2022 CORPORATE SOCIAL RESPONSIBILITY REPORT
An Annual Summary Report of Sustainability
As the world and the industries we serve changed at an astounding pace throughout 2021, Michels quickly adapted without wavering from the core of who we are. We expanded our operations throughout the world, maintained safety as the cornerstone of our culture during a global pandemic, and delivered projects of never-before-seen size and complexity.

Through it all, our Core Values guided our decisions, allowing us to remain focused on helping our customers complete safe, reliable critical energy and infrastructure projects.

So just like the rest of the world, Michels is a little different now than we were at the start of 2021. However, our guiding principles as a family-owned and operated organization remain fundamentally unchanged. Being firmly rooted in family, infrastructure and our Core Values has allowed Michels to branch out in new directions under the support of our stable, time-tested structure. Regardless of the type and location of the work we perform, our people are committed to being responsible stewards of our project sites, office locations, and the communities where we live and work.

Our 2022 Corporate Social Responsibility Report demonstrates how we continuously push ahead with safer, cleaner, and more reliable construction, resource management plans, and the development of our employees.

Thank you for learning more about how we are holding ourselves accountable to the high standards that have guided Michels since 1959. We believe strategic and thoughtful actions today allow us to positively impact tomorrow.
WELCOME TO MICHELS AND THE MICHELS FAMILY OF COMPANIES

Michels’ 2022 Corporate Social Responsibility Report encapsulates many of the key components of the Sustainable Michels Program, our operating principles, and our Core Values. From our corporate headquarters in Brownsville, WI to our crews building critical infrastructure throughout the world, we are committed to promoting safe construction procedures, reducing environmental impacts, and supporting our people and communities.

As Michels continues to expand operations across the globe, we use our 63-year history to guide us and serve as a constant reminder of how we got to where we are today. We recognize corporations need to be responsible for environmental and social impacts, and we take pride in our contributions.

We continually seek ways to improve the quality of life of our people and the communities in which we are trusted to work. We invest heavily in providing our people with the tools and training necessary for their continued development and accomplishments. We fully understand our responsibility for the welfare of the planet.

In addition to highlighting our commitment to sustainability and social responsibility, this report will provide a clear perspective about why our customers and employees continue to choose Michels and The Michels Family of Companies. Our customers know they can rely on us, just as our employees rely on each other. The result is a deep sense of shared values that leads to many mutual benefits, including trust and respect.
Our Framework
Michels has grown and achieved success by always remembering the importance of being a responsible corporate citizen. Our business framework is built upon the foundation of our Mission, Vision and Core Values.

Our Mission
To be the foremost provider of innovative construction solutions and value for our clients in their mission to serve the growing utility and infrastructure requirements of their customers around the world.

Our Vision
To exceed our customers’ expectations by continually setting the global standard for quality, safety and environmental stewardship in utility and infrastructure construction.

Our Core Values
- **Safety**
  Safety is the cornerstone of our culture.

- **Environment**
  We are committed to preserving and improving the environments where we live and work.

- **Integrity**
  Our actions are characterized by integrity, trust and respect.

- **Dedication & Teamwork**
  Our people are dedicated and share a passion for quality and innovation.

- **Social Responsibility**
  We are committed to being a responsible community partner and value the diversity of individuals and their contributions.

- **Sustainable Operations**
  We have sustainable operations driven by our ability to execute swift, strategic decisions.
Michels has been providing industry-leading energy and infrastructure construction solutions for more than six decades.

Our high standards have allowed us to grow from a regional gas distribution pipeline contractor into an international leader in infrastructure construction.

Michels combines construction, engineering and procurement services to keep pace with the evolving demands of the energy, transportation, telecommunications and utility construction industries.

We currently maintain more than 50 permanent facilities from coast to coast in the United States, and three in Canada, one in Australia and one in Germany. We also establish many temporary facilities to support or operations and maximize efficiency.

**Michels Family of Companies**

2021 Safety Performance Statistics

- **TRIR**: 1.17 Total Recordable Incident Rate
- **LTIR**: 0.39 Lost Time Incident Rate
- **EMR**: 0.58 Experience Modification Rate
Like our customers, we believe safe, quality construction is essential to the future of infrastructure throughout the world.

We strive to be environmentally and socially responsible, and actively seek ways to improve the quality of life of our people and the communities in which we are trusted to work.

