MILESTONE
ENVIRONMENTAL SERVICES

CLEANING UP ENERGY℠

2020 SUSTAINABILITY REPORT

TABLE OF CONTENTS

KEY MILESTONE **HIGHLIGHTS**

Sequestered metric tons carbon dioxide equivalent ("MT CO_2e") compared to CO_2e emissions from passenger vehicles per year equivalent[1]

2020 TOTAL CARBON SEQUESTERED

279,000 MT CO_2e = 61,000 Vehicles CO_2e emissions

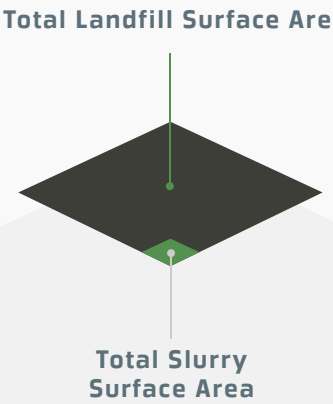
2020 LAND APPLICATION EMISSIONS AVOIDED

232,000 MT CO_2e = 50,000 Vehicles CO_2e emissions

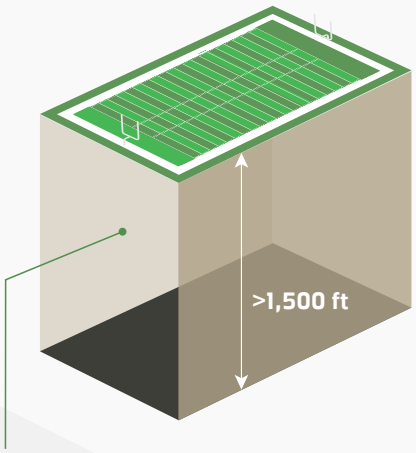
⚠ ZERO OSHA RECORDABLE SAFETY INCIDENTS

Milestone's slurry injection has a small footprint[2]

MILESTONE'S SLURRY INJECTION FACILITIES HAVE SAVED MORE THAN 11,000 ACRES SINCE INCEPTION



MILESTONE'S SLURRY INJECTION SERVICES CONSERVES AIRSPACE



Injected waste since inception would cover a football field with a layer of waste over **1,500 feet tall**

[1]Emissions from one passenger vehicle in one year = 4.6 MT CO_2e. as per U.S. Environmental Protection Agency Greenhouse Gas Equivalencies Calculator

[2]Assumes land application includes a 6-inch layer of waste

LETTER FROM THE **PRESIDENT & CEO**

+ We Are on a Mission to **Clean Up Energy**℠

Fossil fuels are vital to the health and prosperity of humanity. They play an important role in every aspect of modern life – powering everything from our cities to our smartphones and providing the building blocks for the products we rely on every day, from pharmaceuticals to refrigerators.

While the oil and gas industry has been essential to society for well over a century, it is now undergoing an unprecedented transformation. A global movement is underway demanding that these industries address climate change, and major oil and gas producers around the world are responding. Today they are continuing to fuel society's growth and energy independence, while also pledging to achieve net-zero CO_2 emissions by 2050.

Gabriel J. Rio
President & CEO

At Milestone, we applaud the substantial work the energy industry is doing to improve environmental performance. We also know we can do better. There are several issues our industry can and must address with urgency, including flared natural gas, aging infrastructure, and mismanaged waste. This is where we come in.

It is clear that energy producers must move away from waste management methods that harm humans and the environment. Reserve pits and land application are outdated, irresponsible practices that release greenhouse gases and frequently lead to soil and groundwater contamination. These methods need to go, and we provide a path for the energy industry to clean up for good.

+ Milestone Offers a New Perspective and a Better Way

Since Milestone was founded in 2014, we have innovated, engineered, and built advanced waste management solutions focused on sustainability. We offer the industry smarter, more responsible practices. And we are changing common perceptions of energy waste, elevating our solutions to be a part of the net-zero conversation.

This inaugural report is an important step for Milestone. It clearly states our commitment to environmental, social, and governance ("ESG") initiatives and demonstrates our resolve to deliver better results for our customers, and better answers for our world.

Today, Milestone offers the most extensive integrated energy waste sequestration infrastructure in Texas. In 2020, our patented slurry injection process permanently sequestered hundreds of thousands of tons of carbon dioxide equivalent. Furthermore, our newly built landfills eliminated the need for disruptive land application and saved more than 11,000 acres of surface area, eliminating contamination risks to soil and groundwater.

I am proud to lead a team that is committed to safely delivering an environmentally superior solution. Our sustainability achievements will advance Milestone's culture and further integrate important ESG initiatives into our plans for growth. And it doesn't stop with us. We've always known that to do better, we'd all have to be in this together – our employees, customers, landowners, policymakers, and citizens in communities everywhere.

Gabriel J. Rio

OUR REPORTING **FRAMEWORK**

Milestone Environmental Services, LLC ("Milestone") is committed to transparent communication of our sustainability efforts to all our stakeholders. Our inaugural 2020 Sustainability Report adopts the reporting framework promulgated by the Sustainability Accounting Standards Board ("SASB"). The SASB framework provides a standardized, common reporting approach that will focus our disclosure on decision-useful metrics, help us track progress in a meaningful way, and enable comparability for investors and other stakeholders.

Milestone is an energy waste management company and according to SASB's Sustainable Industry Classification System®, is classified within the Waste Management industry. Given the current nature of our customer base and operations, we also reviewed disclosures suggested for the Oil & Gas Services industry in performing our relevant topic analysis. The information provided within this report is as of and for the year ended December 31, 2020, unless otherwise noted.

ABOUT MILESTONE

Who We Are

Milestone is a leading independent carbon sequestration partner focused on responsible energy waste management solutions. We help energy companies mitigate risk, reduce their carbon impact, and enhance their sustainability efforts by delivering an approach to waste management that is environmentally superior, cost-effective, and operationally efficient. From our headquarters in Houston, Texas, and our field office in Midland, Texas, Milestone specializes in the handling of non-hazardous oil and gas drilling, completion, and production waste. We do this through seven slurry injection facilities and two energy-waste landfills across the Permian Basin and Eagle Ford Shale.

As a viable and profitable business, Milestone is reframing the way exploration & production ("E&P") companies think about energy waste. We offer our customers a proven, alternate solution that will help them meet their net-zero commitments as the energy industry makes the transition to a more sustainable future.

We help energy companies mitigate risk, reduce their carbon impact, and enhance their sustainability efforts.

MILESTONE MAP

Where We Work

OUR

MISSION

To **Clean Up Energy**℠

OUR FOUNDING

PRINCIPLE

Milestone was founded to boldly advance sustainability. We do this by delivering best practices that enable the development and production of vital domestic energy while doing the right thing for a better tomorrow. Our values reflect our commitment to the environment, our workforce, our community, and our customers.

OUR

VALUES

+ Sustain Our Future Safely

This is the core of our company. Our safe, best-in-class carbon management and energy waste processes help our customers and workers provide essential energy while minimizing impact on the environment.

+ Act With Integrity

This is foundational to managing sensitive environmental matters and building a successful workplace. We believe in consistently delivering on our promises to all stakeholders and treating everyone with fairness and honesty.

+ Be Reliable

This is crucial to developing and maintaining the trust of our customers, regulators, employees, communities, and investors. They all must be able to count on us to do our part, 24/7/365.

+ Commit to Customers and Employees

We consistently meet customer needs quickly and efficiently, so they can focus on their core business. We're also committed to being a great place to work. We treat all employees with respect, provide top-tier pay and benefits, offer opportunities for advancement, and maintain a safe workplace.

+ Lead Forward

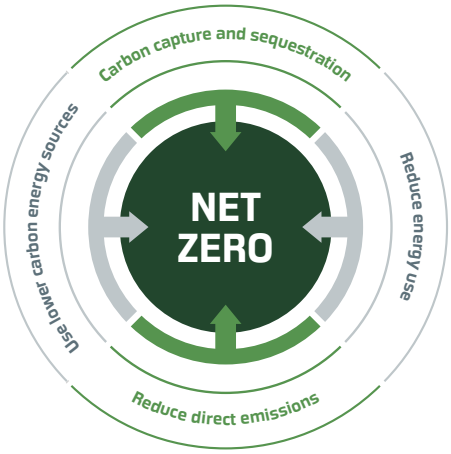
We innovate progressive technologies to protect the environment for all stakeholders and future generations. We ensure our stability to continue to serve all constituents. We evaluate changes to our business holistically, considering the impact on all who depend on us.

