

DECEMBER 2023



RESPEC

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2023 ESG REPORT

COMMITMENT TO A SUSTAINABLE FUTURE

ENVIRONMENTAL | SOCIAL | GOVERNANCE

COMMITMENT TO A SUSTAINABLE FUTURE

On behalf of all RESPEC employee-owners, I am pleased to share our 2023 Environmental, Social, and Governance (ESG) report. As we approach our 55th year in business, RESPEC is committed to the sustainability of our organization, technical solutions for our client partners, and our collective futures.

RESPEC is built around differentiating technical capabilities that offer solutions to complex challenges in renewable energy, carbon capture, water quality, integrated water resource management, resilient infrastructure, and sustainable mining. We are stewards of the natural and built environments for generational benefit.

We are an organization uniquely focused on providing opportunities for all science, technology, engineering, and mathematics (STEM) professionals interested in making a lasting impact. As a 100 percent employee-owned corporation, every RESPEC employee has a vested interest in providing solutions that create opportunities for sustainable success.

We invite our employee partners, our client partners, and our community partners to review the following ESG report and provide guidance as we strive for continuous improvement.

Sincerely,

Todd J Kenner

TODD J. KENNER

Chief Executive Officer



As a 100% employee-owned corporation, every RESPEC employee has a vested interest in providing solutions that create opportunities for sustainable success.

CORPORATE COMMITMENT

➤ The RESPEC Board of Directors fully supports the company's Environmental, Social, and Governance (ESG) approach. This report outlines our ongoing efforts to ensure that we are building toward a sustainable future.

RESPEC's vision, mission, purpose, values, and culture form the foundation of the partnership with our employees, clients, and communities. Our partnership mentality is about building lasting, mutually beneficial relationships to positively impact the quality of life for all of our stakeholders.

OUR ESG PRIORITIES:

E

ENVIRONMENTAL

- Provide technical solutions that enhance the sustainability of our natural and built environments.
- Act as stewards in the operation of our company and the consulting services we provide our clients.

S

SOCIAL

- Foster a culture of transparency and trust.
- Live our values of PACT (Passion, Accountability, Caring, & Teamwork).
- Collaborate on everything we do.
- Partner with employees, clients, and communities.

G

GOVERNANCE

- Commit to a majority influence of objectives, guidance, and advisement from the RESPEC Board of Directors.
- Integrate integrity and professional ethics in everything we do.
- Remain steadfast without compromising our PACT for short-term interests.



COMPANY OVERVIEW

➤ For 55 years, RESPEC has integrated engineering, applied sciences, and technology expertise with professional and creative services. As a global leader in diverse technologies, we draw from an array of knowledge, products, and services to deliver world-class solutions for business, mining, energy, water, natural resources, urban development, infrastructure, and enterprise services.

We see ourselves as a 50-plus-year-old startup company. Through this view, RESPEC has always valued a curious, entrepreneurial spirit, encouraging our employee-owners to nurture their passions and grow their careers. This unique characteristic of investing in employees' professional and personal growth enables RESPEC to continue making meaningful, sustainable, resilient contributions worldwide.

Our 600+ engineers, scientists, technologists, and support professionals are owners of everything: our products, our services, our outcomes, and our impact on quality of life. As a 100 percent employee-owned company, we all have a vested interest.

WE ARE PARTNERS WHO:



CREATE POWERFUL RELATIONSHIPS
between our clients and employee-owners.



LEAVE A POSITIVE IMPACT
on the environment and communities for generations to come.



FOSTER A CULTURE
where transparency and trust flourish.



PUSH BOUNDARIES
and rethink what's possible.

**AN OPPORTUNITY-DRIVEN
ORGANIZATION FOCUSED
ON FULFILLING OUR PURPOSE:**

ENRICHING QUALITY OF LIVES

*through our commitment
to each other, our clients,
and our communities.*

50+
YEARS—
FOUNDED IN 1969

100%
EMPLOYEE OWNED

600+
PROFESSIONALS

\$100M+
IN GROSS REVENUES

25+
OFFICES ACROSS
NORTH AMERICA

WHO WE ARE

➤ At RESPEC, our company culture is defined by our shared core values. These core values didn't happen by accident or develop overnight; they were cultivated by the collective efforts of talented and dedicated people working toward shared goals.

We describe our core values as a PACT that exists between our coworkers, families, client partners, and communities. Our PACT represents mutual Passion, Accountability, Caring, and Teamwork, which manifests in every interaction we undertake. With dedication, we strive to be the best at everything we do while remaining true to our values. Our PACT represents the cornerstones of RESPEC and lends itself to a culture of shared successes, collaboration, and enjoyment.



