to be proud and to remember those that came before us.” Robert brings a legacy of dedication and respect to his role as a mechanic at Arcwood Environmental, where he finds fulfillment in both the work and the supportive environment. “I enjoy the people I work with and the peace of mind that the work that I do keeps the drivers and all the people on the road safe,” says Killian.

## Brett Brandon Maintenance Manager



Brett, who served as an Army light wheel vehicle and power generation mechanic, finds meaning in the recognition that comes with Veterans Day. “I think that it is nice to be honored for serving,” he shares. The discipline and teamwork he learned in the military have become key aspects of his role as a Maintenance Manager, where he values the camaraderie and support from his colleagues. “Everyone that I have worked with has been very helpful and nice,” Brett adds, highlighting the positive environment at Arcwood Environmental that helps him continue his commitment to service.

## James Pittman Truck Driver II



James, a truck driver with nine years at Arcwood Environmental, Air Force veteran, reflects on his time, “I don’t put myself on the same level as those who were deployed in recent times, especially in the Middle East, or those who served in Vietnam, etc. I was peacetime/Cold War and stayed stateside. I was proud to don a uniform for the short time I was in, but I have the ultimate respect for those who did it for longer, whether they volunteered or were chosen at random. Veterans Day is a day we should honor all those who served and fought to liberate not only our nation but other nations from tyranny and terrorism, whether we agree with the cause or not.”

## Scott Swope Southeast Area Manager



Scott, with nearly 22 years of service in the Coast Guard, takes this day as “a time to reflect on my tours and shipmates and appreciate all my brothers and sisters that came before me, as well as the ones currently on active duty.” His extensive experience in the military gave him a strong foundation in environmental work, which he brings to Arcwood Environmental as he embraces the industry challenges.



# Wreaths Across America



December 14, 2024, was more than just a date on the calendar for Arcwood Environmental. It was a day of reflection, gratitude, and unity as we joined communities across the country to honor the sacrifices of our nation's veterans. For the ninth year, with a collective effort and heartfelt generosity, we participated in Wreaths Across America (WAA). We sponsored the transportation of two truckloads of wreaths, matched employee donations to sponsor wreath purchases, and supported local efforts to honor fallen veterans.

Across eight cities, employees gathered at local cemeteries to lay wreaths on veteran's graves and share in quiet moments of remembrance in honor of National Wreaths Across America Day. Each wreath laid was a symbol of respect, a connection to the past, and a commitment to ensuring that the legacies of those who served remain alive. The act of laying a wreath is simple but profound. Volunteers are encouraged to say the name of the veteran aloud before placing the wreath, honoring their memory. By speaking their names, we keep their stories alive and make sure they are not forgotten.

This event was not just about remembering; but teaching and inspiring. From Coolidge, Arizona, to Greer, South Carolina, our employee volunteers were a testament to the power of community and the shared desire to honor those who gave everything for our freedoms. As families and employees placed wreaths together, these moments of connection remind us why traditions like WAA matter.

The WAA mission—to remember, to teach, and to inspire—reminds us that honoring our heroes is not confined to one day. It's a continuous commitment.

# Celebrating Our Communities

Arcwood Environmental employees engaged with and contributed to improve the communities where we live and work in 2024 in various ways. Our company Green Team, the Green Eyed P's (GEP), is powered by about 100 employee volunteers. The GEPs derive their name from our four P's, each P representing a sustainability pillar: Principles of Governance, People, Planet, and Prosperity. Our GEPs are environmental enthusiasts at heart and use their natural leadership skills to make a positive impact. They support our Arcwood Environmental locations embracing our company culture through employee and community engagement activities.

A fun and significant annual activity for our GEPs is celebrating Earth Day at each of our locations. As Arcwood Environmental was founded within weeks of the very first Earth Day in 1970, and at its core, our mission contributes greatly to environmental protection, we celebrate Earth Day as our company's birthday. Our GEPs coordinate cakes and shared meals. One GEP surprised our Indianapolis truck terminal with an ice cream truck this year. The most impactful activities result from our clean-up projects, where employees volunteer to make a difference together. In 2024, seven locations completed clean-up efforts at our facilities that included efforts to enhance coexisting with the natural settings in proximity to our facilities, e.g., painting, hanging bird feeders, and more. Several locations completed roadside trash pick-ups. We hosted five household hazardous waste collections for our employees, customers, and communities where we operate. Two locations collected electronic waste from employees for proper recycling. Our employees focused on pollinators by building bug hotels for a local state park; seeds and plants were provided to employees in multiple locations. The celebrations are a time when employees join in our pursuit of protecting human health and the environment.

