



2023

Sustainability Report

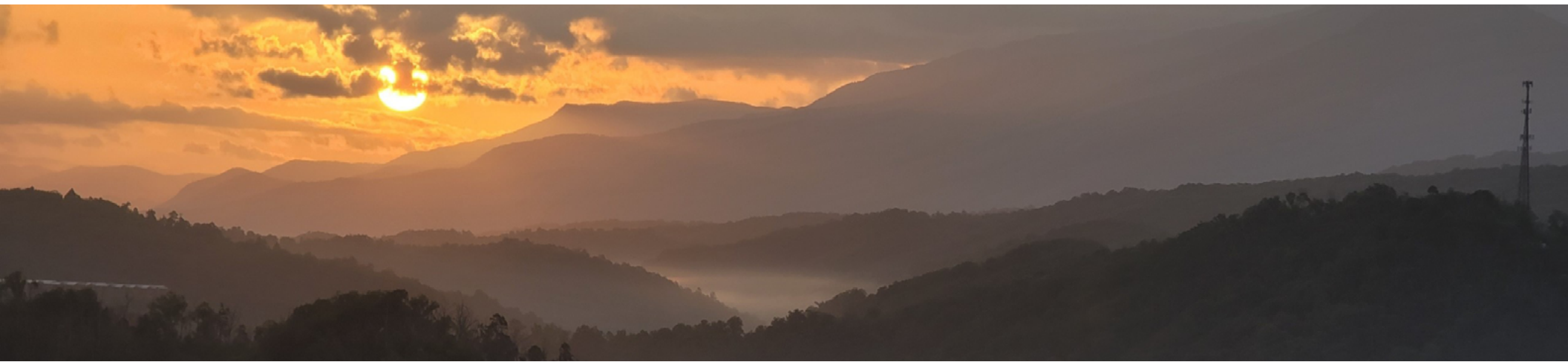


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Who We Are

Headquartered in Indianapolis with over 1,600 employees across the United States, Heritage Environmental Services proudly provides safe and compliant industrial waste management solutions to clients across the country. Our legacy of environmental leadership was founded on the precipice of the environmental movement in the 1970s, and since our inception we've been solving complex problems in the name of a safer and cleaner world.

We take pride in providing a full-suite of tailored environmental service solutions – from proper management of hazardous and special waste via our transportation and disposal services and emergency response, to onsite support and technical solutions – to a wide range of industries. Our pursuit of protecting human health and the environment began before robust regulations were developed requiring proper waste management, and we're proud of our legacy that spans more than 50 years. We invite you to learn more about our continuing sustainability initiatives that influence our organization today.

The information provided here is for our comprehensive organization – Heritage Environmental Services including our subsidiaries during the 2023 calendar year: Heritage Transport, Heritage Thermal Services, Rineco Chemical Industries, Rineco Transportation, Frank's Vacuum Truck Services, and Heritage Thermal of Texas.

Who We Are

We're guided by our **core values** as we pursue our **mission** to protect human health and the environment. A shared **vision** serves as our roadmap for how we can leverage our strengths and outlines our opportunities to make a positive difference for our customers, communities, employees, and the environment.

OUR VALUES



Safe and
Compliant or
Not at All



Integrity
Matters



Freedom to
Learn and
Grow



Problem
Solving
Through
Innovation

OUR MISSION

To protect human health
and the environment

OUR VISION

Heritage Environmental Services will feed its core industrial waste facilities and expand its reach by applying research and development and engineered solutions to large customer waste challenges, building on a long history of innovation and incubation of new businesses from waste byproducts.

Who We Are

Our Services & Locations

We are involved in every aspect of the waste management hierarchy: prevention, reuse, recycling, deconstruction, detoxification, treatment, and disposal. We offer our customers management services, innovative solutions, and over 50 years of experience geared to protection of human health and the environment. We own and operate seven hazardous waste treatment, storage, and disposal facilities (TSDFs) 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 Indianapolis, Indiana facility treats hazardous waste containing heavy metals and cyanides. The facility removes heavy metals and other contaminants from hazardous wastewaters and discharges the water to the Indianapolis publicly owned treatment works (POTW) for additional biological treatment prior to discharge to the White River, effectively reclaiming the water. The facility also has a patented cyanide destruction unit that destroys toxic cyanide by reducing it to its non-hazardous components.

Our hazardous waste landfill in Roachdale, Indiana, provides secure disposal for hazardous wastes that meet the LDR.

At our Benton, Arkansas; Coolidge, Arizona; Kansas City, Missouri; and Indianapolis facilities, we convert liquid and solid waste into an environmentally friendly secondary fuel source to replace coal and/or natural gas in the production of cement in RCRA-permitted cement kilns.

Both our East Liverpool, Ohio, and Orange, Texas, incinerators prevent toxic organic compounds from entering the environment by destroying them and greatly reducing the volume of waste requiring disposal. Types of wastes managed include pharmaceuticals, chemical wastes, DEA-controlled substances, mixed infectious-hazardous waste, waste pesticides, and ozone-depleting substances. The highly regulated process of incineration meets the highest standards as set by Maximum Available Control Technology (MACT) under the Clean Air Act (CAA).

We have an extensive nationwide transportation network in the continental United States focused on compliance. Recognizing that 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 four years in a row, we're proud to maintain an exemplary shipping reputation – backed by safety and sustainability. In 2023 alone, we transported materials over 616,653 miles by rail.

As award-winning participants in the U.S. Environmental Protection Administration SmartWay Transportation program, we continue to replace older equipment with new offerings (*continued on next page*)



Who We Are

that feature increased fuel economy and minimized emissions. We continue our membership in the Ceres Corporate Electric Vehicle Alliance (CEVA) to promote needed infrastructure for the transition to electric vehicles.

Additionally, Heritage Transport's acquisition of Frank's Vacuum Truck Services in 2022 marked a growth opportunity for our transportation operation by adding a hub in a previously under-served region. This new location offers the potential for expansion of services in the future and a reduction in total miles driven to service existing customers in the Northeast.

Other Expertise

We frequently provide onsite service programs for waste management. These services may be as simple as a visit by one of our employees who manage a customer's day-to-day paperwork, inspections, material labeling, and waste management reports. 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. Our commitment to addressing our customers' concerns regarding potential physical risks from climate change is backed by lessons learned during our extensive remediation services provided for major oil spills and the collection of 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 providing emergency response and business continuity services to hundreds of factories, airline, healthcare, and school facilities.

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

Letter from the CEO

Looking at the successful performance of Heritage Environmental Services (Heritage) in 2023, I see a testament to the achievements of our Heritage family and a bright future as we continue to pursue our purposeful mission of protecting human health and the environment. We executed our strategy based on our established values, goals, and vision.

We have a 54-year company history of putting sustainability at the core of our actions and have been reporting on our sustainability initiatives and progress since 2012. We have invested in research and development, fostering the development of new technologies and innovative solutions for our customers. We have reviewed the risks and opportunities that climate change brings to our organization and are accounting for such risks and opportunities. Our high ethical standards have driven our activities and allowed us to grow in a viable manner.

During 2023, The Heritage Group (THG) explored the best opportunities for enhanced growth in the environmental services market and determined the time was right to choose a strategic partner to enable future growth opportunities for Heritage. In December, we announced that EQT would acquire a majority position in Heritage. In the coming year, with EQT's guidance and support, Heritage will become a stand-alone company primed for new growth opportunities.

EQT is a leading, purpose-driven, global private equity organization with an institutional focus on value creation. EQT always seeks to make a positive social and environmental impact through its investments and is uniquely focused on future-proofing companies to make them sustainable, prosperous, and relevant for the long term. They are excited to partner with Heritage and are committed to expanding Heritage's business, enhancing customer relationships, and building even greater trust and understanding within the communities we serve.

As I transition from CEO to a position on the Heritage Board of Directors, I will continue to be a steward of the business — ensuring we do not lose sight of our values, history, and strong reputation for operational excellence. Heritage will continue to seek and employ the most innovative reuse, recycle, treatment, and disposal solutions in the United States.



A handwritten signature in black ink, appearing to read 'J Laborsky'.

Jeff Laborsky

CEO, Heritage
Environmental Services

Letter from the President

I am proud to report that 2023 was a record-breaking fiscal year for our organization. We managed the largest volume of industrial waste in our history, furthering our legacy of environmental stewardship. When I look to the future, I'm excited by what I see. Our banner year serves as our launch pad for greater growth in 2024 as we seek more opportunities to expand upon the ways we serve our customers, communities, and the environment.

I am constantly inspired by the integrity our employees demonstrate each day. With safety and environmental protection remaining our first priorities, we proudly share our key performance indicators and sustainability metrics here in this report.

The diversity of our workforce has improved with increases in women, minorities, and veterans on the team. New and improved training, sharing our business strategies with employees, and encouraging more employee and community engagement have assisted in the stabilization of employee retention in a tough marketplace.

We have maintained our "Excellent" Net Promoter Score rating from customers and continue to make significant investments in business excellence to reach a customer rating of "World Class."

Our positive environmental impacts in 2023 include increasing the amount of fossil fuel replacements provided to cement kilns,

increasing steam recovery to lessen electricity purchases, and reducing our mobile emissions per ton mile by increasing the average miles per gallon of our fleet. We participated in several national scale emergency response efforts related to both pipeline and rail transportation.

In 2024 and moving forward, Heritage will continue to be a leader in sustainability, assisting our customers in navigating their respective sustainability journeys.

"Our avoided emission calculations suggest that the benefits we provided in 2023 are 10 times the GHG emissions we created through our direct (Scope 1) and indirect (Scope 2 and 3) emissions."



A handwritten signature in dark ink, appearing to read "Ernie Walker".