Our PACT embodies our culture and values—a commitment to offer growth and exciting opportunities. These values shape who we are, creating an environment that makes a difference.

STEWARDS FOR FUTURE GENERATIONS

RESPEC is deeply committed to the environment, aligning with our Purpose to enhance lives for our clients, communities, and future generations.

From our inception, we have prioritized environmental protection. Our team was critical in identifying a safe, environmentally protective way to address nuclear-waste disposal. Today, we are industry leaders in advancing resiliency, integrated water management, energy transition and storage, abandoned mine land reclamation, and decarbonization. We continue making tangible impacts to improve natural and built environments for our private and public clients.

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PHOTO | YELLOWSTONE, WYOMING

RENEWABLE ENERGY DEVELOPMENT

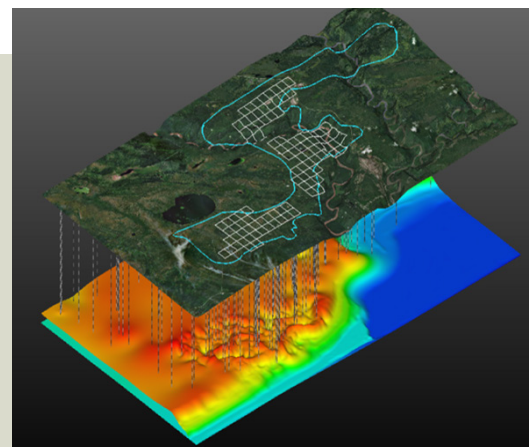
➤ **Renewable, clean-energy sources are critical to achieving a net-zero carbon future. RESPEC leads the way in developing the world's largest renewable energy hub in Delta, Utah, by assisting ACES Delta, a joint venture between Mitsubishi Power Americas, Inc. (owned by Chevron U.S.A., Inc.) and Magnum Development, LLC. The facility aims to produce, store, and deliver green hydrogen to the western United States.**

Key to the project objective is creating multiple underground caverns for grid-scale hydrogen storage. Our geological mapping, geomechanical analysis, and laboratory testing helps ACES Delta select well locations, cavern placement, and cavern design. By helping develop the formation testing programs and storage cavern parameters, RESPEC is laying the groundwork for a future powered by clean, renewable hydrogen to create a better world for all of us.

CANADIAN SHIELD GRANITIC ROCK

RESPEC drilled a geothermal-resource characterization well in the Canadian Shield granitic rock in Baker Lake, Nunavut, to support future deep geothermal system development or shallow thermal energy storage. RESPEC completed a Phase 1 regional geothermal-resource assessment for Qulliq Energy Corporation (QEC) in Nunavut. The study's purpose was to create a geothermal-feasibility map for Nunavut and guide QEC on the next steps of geothermal use in the northern, isolated communities. The study included integrating available well, spring, geology, and geophysical data to develop geothermal-resource maps of Nunavut. RESPEC worked with local communities and First Nations to help gather additional data.

RESPEC is assisting QEC in Phase 2 of the geothermal-resource characterization and development in Nunavut, which is targeting three specific communities: Baker Lake, Resolute Bay, and Cambridge Bay. We are working with community leaders to their knowledge of geothermal use. The goal of Phase 2 is to support drilling of a deep geothermal well at one of the communities. In addition to traditional geothermal techniques, RESPEC proposed to conduct a borehole thermal energy storage pilot project at Baker Lake to support a district heating system. This system will be a first of its kind in Canada's far northern communities.



**Hydrogen-based
fuels are projected
to account for**

13%

**of global energy
demand in**

2050

NET ZERO CARBON FUTURE

Working with Rio Tinto Exploration (Rio Tinto), RESPEC is drilling and testing a CO2 characterization well in Minnesota. The project’s goal is to determine the suitability of CO2 sequestration in an olivine mineral deposit at Rio Tinto’s Tamarack, Minnesota, location. RESPEC will provide the detailed engineering associated with drilling implementation, which consists of delivering the well design and the drilling and testing programs. This exploratory project is an innovative approach to CO2 sequestration that could significantly advance opportunities for achieving a net-zero carbon future.



RESILIENT DESIGN

> Coastal cities must protect themselves from natural disasters, especially with the increasing frequency and severity of these events. Sea levels are now inching higher and higher.