After the solar eclipse in April 2024, Arcwood Environmental employees at multiple locations collected specialty eclipse safety glasses. Glasses were donated to Astronomers Without Borders, which were earmarked to help school-aged children in South America view the October 2024 Annular Eclipse.

Specialty equipment like spill response vessels and equipment that Arcwood Environmental maintains to provide emergency response also come in handy in the community. We volunteer our equipment and crews to specialty charities like the Ken DUCKY Derby, which supports Harbor House and individuals with disabilities. Collecting rubber duckies from the Ohio River is fun work and practice for our boat drivers and boom crews. We also deploy our people and response for stream and river community clean-ups in Toledo, Ohio.





# Celebrating Our Communities



We continue our tradition of collecting household hazardous waste in East Liverpool, called citySweep. Household hazardous waste includes corrosive, toxic, and flammable chemicals, such as cleaners and paints, batteries, light bulbs, and electronics found in homes. Since the first collection in 1997, residents have brought us more than 305 tons of household hazardous waste to recycle or manage that may have been poured down the drain or tossed in the trash and likely disposed of in a municipal landfill.



In mid-May, Arcwood Environmental sponsored our annual Habitat for Humanity project. Fifty-six employees mustered into our parking lot to build the external walls of a house for a family in need—Habitat for Humanity families put in the hard work alongside our employees. Volunteers ranged from interns to retirees, with brand new employees working alongside employees who have been volunteering to build for over ten years. Giving back to the communities where we live and work is a core element of the Arcwood Environmental culture, and we're proud to have our 14th Habitat build in the books. The panel build event provides an opportunity to bring employees to a central location without the need for further time away from work to travel to the home site.



Arcwood places a priority on food scarcity, encouraging each employee to take time during their workday to provide volunteer labor to a local charity. In 2024, we provided more than 525 hours to 19 food pantries across the U.S. Some employees packed snack bags for people experiencing homelessness at their work site, and other employees mobilized to charity locations and worked alongside other members of the community. Our East Liverpool location partnered with several other local charities to hold their third annual “Soup Bowl” event—with proceeds going directly back to the community.

# Celebrating Our Communities

At the end of October, just in time for Halloween, all our locations celebrate Bat Week. This is the perfect opportunity to educate employees on all types of pollinators, share updates on our pollinator activities, including bee hives in Arkansas, and recommit to our efforts to protect the endangered Indiana Bat (*myotis sodalis*) species with targeted efforts at our Roachdale, Indiana facility. Other activities throughout the year include employees volunteering time during and after work hours, as well as donations of goods and funds. Check out the list of items included here:



## ADDITIONAL EFFORTS

- Quarterly Adopt-A-Highway Clean-ups in Kentucky and Arizona
- Adopt-A-Street Drain Clean-up in North Carolina
- American Cancer Society Relay for Life events in Indiana and New York
- Salvation Army Angel Tree sponsorships in Oklahoma
- Boys and Girls Club support in Arkansas
- Celebrate Science Indiana
- Coats for Kids in Oklahoma
- Community Household Hazardous Waste Collection sponsorship in Southeast Indiana
- Educator of the Year Award sponsorship in Arizona
- Environmental Community Grants in Ohio
- Financial donations to local schools and sports throughout the country
- High School student Environmental career education program in Massachusetts
- Toys for Tots Jeep Run in Indiana and Illinois
- Komen Race for the Cure in Oklahoma
- Lakeland Center horse therapy in Indiana
- Pasta collection for Second Helpings food charity in Indiana
- Pajama drive for children's hospital in New York
- Pink Ribbon Connection supporting breast cancer survivors in Indiana
- Ronald McDonald House donations in New York and Illinois
- VFW donations supporting veterans in New York
- Winter clothing drive in Illinois and Washington
- and MORE!



# Hurricane Helene Community Response



Hurricane Helene made its landfall in September 2024 as a Category 4 storm, and unsuspecting communities in the southeast US were impacted with flooding, damaging winds, and power outages. In fact several of our employees' homes were damaged. Arcwood Environmental is committed to providing a positive impact in the communities where we live and work.

