

JANUARY 2025



RESPEC

PHOTO | BEAVER PONDS, ALASKA

2025

ESG REPORT

COMMITMENT TO A SUSTAINABLE FUTURE

COMMITMENT TO A SUSTAINABLE FUTURE

On behalf of all RESPEC employee-owners, I am pleased to share our 2025 Environmental, Social, and Governance (ESG) report. RESPEC is unwavering in our dedication to creating a sustainable future for our clients, communities, and future generations. As a 100 percent employee-owned corporation, every RESPEC team member has a personal stake in this vision.

Our purpose — to enrich lives — shapes every decision we make. This commitment goes beyond projects to include the values we uphold and the partnerships we cultivate. Through every project we work on, RESPEC is building the path forward by restoring and sustaining the environments in which we live and work.

Our role as stewards of both natural and built environments comes to life through strategic partnerships. By collaborating closely with clients, local communities, and government organizations, we tackle today’s most pressing challenges, like developing sustainable energy hubs, restoring critical ecosystems, and advancing decarbonization.

We invite our employee-owners, client partners, and community stakeholders to join us in this journey toward a sustainable future. Together, through passion, accountability, caring, and teamwork, we will achieve our goals, realizing RESPEC’s potential as a recognized North American leader in responsible growth and positive impact well beyond 2030.

Sincerely,

Jason T. Love

JASON T. LOVE

Chief Executive Officer/President



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, and 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.*

55+
YEARS—
FOUNDED IN 1969

100%
EMPLOYEE OWNED

600+
PROFESSIONALS

\$125M+
IN GROSS REVENUES

30+
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.

To further evolve our commitment to our PACT, RESPEC established four PACT Ambassador subcommittees in late 2023. These subcommittees will provide guidance and formality to cultivate our values.



PACT AMBASSADORS

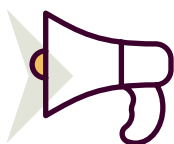
The mission of our PACT Ambassadors isn't just a corporate goal; it's our heartfelt dedication to crafting an environment that propels us toward Vision 2030 and beyond. Grounded in Passion, Accountability, Caring, and Teamwork, we champion a culture where every individual is valued, inspired, and empowered to thrive. Through our collective efforts, alongside dedicated subcommittees, we're on a personal mission to make a profound and lasting difference in our employee experience.

Together, we create an inclusive, supportive atmosphere where every team member can bring their authentic selves and contribute their absolute best to our shared success.



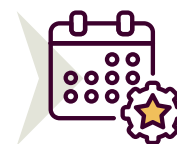
WELCOME WAGON

The Welcome Wagon subcommittee plays a vital role in new hire experience by creating a sense of belonging and inclusion for newcomers.



COMMUNICATIONS

The Communications subcommittee collaborates with all PACT Ambassadors subcommittees to ensure thorough companywide correspondence while prioritizing company values.



CORPORATE EVENTS

The Corporate Events subcommittee is tasked with organizing corporate-sponsored events aimed at delivering meaningful experiences for employees across all geographies.



STEM OUTREACH

The STEM Outreach subcommittee collaborates closely with the RESPEC Foundation to engage and develop the next generation of STEM professionals.

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

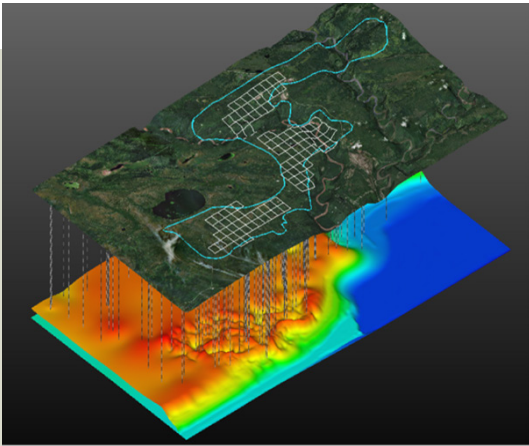
➤ **RESPEC supports BrightNight by providing essential mining consulting for the Starfire Renewable Power project in eastern Kentucky. With expertise in mining operations and reclamation, RESPEC serves as a key liaison among BrightNight, local mining companies, regulatory agencies, and landowners.**

This project, spanning 7,000 acres across Perry, Knott, and Breathitt Counties, aims to transform a large coal mine into a leading clean renewable power facility by offering dispatchable renewable power through energy storage. The project also promises significant environmental benefits, including carbon emission reductions, economic development, and clean energy job opportunities that will address issues of high unemployment and poverty in the local communities.

