

Annual Sustainability Report

*A Growing Matrix
in a Sustainable World*



A MESSAGE FROM OUR LEADER

It is my pleasure to share an update on Matrix Solutions and the progress we've made related to our sustainability goals during a transformational year in 2023. We introduced our [inaugural ESG strategy](#) in January 2023, identifying four initiative areas that we felt would have the greatest material impact on our clients, our people, and our communities. Those focus areas are:

- Health and Safety
- Greenhouse Gas Emissions
- Community Relations and Local Investment
- Diversity, Equity, and Inclusion



In June of 2023, Matrix finalized a transaction to become [part of the Montrose Environmental Group](#), a leading environmental solutions company focused on supporting commercial and government organizations as they deal with the challenges of today, and prepare for what's coming tomorrow. Montrose (NYSE: MEG) is a publicly traded environmental company with approximately 3,100 staff in 100+ locations around the world. We are excited about the expanded expertise this partnership brings for our clients and about integrating our sustainability strategy into the larger Montrose organization. There is clear overlap between the initiative areas we have prioritized and those outlined in the [Montrose sustainability program](#).

In this update, we describe the actions we took in 2023 and the advancements we've made at Matrix related to each of our initiative areas. We remain committed to making progress in each of these areas in 2024 as we align our approach with Montrose's practices and systems. This will be our final standalone sustainability update as Matrix; going forward, our ambitions and successes will be described as part of broader Montrose sustainability reporting.

All the best,

Holly Elrick, Senior Vice President, Consulting & Engineering - Canada
Matrix Solutions Inc., a Montrose Environmental company



“ We are excited about the expanded expertise this partnership brings for our clients and about integrating our sustainability strategy into the larger Montrose organization. ”

- Holly Elrick, SVP



Our Vision: A Growing Matrix in a Sustainable World

SUSTAINABILITY OBJECTIVES

Partner with clients

... so that we can expand our positive impact through environmental stewardship, while growing our business with new and existing clients.

Diverse and engaged teams

... so that we are an employer who can attract and retain top talent who are motivated and empowered to do their best work.

Enriched communities

... so that we earn our reputation as a good neighbour that people want working in their communities.

INITIATIVE AREAS

Health and Safety



Greenhouse Gas Emissions



Community Relations and Local Investments



Diversity, Equity, and Inclusion



Health and Safety



“ *Matrix has invested in health and safety programs and resources to protect the health and wellbeing of our employees and the communities where we work. We believe we can do our work with excellence and safety and meet legislated requirements. We value health and safety above all else. The power of this value is demonstrated by each employee who stopped to ask questions, checked to see if we had the right safety measures in place, and acted to improve the health and safety of our work in 2023.* ”

- Eden Fryczewski, Initiative Owner
Director, Health & Safety



 OUR AMBITIONS	 OUR PROGRESS IN 2023
<p>Protect mental and physical health and continuously improve the safety of our work to keep our people healthy and get them home safe every day.</p>	<ul style="list-style-type: none"> • We achieved good results against our annual targets: hazard reporting (85%); project risk assessment (100%); and inspections of sites and office locations (80%). • We completed some valuable Emergency Response Plan (ERP) drills, but still have work to do to consistently achieve our target for ERP drills. • We increased usage of our psychology health benefits; and promoted our mental health program with communications and a new resource page.
<p>Promote a health and safety culture that celebrates positive actions, learning, and preventative safety decisions.</p>	<ul style="list-style-type: none"> • We reduced our rate of incidents with the potential to cause serious injuries and fatalities (SIF) by 31% compared to 2022. • None of our SIF events were related to heavy equipment, line of fire, or overhead lines. • Our 2023 Total Recordable Injury Rate (TRIR) is 1.51 – a 55% reduction over 2022. • We had one lost time injury with 6 days away from work.

What comes next?

Cultivating a safe and proactive work environment is a journey that requires ongoing evaluation, communication, and diligence from every one of us. Matrix has joined forces with Montrose Environmental Group, who share our commitment to the safety and protection of employees, the communities where we live and work, and the environmental and regulatory compliance of our activities.