Energy Industry in Transition

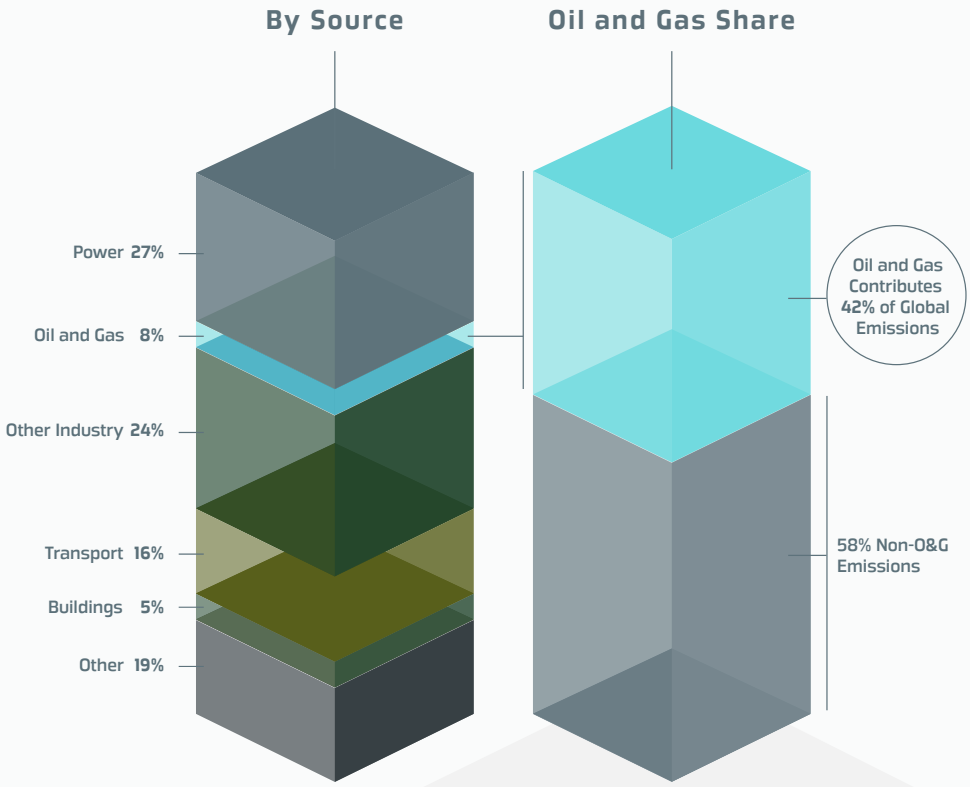
Global carbon emissions from fossil fuels have significantly increased over the last century, especially in the last 50 years. Since 1970, carbon dioxide ("CO_2") emissions have increased by about 90%, with fossil fuel combustion and industrial processes contributing about 78% of the total greenhouse gas ("GHG") emissions increase from 1970 to 2011.[3] In 2019, United States GHG emissions totaled 6,558,000 metric tons ("MT") of CO_2e.[4]

Energy companies are under pressure from investors and the public to reduce their GHG emissions and advance the transition to a low-carbon economy. It will take multiple concurrent paths to drive towards net zero and achieve the aggressive goals that have been set.

Currently, energy waste is not a significant part of the net-zero conversation. We are working to change that. Milestone provides an immediately available, proven, and low-cost means to channel energy waste and reduce carbon impact during the exploration and production of energy. Our solutions give energy producers another lever to pull in their pursuit of net-zero goals.



Global Emissions*



*Organization for Economic Operation and Development (OECD), EIA, European Commission Join Research Center

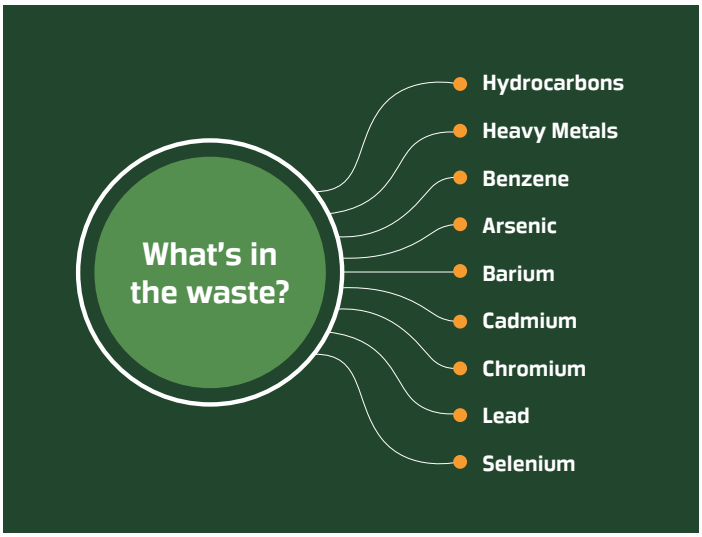
[3]Source: https://www.epa.gov/ghgemissions/global-greenhouse-gas-emissions-data

[4]Source: https://www.epa.gov/ghgemissions/inventory-us-greenhouse-gas-emissions-and-sinks

Changing the Perspective on Energy Waste

Drilling fluids, produced water, and other wastes are inevitable byproducts in the exploration, development, and production of oil and gas. This waste is regulated at the state level by agencies, including the Texas Railroad Commission ("TXRRC") and the New Mexico Oil Conservation Division ("NMOCD"), and is exempt from hazardous designation under the Resource Conservation and Recovery Act of 1978 ("RCRA"). These energy waste streams contain hydrocarbons, water, chlorides, and heavy metals that emit GHG when exposed to air and sunlight. If not handled properly, energy waste contaminates soil and groundwater.[5]

While most technologies and processes at drilling sites have advanced, waste management practices have not. E&P companies habitually employ reserve pits and land application to dispose of waste. Although regulations in certain states permit these practices, these outdated methods pose enormous environmental and economic risks to our E&P customers and the communities in which they operate. E&P companies frequently bury liquid and solid wastes in reserve pits near drilling sites. These pits often have no protective liners installed and are not monitored for integrity on an ongoing basis. Through a process called land application, oilfield waste is spread in a six-inch layer over a portion of a farm or ranch and tilled into the soil. This common, traditional practice can emit 300 MT CO_2e per new well drilled.[6]



Milestone provides solutions that allow our E&P customers to mitigate the risk of soil and groundwater contamination and reduce operational carbon impacts. Our business gives energy companies a path to go beyond minimum regulatory compliance with a better, cleaner way to address this waste.

Milestone manages a variety of energy waste streams for its customers, including drilling fluid ("mud"), drill cuttings, other slurries, produced and flowback waters, production tank bottoms, and contaminated soils. Milestone's customers primarily generate these waste streams in the drilling, completion, and production phases of the oil and gas extraction lifecycle.

An aerial view of reserve pits in the Permian Basin

+ Maps Data: Google, ©2021

[5]Source: Guidelines for Commercial Exploration and Production Waste Management Facilities, March 2001, https://www.api.org/-/media/Files/EHS/Environmental_Performance/E_P_Waste_Guidelines.pdf

[6]Assumes a horizontal well design with three strings of casing, 10,000-foot productive lateral length, and 60% recycling of oil-based drilling mud. See methodology for measuring the carbon content and conversion to GHG emissions in CO_2e in Appendix II.

+ Drilling Waste

E&P companies pump drilling mud down the drill string to lubricate the bit during downhole rotation. Drilling mud is comprised of an oil or water base, emulsifiers, brine, dispersants, and/or gels. As the bit rotates, circulation and pressure of the fluid system moves rock fragments up the wellbore to the surface, where it is processed in a nearby reserve pit (or in a series of storage and separation tanks in a "closed-loop" regulatory system). Approximately 20% of drilling mud is recycled back into the fluid system for future use. Depending on the jurisdiction, the remainder is either disposed of onsite through land application or transported to a permitted disposal facility.

Milestone's slurry injection facilities are designed to handle drilling waste that is primarily liquid in nature. Our surface equipment extracts a small fraction of residual solids from the mud and slurry volume we receive, which we send to our landfills or others located nearby. Our landfills handle both solid and liquid waste streams. To prevent leakage at our landfills, we utilize a dehydration or bulking process for liquid waste streams before disposing of them.