The City of Holmes Beach (COHB), which is a coastal city in Florida, and RESPEC are proactively assessing risk to identify COHB’s vulnerability to flooding from storm surges, high precipitation, and rising sea levels. By developing a model that offers the COHB a baseline map to show where flooding will occur under various conditions, we can focus on protecting critical infrastructure and resources; e.g., evacuation routes, emergency centers, and wastewater treatment plants. Our focus is to develop designs that create more resilient infrastructure for the future.

RESTORING & SUSTAINING OUR ENVIRONMENT

➤ For more than 2 decades, RESPEC has provided federal, state, and local agencies with critical technical resources for reclaiming and restoring abandoned mine lands. We have received four national achievement awards from the Office of Surface Mining for our reclamation work.

KLEENBURN COAL MINE // SHERIDAN, WYOMING

Working with the State of Wyoming and the U.S. Army Corps of Engineers, RESPEC reclaimed the Kleenburn Coal Mine into a public recreation area. Historical, open-pit mining operations at the site (located adjacent to the Tongue River) resulted in two pits that filled with water, along with residual overburden piles, areas of coal slack, and concrete foundations.

The area was donated to Sheridan County by Padlock Ranch and is open to public use. The water-filled pits, known as the Kleenburn Ponds, provided habitat for various wildlife. The site attracted frequent public use for fishing, camping, target shooting, and off-road vehicle (ORV) activities. Unvegetated overburden piles next to the ponds posed significant hazards for ORV users because of the steep slopes above the water's edge. Surface-exposed, coal-waste material across the project area also posed a hazard when exposed to external combustion sources.

73,515 YDS³

spoil- and coal-waste
material excavated

17.9 ACRES

revegetated dangerous
piles, embankments, and
wetland mitigation areas

The Kleenburn Coal Mine project received the Western Regional Award from the U.S. Department of Interior, Office of Surface Mining (OSM). The Western Regional Award honors exemplary reclamation projects that emphasize eliminating dangerous health, safety, and environmental problems that result from abandoned mine lands within OSM's western region.



RESTORING & SUSTAINING OUR ENVIRONMENT

STOLEN SADDLE RANCH // DeSOTO COUNTY, FLORIDA

The privately owned and managed property was extensively ditched and drained in the 1940s and 1950s to promote a variety of agricultural land uses. The highly altered 2,900-acre Sheep Pen Marsh is located on the western portion of the property.

The project requires a 1-year predesign study of on-site hydrological conditions to evaluate measures that will enhance the hydroperiod and seasonal flow regimes of Sheep Pen Marsh. Potential water quality benefits in terms of nutrient concentrations and loads will also be evaluated as part of the study. Hydrological enhancement of Sheep Pen Marsh is anticipated to lessen extreme seasonal fluctuations in surface-water flows, enhance wetland habitats, and improve water quality without adversely impacting existing legal users downstream and minimum flows and levels.

The Stolen Saddle Ranch project is located on **11,400 ACRES** east of the city of Arcadia within DeSoto County

~90% is within a Conservation Easement granted to the Southwest Florida Water Management District



HIDDEN WATERS MINE SITE RECLAMATION // SHERIDAN, WYOMING

Transforming the Hidden Waters Mine sites into sustainable landscapes north of Sheridan, Wyoming, marked a significant achievement in reclamation. Overcoming environmental hazards left by Big Horn Coal Company in the late 1940s, the comprehensive services—from investigation to construction management—culminated in the final reclamation in July 2015. Innovative techniques, including Natural Regrade™ GeoFluv landform design, stabilized over 6,600 feet of highwalls, created 5,500 feet of natural channel topography, and reconstructed approximately 1 mile of Sheridan County road. This commitment to hazard mitigation and reclamation shines through in this transformative project.

Hazardous waste materials were isolated and encapsulated, with **1 M CUBIC YDS** effectively managed

The initiative prioritized sustainability, enhancing wildlife habitat, and establishing vegetation on **450 ACRES** of disturbed land

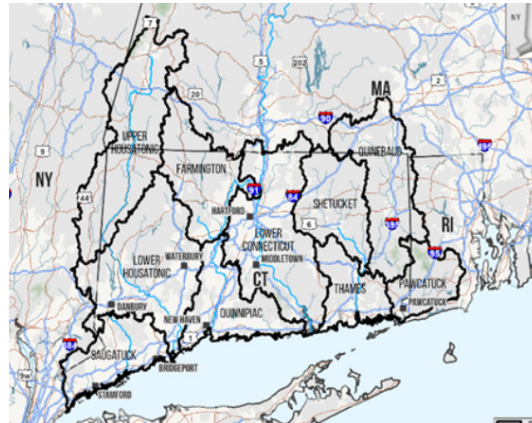
RESTORING & SUSTAINING OUR ENVIRONMENT

LONG ISLAND SOUND // CONNECTICUT

With the State of Connecticut, RESPEC led a statewide program to develop a comprehensive understanding of nutrient loadings and their impact on Long Island Sound.