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 broaden 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

RENEWABLE ENERGY DEVELOPMENT

RESPEC was instrumental in helping Rye Development secure an \$81M Department of Energy (DOE) grant for the \$1.3B Lewis Ridge Pumped Storage project in eastern Kentucky. We continue to support Rye Development with vital mining consulting on past and current operations related to the project, which is situated on an abandoned coal mine in Bell County. Using gravity, the pumped storage system moves water between reservoirs to generate renewable electricity on demand. This project will strengthen the power grid, reduce carbon emissions, and provide economic development benefits, while creating clean energy job opportunities, thus positively affecting the community grappling with unemployment and poverty.



NET ZERO CARBON FUTURE

➤ What if the key to a cleaner future lies in the way we manage our grazing lands? With RESPEC's help, South Dakota State University (SDSU) is in the midst of finding out, thanks to a new study funded by a federal research grant that will explore the environmental effects of different grazing practices.

A new study by SDSU and RESPEC aims to measure the environmental effects of grazing practices on greenhouse gas emissions. Funded by a federal grant, the project will compare emissions from bison-grazed, cattle-grazed, and ungrazed land. RESPEC is developing the Relaxed Eddy Accumulation (REA) system, which is powered by a 400-watt, off-grid, battery-photovoltaic system, to measure critical gases. Data collection is set to begin this spring and will last for 2 years, aiding in the promotion of sustainable agricultural practices.

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 five national achievement awards from the Office of Surface Mining and National Association of Abandoned Mine Land Programs for our reclamation work.

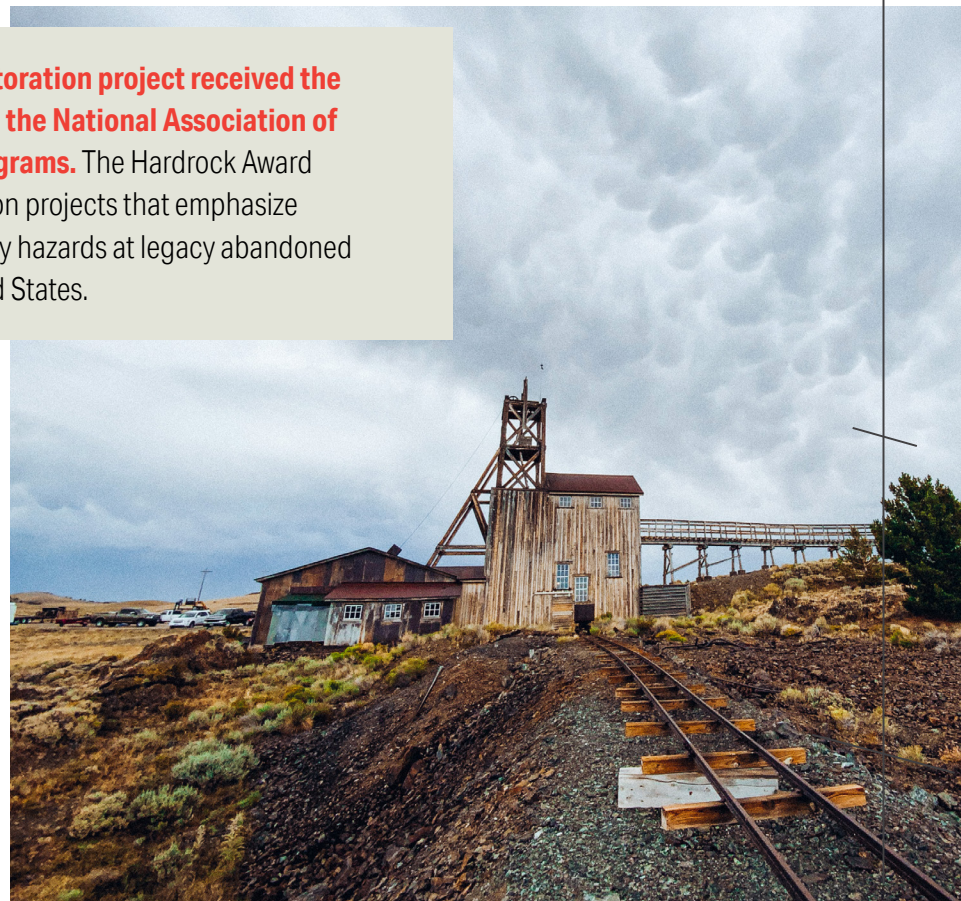
CARISSA GOLD MINE RESTORATION // SOUTH PASS CITY, WYOMING