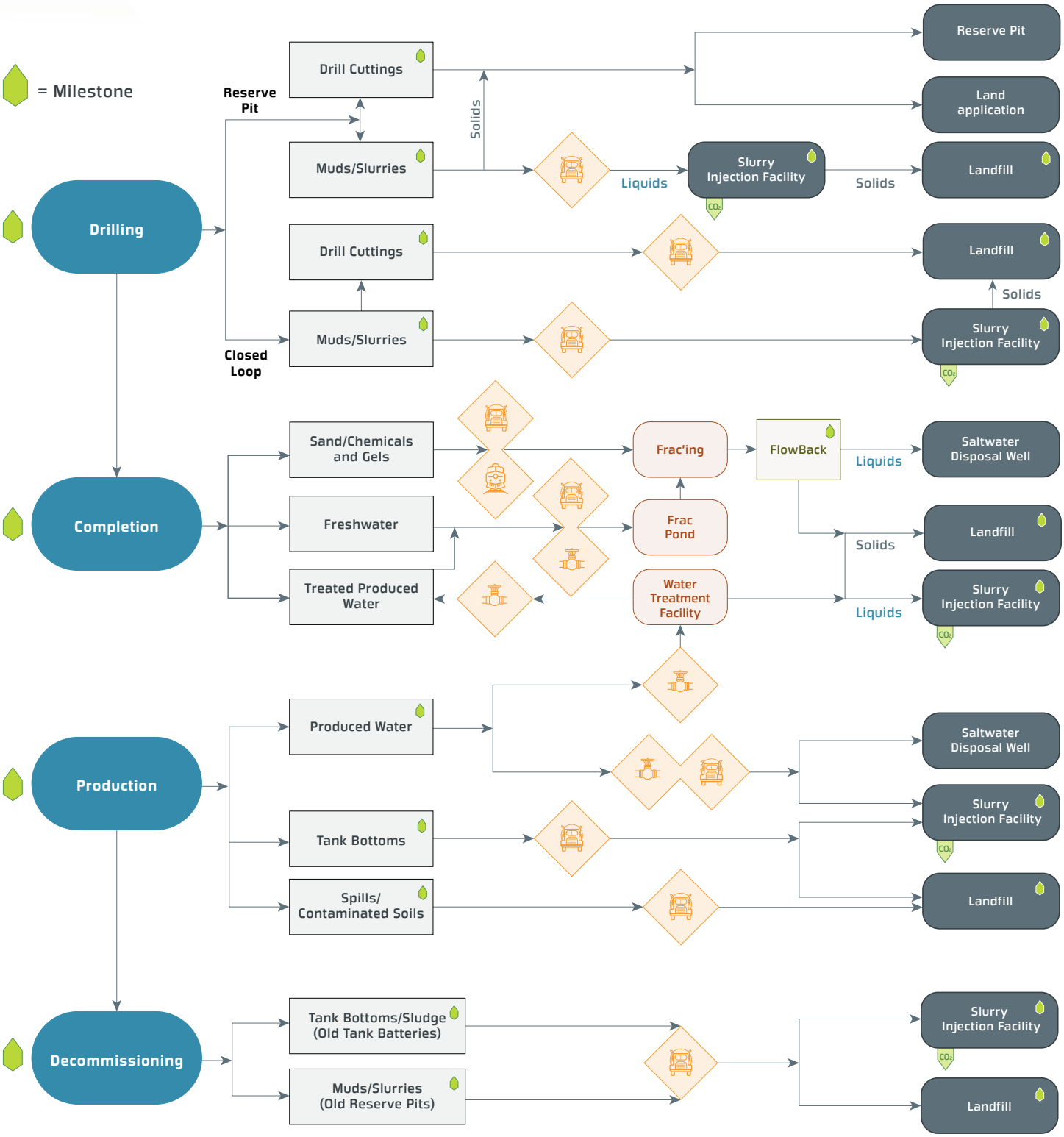
+ Completion and Production Waste

Most E&P companies use a reservoir stimulation technique called hydraulic fracturing, commonly known as frac'ing. Frac'ing involves pumping a mixture of water, chemicals, and sand at high pressures into the productive reservoir through perforations in the wellbore. The resulting production stream—comprised of hydrocarbons, completion fluid "flowback" and produced saltwater—flows to the surface, where hydrocarbons are separated from the waste byproducts. E&P companies often send a portion of produced saltwater and flowback to an in-field water treatment facility for reuse in future frac'ing operations. Sediment and water regularly accumulate at the bottom of storage tanks and require periodic removal (called "tank bottoms.") Our customers send drilling mud, tank bottoms, other slurries, produced saltwater, and flowback, to one of our Class II underground injection control ("UIC") wells for disposal.[7] Milestone's slurry injection facilities carry both UIC Class II and solid waste management permits issued by the TXRRC and NMOCD.

+ Pump in Midland, Texas

[7]Vacuum trucks are used for transportation of produced water and flowback if production tank batteries are not connected to a water pipeline system.

MILESTONE MANAGES WASTE IN THE **ENERGY LIFECYCLE**



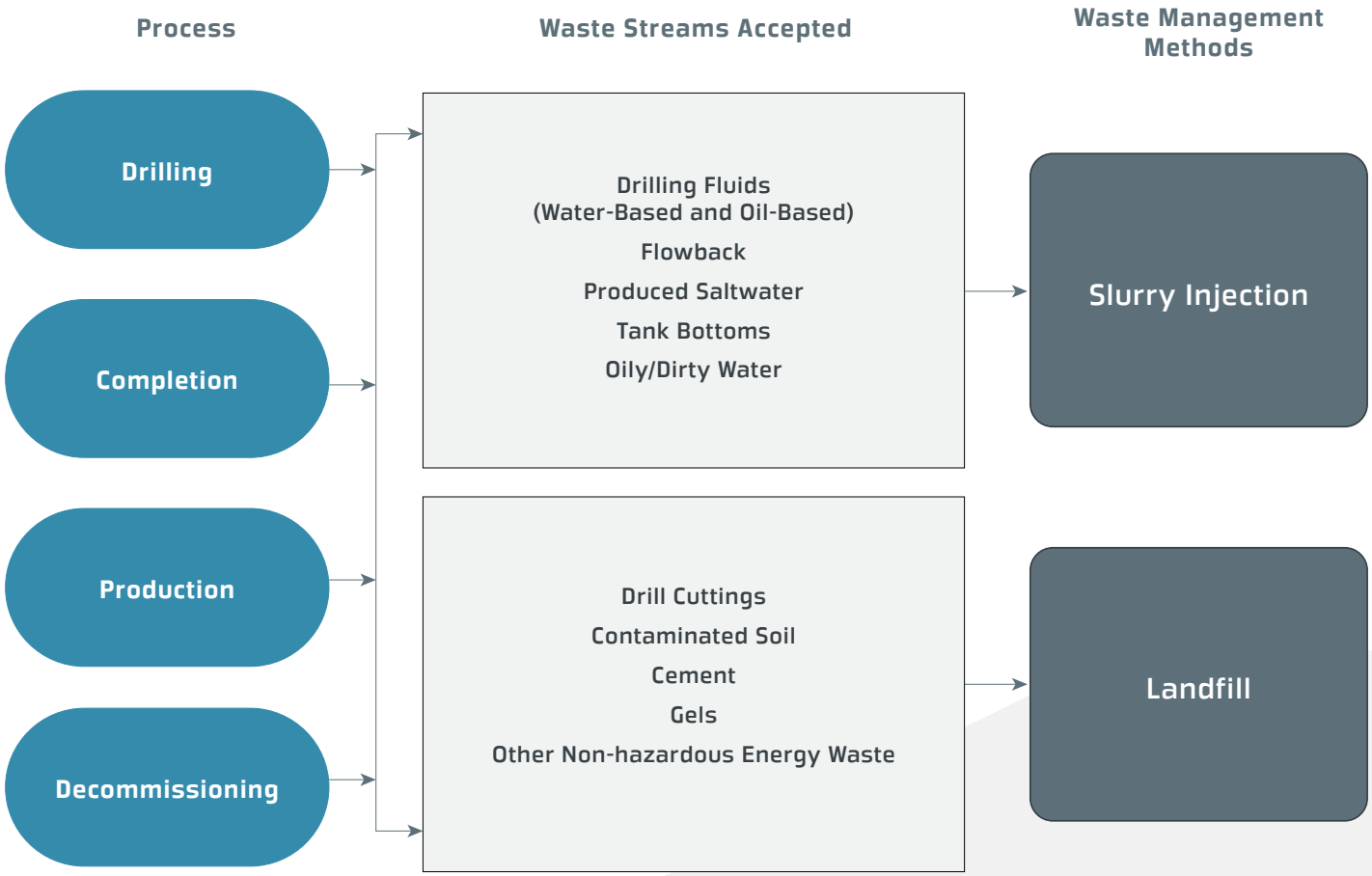
ENVIRONMENT

ENVIRONMENTAL

Sequestration: Our Innovative Business Model

Milestone provides customers an easy and effective way to substantially decrease direct GHG emissions through energy waste sequestration. Our innovative business model securely and safely manages RCRA-exempt oilfield waste streams through our proprietary injection wells and best-in-class landfills.

WASTE WE ACCEPT



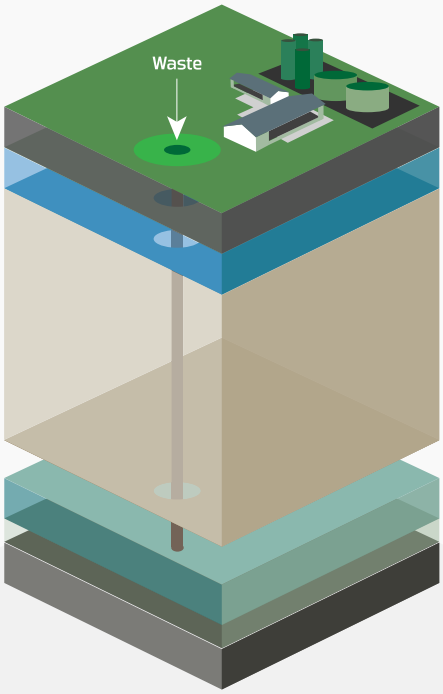
+ Milestone's Slurry Injection Process

Our proprietary slurry injection process is a proven, environmentally secure, and economically efficient method for oilfield waste management. Our process differs from traditional saltwater injection because we are able to inject solids and slurries that are otherwise uninjectable when utilizing other conventional methods. Milestone's superior facility design and engineering, along with active, routine maintenance of our wellbores, enhances the durability and safety of our injection wells. We are proud to have provided this low-cost, environmentally secure oilfield waste management solution to our customers since our inception in 2014.

We receive RCRA-exempt, non-hazardous liquid and slurry waste streams, including drilling muds, tank bottoms, flowback, dirty water, and produced saltwater, at our conveniently located surface facilities. We inject these waste streams into deep, geological strata thousands of feet below the earth's surface and usable groundwater. The injection zones are overlain and contained by solid, impermeable layers of rock or shale called confining zones. Together the confining zones and the thousands of feet of earth and rock separating the injection zones protect critical groundwater sources. Once the well has reached its targeted depth, multiple layers of steel casing are placed downhole into the wellbore and cemented in place. These barriers create a secure, impermeable wall isolating the wellbore from groundwater and other surrounding strata. Milestone's operational procedures and testing protocols support the long-term integrity of our wellbores.

CARBON SEQUESTERING

Helping Our Customers Achieve Net Zero



With our patented slurry injection process, liquid waste streams are injected thousands of feet below the water table, permanently sequestering carbon and preventing GHG emissions and ground contamination.

Due to its substantial injection of hydrocarbons, Milestone has a negative carbon footprint of ~226,000 MT CO_2e during 2020.

Waste injection reduces carbon emitted into the environment and is the environmentally superior solution to land application.