The nutrient loadings that originate from the watersheds in Connecticut can potentially cause a significant impact on water quality and pose a harmful threat to aquatic animals and humans. Excessive growth of algae and aquatic plants in water, also known as eutrophication, can decrease oxygen levels and toxic blooms. The Long Island Sound in particular is highly vulnerable to these effects, highlighting the urgent need to develop updated models to help understand and effectively manage the nutrient loadings in the area.

The updated models will provide a comprehensive understanding of nutrient loadings and the factors contributing to them and help the State of Connecticut identify the most efficient and effective methods for managing and reducing nutrient loadings on the Long Island Sound. As a result, management and decision-making will be improved for preserving and improving the ecosystem.



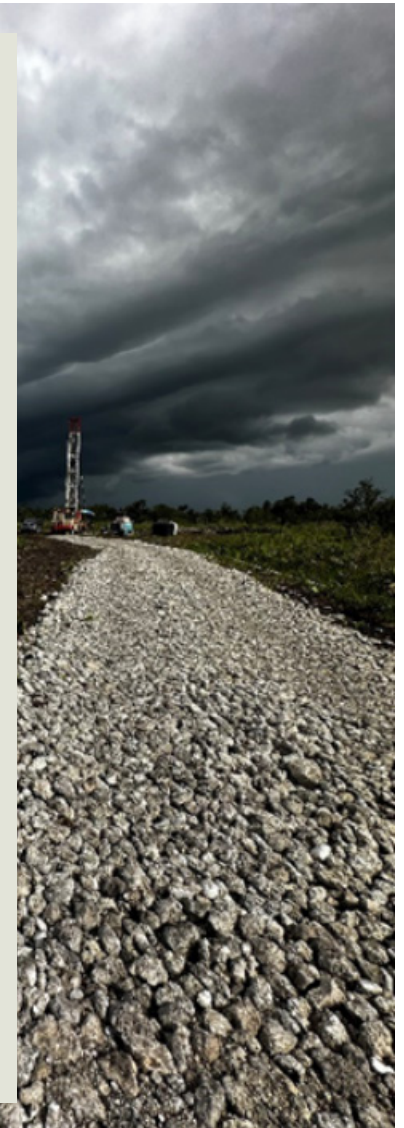
RESPEC modeled the quality of each one of the

6,000+ MILES

of streams and rivers that feed into the Long Island Sound.

BRACKISH GROUNDWATER FACILITY // SARASOTA, FLORIDA

RESPEC is working to provide design and construction services to the Peace River Manasota Regional Water Supply Authority (Authority) for the Brackish Groundwater Facility project. The Authority owns and operates the Peace River Water Treatment facility, which is a 51 million-gallon-per-day conventional surface-water treatment facility located on Kings Highway in southwestern DeSoto County. The new project will evaluate brackish groundwater for drinking water supply in the fast-growing area. RESPEC will also be evaluating Underground Injection Control (UIC) for concentrate disposal. This innovative project looks at nontraditional sources for drinking water while addressing long-term sustainable solutions for treatment concentrate.