An employee recognized that bottled water and ice were top priorities for aid providing organizations, but he quickly realized that non-potable water was also required to conduct important tasks like bathing and flushing toilets. Arcwood employees assembled at our Charlotte facility to design and build 100 rain barrels from unused 30-gallon and 55-gallon containers. These barrels are used to collect rainwater for non-potable purposes and were provided with spigots, a replaceable screen system, spare screens, safety labels, and instructions.

Within two weeks of the hurricane, completed rain barrels were delivered to groups in Asheville, Weaverville, and Black Mountain, North Carolina. These groups distributed rain barrels to homes in the surrounding areas where they were needed most. Some barrels were even delivered filled with water.

This activity addressed an immediate need and provided a resource for ongoing sustainable water collection to 100 families in the area. Hopefully, these households will continue to collect rain in their barrels to water their gardens in the future. This response was quick and meaningful and promoted environmental stewardship for our Western North Carolina neighbors.

Regional Sales Manager Glenn Magley shared: "I live in Weaverville, North Carolina and was inspired to make this request as we were struggling to get water and wanted to help those more devastated by Helene. I have repeatedly seen Arcwood Environmental step up to help and was confident in making the request that resources would be provided. I am proud of our company, my coworkers and what we do on good days and difficult days."

# Engaging With our Employees and Communities Year-Round

As Arcwood Environmental became a stand-alone company in 2024, we decided to formalize our community outreach as part of our new brand identity, which reflects our forward-thinking mission and reinforces our connection to the world around us. As part of this effort, we decided to focus on a different topic each month, supporting causes with high-impact opportunities in the communities where we live and work. We reached out to our Green Eyed Peas (GEPs) and asked what causes were at the top of their minds. The final results include a calendar of actions for all locations. Twelve GEPs volunteered to become a Champion of a monthly theme and lead our team and all employees in learning and getting more involved year-round:

| Month    | Theme                          |
|----------|--------------------------------|
| January  | Home/Work Energy Reduction     |
| February | Domestic Animal Concerns       |
| March    | National Disaster Preparedness |
| April    | EARTH DAY                      |
| May      | Community Engagement           |
| June     | Food Scarcity Summer Kick-Off  |

| Month     | Theme             |
|-----------|-------------------|
| July      | Recycling         |
| August    | Children/Families |
| September | Health/Wellness   |
| October   | Pollinators       |
| November  | Veterans          |
| December  | Homelessness      |

All existing local community engagement efforts will continue and are encouraged. Our employees share a passion for protecting our environment. We continue to recognize their good work and are exploring other ways and means to support our local communities.





# Planet

Addressing Climate Change,  
Water, and Waste Impacts

Arcwood Environmental © 2025

## Protecting the Earth Where We Live and Work

goes beyond our efforts to prevent spills or releases of chemicals and extends into protecting the biodiversity of land and waterways on or near our operations. We will endeavor to maintain existing habitat areas and explore new ways to make positive impacts. Our focus on reducing Scope 1 and 2 intensity will guide us toward reducing fleet fuel, and purchasing renewable energy credits.

| METRIC/TARGET   | CY22   | CY23   | CY24   |
|---|--------|--------|--------|
| Annual review of emergency plans for fixed facilities = 100%  | 100%   | 100%   | 100%   |
| Internal compliance audits of facilities completed within scheduled frequency = 100%                                    | 100%   | 100%   | 100%   |
| Maintain and/or increase biodiversity initiatives: Indiana bat habitat, wetland conservation areas, pollinator projects | 3      | 3      | 3      |
| CDP intensity metric: MMT CO2e per \$ revenue   | 386    | 308    | 311    |
| Steam recovered and available for reuse as heat (MWh)   | 47,983 | 83,414 | 76,497 |
| Local energy/GHG emission reduction projects: #   | 16     | 15     | 18     |
| Share of renewable electricity (purchased through renewable energy credits to offset grid usage)                        | N/A    | N/A    | 70%    |





# Planet

Addressing Climate Change,  
Water, and Waste Impacts

## A Focus on Waste Management

is more than our primary business of managing customer generated waste. We exhaust every available technique to get the highest value from every unit of waste we manage. Our approach is to minimize waste generated, reclaim the maximum quantity of material, and detoxify the rest, before disposing in a safe and compliant manner. We will continue to analyze waste data to ensure the most sustainable management option is selected considering customer wishes and regulatory requirements. Our commitment to explore and invest in recycling technologies aligns with our goal to maximize sustainably managed waste.