—Pat Michels, President

Industry-leading accomplishments

Michels Corporation is ranked among the industry leaders in several categories, according to the 2021 Engineering News Record (ENR) Sourcebook:

1. Top Contractor T&D (Power) Pipelines (Petroleum)
2. Petroleum Contractor Top 20 by sector
3. Power Contractor Top 20 by sector
4. Working Abroad Top 50 Contractors
5. New Contracts Top 100 Contractors
6. Marine and Port Facilities
7. Top 400 Contractors List

Ethical actions

Michels Code of Business Ethics is based on our Core Values of integrity, trust and respect. We take pride in doing business the right way each day, and we expect our suppliers, vendors and employees to uphold our high standards of excellence and integrity.

Our Core Values in Action program identifies a few of the many ways our people live by these values each day.
The Sustainable Michels Program evolved from our Core Values and influences our decisions and operations. If we properly balance the need to attract and retain good people, limit the environmental impacts of our operations, and maintain financial viability, we believe we will be able to safely sustain our growth and success, and continue to deliver top-quality services to our customers.

Sustainability consists of three main pillars: social, economic and environmental. Combined, all three create the framework of our companies and the Sustainable Michels Program.

The Sustainable Michels Program was implemented in 2009 by a group of highly trained and passionate Michels employees. The Sustainable Michels Group set out to make changes that ultimately create a healthier, safer and more successful company overall.

Cornerstones of Sustainable Michels Program

• Participating in community activities
• Engaging employees
• Continuous Environmental Improvements
• Fiscal Responsibility
While working on a project, our crew noticed what they thought was dust in the distance. Upon further inspection, it was a wildfire. Crews immediately acted and used a water truck to douse and control the fire until the Fire Department arrived.
OUR COMMITMENT TO HSE

Michels Health Safety and Environment Department (HSE) developed a three-pronged approach to health, safety, and environmental initiatives out of recognition for the individual and overlapping effects each of these critical areas has on our employees and their families, those who work with us, the public and the environment.

Our HSE team consists of more than 180 professionals who provide technical HSE support, training, conduct audits and assessments, and oversee operations from an HSE perspective at our job sites.

Culture of Continuous Improvement

2021 leading indicator initiatives:
- 18,946 course certifications (120+ courses) earned by Michels employees
- 4,889 HSE Audits conducted and submitted
- 1,031 Senior Management site visits completed
- 5,098 Good Catch/Observations submitted
Safety is of critical importance to all of Michels’ operations and is incorporated into everything we do. Michels has developed extensive programs to help ensure the safety of everyone who works on our projects. Among them are:

- **Stop Work Promise**: Michels asks all employees to make a promise to their families and co-workers to STOP or not perform any work or action that is or might be unsafe, whether on the job or in their personal lives.

- **Short-Service Employee Program (Green Hands)**: Michels Green Hands program ensures all short-service employees (with less than six months experience) are identified and appropriately supervised, trained and mentored to prevent incidents and injuries.

- **Tailgate Safety Meetings**: Tailgate meetings focus on any local laws/regulations, safety and environmental hazards, safety requirements and any other topics that may regard the sites.

- **Michels Emergency Response Team (MERT)**: Michels Emergency Response Team manages and administers the Michels Crisis Management Plan to address serious safety incidents after they occur. MERT is available to Michels employees 24 hours a day and seven days a week. It is staffed by Michels’ full-time legal, HSE, human resources, fleet, security and risk management professionals.

- **Michels Cornerstones of HSE**: These 10 Cornerstones encompass our critical HSE elements/principles, and must not be compromised at any time for any reason. The Michels Cornerstones of HSE are Energy Isolation and Control, Driving, Excavation Work, Ground Disturbance, Incident Reporting, Equipment Operation, Working at Heights, Safety Responsibility, Rotating Equipment and Fit for Duty.

**Michels HSE Training Program**

In 2021, Michels invested approximately 35 hours per employee for HSE training. Training was conducted at locations throughout North America.
MI-PROMISE

At Michels, our fundamental promise is to work safely, keep a vigilant eye out for potential hazards, and return to our loved ones at the end of each day just as healthy as we were when the workday started.

We have initiated “Mi-Promise,” a multi-faceted campaign focused on inviting our employees to make a personal commitment to their safety and the safety of those around them, whether at work or home.

Components of the Mi-Promise campaign includes:

- **Stop Work Promise**: Michels asks all employees to promise to stop work that is unsafe or that they or someone else may be unqualified to perform.

- **Mi-Promise**: Employees made a personal and specific commitment/promise to their loved ones regarding what they would “always” do to ensure they make it home safely each and every day.

- **“Mi-Promise” video**: This award-winning video reinforces the “Promise Me” message by featuring Michels employees making candid and compelling promises to work safely.