The Carissa Gold Mine reclamation project, led by the Wyoming Department of Environmental Quality's Abandoned Mine Land (AML) Division with significant support from RESPEC, has received the 2024 National Association of Abandoned Mine Land Programs Hardrock Award. This project aimed to restore the historic gold mine near South Pass City while addressing safety hazards. Acquired by the state in 2003, the site presented challenges, including hazardous materials and structural issues. RESPEC's team implemented a cleanup plan that included removing contaminants and stabilizing the Carissa Mill Building. High-risk mine shafts were secured using innovative techniques to ensure public safety. The mine has since been transformed into a state park that attracts 34,000 visitors, including 8,200 schoolchildren. Brett Drake of RESPEC emphasizes the project's impact on preserving Wyoming's mining history while providing educational resources. The project showcases RESPEC's commitment to safety, preservation, and community protection.

The Carissa Gold Mine Restoration project received the 2024 Hardrock Award from the National Association of Abandoned Mine Land Programs. The Hardrock Award honors exemplary reclamation projects that emphasize remediation of physical safety hazards at legacy abandoned hard rock mines in the United States.

34,000
people have visited
the Carissa Gold Mine
over the past decade

18 YEARS
from project start
to project end



RESTORING & SUSTAINING OUR ENVIRONMENT

MARSHALL FIRE // BOULDER, COLORADO

On December 30, 2021, the Marshall Fire ignited south of Boulder, Colorado, and devastated around 1,000 homes. In response, RESPEC adapted its stormwater permit compliance support for affected communities. Our team conducted inspections of burned areas and recommended measures to prevent pollutants from entering stormwater systems. We also assessed federal emergency fund applicability to aid recovery, ensured cleanup contractors minimized contamination risks, and worked with state agencies to clarify permit requirements during reconstruction. RESPEC's efforts were vital in helping these communities recover sustainably, protecting local ecosystems and ensuring clean water while navigating regulatory challenges and securing crucial federal funding for long-term resilience.



WATER QUALITY // PUEBLO, COLORADO

In June 2022, Colorado's EnviroScreen program identified Pueblo County as highly vulnerable to environmental health impacts. That year, the county secured funding for a U.S. Environmental Protection Agency (EPA) Nine-Element Watershed Plan to improve water quality, with RESPEC leading the initiative. The team developed a comprehensive sampling plan to identify sources of water quality challenges. In 2024, water sampling began at two river sites to direct funding for improvements. RESPEC also connected Pueblo Area Council of Governments (PACOG) with the EPA's Closing America's Wastewater Access Gap program, ensuring vital infrastructure support. Overall, RESPEC is committed to enhancing water quality and fostering a healthier, resilient community in Pueblo.

Serving as the environmental consultant for the PACOG since

2017

The initiative identified

3,400 septic systems to be consolidated, repaired, or replaced to improve water quality throughout the county

6,000 ACRES
affected by the Marshall Fire

130 HOMES
assessed by RESPEC during rebuild to manage construction pollutants



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. EPA 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 2024 to **2.5 MILLION 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 continue to 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



\$15M+

OVER THE PAST DECADE, RESPEC HAS MADE DIRECT CONTRIBUTIONS TOTALING OVER \$15M 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

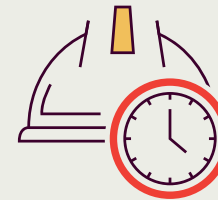
➤ **Directed by the Board of Directors and Corporate Leadership, RESPEC is committed to operating in a safe working environment, whether in the office or in the field.**

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.