| METRIC/TARGET  | CY22   | CY23   | CY24    |
|--|--------|--------|---------|
| Treated wastewater discharged meets standards = 100%           | 100%   | 100%   | 100%    |
| HSM fuel produced meets specifications = 100%                  | 100%   | 100%   | 100%    |
| Treated combustion residue meets LDR standards before disposal | 12,100 | 24,720 | 34,799  |
| Waste sustainably managed (tons)                               | N/A    | N/A    | 402,810 |





# Planet

Addressing Climate Change,  
Water, and Waste Impacts

## Reduce Environmental Impacts from Transport Operations

by continuing efforts to reduce significant fossil fuel usage, nitric oxide (NOx) emissions, and spill potential through our green fleet initiatives and driver programs. We will monitor electrification and hydrogen technology for viability across light and long-haul equipment while implementing a new network design to reduce mileage routing and increase fleet fuel efficiency while staying abreast of future developments.

| METRIC/TARGET  | CY22    | CY23    | CY24    |
|--|---------|---------|---------|
| >6.0 MPG fuel efficiency for Class 8 vehicles                          | 6.09    | 6.20    | 6.26    |
| Reduce GHG emissions through increased rail transportation (miles)     | 671,405 | 616,653 | 743,520 |
| Maintain used oil recycling programs at our maintenance hubs (gallons) | 4,870   | 6,200   | 5,064   |
| Maintain tire retread programs at our maintenance hubs (tires)         | 428     | 597     | 596     |

# Waste Prevention and Reduction Customer Case Study

We are dedicated to partnering with our customers to manage their waste sustainably. After an internal audit, a potential customer uncovered a large quantity of backlogged waste. Multiple dedicated Arcwood Environmental hazardous waste professionals responded by inventorying, profiling, packaging, transporting, and disposing of the waste, ensuring regulatory compliance and alleviating storage issues at the facility.

As we sprang into action, we categorized over 4,000 different chemicals requiring disposal into waste stream profiles. By grouping the correct materials into the appropriate profiles, we were able to present the customer with understandable disposal options and competitive pricing. Our efforts provided relief for the customer's immediate challenges and ensured long-term environmental benefits by promoting environmentally appropriate management practices.

After we successfully managed the backlogged waste, this customer established a long-lasting partnership with us.

Our onsite team developed an efficient and organized program to manage the ongoing generation of waste, solidifying our partnership with this customer. Our team collaborated with the customer to create innovative solutions and found ways to provide cost savings while finding the most sustainable solutions for their problems. Together with the customer, we can predict future waste generation enabling a proactive approach to waste management.

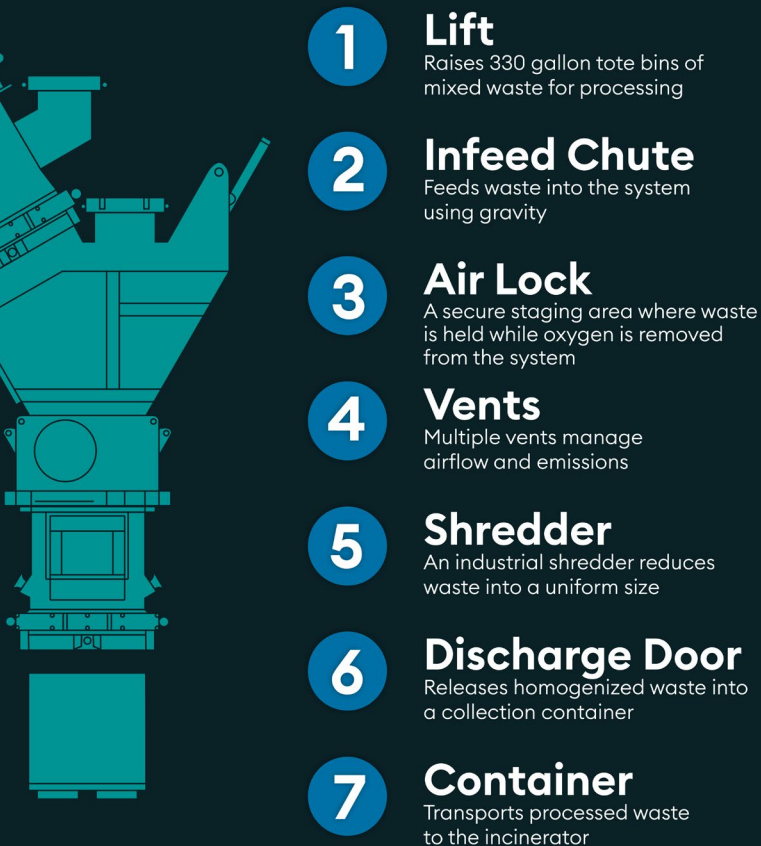
Our four-year partnership with this customer has improved their waste program sustainability.