Ernie Walker

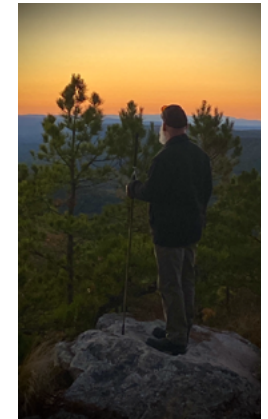
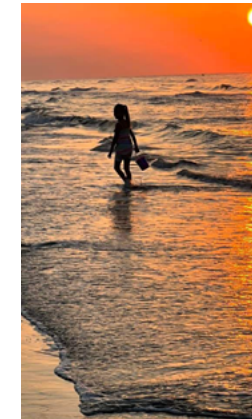
President, Heritage
Environmental Services

Employee Environmentalists

At Heritage, we work each day in support of our mission to protect human health and the environment. For many of our employees, that passion for the environment goes beyond their day-to-day work, often extending to voluntary efforts in their local communities and spending time enjoying and exploring the outdoors. They understand the importance of respecting their environment, for example, leaving nothing behind and taking only pictures when exploring nature. As such, we asked our teammates to share their favorite photos demonstrating their vision of nature's beauty. They did not let us down – we received over 100 nature photos from dozens of employees. This report and our 2024 annual calendar feature images from national parks and international beaches to our own backyards. Our employees' love of nature is manifested in the quality and broad range of images in their photos. They truly are citizen environmentalists and are personally invested in our mission.

Our cover photo was taken at Baker Beach in San Francisco, California by Chris Tran, Quality Coordinator at our incinerator in Orange, Texas. Chris shared, "I am proud to be working with people who are willing to take on the challenges to ensure our earth will continue to provide beauty, awe, and wonder to future generations. Let us all keep doing our parts to keep our environment healthy."

We thank each member of the Heritage family who submitted photos. We hope you enjoy seeing our love of the environment through the images in this report.



Heritage by the Numbers



Human Resources

- 30.8 %**
Women in executive roles
- 3.8 %**
Minorities in executive roles
- 27 %**
Women in workforce
- 28.4 %**
Minorities in workforce
- 9.7 %**
Veterans in workforce

Waste Operations

- 288 MT CO₂e**
per million \$ revenue
- 242,331,466 pounds**
Steam recovered and available for reuse as heat
- 17,801,243 gallons**
Treated wastewater returned for reuse
- 45,809 tons**
Hazardous Secondary Material/
Alternative Fuel produced
- 73,236 tons**
Waste incinerated
- 24,720 tons**
Slag and ash generated

Transport

- 6.2 mpg**
Average fuel efficiency for
Class 8 vehicles
- 19,456,684 miles**
Transported via roadway
- 616,653 miles**
Transported by rail
- 6,200 gallons**
Maintenance use oil recycled
- 597**
Maintenance tires retread

Energy Reduction Projects

- 15**
Total projects:
- ▶ **1** Company policy/behavioral change
- ▶ **5** Energy efficiency — building systems
- ▶ **3** Energy efficiency — production processes
- ▶ **3** Waste reduction and material circularity
- ▶ **3** Transportation fleet/vehicle replacement programs

Minimizing GHG through Equipment/Supply Practices:

Reducing Scope 1 GHG: 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 mode 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.

Creating New Energy Sources from Waste:

The energy value in certain wastes 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 recovery from our incinerator is converted to heat.

Natural Resource Stewardship



Review Operational Processes & Waste for Opportunities



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 feedstocks).

Harnessing Energy Potential



Lower GHG & Avoided Emissions



Toxicity Mitigation

Reducing Toxics in the Environment

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 feedstocks).



Defining Avoided Emissions

Since our inception, Heritage technical personnel have worked with industrial waste generators to solve their biggest waste problems by seeking opportunities to reduce waste volumes, move materials to a beneficial reuse, increase recycling, and as a last resort, manage wastes through proper treatment and disposal. Our history is replete with examples of how we go beyond the status quo and seek new innovative solutions.

Each success story makes a positive impact for our customers – operationally, financially, and most importantly, environmentally. These actions include conserving natural resources, providing alternatives to non-renewable resources, controlling emissions and waste, developing new sustainable products, defining process efficiencies, and/or decreasing operational costs. Sometimes these success stories are implemented with our personnel or equipment at the customer's facility, or at our existing processing facilities. In other instances, Heritage has provided a fertile environment to grow new businesses prior to rolling them out as standalone organizations. In addition to the environmental benefits, these success stories may also reduce greenhouse gas (GHG) emissions for the customer.

In today's world of measuring climate impact by analyzing an organization's carbon footprint, typically only reductions of direct emissions owned or controlled by a company, or indirect emissions as a consequence of its activities (Scope 1, 2, and 3 GHG emissions) are measured and compared. It is not as common to explore the environmental benefits of an organization's products or services. We believe that environmental stewardship and sustainability cannot be solely measured by a GHG metric, and that they should be evaluated by a variety of key performance indicators. We are not alone in this – our industry as well as national and international organizations, have addressed the need to tell a broader environmental impact story.

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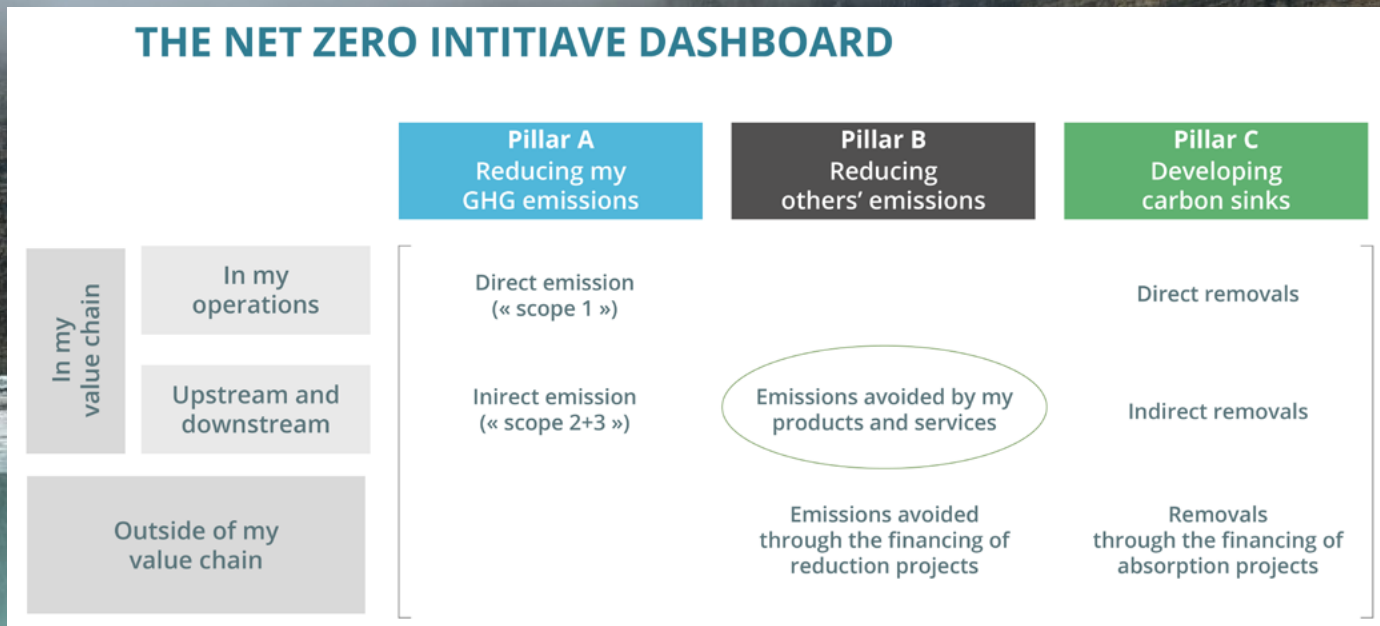
Purdue Collaboration Continues

Heritage has partnered with Purdue University to aid in the education of their students by providing a real world problem for them to solve and gain insight and experience in our industry. During the 2022-2023 school year, a senior design team of Purdue University students pursuing degrees in Environmental and Ecological Engineering (EEE) laid out a framework for a “toxic credit” by using the EPA's Tool for Reduction and Assessment of Chemicals and Other Environmental Impacts (TRACI). The team focused primarily on the RCRA heavy metals: arsenic, barium, cadmium, chromium, lead, mercury, selenium, and silver. Heavy metals are found in RCRA hazardous wastes from various industries. RCRA heavy metals can pose harm to humans at low levels, and as such, have been regulated since the 1970's. Therefore, RCRA regulates these eight heavy metals so that they are treated properly to either remove or stabilize the metals prior to disposal. As part of the senior design project, the students focused on the RCRA monitored metals due to their well-defined characteristics and ability for lifecycle mapping. The Heritage-sponsored project began during the 2022-2023 school year and the initial student efforts were shared in our 2022 sustainability report. The project will continue in the summer 2024 with a Purdue University EEE intern validating the framework. We are sponsoring another senior design team to expand the TRACI model framework to include other RCRA monitored wastes during the 2024-2025 academic year.

The EPA Emissions Factor Hub advises reporting direct and indirect emissions separately from claims of avoided emissions. The Net Zero Initiative, a global collaboration started in France, 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.”

As the independent businesses from which we’ve divested continue to support the environment by reducing and avoiding GHG emissions, we remain proud of the part we played in their creation. We hope they can report their net benefits (actual emissions minus avoided emissions) as we continue to pursue new technologies and innovations to solve waste issues.

Heritage has recently embarked on accounting for our current avoided emissions and has provided its first results in this report (see story on next page).



Climate Benefits Through Avoided Emissions

Our environmental impacts extend beyond the emissions captured in our footprint. We collaborated 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 considered the net benefits of avoided greenhouse gas (GHG) emissions associated with two of our key services: ozone-depleting substance destruction and hazardous secondary materials fuel production. By widening the lens of our analysis, we can identify avoided emissions outside the activities directly captured in our Scope 1, 2, or 3 GHG inventory. The net climate benefits of ozone-depleting substance destruction and hazardous secondary materials 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

We provide solutions for the destruction of spent refrigerants, which are regulated

ozone-depleting substances (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 2.6 million metric tons of CO₂e in 2023 alone, the equivalent of removing over half a million gasoline powered vehicles from the

road for one year. Of this, roughly 240,000 metric tons of GHGs avoided were accounted for in carbon offset-generating destructions.