Michels designed and distributed a commemorative Mi-Promise safety coin to celebrate the Mi-Promise campaign and reinforce the importance of each individual’s Stop Work Promise. All employees are asked to carry the coin with them each day as a reminder to themselves and their teammates of this essential commitment and message.

The cornerstone of Michels’ safety initiative is to remind each person of the main reason for working safely: To be able to enjoy spending time with loved ones doing activities we enjoy.
ENVIRONMENTAL SUSTAINABILITY

Michels demonstrates environmental excellence in many ways. Our recent sustainability initiatives and accomplishments include:

Michels is a **Wisconsin Green Tier company**, a voluntary program for improving environmental performance. We have an Environmental Management System (EMS) for the Brownsville campus. Our EMS allows us to track our environmental impacts and set goals related to energy usage, fuel use, waste, and pollution.

2021 and 2022 improvements include:

**Green Masters Program**: Michels has a green professional status for the construction industry in the Wisconsin Sustainable Council. This voluntary program sets benchmarks and compares our performance internally and to others in our sector.

**Renewable Energy**: Reducing our carbon footprint by becoming the anchor tenant in a 1-megawatt community solar farm near our corporate headquarters. Michels purchased 30 percent of the blocks.

**Company Emissions**: Michels continually improves company emissions within our large construction fleet such as:

- Replacing 5 percent of existing assets with cleaner-burning EPA Tier 4 diesel engines annually.
- More than 40 hybrid electric pieces of yellow iron in our fleet.
- 20 hybrid electric F150 pickup trucks and 10 Ford Lightning full-electric pickup trucks are on order.

**Our initiatives and goals for 2022 and beyond include**:

- Completing a third-party energy analysis for the Brownsville campus to determine an energy use baseline, followed by a commitment to energy reductions. We are participating with the US Department of Energy better plants program and working toward a 20 percent energy reduction over 10 years.
- Identifying the Tier 0-3 engines in the Michels fleet that could feasibly be replaced with Tier 4 or higher engine models.
- Expanding the single-stream recycling program to reduce the percentage of waste that goes to landfills.
PROTECTING INFORMATION

Protecting information is an integral part of Michels’ comprehensive safety culture. Procedures, tools and training programs are in place to reduce the risk of data breaches. Among them are:

• **Annual security campaigns.** This corporate-wide, ongoing awareness campaigns provides valuable training to identify malicious emails, phishing schemes and other potential threats, and empowers them to take time to consider appropriate actions and consequences when confronted by a request for sensitive information. Additionally, Michels participated in National Cyber Security month which provides additional information for employees to protect Michels data and their personal information.

• **Online training.** Computer users throughout the company participate in quarterly online training sessions focused on awareness and avoidance of increasingly sophisticated cyber security threats.

• **Email encryption.** Our system automatically identifies sensitive information, including Social Security numbers, credit card numbers and birthdays, and restricts them from being sent without encryption.

A Closer Look at ... E-Recycling

Instead of relegating non-usable information technology (IT) equipment and devices to landfills, the Michels E-Recycles program ensures the safe, secure and environmentally sound disposal of computers, printers, servers, monitors and phones.

More than 10,000 pounds of mixed electronics were recycled over the last two years, including 3,500 various outdated and unsupported electronics.

Michels donates IT equipment no longer usable in the company to different non-profit or small businesses throughout the year.
Crews in West Virginia rallied to raise $3,000 to provide students with school supplies to start the year.
EMPLOYEE ENGAGEMENT

• The backbone to Michels’ success is our team of 8,000+ people who bring their talents and skills to work each day. Michels strives to ensure their personal and professional health and happiness, provides an atmosphere conducive to maintaining a rewarding work-life balance, and encourages active participation in their own and the company’s success. These practices are manifested each day at Michels jobsites and offices throughout North America. We listen to our people when they offer their opinions and innovations; we trust them to make decisions and develop solutions; and we focus on their continuous development.

• One example of how Michels lives this mission is via the Michels Scholarship Fund, helping to provide post-secondary education scholarships to employees and eligible dependents. In 2021, Michels employees raised $79,337 for the fund.

• Another way Michels achieves these goals is through a collection of programs accessible and practical ways to improve and enjoy many aspects of life. These programs include:

  • MI-Family: Programming that allows our people to take part in fun activities with their families and their colleagues.
  • MI-Health: Opportunities to maintain a healthy lifestyle through activity challenges, healthy lifestyle classes and organized fitness activities.
  • MI-Involved: Volunteer activities that allow our people to be actively and efficiently involved in charitable causes.
  • MI-Learning: Seminars on personal enrichment topics, from financial planning to fitness trends.
  • MI-Team: Non-work-related activities that foster cooperation and trust among colleagues.
  • Sustainability Committee: This group plans Mi-Involved events improving local environments in the communities where we live and work.
COMMUNITY INVOLVEMENT

Michels actively supports local, regional and national charitable organizations in the community we serve throughout North America. As good corporate citizens, it is our responsibility to help the communities in which we live and work. Being actively involved in our communities enriches the lives of our people, has a positive impact on the culture at Michels, and allows us to provide financial support and people resources.