Arcwood Environmental is dedicated to exceeding expectations by ensuring our customers' waste programs remain safe, efficient, and environmentally responsible.



# East Liverpool Facility Shredder

## Shredder Process



## HOMOGENIZING WASTE PRIOR TO INCINERATION

Arcwood Environmental made a significant investment during the reporting year in East Liverpool, Ohio by installing a shredding unit to homogenize our waste feed and positively affect the facility's safety program. Generators, U.S. EPA, and several states have acknowledged limited incineration capacity for containerized materials since 2020. This efficiency lever is just one of many Arcwood Environmental is pulling to address industry-wide incineration capacity and provide customer-focused services.

This additional unit operation will homogenize certain containerized waste before it is incinerated by using vertical feed technology to convey waste directly from containers into a kiln-ready bin. The design incorporates a safer lifting and loading process, reducing manual handling compared to other similar shredders, and prioritizing employee safety throughout the operation.

As select materials will be shredded in the shipping containers provided by our customers, these materials will not require manual waste splitting into acceptable incineration charge sizes. This change moves the activity on Arcwood Environmental's safety hierarchy of ergonomics and the potential for employee exposure to the contents of the containers. Engineering controls will be installed to enhance worker protection rather than relying solely on PPE and administrative policies. This investment enhances our journey to make specific jobs and areas of our facilities more desirable for current and prospective employees and will add eight employees to the facility.

Another benefit worth noting will be a reduction in our Scope 3 GHG emissions. When containers go directly to the shredders without splitting, it will reduce our need to purchase paper containers, upstream delivery transportation, and the downstream burning in our incinerator when used.

For our customers, shredding their waste before incineration increases our ability to schedule waste faster, helping customers meet regulatory timelines and the incineration industry as a whole. We implemented this effort in early 2025 to help further our mission to manage our customers' waste sustainably.



# Joplin Facility Provides Controlled Mechanisms versus Open Burning/Open Detonation

In March of 2024, the U.S. EPA proposed a new rule to tighten open burning and open detonation of energetic wastes (OB/OD) regulations. While most OB/OD has been prohibited since the early 1980's, an exemption allowed the practice to continue in instances where no safe alternatives existed. The proposed rule focuses on further limiting the OB/OD exemption by defining how generators of this waste would be required to evaluate safe and available alternative technologies.

Arcwood Environmental's fully permitted facility in Joplin, Missouri provides a safe and viable alternative. Since 1995, the Joplin facility has focused on using highly advanced energetic waste management technologies to provide complete demilitarization and energetics waste treatment services primarily for defense customers. The facility assets include one rotary kiln incinerator, one car bottom furnace, 11 thermal treatment units, and several automated demilitarization lines. The U.S. EPA defines energetic wastes as a class of substances that can detonate or expand to produce heat and pressure. Examples of materials include munitions, fireworks, and automobile airbag propellants.

The Joplin facility technologies are more accessible to a wider range of waste generators, providing a more comprehensive solution for those looking to treat energetic waste.

The primary difference between our process and OB/OD is our focus on downstream impacts.

We employ engineering controls for air scrubbers, secondary combustors, and particle filtration. By treating energetic wastes within our available assets, our engineering controls encapsulate emissions and remove harmful contaminants, avoiding releases into the environment.

Potentially harmful waste materials and acutely hazardous materials (e.g., fireworks, propellants, munitions, or explosives) are managed safely with proper controls and without causing downstream harm to the environment.

We recycled over eight million pounds of steel, copper, aluminum and other metals in 2024. Metals cleared of explosive content are deemed safe through quality control processes and can be returned to the metals supply chain for reuse.

We provide a safe alternative technology that offers greater control, more complete treatment; and, therefore, better protection of nearby communities and the environment.





# Recycling Focus and Tracking

## EXPANDING TRACKING AND FOCUS TO INCREASE INTERNAL RECYCLING

Since our inception, Arcwood Environmental has been making a difference by managing waste with the utmost stewardship. In addition, we sustainably manage internally generated material, which we call byproducts.