Hazardous Secondary Materials Fuel Production

We identified opportunities to aggregate wastes with heat value (BTU) to produce hazardous secondary materials (HSM) fuel, which can be used as a replacement for fossil fuels in cement production. In 2023, we generated over 49,000 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.

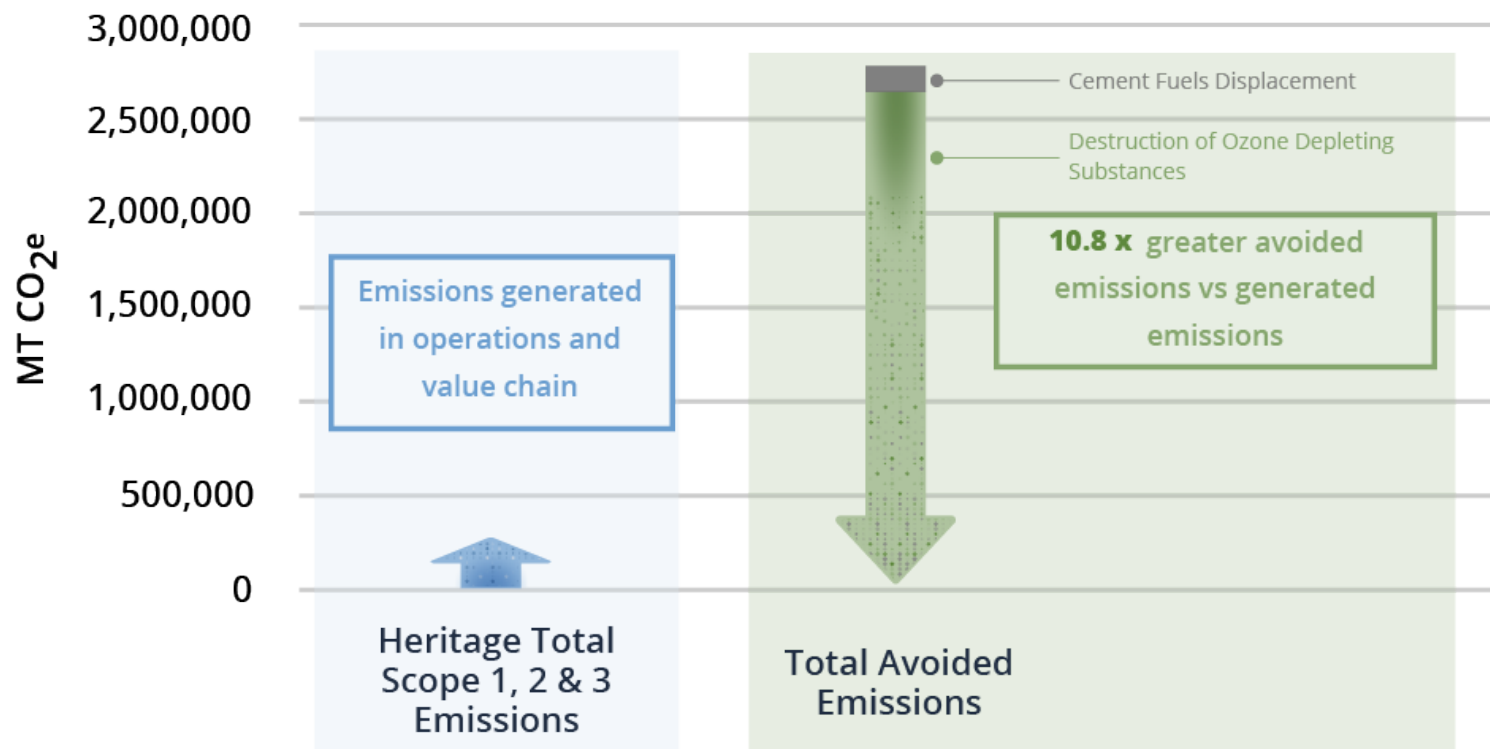
Our calculations compare a baseline scenario of business-as-usual cement kiln operations and fuel usage, along with hazardous waste treatment at our facilities, to a scenario where HSM fuels are treated as a valuable alternative fuel capable of displacing fossil fuel use. By harnessing the energy potential of waste (*continued on next page*)

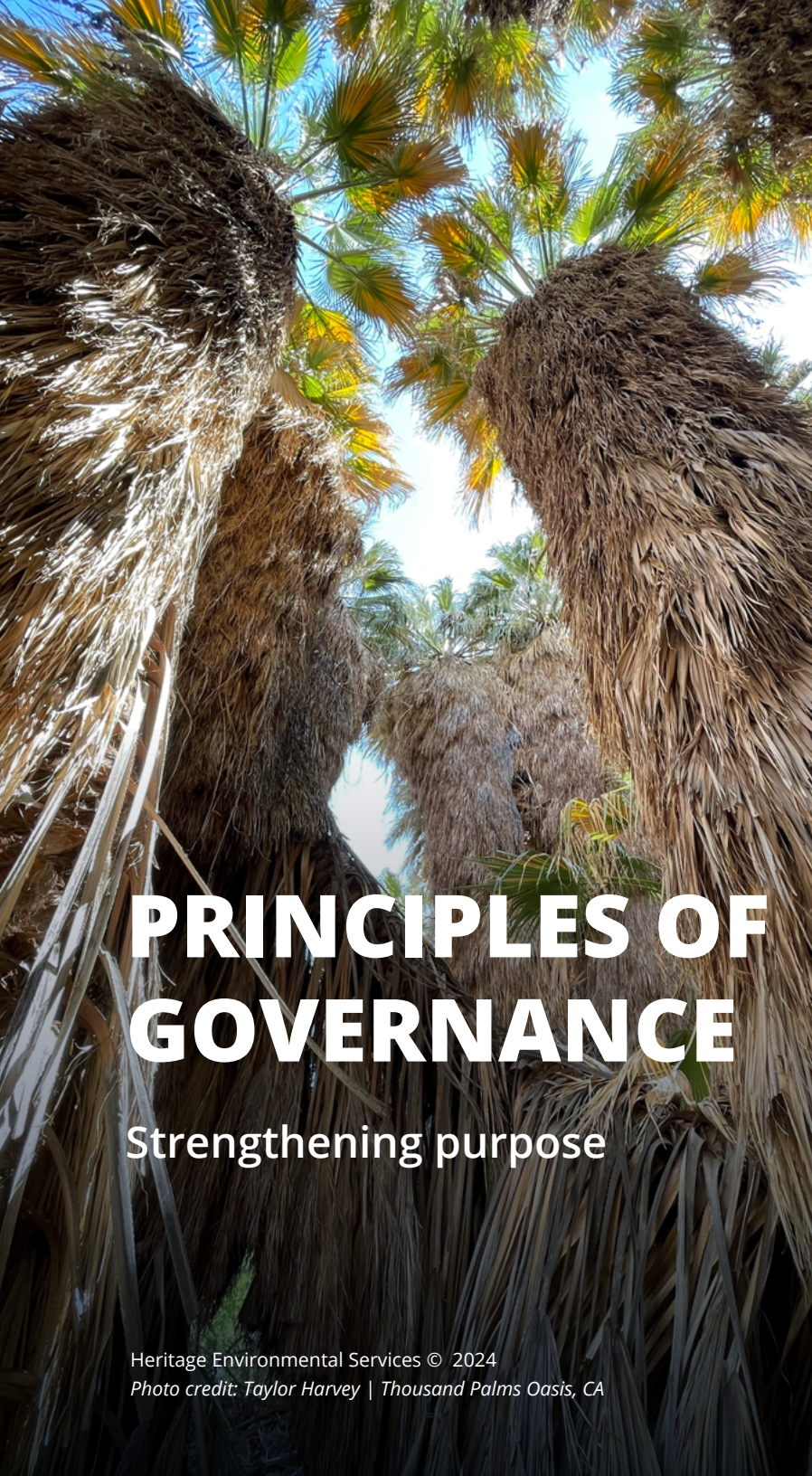




materials, we contributed to the avoidance of over 134,000 metric tons of CO₂e from virgin fossil fuel use in 2023 and could help cement kilns lower their Scope 1 fuels footprint. This avoidance is equivalent to removing 29,000 gasoline powered vehicles from the road for one year.

ODS destruction and HSM fuel production represent significant sources of avoided emissions for Heritage in 2023, but we are exploring additional activities in our operations that have emissions benefits and are working 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.