While our solutions are clearly better for the environment, they also make great business sense for our customers. We give the energy industry an effective way to sequester carbon at approximately the same cost as using risky reserve pits or land application. **Better, safer, smarter, easier, more cost effective, and more responsible** – these are all key components of our business model.

+ Milestone's Oilfield Waste Landfills

Our landfills are located close to our slurry injection sites with our Orla, Texas location offering both disposal options at the same site. Our landfills are designed and operated to minimize wait times and optimize truck traffic flow to save time and decrease costs. Milestone landfills are newly built, using the most advanced protective technologies and materials. All details including redundancy liners, leak detection systems, and groundwater monitoring wells meet or exceed the latest permitting requirements to keep waste streams in the landfill and out of the surrounding environment. We adhere to rigorous maintenance standards to help ensure our landfills remain in top-tier condition.

Milestone's Negative Carbon Footprint

Slurry injection is the core component of our business. Our slurry facilities utilize a closed-loop disposal well system to inject liquid E&P waste streams into highly permeable geological strata thousands of feet below usable groundwater. This system prevents the hydrocarbons contained in our customers' waste from volatilizing or otherwise degrading into fugitive emissions, and instead permanently sequesters them beneath the earth's surface. Such fugitive emissions would otherwise occur naturally over time through reactions between the hydrocarbons and other physical, physio-chemical, and/or biological elements at the surface (i.e., weathering) if they had been disposed of through common practices such as land application. With the largest slurry injection installed capacity base in the U.S., we sequester far more emissions than we directly and indirectly generate through our operations. Milestone, therefore, has a materially **negative** carbon footprint.

+ State-of-art landfill facility at Milestone's Orla, Texas location

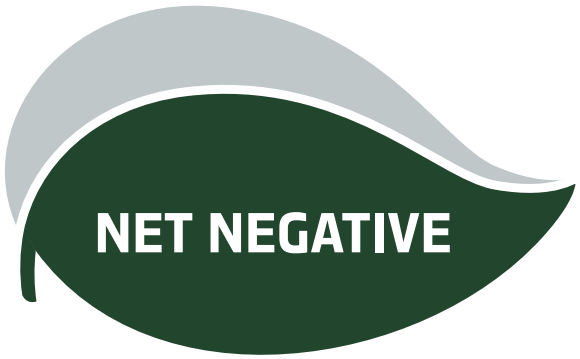
+ Direct Emissions

"Scope 1" emissions are defined as direct GHG emissions from sources that are owned or controlled by a company. We present our emission values for traditional GHG (CO_2 and methane) as well as additional disclosure of the "carbon dioxide potential" from non-methane volatile organic compounds ("NMVOCs") emissions from potential atmospheric oxidation after the initial fugitive release. Limited guidance exists for the accounting treatment of potential atmospheric oxidation of fugitive NMVOCs. We believe this increased transparency enhances the comparability of our operations with traditional land application disposal methods in terms of total carbon impact.

Milestone's gross Scope 1 emissions, which exclude any sequestration impact from slurry injection, come from three primary sources. First, at our slurry facilities, the waste we receive contains a small portion of non-injectable solids. We separate these solids at the surface and send them to a nearby Milestone or third-party landfill for disposal. The remaining slurry waste is blended with produced saltwater, injected underground, and permanently sequestered. During this process, minor fugitive emissions of GHG and other NMVOCs occur during receipt, handling, and temporary storage of waste prior to injection. We account for the GHG and NMVOC emissions from our slurry injection facilities by using known customer-speciated waste inputs and federal and state approved guidance and methods in accordance with our facility air permits from the Texas Commission on Environmental Quality ("TCEQ"). During 2020, these GHG emissions amounted to 15 MT CO_2e (129 MT of total "carbon dioxide potential" when accounting for potential atmospheric oxidation of NMVOC emissions).

Second, our landfills can generate gross Scope 1 emissions that are fugitive in nature. In addition to combustion and fugitive emissions of GHGs, aerobic volatilization and degradation of NMVOCs occurs when landfill waste is received, handled, and temporarily stored before internment in the landfill cell. Once inside the cell, anaerobic degradation of remaining hydrocarbons takes place over time through a reduction process, i.e., interaction of carbon molecules with hydrogen and other organic matter in the landfill cell. Compared to municipal solid waste ("MSW") landfills, the organic matter in oilfield waste landfills such as ours is considerably more homogeneous in chemical composition. Heterogeneity of organic matter in MSW landfill waste causes much faster anaerobic degradation of matter into GHGs, primarily methane. Thus, on a volumetric basis, an oilfield waste landfill generates substantially less (if any) landfill gas per time interval than a similarly sized MSW landfill. We account for the GHG and NMVOC emissions of our landfills in accordance with our facility air permits from the TCEQ, using known customer-speciated waste inputs as well as federal and state approved guidance and methods. Based on this methodology, our fugitive emissions of GHG are de minimis, and the entirety of landfill fugitive emissions consists of NMVOCs.[8] During 2020, the total "carbon dioxide potential" of these NMVOC emissions was 66 MT CO_2e.

Lastly, while we do not have the vehicle fleet commonly associated with many waste management competitors, our field personnel routinely utilize approximately 12 diesel-fueled pickup trucks and other off-road equipment. We include emissions from these vehicles and equipment, amounting to 1,332 MT CO_2e, in our total gross Scope 1 emissions calculations.



[8]Our landfill emissions were calculated by a third-party engineering firm registered within the State of Texas. These volumes were calculated using equations and programs approved by the U.S. Environmental Protection Agency ("EPA") and TCEQ to support Milestone's air permit applications. The submittal and approval of such applications are required by the TCEQ and TXRRC prior to commencing operations of the landfill. By their nature, landfills utilize a natural attenuation process comprised of both aerobic and anaerobic degradation of organic content. As organic matter degrades, the complex molecular chains are broken down (with the support of microscopic bacteria within the various waste streams) and chemically produce various compounds that contribute the total emissions from the landfill operations. Based on the nature of their operations and the sheer number of locations, the EPA has developed extensive studies and literature on these effects in MSW landfills. These MSW landfills are permitted and approved by the EPA and other state enforcement agencies to primarily serve public community operations and contain a variety of organic and inorganic non-hazardous products. In contrast, Milestone's landfill operations are permitted by the TXRRC, with air permitting oversight from TCEQ, and serve the oil and gas industry. Milestone has identified the lack of supporting literature on E&P waste and the landfill degradation effects as a data gap. We plan to further study the emissions generated within their E&P waste landfills with the intent to provide the industry with supporting empirical data. As a leader in the oilfield waste disposal industry, Milestone prides itself on being a good steward of their environmental processes and lead the industry to a more sustainable future.

+ Indirect Emissions

Indirect GHG emissions are emissions that are a consequence of the operations of a company but occur at sources owned or controlled by another company. Indirect emissions are referred to as either "Scope 2" or "Scope 3". Our Scope 2 emissions are generated by the utility companies that provide the electricity we use in our operations. During 2020, all electricity consumed in our operations originated from the Electric Reliability Council of Texas ("ERCOT") grid.

Scope 3 emissions represent all indirect GHG emissions, not included in Scope 2, that occur in our value chain, including both upstream and downstream emissions. Given the nature of our business, vehicle fuel consumed by our contracted transportation comprises essentially all of our material Scope 3 emissions.

The table below shows our gross and net emissions for the year ended December 31, 2020.

+ We are focused on reducing the carbon impact of energy companies.

Global Greenhouse Gas Emissions in Metric Tons of CO_2e

Scope 1 emissions avoided through carbon sequestration[9]	(231,764)
Scope 1 direct emissions from operations	1,347
Scope 2 indirect emissions from electricity consumed	3,741
Scope 3 other indirect emissions[10]	464
Net 2020 emissions	(226,212)

[9]See "Milestone's Net Negative Carbon Emissions."

[10]Milestone's emissions for 3rd party trucking consist of two components: (1) ton-miles traveled and (2) engine idle time. Each round trip will have elements of both depending on the Milestone facility location and trucks destinations.

+ Milestone's Net Negative Carbon Emissions

In 2020, Milestone conducted a sequestration analysis of samples collected from our slurry injection stream to determine the average total petroleum hydrocarbon ("TPH") content. The analysis examined the carbon sequestration effect of Milestone's slurry injection disposal practices in comparison to the traditional practice of land application disposal. Through collaboration with SCS Engineers ("SCS"), an environmental consulting firm based in California, we developed a methodology for estimating the carbon sequestration impact from our slurry injection process compared to land application.

Based on SCS's analysis of the waste samples, the average barrel of slurry waste (i.e., excluding produced saltwater and flowback water) injected by Milestone contains approximately 95 kilograms of CO_2e per barrel ("kg CO_2e/bbl").[11] One hundred percent of the TPH contained in our injection stream is **permanently** sequestered in deep, geologically secure formations. During 2020 and 2019, Milestone sequestered approximately 279,000 and 464,000 MT CO_2e via our slurry injection operations, respectively.[12] If our customers had used traditional land application disposal for their slurry waste instead of Milestone's closed-loop injection system, we estimate their collective gross emissions would have been greater by 232,000 and 385,000 MT CO_2e during 2020 and 2019, respectively.[13]

See Appendix II for an executive summary of the study we conducted with SCS, which outlines our measurement methodology for the emissions and sequestration impacts of our slurry injection process.