Recycling efforts include aerosols, batteries, cardboard, cellphones, coffee pods, drums, electronics, eyeglasses, light bulbs, metals, pallets, paper, plastic, pop tabs, tires, and used oil. We are showcasing our most significant recycling efforts by volume to establish calendar year 2024 as our baseline for future improvements.

| Recycled Material | 2024 Baseline |
|-------------------|---------------|
| Cardboard         | 458 tons      |
| Plastic           | 581 tons      |
| Metals            | 9,969 tons    |
| Wood              | 2,391 tons    |
| Tires             | 596 retreads  |

To accurately review year-over-year changes in recycling moving forward, this baseline includes all twelve months of recycling at our Joplin facility. With the acquisition of this facility in September 2024, only four months of activities will be included in our carbon footprint calculations.



# Implementing Hub and Spoke Transportation Routing

After initial modeling indicated that pivoting our container logistics approach from a route-based transportation network to a hub and spoke-based network would reduce total miles driven and increase customer and employee satisfaction, a cross-functional project team was assembled. Multiple charters were established to evaluate customer needs and determine the best usage and deployment of existing resources to meet existing needs and position for growth. Potential benefits were analyzed, and the best region for a pilot project was selected.

We chose our Alvarado, Texas terminal servicing parts of Arkansas, Missouri, Oklahoma, and Texas to pilot our hub and spoke transportation transformation because of high customer density and front-end mileage. We estimate that approximately 20% of the total benefit of moving to a hub and spoke transportation system could be realized through this location after full implementation.

During pilot development, all transportation avenues for containerized waste were considered: existing routes, dedicated trucks, and third-party transporter pickups. Required operational staff, driver staff, existing routing, outbound optimization, seamless customer transition, and facility build-out, were considered. We collected learnings from the pilot phase for incorporation into the next phases of this exciting project. The pilot demonstrated positive results, with significant mileage reductions that equate to real carbon reductions. Using our average fuel usage (miles per gallon for Class 8 over-the-road vehicles) and published emission factors for kg per gallon of CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O produced when diesel fuel is combusted, we calculate that for each mile driven 0.0016665 of carbon equivalent (tCO<sub>2</sub>e) is emitted. Cumulative reports on the pilot demonstrated a savings of 115,380 miles in 2024 – equating to a savings of 192.28 tCO<sub>2</sub>e.



“During my five years in Marine Corps Aviation Maintenance, I gained experience with Management Information Systems and Lean Six Sigma methodologies. This familiarity fostered my preferences for a data-driven, systems-based approach to solving operational problems and developing tools when commercial solutions were unavailable. To build and maintain our competitive advantage, we must leverage and integrate AI responsibly to automate repetitive tasks, process information to assist in decision making, and enable our employees to perform at their best.”

- **Geoff Lindgren**, *Transportation Logistics Manager*

# Implementing Hub and Spoke Transportation Routing

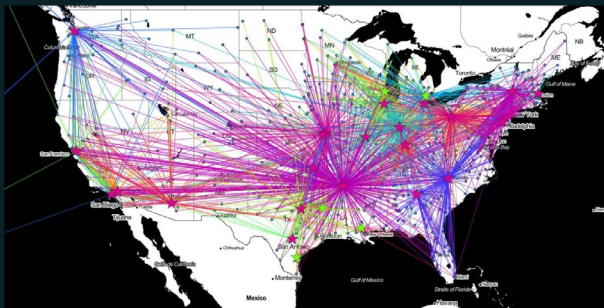
The transition to a hub and spoke model was driven by a clear vision and was well tested in the pilot phase. While effective in its time, the legacy model was becoming increasingly unsustainable in the face of rising fuel and maintenance costs, driver and employee turnover, and the need for faster, more reliable transportation solutions.

The path forward to fully implemented hub and spoke is set and has advanced beyond the initial cross-functional team efforts to include a fully developed Transportation Management System (TMS) that provides a dynamic route optimization solution. We are selecting a TMS provider, coordinating resource requirements for our transformation, and defining a new network design and future targets. The TMS provider will provide integration, design, and testing support for truck management, order management, and network design implementation. As waste volumes and demand change, the TMS will make us more efficient. The results of this transformation can be impactful to our ongoing sustainability goals. By reallocating operations around key hubs and optimizing routes, Arcwood Environmental estimates reducing total mileage by approximately two million miles annually. If these estimates are accomplished with full hub and spoke implementation, Arcwood Environmental has the potential to reduce its carbon footprint by 3,330 tCO<sub>2</sub>e annually. This is 10% of our carbon fleet, 7% of all transportation carbon, or 1.2% of total company carbon footprint as reported for 2023.