PRINCIPLES OF GOVERNANCE

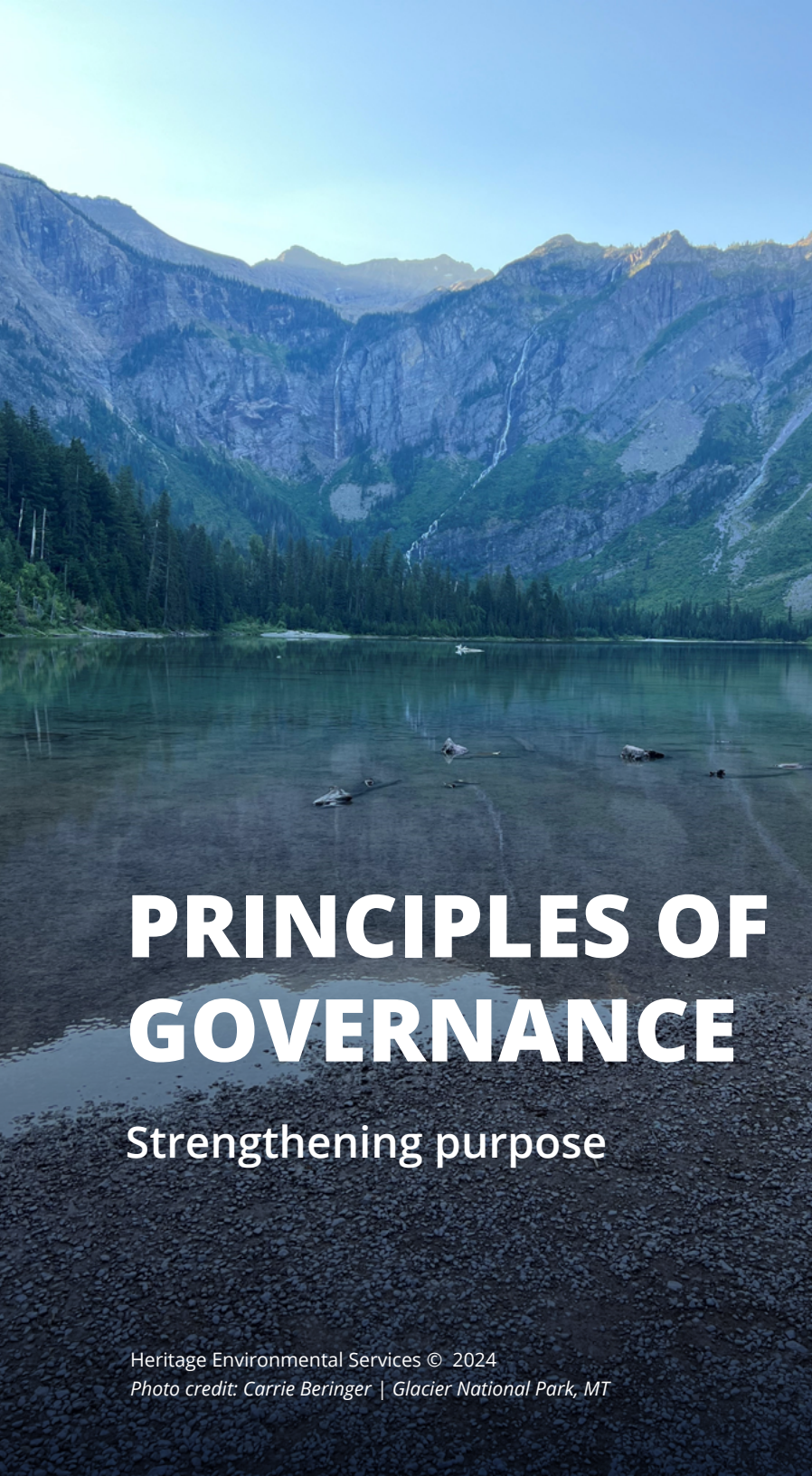
Strengthening purpose

Integrity Matters

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

METRIC/TARGET	CY22	CY23
Zero legal actions related to ethical business practices	0	0
Zero fines paid	\$300,600	\$88,095
Zero notice of violations received	3	6
Annual carbon footprint calculations and reporting through CDP Worldwide	YES	YES
Annual sustainability report	YES	YES





PRINCIPLES OF GOVERNANCE

Strengthening purpose

Solving Problems through Innovation

is demonstrated through our continued significant investments in research and development with a focus on new waste reuse and recycling options as well as diversifying sustainability services.

METRIC/TARGET	CY22	CY23
Opportunities explored by Heritage Growth Opportunities Team	257	268
Heritage Innovation Team ideas submitted/actionable (employee idea submission program)	21/12	56/32

Cybersecurity Is a Shared Responsibility

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 assure risks are minimized.

METRIC/TARGET	REPORTED CY22	CY23 KPI
Zero cybersecurity incidents causing financial harm or environmental risk	0	0



Cybersecurity is a Shared Responsibility

In continuous efforts to meet our goal of “Zero Cybersecurity incidents causing financial harm or environmental risk,” our security personnel were busy implementing several new programs this year.

With hundreds of employees exploring generative artificial intelligence (AI) solutions, we were proactive in supporting safe usage. Our Artificial Intelligence & Machine Learning Policy specifically designates acceptable company use cases and software. Training included best practices for AI Interactions:

- **Separate business from personal**
- **Enable two-factor authentication to protect information**
- **Safeguard sensitive data – AI treats all input as public with open access**
- **Fact-check AI-generated content to avoid relying on or sharing bad information**
- **Engage IT Security to ensure the integration is secure, sustainable, and scalable**

We upgraded our existing Multi-factor Authentication (MFA) system for all employees using a Single Sign-On (SSO) enabled application or setting up a Virtual Private Network (VPN). The new phone-based app was deployed and eliminated all other options for authentication.

While we consistently block more than 85% of malicious messages, email continues to be the primary source of attempted attacks against the company and is the focus of our annual cybersecurity awareness training. Once a quarter, employees who reported legitimate phishing attempts were entered into a gift card raffle.

As part of Cybersecurity Awareness Month, Heritage offered employees a new benefit – free home security protection. The premium home software protects computers from viruses, malware, ransom-ware, application and OS exploits, potentially unwanted applications, phishing attacks, malicious websites, and the latest cybercrime.

Many times daily, we unlock our phones with biometrics like fingerprint or facial recognition, or a personal identification number (PIN). We have expanded this experience for unlocking company-issued personal computers. Unlocking a device with a PIN or biometric that only you possess is not only simpler, it’s also more secure as it is only associated with one device and is backed up for recovery.

From everyday actions to innovative technology, our cybersecurity focus has resulted in another year of positive results – zero incidents causing financial harm or environmental risk.

100%

of Frank’s Vacuum Services employees completed their Security Essentials training as part of integration into our systems

97.9%

of HES employees completed the 2023 annual security awareness training

Six Safety Program Evolves

HERITAGE®

SIX Principles to a Safer Work Environment

S Stop Unsafe Work

A Avoid the Pain

F Following Procedures

E Examine the Concerns

T Taking Steps to Be Healthy

Y Yield the Rewards

SIX SAFETY

Revised 2/26/24

At Heritage, one of our core values is “Safe and Compliant or Not at All.” This means we won’t do any job or task until it can be done safely and compliantly. To help us communicate this value we created a program in 2009 called 6Safety. 6Safety is comprised of two aspects, Six Principles to a Safer Work Environment and Six Life-Saving Rules. The 6Safety program has evolved over the years through employee participation and leadership commitment.

Through careful consideration, evaluating data and exposure potentials, we updated our Life-Saving Rules to ensure they reflect our most common exposures and highest risk. Driving replaced waterblasting as driving is something most employees do every day, including many who drive work vehicles. According to the National Safety Council, roadway incidents are the leading cause of work-related deaths. This update gave us the opportunity to re-communicate the expectations and seriousness of these six rules through new training and other communication tools.

Nothing we do can ever become more important than safety. Each and every employee takes part in assuring a safe working environment. Together, we will keep our commitment to work “Safe and Compliant or Not at All.”

HERITAGE®

SIX Life-Saving Rules

Confined Space Entry
Obtain authorization before entering a confined space.

Lockout/Tagout (LOTO)
Verify isolation and zero energy before work begins.

Falls
Protect against a fall when working at height.

SIX SAFETY

Driving
Follow Safe Driving Rules.

Line Breaking (Pipeline)
Avoid the line of fire while line breaking with hazardous materials.

Hot Work
Control flammable and combustible ignition sources.

Enhancing Safe Work Permit Procedures

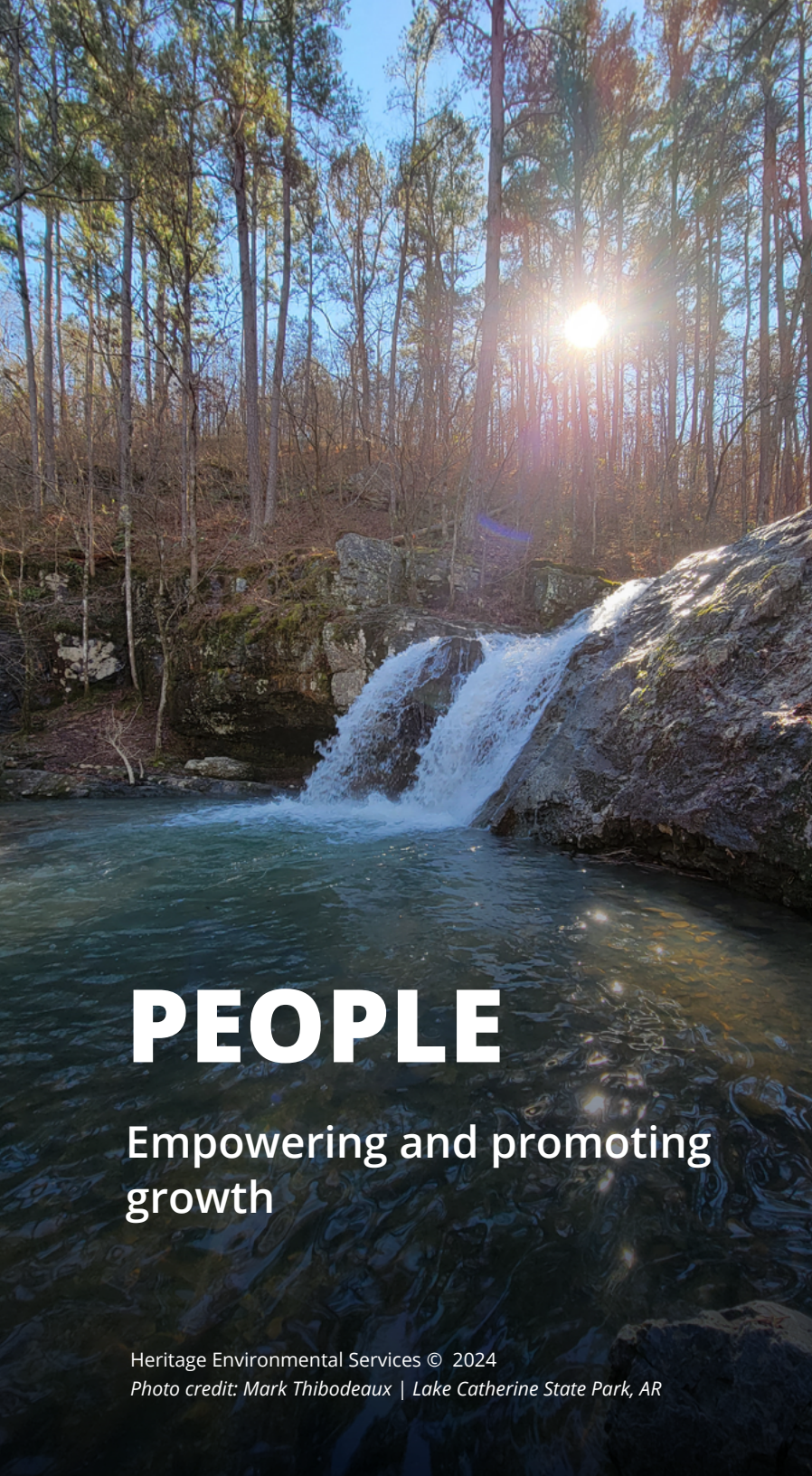
As part of our value of Safe and Compliant or Not at All, Heritage strives to provide a workplace free of recognized hazards. We prioritize procedures, training, controls, and ongoing continuous improvement for employees and onsite contractors. A Safe Work Permit (SWP) is required prior to completing any task listed in our 6Safety program (see article on previous page) and other tasks with the potential for elevated risk.