2020 TOTAL CARBON SEQUESTERED

279,000 MT CO_2e = 61,000 Vehicles CO_2e emissions

2020 LAND APPLICATION EMISSIONS AVOIDED

232,000 MT CO_2e = 50,000 Vehicles CO_2e emissions

+ Leachate recovered is being blended into other solid waste and reinterred in our landfill.

[11]Per our historical volume data, an estimated 5% of slurry receipt volume consists of non-injectable solids (e.g., cuttings) that are removed via surface equipment and sent offsite for disposal.

[12]Net emissions (sequestration) figure reflects gross CO_2e emitted less gross CO_2e sequestered.

[13]Based on a 75 kg increase in gross emissions per barrel of slurry waste generated if disposed of via land application, or approximately 79% of the TPH content per barrel.

HELPING OUR CUSTOMERS

ACHIEVE NET ZERO

Milestone's slurry injection process can play an impactful role in reducing the carbon footprint of our E&P customers' operations. We estimate that using slurry injection, rather than land application, can reduce (i) the carbon impact of an E&P company's operations by approximately 0.4 kg CO_2e per barrel of oil equivalent ("BOE") and (ii) its gross direct emissions by approximately 600,000 MT CO_2e over a 10-year period (see the accompanying case study). This is the equivalent annual emissions of over 13,000 passenger vehicles.[14]

REDUCED CARBON FOOTPRINT

Switching from land application to slurry injection

BARREL

0.4 kg/BOE

1 YEAR

Removing over 13,000 cars

10 YEARS

Reduced emissions

+ Case Study

An E&P customer with gross production of 400,000 BOE per day during 2020 is targeting a 25% reduction in its gross GHG emissions intensity over 10 years versus a baseline of 15 kg CO_2e/BOE. Assuming the customer employs a maintenance capital allocation strategy, i.e., no production growth, holding production constant would require approximately 200 new wells placed on production each year.[15] This customer would achieve approximately 11% of its emissions intensity target reduction simply by partnering with Milestone to inject the drilling mud and slurry waste from each new well rather than settling for land application. Milestone would permanently sequester cumulative emissions of 600,000 MT CO_2e over the 10-year period.[16]

11%

emissions intensity target reduction simply by partnering with Milestone

[14]The EPA calculates that gasoline powered passenger vehicles emit the equivalent of 4.60 MT CO_2e per vehicle per year

[15]Assumes a 22% base production decline and 50 new wells placed on production per quarter; new wells assumed to have 10,000-foot productive lateral lengths, 1,200 BOE/day initial quarterly production, and a 75% first-year effective decline rate.

[16]Assumes full emissions/sequestration impact per new well occurs in the year new wells are placed on production.

Air Quality

Milestone's facilities are permitted through the TCEQ, the state level equivalent office of the U.S. Environmental Protection Agency ("EPA"). By nature of our operations, Milestone claims several permit-by-rule ("PBR") authorities with the TCEQ. PBRs are allowable air permit authorizations that require facilities to meet certain general and specific requirements. There are over 100 PBRs that may be claimed or registered within the TCEQ's air permitting program. Milestone's PBR claims are satisfied using EPA- and TCEQ-approved emissions estimation methods and published guidance. Based on the application of Milestone's known inputs for these estimation methods, we satisfy all applicable PBR requirements per the TCEQ. To date, our operations have had zero incidents of non-compliance. In addition to trace amounts of traditional GHGs, Milestone's air emissions include relatively small amounts of NMVOCs and other hazardous air pollutants ("HAPs") emitted during the receipt, handling, temporary storage, processing, and disposal of waste at our slurry facilities and landfills.

The table below shows air emissions by compound for the year ending December 31, 2020:

Air Emissions in Metric Tons

Nitrogen oxide ("NOx") (excluding N_2O)	not meaningful
Sulfur oxides ("SOx")	not meaningful
Volatile organic compounds	19.35
Hazardous air pollutants	1.09

Ecological Impacts

At Milestone, sustainability is integrated into every element of our business. Our processes and facilities are designed to have minimal environmental impact and provide one-stop waste management solutions for our customers' solid and liquid wastes. We build our slurry injection facilities and landfills close to our customers' field operations to minimize transportation costs and transportation-related environmental impacts. Moreover, our proximity to customers' operations reduces third-party transportation vehicle traffic and associated road safety risks. Milestone facilities are not situated within areas of dense population and are several kilometers from any nearby residential populations.

Our key performance indicators are an important tool to ensure we are managing the environmental impacts of our operations.

+ Volume of waste received
+ Load and truck washout count
+ Waste type
+ Wait time
+ Mass of carbon sequestered
+ Mass of fugitive GHG emissions avoided

Our sites receive non-hazardous E&P waste directly from customers' field locations primarily via third-party transportation vehicles, including vacuum trucks, rear-end dumps, and liquid storage vehicles. We manage oilfield waste streams at two types of facilities: slurry injection facilities and landfills. At our slurry facilities, we separate non-injectable residual solids at the surface and send them to our "carbon sink" landfills. Meanwhile, drilling mud and other slurries are blended with produced saltwater and flowback water and injected into our Class II UIC wells. Our landfills are designed to manage both solid (e.g., drill cuttings) and liquid (e.g., drilling mud) waste streams.

Our integrated, multi-solution business model utilizes both slurry injection and landfill facilities to maximize resource efficiency, while simultaneously reducing the cost and environmental impact of each waste stream we handle. Most of the liquid waste received at our landfills is directed to our slurry injection facilities, allowing us to minimize the use of landfill airspace compared to landfill-only competitors through reduced use of added solidification material.

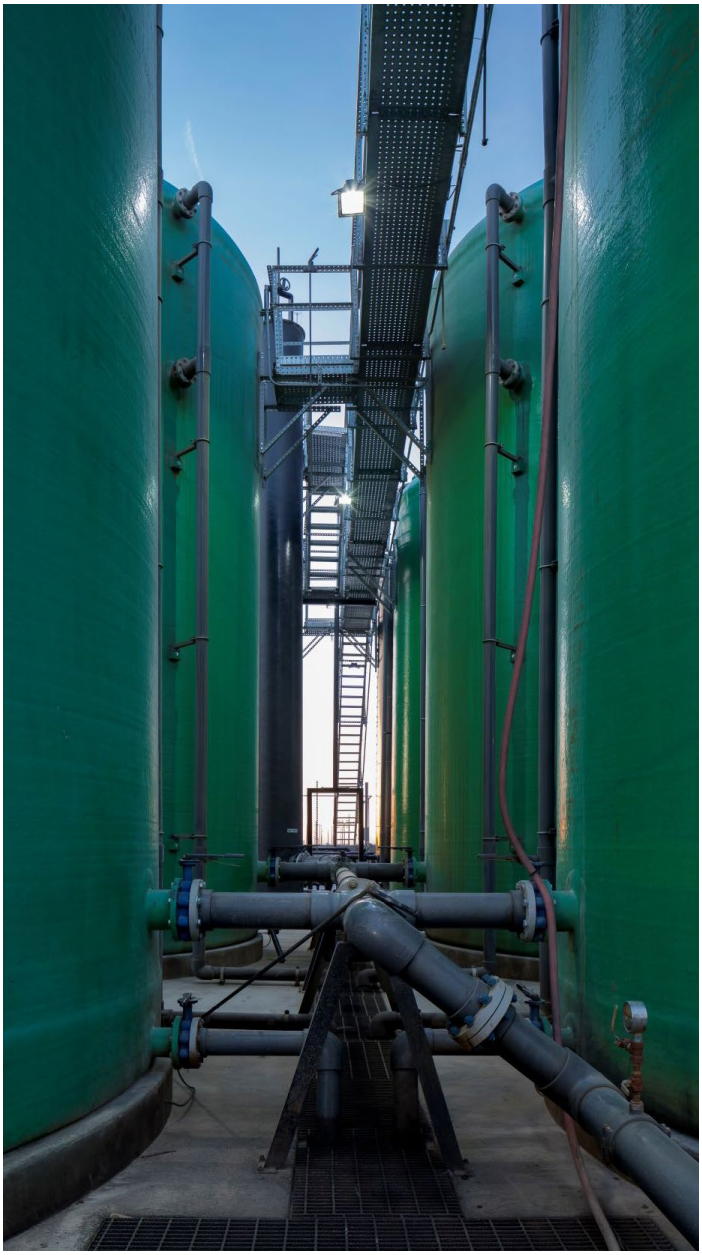
+ **Land surface conservation:** Our slurry injection facilities utilize a surface area that is approximately 1% of the surface area of a typical energy waste landfill.

+ **Efficient use of landfill airspace:** During 2020, Milestone injected approximately 2.9 million barrels of waste that would have otherwise been solidified and consumed landfill airspace.

+ Designed for the Environment

Milestone works to mitigate ecological impacts in all phases of activity, including pre-construction evaluations and ongoing operations. When selecting our slurry injection sites, we target receptive, permeable formations bounded by thousands of feet of stable confining layers. We also seek locations that minimize the total number of active and inactive wells permitted in the same target injection formation. If we are considering a site near an inactive or closed wellbore, we complete our due diligence to ensure that the wellbore has been correctly plugged and cemented. During our facility permit reviews with the various state agencies, we go through a rigorous process to demonstrate how our methods and technologies are proven to help to reduce overall environmental impact. Lastly, we seek to minimize our overall site footprint while maximizing our operational potential.

Every aspect of our engineering design has been considered to minimize Milestone's environmental footprint. Our offloading bays and pits feature concrete floors and containment walls to prevent soil contamination, our overhead and underground piping are appropriately coated to minimize the potential for friction and breakage, and our fiberglass and steel storage tanks are coated with specially designed materials to reduce potential fugitive emissions sources. As we expand operations and evaluate new facilities, we integrate design improvement opportunities identified from existing operations.