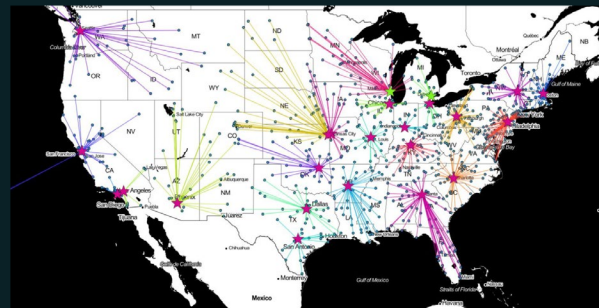
This strategic shift from a traditional setup to a hub and spoke system will not only realize significant carbon reduction but also position the company for a future of innovative growth and efficiency. The well-planned and designed systems are first-in-class, leveraging the latest in Artificial Intelligence (AI) tools, and are balanced with a team that has years of industry experience at the helm.

As Arcwood Environmental looks to the future, the hub and spoke model positions the company to continue driving efficiencies and delivering exceptional service to its customers. We aim to be a trusted partner, operating a highly reliable service model with the lowest carbon footprint possible. The successes achieved with this project are a testament to the power of strategic thinking and collaborative execution.

## CURRENT STATE



## BASELINE OPTIMIZED







# Prosperity

Creating long-term value  
and resilience

## Long Term Satisfied Customers

developed through enduring relationships where we are accountable for service performance.

| METRIC/TARGET                    | CY22      | CY23      | CY24      |
|----------------------------------|-----------|-----------|-----------|
| Net Promoter Score = World Class | Excellent | Excellent | Excellent |
| New investments/acquisitions     | 1         | 0         | 1*        |

\*See discussion of CY24 acquisition in Who We Are: Energetics Meeting Innovation at Joplin on page 8 and Joplin Facility Provides Controlled Mechanisms versus OB/OD on page 48.

## Engaged Supply Chain with Shared Ethics/Goals

accomplished through efforts to benchmark with third-party suppliers within our industry and growing supplier engagement programs.

| METRIC/TARGET  | CY22 | CY23 | CY24 |
|--|------|------|------|
| New contracted suppliers are engaged and agree to the Arcwood Environmental Supplier Code of Conduct | 100% | 100% | 100% |





# Customer Surveys Feed our Net Promoter Score (NPS)

Arcwood Environmental requests customer feedback in a systematic, periodic process and collects unsolicited data via links made available in all service interactions. Our active customer contacts, who have not opted out of messaging, receive a biannual request to rate our services and an opportunity to provide suggestions for improvement. A link to our survey is available in our Environmental Information System (EIS) portal, and it is included in each employee's e-mail signature. We pride ourselves on asking for feedback in every communication and interaction.

Every survey is reviewed by one of our Customer Experience (CX) managers. Positive feedback is shared by recognizing employees among their peers to highlight successes. Growth feedback is shared privately with employees. We respond to each survey submission with a thank you and appreciation message. Appropriate surveys are shared with leadership. We believe this personal touch is vital to our service mindset and strengthens our culture and connection to our customers.

During this reporting year, we added an additional systematic component to our customer feedback. Historically, after each field service project was completed, our project managers would ask customers to complete a manual feedback survey. These surveys have been automated, and the top-line NPS question, "How likely are you to recommend Arcwood Environmental to a peer or colleague?" is combined with our overall waste transport, treatment, and disposal service feedback scores.

All NPS scores are connected to our customer relationship management (CRM) software, and dashboards are visible to assigned account representatives and leadership. Our NPS is communicated internally month-over-month, and a focused effort is made to continue our forward momentum toward achieving our goal of "World Class" customer relationships.

## What is a Good NPS Score?

75 World Class

50 Excellent★

0 Good

Needs improvement

★ Arcwood is here

# Engaged Supply Chain

## 2024 ACCOMPLISHMENTS AND 2025 FORWARD PLANS

Supply Chain assures that every new contracted supplier agrees to our Supplier Code of Conduct and understands the importance that Arcwood Environmental places on ethical behavior. Over the reporting year, we put significant effort into working with key suppliers to establish joint goals for future growth. Specific supplier categories we engaged included waste-to-energy service procurement, energy procurement, safety supplies, uniforms, and mailroom/print shop. Additionally, we partnered with a third-party consultancy to strengthen supplier engagements. We consider the consultancy an extension of our team, thereby doubling our strategic procurement team.