We emphasize the importance of scoping and planning work within a process that identifies hazards. The SWP encourages and supports identification and understanding of hazards while informing controls and mitigations which eliminate or reduce hazards before beginning a task. SWPs also must be reassessed or revised as the work scope changes or new hazards are identified during task implementation.

This year, enhanced measures were implemented and updated training was provided for hot work procedures. Hot work is any temporary or routine work involving open flames, hot surfaces, and/or sparks or molten material of sufficient energy to ignite combustible, ignitable, and/or flammable materials.

This update prompted refresher training on safe work permit procedures across a broad swath of employees and contractors that may engage in any of the tasks identified in our 6Safety program. Specific understanding of planning and implementation were featured, as well as the role and responsibilities of requesters and issuers in the authorization of safe work permits.





PEOPLE

Empowering and promoting growth

Safe and Compliant or Not at All

is our most important company value. Every employee has the right and responsibility to stop unsafe 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.

METRIC/TARGET	CY22	CY23
Lost time incident rate = 0.0	0.07	0.29

The Freedom to Learn and Grow

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 to employees across our organization.

METRIC/TARGET	CY22	CY23
Promotions and transfers	14%	13%





PEOPLE

Empowering and promoting growth

Inclusive Culture for All

is our way of saying we will consistently strive to improve labor practices to retain and attract a wide spectrum of employees.

METRIC/TARGET	CY22	CY23
Employees completing code of ethics training = 100%	100%	98.5%
Onboarding training for all new hires = 100%	99.7%	100%
Employee retention ≥ 80%	64.7%	64.9%

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
Employee engagement: Green team participation, community events, response to natural disasters in 100% of locations	100%	100%



Celebrating Our Communities



We take pride in sharing stories about the good deeds the company and our employees are doing where we live and work. Before we can focus on efforts, we should recognize the individuals who organize and make these efforts possible. Our company green team, the Green Eyed P's (GEP), is comprised of over 50 employees representing their various Heritage locations. The P represents our sustainability pillars: Principles of Governance, People, Planet, and Prosperity. Our GEPs are individuals with natural leadership and compassion. They ensure their Heritage location embraces our company culture through employee and community engagement activities and recognize our company's birthday which we celebrate annually on Earth Day. GEPs also communicate corporate initiatives and coordinate local matching efforts in our communities.

Every year our employees participate in activities that address food security in surrounding communities. These efforts include supporting a local Feeding America food bank, which is one of our corporate charities, but may also include contributing to other local charities located closer to our locations. For the past two years, these efforts were coordinated with The Heritage Group and called United for Service. In addition to food drives and financial donations, volunteering opportunities appropriate for local situations are encouraged and celebrated.

As part of our sustainability initiatives, our GEPs support their location with recycling, energy, and water audits. Our recycling program allows and encourages employees to bring materials that cannot be recycled curbside to our collection events and facilities. We encourage each of our locations to include charitable programs in their recycling efforts like the Lions Club eyeglasses program, Ronald McDonald House Pop Tab Recycling Program, and Cell Phones for Soldiers.

GEPs and local management also coordinate events that are meaningful to their communities. Several long-standing engagements include our Habitat for Humanity parking lot panel build and American Cancer Society Relay for Life in Indianapolis, Indiana; Partners for Clean Streams projects in Toledo, Ohio; supporting the Boys and Girls Club in Benton, Arkansas; and the Ducky Derby for Harbor House in Louisville, Kentucky. *(Continued on next page)*

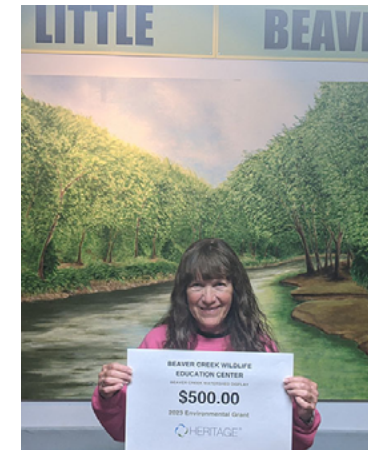


In 2023, our East Liverpool, Ohio facility celebrated the 25th year of its annual community household hazardous waste collection event, called citySweep. Since the first citySweep collection in 1997, area residents have recycled or disposed of more than 303 tons of household chemical wastes and old electronics that may have been otherwise poured down the drain or tossed in the trash. This event aligns with our celebration of Earth Day each year, where we also announce the winners of our annual Environmental Grants program. Schools and non-profit groups within a 15-mile radius of our facility in East Liverpool are invited to apply for environmental project grants ranging from \$100 to as much as \$1,000. Since the grant program began in 1998, dozens of local organizations have received \$126,705 to make the community cleaner and greener.



New events this year included celebrating Bat Week in October by educating employees on the environmental benefits of bats and our company efforts to protect the Indiana Bat (*Myotis sodalis*), which has been designated an endangered species. Several locations were involved and our team in Niagara Falls coordinated the adoption of a bat at their local zoo. Additionally, our employees in Wood River, Illinois (St. Louis area) coordinated a sizable toy collection for Toys for Tots this year.

Please check out the specific stories we have shared in this report regarding The Lakeland Center (page 25) and our efforts to support veterans' organizations in A Salute to Veterans (page 27).



Celebrating Our Communities

Be a Good Neighbor; Supporting Our Communities

The Lakeland Center is an adaptive, or therapeutic horseback riding center with innovative healing, and educational, inclusive, and community-focused programming. Founded in 2000, and previously known as Hope Haven, the Lakeland Center is located west of Indianapolis with property in Putnam, Hendricks, and Morgan Counties. The facilities host an indoor and outdoor arena, 10 acres of pasture, and the wonder of rural community farm buildings. Heritage first donated to the Lakeland Center in 2011. Since 2018, we have consistently and increasingly supported the charity. Donations have been mostly financial, but we have also donated equipment for reuse. Employees volunteer personal time and some employees' children have experienced the programs.

Adaptive or therapeutic riding programs are built to support the special needs of participants of all ages. Goals and lesson plans are catered to help participants heal and grow physically, cognitively, emotionally, and behaviorally. "We have policies and procedures that everybody has to follow to keep us safe and are focused on measurable outcomes and research," said Christy Menke, founder and executive director of the Lakeland Center. The Lakeland Center can support special needs associated with several different diagnoses including developmental delays, speech, down syndrome, autism, cerebral palsy, traumatic brain injuries, strokes, mental health, anxiety, depression, and others.

"We are there just to guide but the horses bring out the problem-solving"



The therapy horses are unique. Many of them have been given a second chance in their retirement years. Lakeland Center horses have various backgrounds, including retired show horses and horses rescued from less desirable situations. Menke shared, "Even though they might have been shown a lot or done some fabulous things, they retire here, and they don't see, they don't judge."

Speaking to their special skills, Menke shared that the horses empower and heal in ways humans cannot. "We are there just to guide but the horses bring out the problem-solving," Menke continued. At the Lakeland Center, neither horse nor human at the farm sees imperfections. "It's cohesive and inclusive of kids from every different walk of life. They just have a good time together out here," she said.

The Lakeland Center has been partnering with the biomedical engineers at Rose-Hulman Institute since 2012 to measure the outcomes of participants. "I wanted to show why we are doing this and [demonstrate] our measurable outcomes. It gives me the data so that I'm able to prove physically that they've come a long way," Menke stated. "Some of the staff will come in and we're not only finding out if we're doing better in our lessons, but we've also found problems with clients that the agencies didn't know." Additionally in 2019, The Lakeland Center partnered with Indiana University students in *(continued on next page)*



physical therapy and occupational therapy to develop a mobile unit with 180 exercises to support riders with core strength, balance, muscle memory, fine and gross motor skills, endurance, and cardio/respiratory health via horse simulators during the harsh winter months.

Menke noted that since 2020, children have been experiencing unprecedented levels of behavioral and emotional instability: children who were once strong and healthy are regressing and no longer talking or are acting out. The Lakeland Center has risen to the occasion, serving four times the number of past clients, and now has a waitlist for services. "Most of them don't think they have any resources, so we try to build that through the horses. We problem-solve," Menke said.

Newer programs for children include Unspoken Neigh (positive self-esteem group sessions for middle school-age children), Little Bit Club (anxiety resources for elementary school-age children) and Take the Reins (integrated social programs including 4-H and camps). Menke shared, "Heritage really helps with all of our Unspoken Neigh kids, which are a lot of at-risk kids and special needs kids. Partnering with Heritage has just been amazing."

Salute to Veterans

We are immensely proud to recognize and encourage our veteran employees, actively seek to recruit and hire veterans, and publicly support them in the communities where we live and work. One example of a local effort takes place annually in East Liverpool, Ohio where our employees volunteer to serve a special meal to veterans and their families for Memorial Day and Veterans Day. The following events have expansive participation from employees and their families across the country.