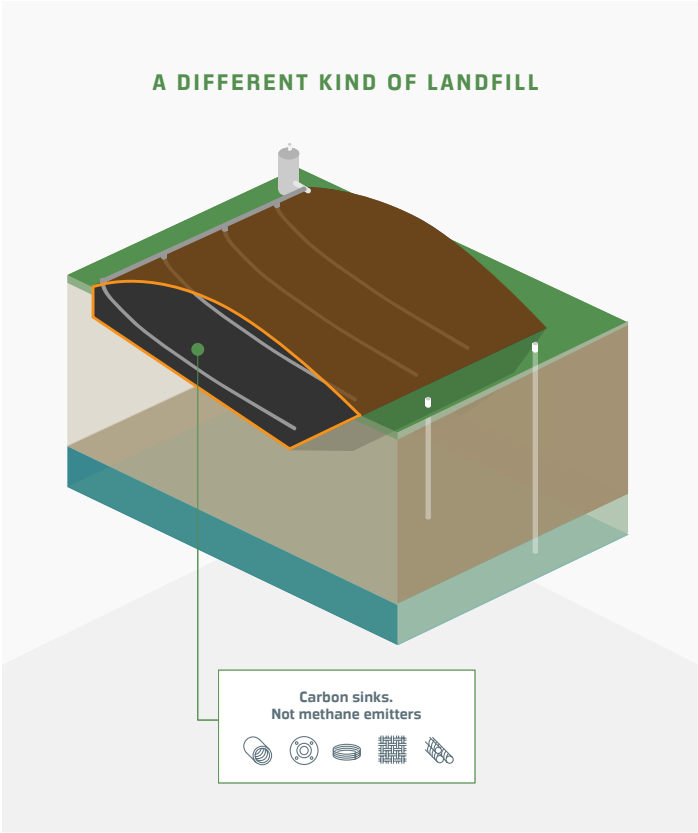


We seek to be at the forefront of operations in the industry and we pride ourselves on minimizing our footprint and maintaining good housekeeping to guard against impacts to the surrounding environment. Our teams complete daily, weekly, and monthly housekeeping inspections of all facility operations, and immediately address identified issues to ensure we continue operating as top-tier facility. The North American Industrial Classification ("NAICS") and the Standard Industrial Classification ("SIC") identifies Milestone's facilities for "Oil and Gas Field Services, not elsewhere classified" so they are not covered under the U.S. Environmental Protection Agency's Toxic Release Inventory ("TRI") regulations. However, we do maintain an active list of stored oil-containing materials, including those greater than 55-gallons, to ensure compliance with other federal and state programs.

+ A Different Kind of Landfill

For waste management companies, a core environmental consideration is designing landfills to contain and manage leachate, non-hazardous waste, and hazardous waste. Milestone's two landfills are designed as "carbon sinks" with sophisticated liner systems to protect against leachate and monitor groundwater. The RCRA-exempt waste in these landfills include but are not limited to solid wastes generated within an oil and gas exploration lease, contaminated soil, drill cuttings, and other E&P-exempt slurry waste that is not suitable for injection via our slurry facilities. Any waste recovered in the leachate systems is either (i) returned to our slurry facilities through a sealed pipeline, where it is permanently sequestered via injection, or (ii) solidified with other forms of solid waste and sequestered in the landfill.

During 2020, Milestone had zero incidents of non-compliance associated with environmental impacts and zero corrective actions implemented for landfill releases.



+ Sustainable Practices for Water Management

Water is an important component in Milestone's operations. We make every effort to re-use water from appropriate sources while minimizing use of freshwater. Most of the water we utilize in our slurry injection operations is produced saltwater and flowback from our E&P customers. As an example, we use produced saltwater for our truck washout services, which greatly reduces freshwater use while simultaneously sequestering our customers' produced saltwater in an environmentally sustainable manner. Saltwater assists our slurry filtration process to manage suspended solids prior to injection. In limited instances, when we do use freshwater, it is either delivered or extracted from non-potable groundwater sources. To avoid extracting more water than allowable under our agreements with local landowners, we have installed flow reducers and real-time meter systems on all freshwater well sources.

As a member of the energy ecosystem, Milestone shares our customers' commitment of using resources responsibly and seeking ways to continually reduce the impact of our business.

SOCIAL

SOCIAL

Investing in Our People

At Milestone, our team is our most valuable asset. Effectively engaging, developing, retaining, and rewarding our employees is a priority for us. This commitment enables us to fulfill our purpose of offering our customers a premium energy waste service while providing dedicated, focused customer service across our organization.

We attract and retain high-talent professionals by fostering an inclusive, collaborative environment where everyone can flourish. In addition to the intangibles that create a positive work environment, we offer top-tier compensation and benefits packages, including retirement and health savings, medical, dental and life insurance, employee wellness and assistance programs, and paid parental leave. We believe in paying our team members a living wage; every one of our employees earns at least $15 per hour.

2020 SAFETY RECORD

Our commitment to safety is reflected in our outstanding safety record:

+ **ZERO** Total Recordable Incident Rate
+ **ZERO** Fatality Rate

Workforce Health & Safety

The welfare of our employees, customers, contractors, and the communities in which we operate is our number one priority. Milestone is committed to driving a safety culture that empowers employees and contractors to act as needed to work safely and to stop the job if conditions are deemed unsafe. We strive every day to be incident-free and to achieve our goal of ZERO recordable incidents. During 2020 we met our goal, yet we remain diligent in our efforts to maintain our industry-leading safety culture.

Milestone's culture of safety begins with a leadership and governance structure that sets the tone for discipline, respect, accountability, and continuous improvement. Through our comprehensive Health Safety Environment ("HSE") program, we advance our commitment to safety by ensuring roles and responsibilities, performance expectations, and operating procedures are clearly defined for every level of the organization.

We believe there is a safe way to perform every job, and that effective teamwork and communication are the key to preventing injury. Each member of our team plays a key role in creating a safe working environment. We ensure every newly onboarded employee thoroughly understands our safety policies and procedures from day one by requiring participation and completion of our mandatory (i) safety orientation training and (ii) our Short Service Employee program. Thereafter, we make sure our

employees are up-to-date on safety matters by holding weekly, monthly, and quarterly safety meetings and training sessions that brief our personnel on safety alerts, changes in policies and procedures, best practices, and key areas for improvement. On average, our operations personnel receive approximately 20 hours of safety education and training each year. Contractors and visitors receive a facility orientation that highlights the operation, task-specific hazards, and general hazards associated with the facility.

Our facilities are subject to routine internal HSE inspections and audits. Inspections and audits are important tools we use to evaluate whether safety protocols are being followed and identify potential hazards. Each month, site managers grade their operations against a standard inspection checklist and make improvements and corrections as needed. We reward site managers for their efforts to ensure facilities under their management pass quarterly audits. We use the results of our inspections and audits to pinpoint areas of non-compliance to be remedied, opportunities for process improvement, and topics to be further discussed in training.

Employee Diversity & Inclusion

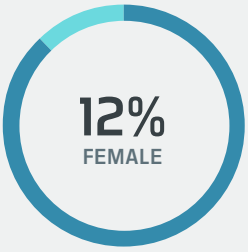
As a company, we value our employees' differences in age, color, ethnicity, family and marital status, gender identity and expression, national origin, physical and mental abilities, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make each of our employees unique. The collective sum of our employees' individual differences, life experiences, knowledge, self-expression, capabilities, and talent contribute not only to our culture as a company but also to our reputation and achievements.

Milestone encourages diversity and inclusion through our practices and policies regarding recruitment and selection; compensation and benefits; professional development and training; and promotions and transfers. Furthermore, we are committed to promoting an inclusive environment that recognizes and respects diversity and encourages respectful communication and cooperation between all employees.

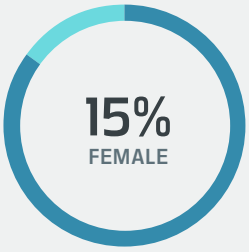
It is a fundamental principle at Milestone that all employees are treated with dignity and respect at all times. Milestone expects all employees to exhibit conduct that reflects inclusion during work, at work functions on and off the work site, and at all company-sponsored events. It is the responsibility of every Milestone manager and employee to create a workplace that is free of all forms of harassment and discrimination.

Composition of Our Workforce*

Management



Non-Management



	Management	Non-Management
White	84%	28%
Hispanic	12%	55%
Black or African American	4%	16%
Asian or Pacific Islander	0%	0%
Native American	0%	0%
Two or more races & other	0%	1%

*December 31, 2020

Community Engagement

Milestone prides itself on being a good neighbor. We value the people, businesses, and organizations that make up the communities in which we operate, and we are committed to being a trusted partner. As a community partner, we believe it is our responsibility to support our community by giving back to those who need it most. Our philanthropic efforts are focused primarily on veteran assistance programs, industry-related nonprofits, and local food pantries. However, we also participate in industry fundraisers supporting local first responders, law enforcement, and other local civic causes as the opportunity arises. The following are some key examples of our activity in external community events and our contributions to nonprofit organizations:

+ Boot Campaign

We have a long-standing history of supporting Boot Campaign, a national veterans advocacy and support organization, through various fundraising efforts, including merchandise sales and silent auction events where 100% of proceeds are donated to Boot Campaign. These funds are invested in programs that provide assistance to veterans, members of the armed services, and their families.