STRATEGIC PARTNERS

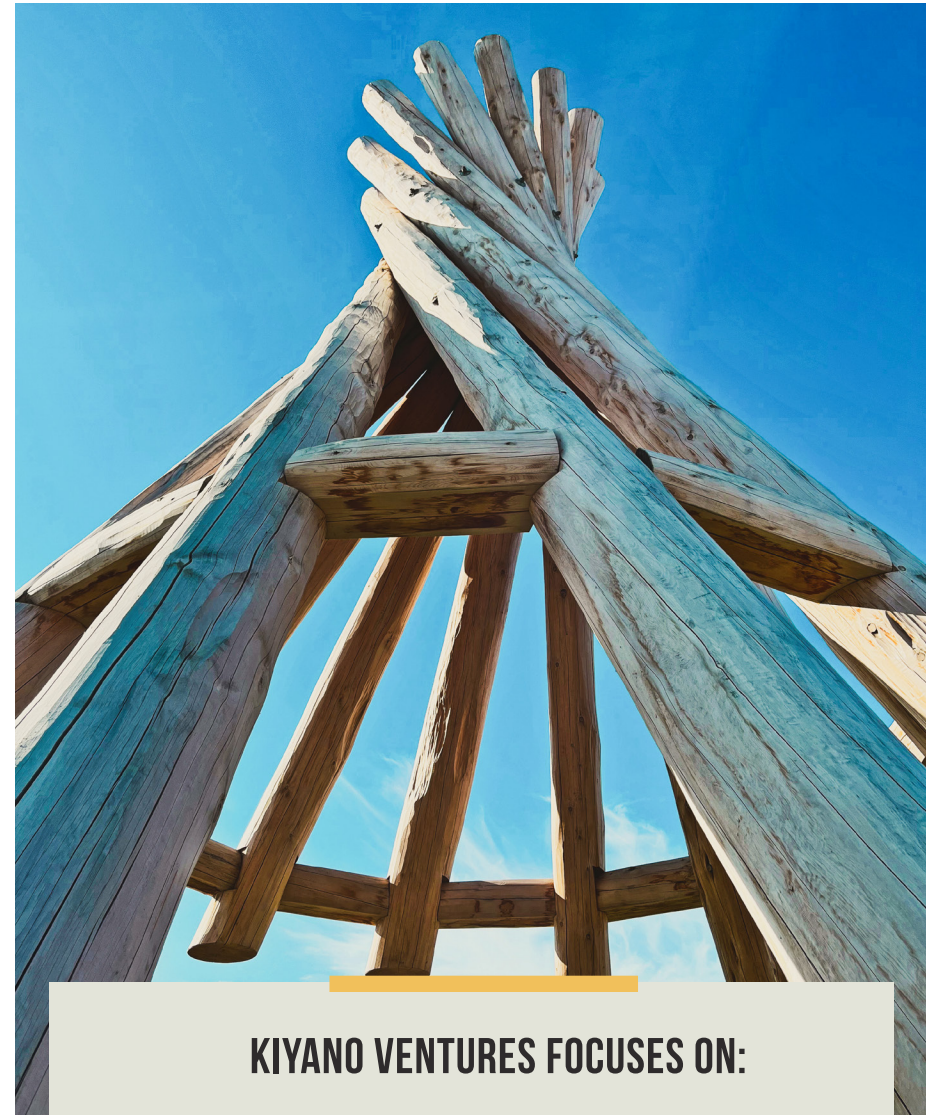
➤ **Saskatchewan First Nations Natural Resource Centre of Excellence (The Centre) and RESPEC partnered to form Kiyano Ventures, our Indigenous-owned entity, established in 2022. The Cree word “Kiyano” means “us,” and its inclusion in our joint venture’s name demonstrates our commitment to bringing people together.**



Kiyano Ventures’ mission is to provide sustainable strategies that bridge gaps in knowledge, growth, and natural resources. Kiyano Ventures advances trust and opportunities for people from all backgrounds. The partnership seeks to connect those who oversee Indigenous engagement and development of their natural resources with government officials, industry leaders, and professional consultants who offer services and technology solutions to support their projects.

This undertaking furthers the efforts of the Federation of Sovereign Indigenous Nations to support responsible development by using sustainable strategies that strengthen First Nations.

The Centre assists First Nations with responsible development of its natural resources. RESPEC unites engineering and applied sciences with technology, professional, and creative services, partnering with First Nations, communities, consultants, and clients worldwide. Because inclusivity improves outcomes, Kiyano Ventures, The Centre, and RESPEC strive to enhance diversity and improve First Nations and communities everywhere.



KIYANO VENTURES FOCUSES ON:

- **Engaging Indigenous Peoples and their ways of knowing as projects unfold.**
- **Supporting responsible development of natural resources in North America.**
- **Strengthening efforts that mitigate climate change and promote clean energy.**

OPTIMIZING ENVIRONMENTAL IMPACT THROUGH OPERATIONS & ADMINISTRATION

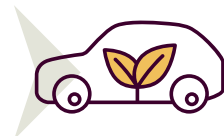
➤ As an engineering consulting company, RESPEC is classified by the U.S. Environmental Protection Agency as a low-emitter greenhouse gas (GHG) organization. At an operational level, our team members are predominantly based in leased office environments.

Consequently, the immediate environmental impact of our daily activities primarily revolves around office energy usage, business travel, and office supplies consumption. We reviewed our operations, policies, and procedures in our daily business activities; specifically, we estimated and calculated our GHG impact and found four areas where we can significantly improve.

WHERE WE AIM TO IMPROVE GHG IMPACT PER EMPLOYEE BY

➤ 10-20%

VEHICLE FLEET



RESPEC maintains a small fleet of field vehicles. In the past year, **15%** of our fleet was renewed with fuel-efficient and lighter-weight vehicles to improve fuel use and emissions by **10%** per vehicle. Future efforts will focus on potentially purchasing hybrid and electric field vehicles.