Wreaths Across America

Since December 2017, our transportation team has participated in National Wreaths Across America (WAA) Day. This coordinated event includes thousands of volunteers from across the U.S., uniting at national cemeteries to place wreaths on the graves of those who have served our country. Heritage provides two trucks and two drivers who venture to Columbia Falls, Maine where our military-themed wrapped trucks are filled with wreaths and transported to the designated national cemetery. Our trucks and drivers are part of the WAA Honor Fleet.

In addition to donating transportation, our employees participate in this event all across the nation. In 2023, employees and their family members from seven of our locations volunteered at nearby cemeteries to lay wreaths, and over 100 employees provided donations to purchase wreaths. Heritage provided a 100% match to employee contributions, and with our combined donations, we were able to purchase nearly 900 wreaths. These wreaths were delivered to cemeteries in Arkansas, Arizona, Illinois, Indiana, Missouri, New York, Ohio, South Carolina, and Virginia. *(Continued on next page)*



Salute to Service

Heritage employees joined other team members from our parent organization (The Heritage Group) to wave the American flag at an NFL football game featuring the Indianapolis Colts and the Tampa Bay Buccaneers on November 26, 2023. Employees who are veterans, who had veterans in their family, and even employees or family members who are active-duty military participated. The “Salute to Service” event included a pre-game ceremony where 400 employees and family members unfurled a 1,200-pound flag spanning the entire football field.

Beyond the overwhelming response for signups, Heritage veterans expressed gratitude for the chance to be a part of such a significant event. For the veterans and active duty military members involved, the experience was deeply moving. Many spoke of the sense of pride and connection they felt as they represented their fellow service members on such a grand stage. “I’ve never worked for such a good company that honors our military veterans in this way. It’s just very humbling and an honor to not only be part of this event, but to work for Heritage,” said Brian Frank, Transport Driver for Heritage Transport, LLC and United States Navy veteran.

These efforts help to reinforce our commitment to honor and respect our veterans and veteran families. “We thank those who have served our nation – and reflect on their important sacrifice,” Ernie Walker, Heritage President, said.


Spotlight on Women

Throughout 2023, we highlighted women through numerous internal and external communications, exploring their roles, experiences, and growth with Heritage.



Sue Kieweg


 Corporate Recruiting Manager


 7 years with the Heritage family

“Heritage invests in its employees by empowering them with the freedom to learn and grow. I am a great example of this, as I was brought in as a recruiter and given freedom to set up my own recruitment process and strategy. After 12 months I was promoted to Corporate Recruiting Manager and given the opportunity to start a recruiting department. I think the opportunities at Heritage are endless. We encourage promotion from within and having discussions with employees on where they would like to see themselves in the future as well.”



Brittney Burt

 Field Chemist

 4 years with the Heritage family

Brittney started as a Lab Technician and was promoted to Field Chemist. She said, “I drive our box trucks to customer sites to review, pack, manifest, and transport hazardous material. This involves sorting and categorizing chemicals based on their chemical constituents and individual properties. I also review incoming Lab Pack inventories from other Heritage sites as well as from our customers’ locations to ensure compatibility and acceptance to the incinerator.” Trust is built over time – and for Field Chemists at Heritage, that’s accomplished by showing up reliably for pickups, helping customers through tough challenges, profiling waste correctly, and helping to answer any questions that may arise.

Spotlight on Women



Emilee Phillips



Field Chemist



4 years with the Heritage family

Emilee started as a Lab Technician and was promoted to Field Chemist. "I was fresh out of school when I started at Heritage and another chemist helped me out a lot. He gave me advice on how to excel in this role and at this company, and how to be professional with customers and coworkers. I really appreciated that," Emilee said. Field Chemists not only work with our customers, but also with other Heritage facilities to ensure that waste gets to the correct processing location. When asked what it meant to be a good partner, Emilee shared, "We build good relations with a lot of different plants, by being reliable, working with them to make shipments easier, and answering questions on how to classify wastes. Having a strong customer service mentality is huge for this role."



Diana Logan



Material Handler



1 year with the Heritage family

Diana supports Heritage by loading, unloading, processing, and storing hazardous and nonhazardous waste materials at Heritage's permitted waste treatment facilities. When discussing our company value 'Integrity Matters,' Diana said it is demonstrated through our Stop Work Authority, or the right for any employee to stop work if they perceive that the task cannot be completed safely. "I've worked at a lot of places that have had massive safety commitments to their people, but then when it came down to it, getting the job done was more important. That's just not an issue here. At Heritage, when they say that they prioritize safety, they really do."

Women's Spotlight



Hannah Norton



LDP Sales/Customer Exp. Rep



1 year with the Heritage family

The Heritage Leadership Development Program (LDP) is designed to accelerate the careers of recent college graduates. Participants complete three rotational assignments ranging 9 to 12 months each, gaining experience and developing leadership and strategic thinking skills by partnering with and learning from our leaders and executives. Hannah said, "I am on the Commercial track which focuses on Customer Experience, Marketing, and Sales over the next three years. I am currently starting in the Customer Experience Department as a Program Manager. Prior to this role, I had an internship with the Heritage Group Accelerator. One thing I have learned from my mentorship relationships is to always ask questions when you have a problem that needs a solution or needs clarification. My mentors have always been there to answer my questions or dive deeper into a topic. This has been beneficial for me starting out in my career, as it allows me to understand the industry and learn how I can best operate within my role. Never be afraid to ask questions and challenge yourself but know that there will be people behind you that will support you along the way."



PLANET

Addressing climate change, water, and waste impacts

Protecting the Earth Where We Live and Work

goes beyond our efforts to prevent any 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.

METRIC/TARGET	CY22	CY23
Annual review of emergency plans for fixed facilities = 100%	100%	100%
Create and follow health and safety plans and/or job safety analysis plans for field service projects = 100%	100%	100%
Internal compliance audits of facilities completed within scheduled frequency = 100%	100%	100%
Maintain and/or increase biodiversity initiatives: Indiana bat habitat, wetland conservation areas, pollinator projects	YES	YES
CDP intensity metric: MT CO ₂ e per million \$ revenue	386	288
Steam recovered and available for reuse as heat	YES	YES
Local energy/Greenhouse Gas reduction projects: #	16	15





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 most reuse out of every unit of waste we manage. This method seeks to minimize wastestreams, reclaim as many materials we can, and detoxify the rest, before disposing in the safest way possible.

METRIC/TARGET	CY22	CY23
Treated wastewater discharged meets standards = 100%	100%	100%
Hazardous Secondary Materials (HSM) fuel produced meets specifications = 100%	100%	100%
Treated combustion residue meets Land Disposal Restrictions (LDR) standards before disposal	YES	YES





PLANET

Addressing climate change,
water, and waste impacts

Reduce Environmental Impacts from Transport Operations

by continuing to reduce significant fossil fuel usage, nitric oxide (NOx) emissions, and spill potential through our green fleet initiatives and driver programs.

METRIC/TARGET	CY22	CY23
>6.0 MPG fuel efficiency for Class 8 vehicles	YES	YES
Reduce GHG through rail transportation	YES	YES
Maintain reuse programs at our maintenance hubs	YES	YES



Reducing Our Footprint from Transport Operations

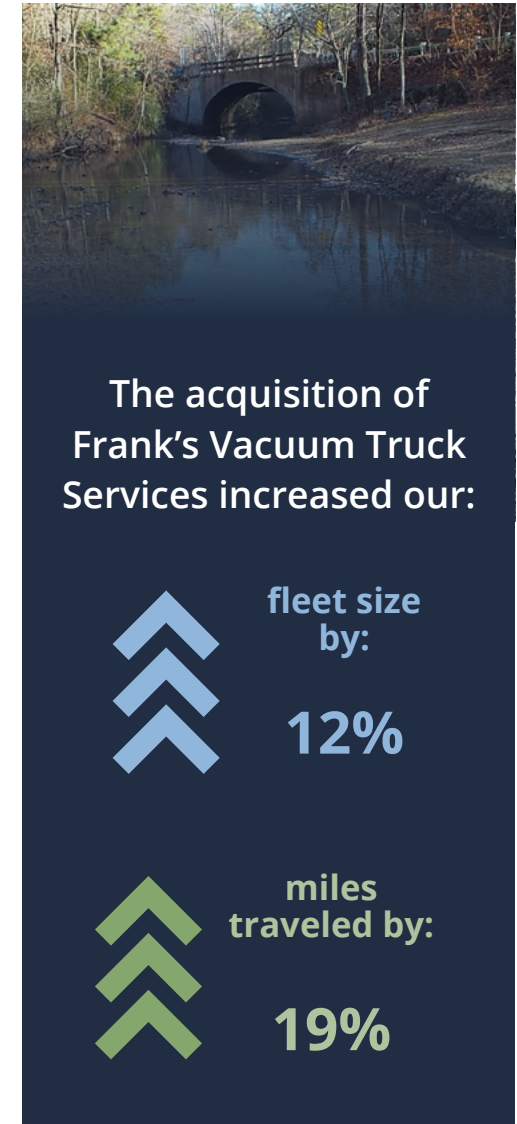
In our 2022 annual sustainability report, we shared the news of our year-end acquisition of Frank's Vacuum Truck Service (FVTS). After a full year of operations and integration, our stakeholders, including employees, customers, and the community have experienced the benefits.

Incorporating these Niagara Falls-based fleet vehicles into our existing fleet has enhanced our ability to serve western New York, the Midwest, and the eastern United States with routing efficiencies and new services. As FVTS was one of Heritage's largest subcontracted transportation providers over the last 20 years, there were immediate efficiencies for select long-term customers. Our new transportation service line and freight brokerage managed from Niagara Falls expands our capacity to provide a deeper level of strategic customer support throughout the U.S. and Canada.

Our freight brokerage service offers full coordination of full truck load (FTL) and less-than-load (LTL) shipments of general commodity materials, backed by the confidence that only comes with personalized, full-service support. We are straight-forward in our approach and build trust through honesty, dedication, and commitment. We also employ a qualification process to ensure the integrity of our partnerships and carrier relationships.