+ Oilfield Helping Hands ("OHH")

OHH is a nonprofit organization that helps oilfield families who are in financial crisis. Historically, we have supported OHH in its efforts to aid families impacted by unforeseen events such as medical injuries, illnesses, and natural disasters like flooding and fires, by serving as a gold-level corporate sponsor. We make an annual donation to the organization and contribute time and financial resources in event planning and participation. Many of our employees are actively engaged in OHH's Houston and Permian Basin chapters on an ongoing basis.

+ Houston Food Bank

Our Houston office looks forward to workdays at the Houston Food Bank. Twice in 2019, Milestone joined the fight against hunger, closing its corporate office so all employees could spend an afternoon working at the Houston Food Bank. Our efforts helped to distribute 227,000 pounds of food (22,500 meals) to fellow Houstonians. Due to the impacts of COVID-19, repeat events for 2020 were postponed; however Milestone intends to resume participation as pandemic-related restrictions are lifted.

GOVERNANCE

GOVERNANCE

At Milestone, we believe that maintaining strong corporate governance and operating responsibly are essential for our business. Effective governance helps Milestone deliver value, protect our reputation, and help us better understand and respond to the varied needs of our stakeholders. We consider corporate governance to be more than a set of written principles and practices. It is embedded in our culture and demonstrated daily in our actions.

+ Left: Frank Schageman, EVP/CFO; Right: Jason Larchar, VP of Engineering

Oversight & ESG Review

Milestone is a portfolio company of Amberjack Capital Partners ("Amberjack"), a specialized private equity firm that invests in and partners with entrepreneurs and business owners to build market leaders serving the infrastructure, energy, and industrial end markets. To foster Milestone's long-term success, Amberjack maintains a strong presence on Milestone's Board of Directors (our "Board"), which is comprised of four members: two executive, one non-executive, and one independent. Our management team works in collaboration with our Board to develop the overall business strategy and integrate relevant ESG factors into our business processes. We report on significant ESG issues and provide details of ongoing ESG developments during each quarterly Board meeting. This information is used by our Board and Amberjack to measure Milestone's success in achieving the objectives outlined in our ESG program and the impact on our overall financial performance. Our reporting and disclosures are designed to highlight financial and operating risks of our activities and commitments. With direction from our Board, we maintain the appropriate level of oversight in the areas of financial controls, audit, cybersecurity, risk management, and business activities.

Advancing Our Strategy

We align our innovative business model with a commitment for integrating sustainability across our business. This commitment rests on a foundation that includes our impact on customers, the communities, the planet, and our people – including our employees and investors. In addition to our core environmental services, we are focused on ESG factors that will aid us in achieving sustainable growth and long-term financial performance.

The following table summarizes the specific topics we identify as significant to our sustainability strategy and to our overall business strategy:

+ CEO Gabriel Rio, CFO Frank Schageman and team

+ Sustainability Strategy

Milestone Business Strategy	ESG Topics	
Become the industry leader in safe, secure, reliable sequestration of GHG-emitting energy waste streams	E	Greenhouse Gas Emissions
Offer premium, environmentally sustainable solutions for energy waste management	E	Air Quality
Reduce our clients' carbon footprints through the geological sequestration of carbon-based waste streams	E	Management of Leachate & Hazardous Waste
Optimize locations for customers in the largest energy-producing basins in the U.S.	E	
Improve the environment in the communities where we work by reducing use of disposal options like reserve pits and land application	E	Ecological Impact
Operate with ZERO recordable incidents	S	Workforce Health & Safety
Be a destination employer and considered as a great place to work by our employees and the marketplace	S	Diversity & Inclusion
Develop infrastructure that supports our customers to produce vital domestic sources of energy	G	Governance
Create value for our shareholders by deploying capital into high-return greenfield projects and opportunistic accretive acquisitions	G	Risk Management
Protect the value of our assets by building and maintaining a fortress balance sheet with conservative use of debt and leverage	G	Management of the Legal & Regulatory Environment

Risk Management

Our Chief Executive Officer and Chief Financial Officer ("CEO," "CFO" or collectively, "Executive Officers") have primary responsibility for managing risk at Milestone. Through regular interaction with other management team members and subject matter experts, our Executive Officers proactively identify the existing and potential emerging risks to our company, including financial, market, political, compliance, operational, reputational, cybersecurity, climate, and other risks that are inherent in or may affect our business.

We prioritize identified risks and opportunities according to financial impact, likelihood of occurrence, and magnitude of consequences. This process of identifying and prioritizing enables us to drive informed business decisions about resource allocation, align our organizational priorities with identified risks, and monitor emerging issues that may shape our future risk exposure.

Our Executive Officers report to our Board and take a leadership role on risk matters, while the management team members address specific risk items and risk mitigation in their core areas of responsibility. Our Board provides oversight for the most material risks and opportunities and oversees risk management activities to ensure that the risk management processes designed, implemented, and maintained by our executives are functioning as intended.

+ Stanton, Texas

+ Climate-Related Risks and Opportunities

There are three categories of climate risk:

+ **Transitional:** The transition to a low-carbon, sustainable economy where risks and opportunities relate to changing market forces and consumer preferences. Transitional risks reside in how the industry must adapt or exploit business activities and investments to mitigate carbon emissions.
+ **Physical:** Risks that impact the physical environment include acute, event-related, and chronic, or progressive risks caused by the effects of carbon emissions into the atmosphere. Examples of physical risks include extreme weather events such as droughts, floods, and destructive storms as well as changes in weather patterns.
+ **Regulatory:** Risks resulting from legal, regulatory, policy, and liability action associated with climate change.

As part of our risk management process, we consider and continue to develop our understanding of climate-related risks and opportunities that can affect our business in both the near and long term.

Our customers, operating within the carbon-intensive oil and gas industry, are increasingly subject to policies, laws, and regulations to limit and reduce the environmental impact of their operations. Furthermore, as part of the energy transition, energy companies are committing to reduce the emissions intensity of their lifecycle and are setting net-zero targets. Through innovative waste sequestration technologies, we have capitalized on the opportunity to provide our customers a means to mitigate their Transitional and Regulatory risk.

Waste management companies must consider regulatory risks originating from policy or regulations to curtail GHG emissions. While Milestone benefits from a business that results in net negative emissions, we still monitor and manage regulatory risks.

Critical Incident Risk Management

At Milestone, we pride ourselves on putting safety first. Our extensive HSE program provides the foundation for our critical incident risk management program. Our safety training, protocols/procedures, and routine site inspections help us to establish an industry-leading safety culture whereby a strong emphasis is placed on minimizing risk in our operations, mitigating such risks, and identifying key performance indicators to continue to refine our programs.

Our operations are centered on the safe disposal of non-hazardous energy waste and associated materials. Inherent in the handling of energy waste are certain health and safety risks, including those related to transportation, handling, and regulatory compliance. As part of our operations, we assume and seek to reduce to an acceptable level the risk and liability associated with the disposal of our customers' energy waste. To manage these and other risks, we have in place standard operating procedures ("SOPs") that govern and prescribe the protocol for accepting and rejecting customer energy waste on a delivery-by-delivery basis. These SOPs provide clear guidance on the safe handling of any waste accepted by our company.

We recognize not every incident can be prevented. Our comprehensive incident response plan establishes a clear chain of command and incident reporting requirements. Our incident response plans are reinforced by our Storm Water Pollution Prevention Protection Plan and Spill Prevention Control & Counter Measures Plan which serve to protect the environment. Our Emergency Evacuation and Shelter-in-Place Plans protect the health and safety of our employees and customers.

Our Executive Officers and company-wide management team maintain an open line of communication and stand ready to address any critical incidents and/or risks to Milestone's business operations or employees.

Management of the Legal & Regulatory Environment

Our business is subject to extensive federal, state, and local environmental and occupational health and safety laws and regulations. As policies and regulations related to these matters evolve, Milestone takes a proactive approach to monitoring issues that can affect our operations and our workforce.

We stay at the forefront of emerging legislation and policy by monitoring the activities of legislative and regulatory bodies at all levels, and by participating in industry organizations and associations such as the Energy Workforce & Technology Council (formerly known as the Petroleum Equipment and Services Association) and the Permian Basin Petroleum Association. Keeping close watch on such developments enables us an opportunity to advocate for our company and industry before laws and regulations are passed by the authoritative bodies. We regularly respond to invitations for comment and participate in public forums, meetings, and information sessions held by regulatory agencies discussing matters relevant to our operations. This effective monitoring allows us to anticipate changes to industry regulations and modify our SOPs to maintain the safety of our employees, operations, and public.

As a good steward of the industry, we seek to educate our clients and public on the nature of our operations. We routinely provide tours of our facilities to clients, third party auditors, and regulatory agencies to show that we are meeting the standard of an industry leading company. At public event forums, we seek to enhance the public's knowledge of our practices, allowing them greater comfort in knowing their neighbor is working hard to keep them and company employees safe.

ABOUT THIS **REPORT**

The information included in this report has been subjected to the company's policies surrounding the disclosure of financial and non-financial data. The information included in this report is as of and for the year ended December 31, 2020, unless otherwise noted. Any financial information and all non-financial data included in this report was not subject to a third-party audit verification process.

+ Forward-Looking Statements

Certain information included in this sustainability report may constitute forward-looking statements within the meaning of applicable securities laws, including but not limited to statements regarding Milestone's plans to move forward with identified environmental, social or governance opportunities. Readers are cautioned not to place undue reliance on forward-looking statements as they are subject to a number of assumptions and known and unknown risks and uncertainties that may cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements contained herein are made as of the date of this document. Milestone assumes no obligation to update or otherwise revise these forward-looking statements, whether as a result of new information, future events, or otherwise.