BUSINESS TRAVEL



We strive to reduce business travel through virtual meeting options for all levels of the organization. With reduced travel, audio and video virtual meeting minutes have increased in 2023 to **83,000 HOURS**. Management tracks and measures critical business meetings to optimize travel annually.

FLEXIBLE WORKSPACE



RESPEC enables a flexible workplace to reduce employee commute requirements. Approximately **10%** of RESPEC's workforce is fully remote, and all staff have a flexible work arrangement to work remotely when appropriate.

CONSERVE ENERGY



We can improve communication and education to better conserve energy in RESPEC's office environments. RESPEC will develop training to address conservation efforts by reducing energy, reducing water consumption, and recycling in our office environments.



FORGING A GREATER TOMORROW

Our people and our communities are the heart and soul behind everything we do. We are working relentlessly to forge a better tomorrow for us all.

Together, we are building a culture that enhances safety, champions diversity, and values inclusion. We work hard to ensure that our activities bring value and prosperity to the customers and communities we serve. Our policies and programs highlighted in this section are aimed to foster a culture where transparency and trust flourish.

| | |
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30 YEARS OF VESTED EMPLOYEE INTEREST



\$13.3M

OVER THE PAST DECADE, RESPEC HAS MADE DIRECT CONTRIBUTIONS TOTALING \$13.3M TO EMPLOYEE'S RETIREMENT THROUGH THE ESOP.

➤ In 1992, RESPEC instituted an Employee Stock Ownership Plan (ESOP) and, in 2012, transitioned to a 100 percent employee-owned company.

Employee ownership at RESPEC begins on day one. The ESOP embodies inclusion and equity by sharing company success with the collective interests of all employees, and as such, is a key driver in the company's culture.

RESPEC'S ESOP COMMITMENT

BUILDING AND MAINTAINING
a sustainable company.

REMAINING COMMITTED
to our culture and values.

SHARING COMPANY SUCCESS
by committing a minimum of 50% of pretax/
prebonus/retirement earnings directly to employees.

UNDERSTANDING THE RESPONSIBILITY
inherent with our success.

HEALTH AND SAFETY

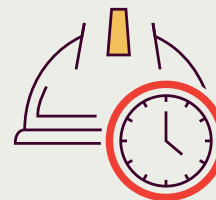
➤ **Directed by the Board of Directors and Corporate Leadership, RESPEC is committed to operating in a safe working environment, whether in the office or in the field.**

Our employee-owners' accountability and care for each other's well-being are critical to fostering a safe working environment. More than 600 employee-owners and 2,000 active projects demand many committed professionals to make safe choices every day to keep ourselves and those around us safe. Injuries affect our workers and their families emotionally and directly impact our business and client relationships. Our ongoing efforts to identify, understand, and mitigate risks are essential to our continued success.

SAFETY CHALLENGE COIN

RESPEC provides every employee with a Safety Challenge Coin annually to celebrate our safety achievements. This coin embodies our commitment to our values—PACT—while celebrating our commitment to each other.

We are proud of providing and maintaining a safe work environment for our employee-owners.



2.6M

hours worked since
our last lost-time
injury (Nov. 2020)

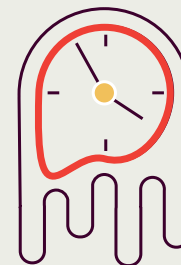


0.19

3-year incident
rate, which is

67%

less than the
industry average



0.08

3-year lost-time
rate, which is nearly

4X

lower than the
industry average

DIVERSITY, EQUITY, AND INCLUSION

➤ **RESPEC's Diversity, Equity, and Inclusion (DEI) Committee is driven at the highest level of the organization by creating a culture in which all employees are valued, have a sense of belonging and connection with one another and the organization, and feel empowered to do their best work.**

The DEI Committee researches, develops, and proposes mechanisms to help create a supportive, positive, and inclusive work environment for all RESPEC employees.