In addition to improved geographical coverage and the new service line, the synergy and benefits of combining operations have been overwhelmingly positive. Personnel are experiencing systems improvements in IT and security, payroll, billing, and more. Our operations are benefiting from the cost savings in operational expenses and capital purchases. With the integration of Heritage programs for FVTS driver training, fuel purchases, and more, our drivers are helping to positively impact the bottom line.

Employees have embraced the Heritage culture and company values. In addition to the positive response to increased wages and benefits, and system improvements that make work more efficient, employees are excited by our community engagement and local sustainability initiatives. The location's very active green team representative, Amber Trimmer, and location manager Sandra Murdie have adopted corporate programs by organizing participation in our *(continued on next page)*



Earth Day celebrations, the local American Cancer Society Relay for Life event, Bat Week celebration, The Heritage Group's United for Service events (addressing food security in the local community), and Wreaths Across America. Amber's commitment and success shines across all locations as a rising star for local programs.

In 2023 our fleet average mile per gallon (mpg) increased to 6.20, well exceeding our key performance indicator of greater than 6. This is accomplished in a year where the addition of FVTS increased our fleet size by 12% and miles traveled by 19%. Noteworthy factors in this accomplishment include a higher equipment utilization rate and our continued efforts to effectively maintain and upgrade our fleet. Adding the FVTS employees, equipment, and services to our overall operations reduces our environmental impact from transport operations in incremental but meaningful measures.



Road to Paperless Manifests

Heritage is committed to protecting the environment by transitioning to a fully electronic system for tracking waste movements via required governmental documents. The EPA's e-Manifest system has been ramping up since 2018 for all uniform hazardous waste manifests (manifests). Regulations require shipment of hazardous wastes to be shipped on manifests which are a dual-purpose waste tracking and hazardous materials shipping document. On October 1st, 2023, we advanced in our journey toward fully electronic e-manifests by discontinuing the practice of returning paper copies of completed manifests to generators via U.S. mail. Removing this step reduces the GHG emissions from transportation associated with mailing copies of manifests back to generators while reducing paper usage for envelopes and stamps.

We encourage all hazardous waste generators to register for EPA's e-Manifest system and join Heritage on our journey towards paperless tracking. EPA has posted instructions for enrolling as an e-Manifest user on their webpage. These instructions educate users on how to register for different permissions related to whether they want to view, create, and/or sign manifests electronically. For instructions, visit our [website](#) or download this [guide](#).

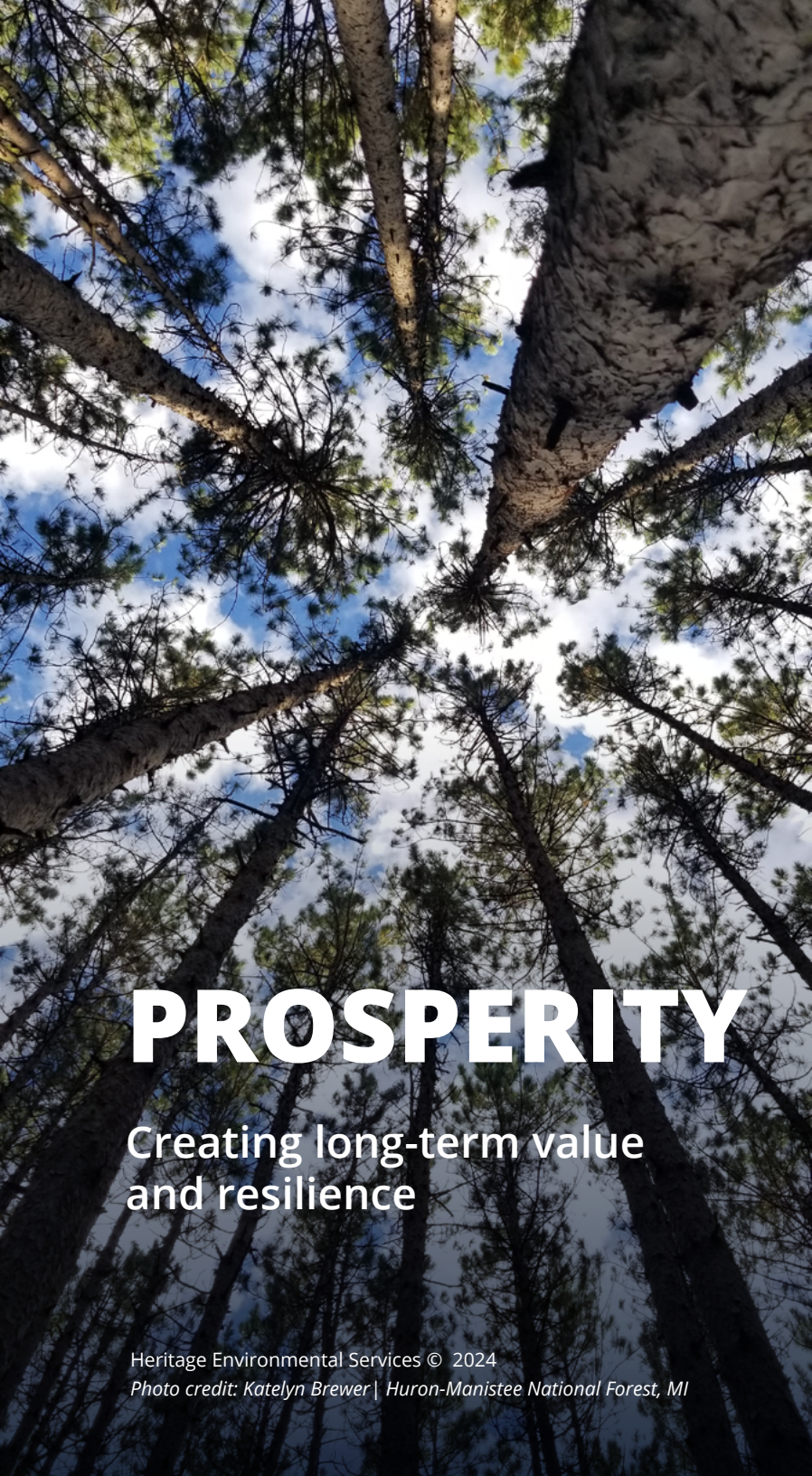
Any participant in the RCRA system, including generators, transporters, brokers, regulatory agencies, and treatment storage or disposal facilities, wishing to view, create, and/or modify e-Manifests, and the general public, must register regardless of whether their manifest began as a paper manifest or fully electronic. According to EPA's website, for paper or fully electronic manifests, "The final copy from the receiving facility is an e-manifest signed electronically and is not an image file that displays the hand signatures of all the waste handlers."

EPA has made the RCRA Info Industry User Registration e-learning course available to assist with the registration process.

Heritage is emailing customers a copy of their completed manifest and making them available on our Environmental Information System (EIS) online customer portal. However, the official version of completed manifests are those that are stored in the e-Manifest system on RCRA Online. We appreciate the support of our customers as we fully embrace this sustainable practice.

Heritage also took the first step in achieving a fully electronic manifest by developing an internal process for our own plant-to-plant shipments starting in March of 2024. The fully electronic manifest is reducing the amount of paper we use while retaining the important information and data contained on a manifest. We are following the potential savings and will experience the overall impact in 2024.





PROSPERITY

Creating long-term value
and resilience

Long Term Satisfied Customers

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

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
Net Promoter Score = World Class	Excellent	Excellent
New Investments/Acquisitions	1	0
New contracted suppliers are engaged and sign code of ethics	100%	100%



Business Excellence Improves Customer Relationships

Prosperity for Heritage means “Long Term Satisfied Customers” and we are committed to developing enduring relationships where we give proper focus and attention to service performance. We measure our ongoing effort to perform using customer surveys and report those results using the Net Promoter Score (NPS). Our continuous improvement efforts include the various aspects of customer interactions with a focus on employee training, system configurations, equipment upgrades, and process improvements utilizing the principles of Lean Six Sigma.



Net Promoter Score

For 2023, we maintained an “Excellent” rating on the NPS scale. Our goal of achieving a “World Class” ranking is within reach and we are confident in our ability to achieve it. The industry-wide incineration capacity and scheduling difficulties in 2023 continued to create challenges for customers. Our incinerators are operating at full capacity, and we are assisting our customers with working to get back to more routine scheduling.



Systems MMS 2.0 Update

Our native enterprise resource-planning software called Materials Management System (MMS) continues its multi-year journey to upgrade internal and external operating systems. A team of analysts, developers, programmers, and administrators have been working to make all segments of our service systems user friendly and efficient for both customers and employees. Our next phase is the customer order entry process, which will improve efficiency and responsiveness, benefiting all downstream activities including service, billing, and reporting.

What is a Good NPS Score?

75

World Class

50

Excellent

0

*Good**Needs improvement*

[Learn more](#) about this scale.

Business Excellence by the Numbers

Business Excellence

Our efforts to improve business processes using Lean Six Sigma is known internally as "Business Excellence." As our program has matured over the past 2 years, the number of employees trained in these principles and participating in improvement projects has multiplied. Significant growth was accomplished this year by adding a Master Black Belt (MBB), Marshall Parker, to our dedicated corporate staff. During the year we also added eight newly trained Lean Leaders under the direction and support of the MBB and facility leaders.

Congratulations to our New Lean Leaders!

- Chris Evinger (IN)
- Ryan Pinkerton (IN)
- Sierra Vetter (OH)
- Hanna Fulford (IN)
- Gerald Browning (AR)
- Justin Smythe (OH)
- Gavin Gates (OH)
- Carrie Beringer (OH)

2023 Projects

Project Type	Completed	Open
Black	2	1
Green	13	7
Yellow	24	4
Kaizen	4	4

132
employees
engaged

31
projects
completed

16
projects
ongoing

Triple Benefits With Safe Rail Shipments



CSX Chemical Safety Excellence Award

Heritage's dedication to maximizing usage of rail transportation addresses three of our sustainability goals: Safe and Compliant or Not at All, Engaged Supply Chain with Shared Ethics/Goals, and Reducing our Environmental Impacts from Transportation. Each year we utilize rail transportation regularly for shipments of materials in and out of our facilities and for strategic projects where large quantities of materials are moved long distances. Increasing rail use and finding new lanes for rail is part of our sustainability continuous improvement efforts.