APPENDIX I: **ESG METRICS**

The Sustainability Accounting Standards Board ("SASB") is an independent, private sector standards-setting organization whose mission is to help businesses around the world identify, manage and report financially-material and decision-useful ESG information to investors and other stakeholders. According to the SASB's Sustainable Industry Classification System®, the SASB standards for Waste Management (code IF-WM) and Oil & Gas Services (code EM-SV) are most relevant to our business operations. The index below summarizes our metrics based on SASB's recommended methodology for disclosure of relevant topics for our industry.

SASB CODE	METRIC	UNIT OF MEASURE	2020	Page
GREEN HOUSE GAS EMISSIONS				
IF-WM-110a.1	Gross global Scope 1 emissions[1]	Metric tons CO_2e	1,347	
	Gross sequestered Scope 1 emissions[2]	Metric tons CO_2e	(231,764)	
	Total global Scope 1 emissions	Metric tons CO_2e	(230,417)	
	Scope 1 coverage under emissions-limiting regulations	Percentage (%)	0%	
	Scope 1 coverage under emissions-reporting regulations	Percentage (%)	0%	
IF-WM-110a.2	Total landfill gas generated	Million British Thermal Units (MMBtu)	not applicable	16, 20-22
	Landfill gas flared	Percentage (%)	not applicable	16, 20-22
	Landfill gas used for energy	Percentage (%)	not applicable	16, 20-22
IF-WM-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 and lifecycle emissions, emissions reduction targets, and an analysis of performance against those targets	n/a		13-19
EM-SV-110a.1	Total fuel consumed	Gigajoules (GJ) Metric tons CO_2e	18,224 1,332	
	Percentage renewable	Percentage (%)	0%	
	Percentage used in on-road equipment and vehicles	Percentage (%)	39%	
	Percentage used in off-road equipment	Percentage (%)	61%	
EM-SV-110a.2	Discussion of strategy or plans to address air emissions-related risks, opportunities, and impacts	n/a		13-19

[1]SASB Code IF-WM-110a.1 Gross global Scope 1 emissions includes MT CO_2e for EM-SV-110a.1 "Total Fuel Consumed."

[2]For details regarding calculation of sequestered GHG emissions, see "Milestone's Net Negative Carbon Emissions."

SASB CODE	METRIC	UNIT OF MEASURE	2020	Page
ENERGY MANAGEMENT				
SASB-Energy Management-130a.1[3]	Total energy consumed	Gigajoules (GJ) Metric tons CO_2e	27,689 3,741	
	Percentage grid electricity	Percentage (%)	100%	
	Percentage renewable	Percentage (%)	0%	
AIR QUALITY				
IF-WM-120a.1	NOx (excluding N_2O)	Metric tons	not meaningful	20
	SOx	Metric tons	not meaningful	20
	Volatile organic compounds	Metric tons	19.35	
	Hazardous air pollutants	Metric tons	1.09	
IF-WM-120a.2	Number of facilities in or near areas of dense population	Number	0	
IF-WM-120a.3	Number of incidents of non-compliance associated with air emissions	Number	0	
MANAGEMENT OF LEACHATE & HAZARDOUS WASTE				
IF-WM-150a.2	Number of correction actions implemented for landfill releases	Number	0	
IF-WM-150a.3	Number of incidents of non-compliance associated with environmental impacts	Number	0	
ECOLOGICAL IMPACT MANAGEMENT				
EM-SV-160a.2	Discussion of strategy or plan to address risks and opportunities related to ecological impacts from core activities	n/a		20-22

[3]SASB Code "SASB-Energy Management-130a.1" has been included in the SASB Index in order to provide Scope 2 emissions which is a key component of Milestone's sustainability disclosure.

SASB CODE	METRIC	UNIT OF MEASURE	2020	Page
WORKFORCE HEALTH AND SAFETY				
IF-WM-320a.1	Total recordable incident rate (TRIR)	Rate	0.0	
	Fatality rate	Rate	0.0	
	Near miss frequency rate (NMFR)	Rate	0.0	
IF-WM-320a.3	Number of road accidents and incidents	Number	0	
EM-SV-320a.1[4]	Total vehicle incident rate (TVIR)	Rate	0.0	
	Average hours of health, safety, and emergency response training for employees	Number		23
EM-SV-320a.2	Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle	n/a		22-23
CRITICAL INCIDENT RISK MANAGEMENT				
EM-SV-540a.1	Description of management systems used to identify and mitigate catastrophic and tail-end risks	n/a		29
MANAGEMENT OF THE LEGAL AND REGULATORY ENVIRONMENT				
EM-SV-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	n/a		30

[4] SASB Code EM-SV-320a.1 also suggests disclosure of TRIR, Fatality Rate, and NMFR which are also included above in IF-WM-320a.1.

ACTIVITY METRIC	UNIT OF MEASURE	2020
Number of customers	Number	669
Active landfills	Number	2
Active slurry injection drilling waste disposal facilities	Number	7
Total volume of liquids managed	Barrels	8,004,221
Total volume of solids managed	Cubic yards	19,779

APPENDIX II: **MEASURING MILESTONE'S CARBON IMPACT**

+ Background

During 2020, Milestone commissioned a collaborative analysis ("the Analysis") with SCS to develop calculations for estimating the gross amount of carbon sequestered by and the associated GHG emissions impact of our slurry injection process. For the Analysis, SCS reviewed the laboratory analysis reports of samples collected from our slurry injection waste stream and estimated the TPH content of typical barrels of slurry waste and water (as defined below) injected at our slurry facilities. Through a sequence of calculations, SCS derived the total CO_2e per injected barrel and the gross and net emissions from medium and heavy hydrocarbon chain NMVOCs under two scenarios: slurry injection and land farming. We utilized the findings from the Analysis to estimate our total carbon sequestered through our slurry injection operations compared to the traditional industry method of land application. We present these estimates in the *Milestone's Negative Carbon Footprint* section of this report.

+ Sampling and Lab Testing

To promote homogeneity and quality control, samples were collected directly from the injection stream prior to subsurface injection. Up to three samples were collected from each Milestone slurry facility and submitted to a third-party environmental laboratory and analyzed for TPH via Texas Method 1005 ("TX1005"). This method examines the speciation of TPH into light (C_6-C_{12}), medium (C_{12}-C_{28}), and heavy (C_{28}-C_{35}) hydrocarbon chains.

+ Measuring TPH Carbon Content

From the lab analysis, SCS derived estimates of the carbon content (percent carbon by mass) and GHG equivalent (in CO_2e) of NMVOCs in Milestone's typical barrels of slurry waste and waters injected at our slurry facilities. First, SCS categorized the samples as "slurries" (i.e., drilling mud and other slurries) or "water" (i.e., produced saltwater or flowback). SCS calculated the average measures of the carbon content (percent of total sample mass) and light hydrocarbon chain mix (percent of total carbon content) by sample category. SCS estimates that our average blended injection stream is approximately 6% carbon ("C") by mass in the form of petroleum hydrocarbons, implying 39 kg CO_2e/bbl; 31% of this carbon content consists of light hydrocarbon chains.[1, 2]

+ Emissions and Sequestration: Scenario Analysis

SCS then derived the emissions and sequestration effects of two scenarios, which illustrate the differences between handling slurry via traditional land application disposal and our state-of-the art slurry injection processes. For purposes of the analysis, SCS assumed 5% of solids volume is removed as non-injectable and sent to a landfill; the remaining 95% is sequestered via slurry injection.[3]

The various hydrocarbon chains of TPH react to the processes within these two scenarios differently. Light hydrocarbon chains volatilize into CO_2 and non-CO_2 GHG emissions after limited atmospheric exposure (i.e., weathering), while medium and heavy hydrocarbon

[1]Based on (i) the carbon content and light carbon mix factors calculated by SCS, (ii) volume-to-mass conversion factors by waste stream per Milestone and AquaCalc, and (iii) an average mud mix of 40% during the period of the study.

[2]Carbon mass converted to CO_2e using a standard relative molecular weight ratio of 3.67 C/CO_2e.

[3]Both scenarios assume all water ("liquids") volume is injected into Class II UIC wells.

chains degrade through aerobic anaerobic processes over time. SCS cited a recent academic article that estimates 70% of the remaining TPH (medium and heavy hydrocarbon chains) could reduce and become CO_2 within approximately one year of landfarming activity.[4]

+ Key Findings

Based on the Analysis, SCS estimates that one barrel of slurry waste disposed of through land application generates approximately 75 kg CO_2e of gross emissions in the first year or less from light-hydrocarbon chain volatilization and aerobic/anaerobic degradation of the remaining TPH. Under the slurry injection scenario, the same barrel of slurry waste would generate **no** further emissions once in the injection pipeline, resulting in sequestration of all 95 kg CO_2e/bbl contained in each barrel of slurry waste on average.[5]

[4]SCS cited the recent academic article by Guarino et al. "Assessment of three approaches of bioremediation (Natural Attenuation, Landfarming and Bioaugmentation - Assisted Landfarming) for a petroleum hydrocarbons contaminated soil." Chemosphere vol. 170 (2017): 10-16. doi:10.1016/j.chemosphere.2016.11.165, which estimates that 70% of the remaining TPH (medium and heavy chains) becomes CO_2 through bioremediation in the first year.

[5]SCS estimates a total equivalent carbon content for solids of 25.8 kg C/bbl (95 kg CO_2e/bbl).