In 2021, Michels continued to ramp up its effort encouraging all our locations to get involved in assisting in their community. We donated time, supplies and financial support to make a positive impact to assist people during the pandemic.

Michels Mind Matters

Mind Matters is a program designed to build knowledge and provide mental health help for our people and their families. Our program gives include quick access to resources and videos to encourage individuals to build appropriate coping strategies, educate themselves, and reach out to health care professionals to receive treatment for anxiety, depression, stress, COVID-19, substance abuse and suicide. We have a trained team and public partners to act as gatekeepers for individuals who may be suicidal using the Question, Persuade, Refer (QPR) method.
K-12 INVOLVEMENT

Michels is proud of our extensive record of community involvement. One of the many ways we give back is by participating in activities focused on students in grades K-12. In addition to supporting the communities in which we live and work, we use these opportunities to raise awareness about careers in the skilled trades and utility and transportation construction.

K-12 activities in which Michels is involved include:
- Career Day at area elementary, middle, and high schools
- Summer seasonal recruitment
- Mock interviews at local high schools
- School to Work
- Career Exploration Day
- Junior Achievement
- Youth Apprenticeship
- Future Business Leaders of America
- Reality Day
- Industrial Trades Career Fair
- Business Industry Education Day
- Lemonade Day
- Career Connection Academy
- Building a Better Wisconsin Expo
- FutureQuest
- Skills USA

Virtual College Recruiting
Building a talented workforce for today and tomorrow is like building a large-scale energy or infrastructure project. Both require persistence, dedication, and a desire to achieve the best.

From elementary school students to military veterans, the Michels Human Resources recruiting team seeks people with skills and attitudes that match our behaviors and beliefs. In 2021, Michels virtually adapted and participated in more than 60 outreach events focused on communicating construction career opportunities ranging from Internships, Skilled Trades Apprenticeships and Professional Construction Management.

- College and technical schools
- K-12 schools
- Community
- Vocational
- Military

**A closer look at Career Exploration Day**

Michels invites students from area middle and high schools to spend a day getting a rare behind-the-scenes look at our shops and yard. Students learn about the variety of challenging employment opportunities available to people with strong STEM (science, technology, engineering, and math) skills. During a tour of our facilities, the students get first-hand accounts of what it takes to excel in Michels’ shops from our own success stories.

We could not host the event in 2021 due to the pandemic, but we look forward to continuing our event in the future.
Michels invests in learning opportunities to give our people the tools they need to nurture their skills and build their careers.

Michels University provides centralized training in key areas, including project management, leadership, communications, and software, as well as in other specific areas of need. Different learning environments are provided to suit specific needs. Options include web-based training, virtual classrooms, classroom training, workshops, and library resources.

Michels University provides training in several categories:
- Achievement
- Software
- Productivity
- Collaboration
- Requirements
- Personal enhancement

**LEADERSHIP DEVELOPMENT**

Michels Middle Managers Program consists of high-performing middle managers who receive special training and are involved in providing input on our corporate affairs.

At Michels, we believe our growth and success is built upon the ingenuity, dedication and expertise of our employees. The Michels University and Middle Managers Programs are among the ways we continually strive to develop leaders from within our ranks.
Michels Supplier Diversity Program broadens our supplier and subcontractor base, stimulates competition, and supports our customers’ priorities by identifying and offering equitable opportunities for diverse suppliers and subcontractors.

Our program includes mentoring, networking and expressing Michels’ high expectations. This program has led to the development of several minority suppliers, helping them expand their businesses well beyond their relationship with Michels. We have a vested interest in the growth and success of our suppliers and subcontractors, and support them by continuing to increase our supplier diversity.

Michels is committed to being active in regional and national supplier diversity organizations, including the North Central Minority Supplier Development Council (NCMSDC). Active participation in organizations like NCMSDC is among the many ways Michels connects with certified and qualified diverse suppliers and subcontractors, and potentially develops opportunities to work together. We believe a robust program is an essential component in our ability to improve our supply chain and help our customers achieve their goals related to opportunities for businesses owned by minorities, women and service-disabled veterans.