

# 2022

## ESG REPORT



TABLE OF CONTENTS

1.0 CEO & BOARD CHAIR'S MESSAGE

2.0 CORPORATE PROFILE

3.0 WHERE MISTRAS OPERATES

4.0 ESG

5.0 ABOUT THIS REPORT

6.0 GOVERNANCE

7.0 ENVIRONMENT

8.0 SOCIAL

9.0 STAKEHOLDER RELATIONS

10.0 MISTRAS' PEOPLE

11.0 DIVERSITY

12.0 MISTRAS WELFARE PLANS

TABLE OF CONTENTS

1.0 CEO & BOARD CHAIR'S MESSAGE ..... 5

1.1 MESSAGE FROM OUR FOUNDER/EXECUTIVE CHAIRMAN  
AND PRESIDENT/CHIEF EXECUTIVE OFFICER ..... 6

2.0 CORPORATE PROFILE..... 9

2.0 CORPORATE PROFILE ..... 10

3.0 WHERE MISTRAS OPERATES .....13

3.0 WHERE MISTRAS OPERATES..... 14

4.0 ESG .....17

4.1 MISTRAS' APPROACH TO ESG ..... 18

5.0 ABOUT THIS REPORT.....21

5.0 ABOUT THIS REPORT ..... 22

6.0 GOVERNANCE .....25

6.0 GOVERNANCE.....26

6.1 GUIDING PRINCIPLES.....27

6.2 ESG GOVERNANCE & BUSINESS PRACTICES ..... 27

7.0 ENVIRONMENT.....29

7.1 MISTRAS' COMMITMENT..... 30

7.2 KEY ENVIRONMENTAL TECHNOLOGY ..... 31

7.3 CLIMATE RELATED RISK .....32

7.4 CLIMATE RELATED CHANGE OR SUBSEQUENT MITIGATION STRATEGIES .....33

8.0 SOCIAL .....35

8.1 GUIDING PRINCIPLES .....36

8.2 WORKFORCE HEALTH AND SAFETY ..... 38

8.2.1 WHY DOES SAFETY MATTER TO MISTRAS? ..... 38

8.2.2 STATE-OF-THE-ART HEALTH AND SAFETY MANAGEMENT SYSTEM ..... 38

8.2.3 ONGOING TRAINING INVESTMENT..... 38

8.2.4 HAZARD IDENTIFICATION AND MONITORING (CHEQS) ..... 39

8.2.5 PERFORMANCE HIGHLIGHTS ..... 39

8.2.6 KEY PERFORMANCE INDICATORS (ANNUAL AND PER QUARTER SHOWN BELOW)..... 39

8.3 INDIGENOUS RELATIONS/ VETERAN HIRING INFORMATION ..... 42

9.0 STAKEHOLDER RELATIONS.....45

9.0 STAKEHOLDERS RELATIONS..... 46

10.0 MISTRAS' PEOPLE .....49

10.1 TALENT ATTRACTION, DEVELOPMENT, AND RETENTION .....50

11.0 DIVERSITY .....53

11.0 DIVERSITY ..... 54

11.1 CORE VALUES .....56

11.1.1 SAFETY & HEALTH STEWARDSHIP .....57

11.1.4 LEADERSHIP .....57

11.1.2 OUR EMPLOYEES .....57

11.1.5 ENHANCING STAKEHOLDER VALUE.....57

11.1.3 CUSTOMER SATISFACTION .....57

12.0 MISTRAS WELFARE PLANS.....59

12.0 MISTRAS WELFARE PLANS ..... 60



# 1.0

## 1.0 CEO & BOARD CHAIR'S MESSAGE

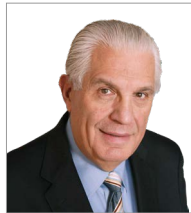
# 1.1 MESSAGE FROM OUR FOUNDER/EXECUTIVE CHAIRMAN AND PRESIDENT/CHIEF EXECUTIVE OFFICER

MISTRAS is an organization of committed individuals who enhance the lives of those around us through our daily actions delivering value to our customers and shareholders. We are proud, and excited, to work with our ESS Committee, Governance Committee, Audit Committee, Compensation Committee, Board, and business leaders to drive our business into the future and continue to deliver value to our stakeholders, which includes our customers, employees, and communities we operate in.