3.7M

**hours worked since
our last lost-time
injury (November 2020)**

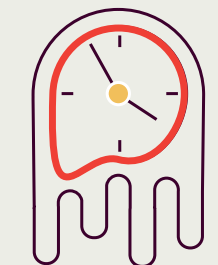


0.14

**3-year incident
rate, which is**

77%

**less than the
industry average**



0.00

**3-year
lost-time rate**

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 work with the PACT Corporate Events subcommittee to lead local office and community events, collaborate on companywide activities, and share 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.
- **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.

\$140K+
awarded in
RESPEC STEM
scholarships

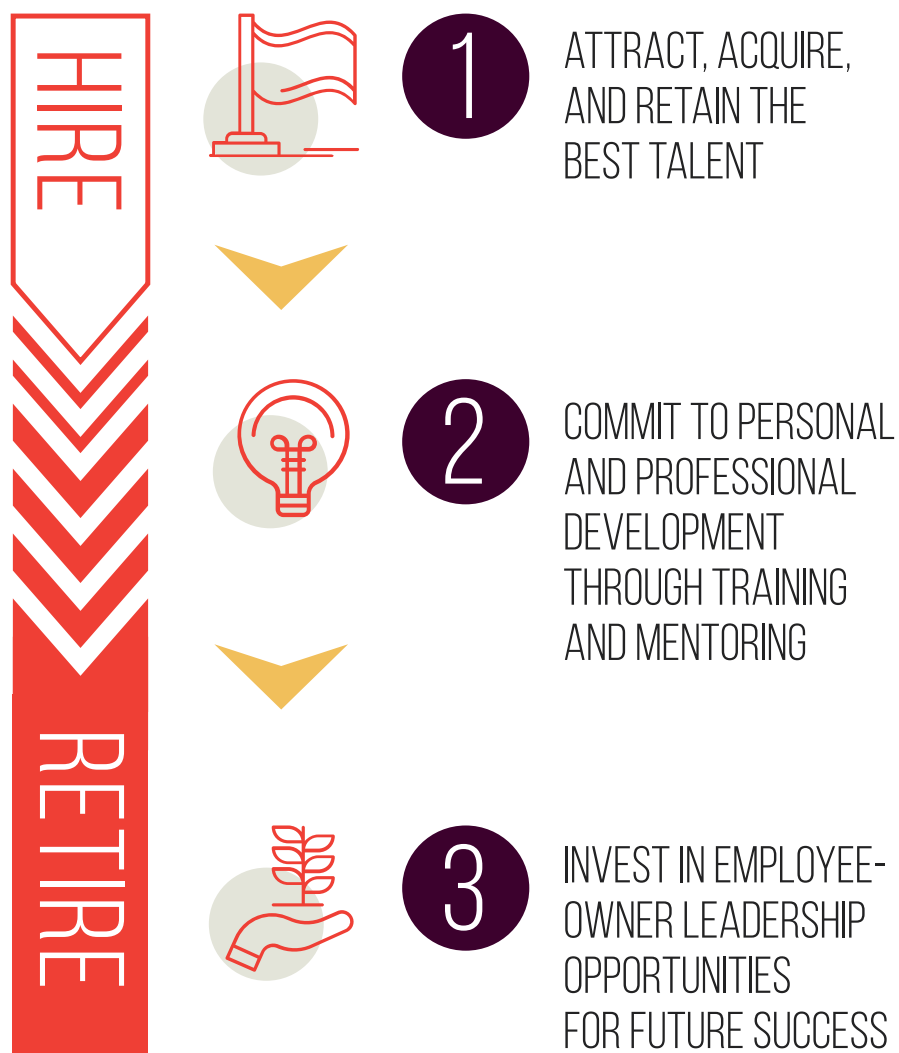
4,500+
employee-owner
hours offered
for community
support in 2024

60K
meals provided to
families across the
United States and
Canada in 2024

\$1M+
charitable
contributions
since 2017

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 10-week
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 for every employee.

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.

86%

**of employees think
RESPEC is a great
place to work**

\$42K

**paid out by
RESPEC for tuition
reimbursement in 2024**



PHOTO | YELLOWSTONE, WYOMING



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.

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OBJECTIVE GOVERNANCE
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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)	Six-member, management and employee committee, with input from from RESPEC's 401(k) financial advisor (Edward Jones) and 401(k) administrator (Principal).
ENVIRONMENTAL, SOCIAL & GOVERNANCE	Six-member, management and employee committee.
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