Including and expanding the use of rail in an overall plan to reduce our impacts from transportation is a strategic effort towards reducing our carbon footprint. According to the [Association of American Railroads](#), moving freight by rail is four times more efficient than heavy duty trucks. With rail, one ton of materials can be moved over 520 miles on one gallon of fuel ([CSX Fuel Efficiency](#)).

According to the U.S. DOT Federal Railroad Administration (FRA), "Rail transportation of hazardous materials in the United States is recognized to be the safest land-based method of moving large quantities of chemicals over long distances." The FRA's [website](#) continues to provide updated information and guidance on rail safety and community concerns.

The EPA states that 29% of overall GHG emissions are due to the impacts of the transportation sector, with about a quarter of transportation GHG coming from heavy duty over-the-road trucking and only 2% from rail shipments. In our operations, the GHG we emit from transport operations currently is approximately 16%.

We have developed an excellent relationship with CSX, a Jacksonville, Florida based transportation company, that provides a network of rail and other transportation solutions across the eastern United States. CSX established a chemical safety program and has updated the program as appropriate since 1994. Heritage has been encouraging the use of rail transportation since 2005 and first qualified for the award in 2013. *(Continued on next page)*



Each year, CSX reviews the qualification criteria for shippers to be considered for their Chemical Safety Excellence Award. Over the years, the criteria on volume and how intermodal cars are counted has changed. Heritage has not always qualified for consideration based on the number of shipments. Each year we met the CSX qualifications, we have been publicly recognized for our safety and received the award six times.

According to CSX's 2023 press release recognizing Heritage, "The Chemical Safety Excellence Awards were presented to customers who shipped at least 600 carloads of hazardous materials with CSX during 2022 without a release due to controllable factors. The winners, representing a wide range of industry segments, shipped a combined total of more than 175,000 carloads of hazard materials on the CSX network during the previous calendar year."

We will continue to utilize rail transportation while tracking and monitoring its impacts on safety, GHG emission reductions, and other benefits of working with service suppliers that share our ethical and sustainability objectives.

New Systems Improve Data Security and Workforce Efficiency

HERITAGE®
Safety, Environmental, Sustainability, and Quality (SESQ) Policy

Heritage Environmental Services, with all operations owned and under our management control including Heritage Transport, Heritage Thermal Services, Heritage Thermal Services of Texas, Rineco Chemical Industries, and Rineco Transportation (collectively, HES), is committed to functioning in a manner that protects human health and the environment while meeting or exceeding our customers' expectations and compliance requirements. Leadership is committed to providing sufficient resources and direction to implement and continuously improve safety, environmental, sustainability, and quality programs.

HES has been safely and sustainably performing environmental services, including managing industrial wastes, at its network of government-permitted facilities and customer sites since 1970.

The health and safety of each employee, visitor, customer, supplier, and contractor is our top priority. HES strives to eliminate health and safety risks through identification and mitigation. HES achieves health and safety excellence by proactively planning and executing our services; complying with laws, standards, and regulations; and working together to create a safe work environment through identification, control, and communication of risks. Each employee is responsible for following safety rules and regulations, stopping unsafe activities, and participating to achieve the company safety goal.

HES continues to be a responsible corporate citizen and neighbor in the communities. HES operates under the management framework to eliminate, reduce, reuse, recycle and responsibly treat and dispose of secondary materials. HES believes in ethical and mutually beneficial relationships with all our stakeholders: customers, communities, employees, regulatory agencies, suppliers, and investors. HES intends to create enduring value by leveraging its investments in research, development, and relationships to make a difference in the world around us.

HES's culture and values support its SESQ policy. Our goals, publicly shared in our sustainability communications, create the framework for establishing a continuous improvement program with defined objectives, targeted metrics, and appropriate internal and external reporting.

Jeff Laborsky, CEO *Ernie Walker, President*

PRINCIPLES OF GOVERNANCE GOALS

- Integrity Matters
- Solving Problems through Innovation
- Cybersecurity is a Shared Responsibility

PEOPLE GOALS

- Safe and Compliant or Not at All
- Freedom to Learn and Grow
- Inclusive Culture for All
- Be a Good Neighbor

PLANET GOALS

- Protecting the Earth Where We Live and Work
- Focus on Waste Management
- Reduce Impacts from Transport Operations

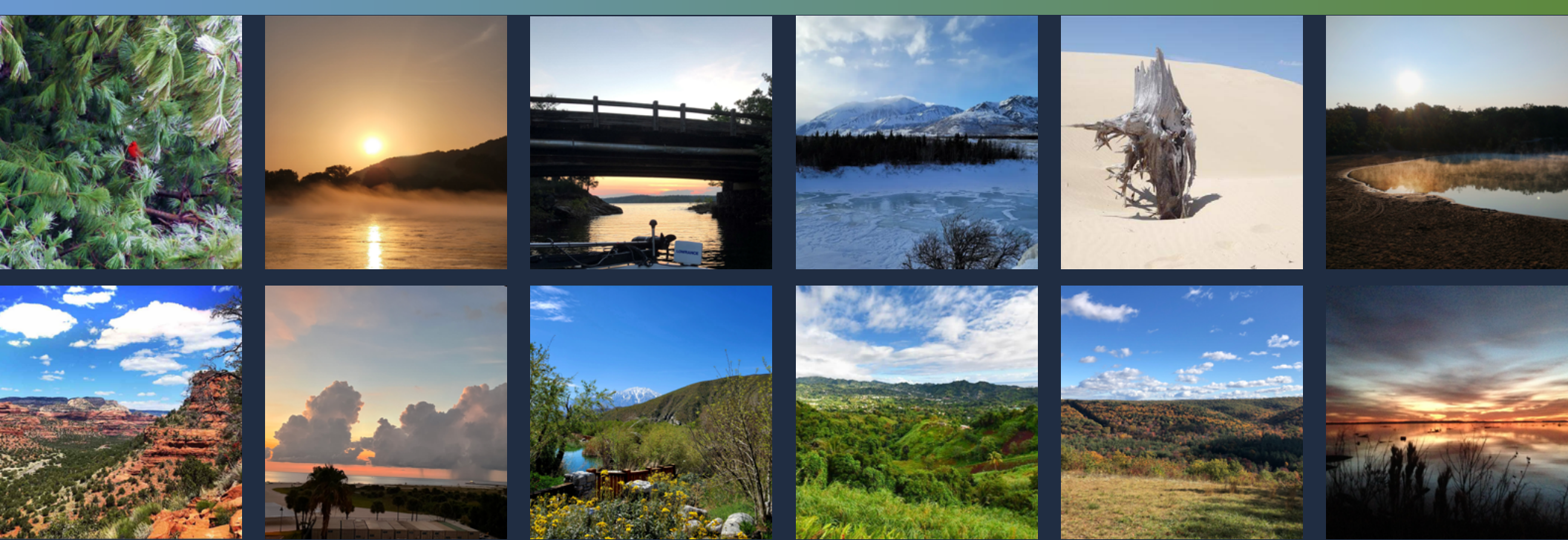
PROSPERITY GOALS

- Long Term Satisfied Customers
- Engaged Supply Chain with Shared Ethics and Goals

In 2022, Heritage started Project Harmony as part of an effort to reinvigorate our systems for monitoring and supporting company endeavors in safety, environmental compliance, sustainability, and quality. The project started with the issuance of one combined Safety, Environmental Compliance, Sustainability, and Quality (SESQ) Policy. Our current phase includes a framework to create a more secure and organized document retention system that allows our teams to collaborate effectively and efficiently. We took a major step in 2023 towards making the ideas of Project Harmony a reality. The Project Harmony Team began the migration of department intranet pages using the modern experience in Microsoft SharePoint. Each department will have a dedicated SharePoint hub with enhanced collaborative and security features.

The Project Harmony Team migrated four departments to SharePoint modern hubs/sites with four more departments currently working on the transition. The SharePoint modern experience allows our departments to better organize documents into virtual document libraries with enhanced searching features. To work more efficiently within documents, the Project Harmony Team built a structured security protocol utilizing Microsoft security groups to limit editing access to authors of documents and department managers. In addition to organization and security, the SharePoint modern experience includes a dynamic news feature that allows our departments to create interactive announcements for their teams and for all of Heritage to view.

The Project Harmony Team is excited to continue the migration of our existing SharePoint pages to the enhanced modern interface in 2024 and work towards integrating cutting edge technology into our processes to better serve our customers.

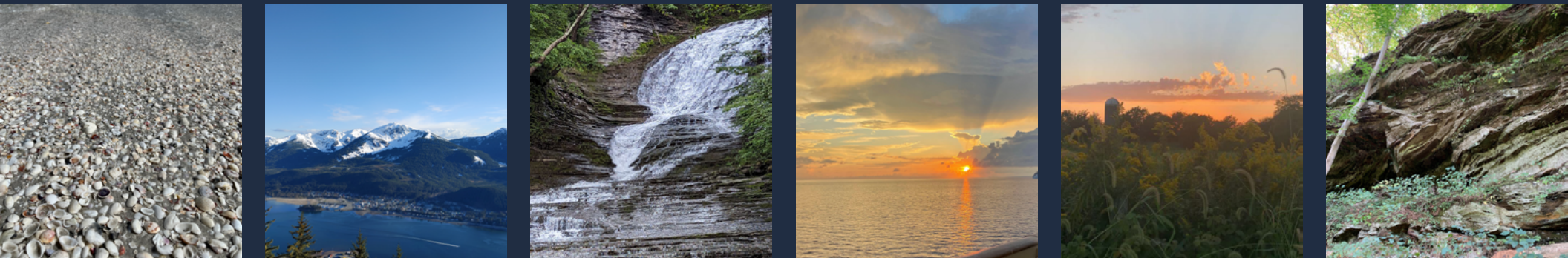


For questions about this report or our sustainability programs, please contact:

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877-436-8778

www.heritage-enviro.com



Heritage Environmental Services © 2024

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