DEI COMMITTEE RESPONSIBILITIES

- **PROMOTING, EDUCATING, AND CELEBRATING DIVERSITY, EQUITY, INCLUSION,** and multiculturalism among RESPEC employees through various mechanisms such as workshops, discussions, social gatherings, and cultural events.
- **PROVIDING PERSPECTIVE AND FEEDBACK TO THE OPERATIONS COMMITTEE** on issues related to culture, climate, equity, inclusion, and diversity in the workplace, including recommendations and support regarding short- and long-term strategies to meet RESPEC's current and future workforce needs (e.g., effective recruitment, hiring, and retention practices). These efforts include monitoring active engagement with Hiring Our Heroes, Military Spouse Employment Partnership, and outreach activities to diverse communities and job boards.
- **CONDUCTING A YEARLY SELF-ASSESSMENT OF THE DEI COMMITTEE'S** effectiveness that describes accomplishments relative to developed goals and chartered responsibilities, including identifying challenges and barriers encountered and recommending solutions.
- **REVIEWING MEASURABLE DEI OBJECTIVES AND MONITORING PROGRESS** against DEI key performance indicators annually through our Affirmative Action Plan benchmarks.

OFFICE CULTURE CHAMPIONS

➤ Every RESPEC office location has an **Office Culture Champion (OCC)** to define and support our growth based on our core values: PACT.

OCCs lead office and community events, collaborate on companywide activities, and share their local traditions and happenings with the entire company.





RESPEC FOUNDATION VISION

MAKING A DIFFERENCE
THROUGH THE
EMPOWERMENT OF
RESPEC COMMUNITY
PROFESSIONALS

RESPEC FOUNDATION

➤ **The RESPEC Foundation was established with the mission of using charitable contributions, employee volunteers, and innovative partnerships to create a sustainable impact in the communities we live in and serve.**

The Foundation is led by a Board of Advisors (BOA) comprising employee-owners. The BOA provides oversight and guidance to all of the Foundation's activities. The positive impact we make through our annual giving programs ranges from local charities to global organizations. Everyone at RESPEC is provided with an opportunity to give back through these activities:

- **SPIRIT WEEK DAY OF CARING:** All RESPEC offices across North America coordinate activities such as food donations, blood drives, and trash cleanup in public areas.
- **LOCAL CHARITABLE GIVING:** OCCs in each location direct local giving to organizations focusing on STEM, food banks/ clothing backpack drives, and environmental programs.
- **PAID VOLUNTEERING:** Every employee receives 8 hours annually to support philanthropic, charitable, and educational initiatives.
- **LEGACY PROJECTS:** RESPEC will partner with an engineering or humanitarian organization for our employees to use their knowledge and skills in communities needing critical infrastructure. In 2024, RESPEC will be supporting the Community Engineering Corps.
- **STEM:** RESPEC is establishing endowed scholarships to fund students pursuing an education in STEM. We have an endowed scholarship with South Dakota Mines and are working with the University of Alaska to establish an endowed scholarship by 2027. We support the Society of Mining Engineers (SME) annually in all levels of STEM education.

Over the past
3 years, our annual
giving through the
RESPEC Foundation
has exceeded

\$350K

TALENT DEVELOPMENT

➤ RESPEC cultivates a life-long learning environment for professional growth and development. We are invested in developing every employee.



TALENT DEVELOPMENT PROGRAM HIGHLIGHTS

RESPEC LEADERSHIP PROGRAM

Annual development program with participation from across the organization.

LEADERSHIP DEVELOPMENT

External development for future management and leadership.

PROFESSIONAL GROWTH SYSTEM

External team development training and facilitation.

MANAGER ESSENTIALS

Professional development focused on managing people.

PROJECT MANAGEMENT TRAINING

Training in financial management, scoping, resource management, and fee estimating for effective project delivery.

MENTORING AND COACHING

One-on-one personal development to enhance skills and strengths.

LEARNING PLANS

Individual plans uniquely developed to advance an employee's career.

LUNCH AND LEARNS

Monthly presentations to advance the knowledge of RESPEC's technical capabilities.

CONTINUING EDUCATION

Tuition reimbursement for employees pursuing advanced degrees or skills and training.



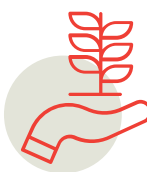
1

ATTRACT, ACQUIRE, AND RETAIN THE BEST TALENT



2

COMMIT TO PERSONAL AND PROFESSIONAL DEVELOPMENT THROUGH TRAINING AND MENTORING



3

INVEST IN EMPLOYEE-OWNER LEADERSHIP OPPORTUNITIES FOR FUTURE SUCCESS



RESPONSIBLE, SUSTAINABLE LEADERSHIP

We are at the forefront of best practices in governance, ethics, risk management, and accountability throughout our entire organization.

Our highly effective, engaged Board of Directors is committed to cultivating an environment where we do everything possible to provide responsible growth for our employees, communities, clients, and partners.