Matrix teams are excited to share best practices in H&S and participate as leaders in Montrose’s culture of safety excellence.

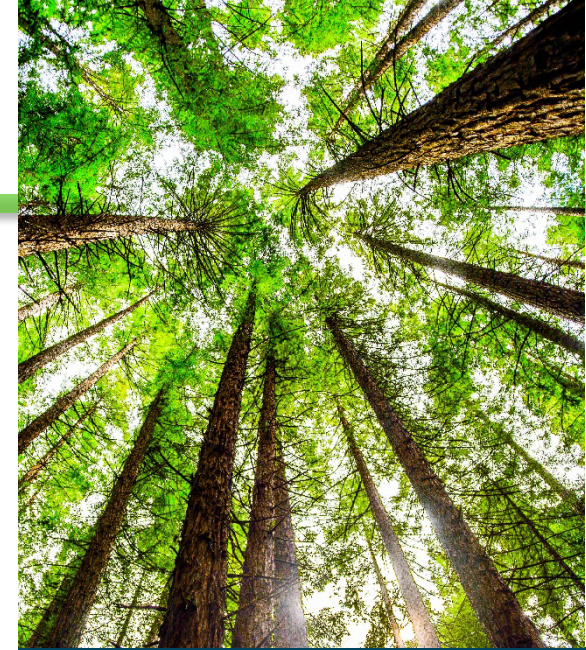




Greenhouse Gas Emissions



“ We have a great baseline for our GHG emissions, but we are not done yet. Now we need to identify ways we can reduce these emissions. ”

- Jeff Rau, Initiative Owner,
Sector Lead, Midstream



 OUR AMBITIONS	 OUR PROGRESS IN 2023
Quantify greenhouse gas (GHG) emissions produced by Matrix operations and explore reduction measures.	<ul style="list-style-type: none"> We determined our business processes to collect and analyze data to report our annual CO₂ emissions. Our 2022 emissions: <ul style="list-style-type: none"> Vehicle travel emissions of 1,042 tCO₂e (72% of total), Building operations of 303 tCO₂e (21% of total), and Air travel emissions 109 tCO₂e (7% of total). We have shared 2022 and 2023 GHG emissions information for incorporation in Montrose’s sustainability reporting.
Deliver emissions reduction solutions for clients.	<ul style="list-style-type: none"> In the last two years we have seen an increase in providing emission reduction solutions for our clients. This has been recognized by an increase in the carbon capture, utilization and storage, hydrogen, renewable energy, and climate resiliency projects we support, with ~55% growth in our power sector market from 2022 to 2023.
Empower employees to reduce emissions through their work and their lives.	<ul style="list-style-type: none"> In 2023 we re-established Matrix’s Environment Committee, which met semi-monthly to discuss ways to reduce our carbon footprint, communicate local/individual initiatives, and get people involved with initiatives.

What comes next?

Montrose Environmental Group has established a target of net zero GHG emissions by 2040. In 2024, Matrix will continue to collaborate with our business segment to streamline our calculations and determine the inputs required for overall Montrose sustainability reporting. We will discuss potential mitigation measures to begin reducing our GHG emissions.

The Matrix Environmental Committee will continue meeting to identify initiatives to reduce our carbon footprint and bring forward recommendations to our leadership team.





Community Relations and Local Investments



“ *We are proud of what we accomplished in 2023. The contributions made by Matrix and our employees positively impacted important organizations and our neighbours. We’ve established our baseline and are now poised to contribute in even more meaningful ways in 2024.* ”

- Claudia Gomez, Initiative Owner,
Technical Director, Environmental Sciences & Planning