As Arcwood Environmental has established a goal to manage waste sustainably, we are focusing on waste processing types and logistics packages to minimize our impact on the environment. This effort requires contributions from our supply chain, sustainability, and commercial teams. One specific effort has been expanding our partnership with waste-to-energy services.

Fleet purchasing efforts focused on engaging tire manufacturers and establishing policies to increase the quantity of re-tread tire purchases across the entire fleet during 2025, thereby increasing our tire recycling. Bulk fuel purchases are also under review, and potential results may include a reduction and more efficient reporting of our carbon footprint.

The relationship between Arcwood Environmental and our suppliers is key to ensuring we operate with shared ethics and goals.



# Acronym Directory

| ABBREVIATION | DEFINITION  |
|--------------|---|
| <b>AI</b>    | Artificial Intelligence   |
| <b>BBS</b>   | Behavior Based Safety   |
| <b>BTU</b>   | British Thermal Unit, is a unit of measurement for heat energy, specifically defined as the amount of heat required to raise the temperature of one pound of water by one degree Fahrenheit |
| <b>CAA</b>   | Clean Air Act   |
| <b>CMMC</b>  | Cybersecurity Maturity Model Certification  |
| <b>CRM</b>   | Customer Relationship Management  |
| <b>CSF</b>   | Cybersecurity Framework   |
| <b>CUI</b>   | Controlled Unclassified Information   |
| <b>CX</b>    | Customer Experience   |
| <b>EHS</b>   | Environmental Health and Safety   |
| <b>EIS</b>   | Environmental Information System (Arcwood online customer portal)   |
| <b>ESG</b>   | Environmental, Social, and Governance   |
| <b>GEP</b>   | Green Eyed Peas (Arcwood employee Green Team member)  |
| <b>GHG</b>   | Greenhouse Gas  |
| <b>GPM</b>   | Gallons per minute  |
| <b>GWP</b>   | Global Warming Potential  |
| <b>HDD</b>   | Horizontal Directional Drilling   |
| <b>HSM</b>   | Hazardous Secondary Material  |
| <b>LDR</b>   | Land Disposal Restrictions  |
| <b>MACT</b>  | Maximum Available Control Technology  |
| <b>MMS</b>   | Material Management System (Arcwood internal data system)   |
| <b>MPG</b>   | Miles per gallon  |

| ABBREVIATION    | DEFINITION   |
|-----------------|--|
| <b>MT CO2E</b>  | Metric Tons Carbon Dioxide Equivalent  |
| <b>MWH</b>      | Megawatt Hour  |
| <b>NIST</b>     | National Institute of Standards and Technology   |
| <b>NOX</b>      | Nitrous Oxide  |
| <b>NPS</b>      | Net Promoter Score   |
| <b>OB/OD</b>    | Open Burning / Open Detonation of energetic wastes   |
| <b>OCTC</b>     | Ohio Chemistry Technology Council  |
| <b>ODS</b>      | Ozone Depleting Substances   |
| <b>REC</b>      | Renewable Energy Certificates  |
| <b>SCOPE 1</b>  | A measurement of direct emissions from sources owned or controlled by a company, such as fuel combustion in company vehicles or emissions from on-site industrial processes        |
| <b>SCOPE 2</b>  | A measurement of indirect greenhouse gas (GHG) emissions from the generation of purchased electricity, steam, heat, or cooling that a company consumes                             |
| <b>SCOPE 3</b>  | A measurement of all indirect greenhouse gas (GHG) emissions that occur in a company's value chain, but outside of its direct control, including upstream and downstream emissions |
| <b>SIEM</b>     | Security Information and Event Management  |
| <b>TC02E</b>    | Tons Carbon Dioxide Equivalent   |
| <b>TMS</b>      | Transportation Management System   |
| <b>TRACI</b>    | U.S. EPA's Tool for Reduction and Assessment of Chemicals and Other Environmental Impacts  |
| <b>U.S. EPA</b> | United States Environmental Protection Agency  |
| <b>WAA</b>      | Wreaths Across America   |
| <b>ZTA</b>      | Zero Trust Architecture  |







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