- 20 INDEPENDENT,
OBJECTIVE GOVERNANCE
- 21 FINANCIAL AND VALUATION INTEGRITY
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PHOTO | YELLOWSTONE, WYOMING

INDEPENDENT, OBJECTIVE GOVERNANCE

> For more than 2 decades, RESPEC's Board of Directors (BOD) has been guided by a majority of external, independent members. The external Directors are recruited from the industry to provide valuable, strategic insight and objective accountability.

Our BOD approach aligns with our goal of representing the best interests of all employee-owners and building a sustainable company. The Board Committees to the right are key to governance, providing additional oversight in critical areas of importance.



| STANDING BOD COMMITTEES | |
|------------------------------------|--|
| AUDIT | Governed by external Directors only |
| FINANCE | Led by the Chief Executive Officer and Chief Financial Officer |
| EXECUTIVE COMPENSATION | Governed by external Directors only. |
| NOMINATIONS & GOVERNANCE | Governed by external and internal Directors with additional members from management and the ESOP Committee. |
| ESOP | Nine-member, non-management, employee-led committee. |
| 401(K) | Internal employee chair with significant input from RESPEC's 401(k) financial advisor (Edward Jones) and 401(k) administrator (Principal). |
| ENVIRONMENTAL, SOCIAL & GOVERNANCE | Six-member, management and employee committee, including the Chief Executive Officer. |
| DIVERSITY, EQUITY, & INCLUSION | Employee-led committee. |

FINANCIAL & VALUATION INTEGRITY

➤ **Aligned with our commitment to governance independence, RESPEC annually engages an independent audit company, directed by the BOD Audit Committee, to audit the financial statements following generally accepted accounting principles (GAAP).**

The completed audited financial statements are relied upon to perform RESPEC's annual ESOP valuation opinion.

Since 2018, RESPEC's BOD has engaged a third-party, independent, self-directed Trustee to oversee the ESOP assets on behalf of the employee-owners. The ESOP Trustee is responsible for hiring the valuation consultant, reviewing all working papers and financial models, and determining the annual opinion of value for the employee ownership held in the RESPEC ESOP Trust.



RISK MANAGEMENT

RESPEC maintains a comprehensive risk-management practice to ensure the health and well-being of the company and our employee-owners. Directed by the company's Chief Financial Officer and Health & Safety Officer/Director of Risk Management with support from outside counsel, RESPEC provides daily resources to manage all risk areas. Specific areas of continual focus include the following:

BUSINESS
CONTINUITY

PROFESSIONAL
LIABILITY

NATURAL
DISASTERS

EMPLOYEE SAFETY
TRAINING &
CERTIFICATIONS

CONTRACT
REVIEW

RISK
CULTURE

HEALTH &
SAFETY

EMPLOYEE REPORTING

WHISTLEBLOWER

➤ **RESPEC provides anonymous employee reporting via a third-party provider, "Report It."**

Employees can access the reporting information through the Employee Portal. The reporting tool allows employees to confidentially share information regarding working conditions, fraud, ethical issues, and professional conduct without fear of retaliation. All issues reported are taken seriously and addressed to the appropriate conclusion.

CORPORATE IT SECURITY

➤ **As part of our yearly strategic initiatives, RESPEC evaluates, invests, and executes on improving our cybersecurity practices. Our attention to cybersecurity objectives is rooted in ensuring our organization's resilience and viability, but equally important, to ensure confidence and protection of the data and work entrusted to us by our clients.**

RESPEC follows industry best practices in implementing cybersecurity measures and continually monitors for active threats while educating staff regularly to consider all areas of potential risk. We acknowledge and accept that the world we work and live in requires cybersecurity to be a consideration in all of our work.

➤ **DEVOTING 20 CENTS OF EVERY DOLLAR** spent on corporate IT non-labor expenses on cybersecurity demonstrates our commitment to reducing risk to the ecosystem of RESPEC's partnerships, our employee-owners, clients, and trusted industry relationships.

➤ **DURING THE LAST 12 MONTHS, 95%** of all employee-owners and professional associates completed annual cybersecurity training and participated in four quarterly phishing tests.

➤ **RESPEC IS SPECIFICALLY FOCUSED ON THE NIST 800-171** framework because this is the basis of Defense Federal Acquisition Regulation Supplement (DFARS) 252.204-7012 and the forthcoming Cybersecurity Maturity Model Certification (CMMC) requirements.

➤ **THROUGH CONTINUAL DILIGENCE**, we review, monitor, and improve cybersecurity activities and measures monthly to ensure resiliency through people, processes, and technology.



RESPEC.COM