 OUR AMBITIONS	 OUR PROGRESS IN 2023
Support local community needs with an emphasis on science, technology, engineering, the arts, and mathematics (STEAM) oriented or environmental education focused initiatives.	<ul style="list-style-type: none"> We provided donations and sponsorships to over 30 organizations or community groups across our communities. Examples of recipient organizations include: Alberta Cancer Foundation; Threads for Life, which supports families of workplace tragedy; Sunrise Challenge for Mental Health; Northern Lights College educational award for Indigenous students; STARS air ambulance; Nature Conservancy Saskatchewan; and Kids Cancer Care.
Partner with Indigenous communities to deliver project work and build capacity in those communities.	<ul style="list-style-type: none"> We signed a memorandum of understanding with Influence Mentoring Society – an organization that partners Indigenous post-secondary students with mentors in industry. All Matrix employees are eligible to participate as mentors in the program. We supported: Aseniwuche Winewak Nation’s Christmas celebration; Ponoka Stampede Tipi Village; Doig River First Nation Rodeo; and <i>Project Forest</i> in support of the Doig River First Nation Rewilding Project.
Empower employees to contribute back to their communities.	<ul style="list-style-type: none"> Employees from offices across Canada volunteered in creative ways, including: knitting and crocheting toques for newborn babies for Regina Family Services; planting vegetables with Grow Calgary for food access programs and individuals experiencing food insecurity; participating in the Calgary Pathway and River Clean-up; planting trees and shrubs with Swift Current Go Green Friday; coordinating and participating in two holiday food drives; and serving dinner to hundreds of people at the Calgary Drop-In Centre.

What comes next?

We are committed to continuing our support of local community needs and look forward to receiving thoughtful recommendations from our employees. Working closely with our Director, Indigenous Relations we will also work to strengthen existing relationships with Indigenous communities and work towards creating new ones. To support continued and growing volunteer efforts, we’ll continue the support of existing employee volunteer groups and will work to expand our reach into all Matrix offices by engaging local volunteer champions across Canada.



Diversity, Equity, and Inclusion



“ We took meaningful steps in 2023 to continue on our path to ensure that Matrix is a place of belonging for everyone. Having a diverse group of people helps us think better, make better decisions, and do better work. We look forward to advancing these efforts as part of Montrose. ”

- Rachel Giordano, Initiative Owner
Manager, MES HR Programs & Integrations



 OUR AMBITIONS	 OUR PROGRESS IN 2023
<p>Attract and retain a diverse workforce and provide equitable career progression opportunities for all.</p>	<ul style="list-style-type: none"> • We saw an increase in the proportion of women in senior and Principal level technical roles up to 37% by year-end, from 35% at the beginning of 2023. • We completed a DEI audit of our recruitment process in partnership with ECO Canada. Based on audit results, we implemented improvements including providing accessibility information to candidates and streamlining materials sent to new employees for ease of understanding. • We introduced a Technical Competencies Framework to ensure clarity and standardization of role expectations and career progression. We conducted focus groups to gather feedback, resulting in revisions to the reference materials. • The 2023 compensation and promotion cycle included a gender analysis tool for leaders and a gender equity review process as a final step to identify any inequities.
<p>Create an inclusive environment where all employees can thrive as their authentic selves.</p>	<ul style="list-style-type: none"> • We launched DEI Fundamentals training as a new component of onboarding for all new hires who joined Matrix in 2023. • We introduced a new email signature template with option to include preferred pronouns. • The DEI committee evaluated options for deployment of Employee Resource Groups (ERGs). Following acquisition by Montrose, we were introduced to the Montrose ERGs, which are open to participation and include 3 groups: WeLEAD Women’s Group; PRISM LGBTQ2IA+ Group; and BEAM Black Employees at Montrose Group. • We revised eLearning content to add closed captioning functionality.

What comes next?

We will look to Montrose’s established Diversity, Fairness, and Inclusion (DFI) Committee to continue leading this important work. The committee, alongside Montrose Executive Leadership, are responsible for setting DFI targets, and prioritizing DFI initiatives for the organization.

Montrose also conducts an annual gender pay equity assessment, to evaluate male and female pay for similar job titles. This exercise demonstrates the leadership team’s dedication to gender pay balance and underscores the importance of fairness within the organization.





SUSTAINABILITY 2023

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Matrix Solutions Inc.
A Montrose Environmental Company