We recognize our responsibility for providing industry-leading asset protection solutions which inherently contribute to a more sustainable future by reducing environmental and societal disruption through early detection and identification of potential issues. Together with our advanced technologies, we continue to innovate and enhance product offerings within the renewable energy sector.

As we look to the future, we recognize our responsibility to serve as an agent for positive change, advancing Environmental, Social, and Governance (ESG) matters in all areas and communities in which we operate. We are confident in our ability as an organization to drive lasting change in these three areas, not only for ourselves, but also for the customers that we serve day in and out.

We have a bright future ahead of us at MISTRAS, as we identify the most meaningful metrics for which to establish a baseline to measure our current impact and understand our areas of future improvement. We commit to being transparent in our reporting against our identified goals as we directly integrate ESG into our daily actions. We have no doubt that ESG will continue to serve as an important aspect of our business, which will enhance our business performance and provide a meaningful competitive advantage for years to come."



Dr. Sotirios J. Vahaviolos

Founder and Executive Chairman



Dennis M. Bertolotti

President and Chief Executive Officer; Director







# 2.0

## 2.0 CORPORATE PROFILE

2.0 CORPORATE PROFILE

MISTRAS Group, Inc. (NYSE: MG) is a leading “one source” multinational provider of integrated technology-enabled asset protection solutions, helping to maximize the safety and operational uptime for civilization’s most critical industrial and civil assets.

Backed by an innovative, data-driven asset protection portfolio, proprietary technologies, strong commitment to Environmental, Social, and Governance (ESG) initiatives, and a decades-long legacy of industry leadership, MISTRAS leads clients in the oil and gas, aerospace and defense, renewable and non-renewable power, civil infrastructure, and manufacturing industries towards achieving operational and environmental excellence. By supporting these organizations that help fuel our vehicles and power our society; inspecting components that are trusted for commercial, defense, and space craft; building real-time monitoring equipment to enable safe travel across bridges; and helping to propel sustainability, MISTRAS helps the world at large.

MISTRAS enhances value for its clients by integrating asset protection throughout supply chains and centralizing integrity data through a suite of Industrial IoT-connected digital software and monitoring solutions. The company’s core capabilities also include non-destructive testing field and in-line inspections enhanced by advanced robotics, laboratory quality control and assurance testing, sensing technologies and NDT equipment, asset and mechanical integrity engineering services, and light mechanical maintenance and access services.

For more information about how MISTRAS helps protect civilization’s critical infrastructure and the environment, visit <https://www.MISTRASgroup.com/>.

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MISTRAS

WHO WE ARE



FOUNDED IN  
1978



GLOBAL HQ IN  
PRINCETON, NJ - USA



NYSE: **MG**; IPO IN  
2009



OVER **5,000**  
EMPLOYEES



OVER **106** LOCATIONS  
WORLDWIDE

WHO WE HELP



OIL & GAS



AEROSPACE &  
DEFENSE



INFRASTRUCTURE



POWER



MANUFACTURING

HOW WE HELP



FIELD INSPECTIONS

Individual spot inspections all the way up to evergreen inspection program management and execution



ACCESS

Trained and industry-certified technicians safely access assets in at-height, confined, subsea, and hazardous locations



LAB QA/QC SERVICES

In-house testing and quality assurance solutions for newly-fabricated components and materials



MAINTENANCE SERVICES

Complementary light mechanical services to clean and repair assets after damages are discovered in inspections



DATA SERVICES

Solutions to manage, analyze, and digitally transform enterprise, site, and asset integrity data



SPECIAL EMPHASIS

Proceduralized programs that use our asset protection expertise to target hazardous and costly damages



ENGINEERING CONSULTING

Engineering and mechanical integrity consultation services to optimize facility design and operations



EQUIPMENT

Innovative, leading-edge inspection equipment enables our customers to track their assets’ conditions





# 3.0

## WHERE MISTRAS OPERATES

### 3.0 WHERE MISTRAS OPERATES

We operate over 120 offices worldwide, with our corporate headquarters located in Princeton Junction, New Jersey - USA.



**Click here** to view  
our branch locations

## 109 LOCATIONS WORLDWIDE

**75**  
NORTH AMERICA

**30**  
EUROPE

**2**  
SOUTH AMERICA

**2**  
ASIA



TABLE OF CONTENTS

1.0 CEO & BOARD CHAIR'S MESSAGE

2.0 CORPORATE PROFILE

3.0 WHERE MISTRAS OPERATES

4.0 ESG

5.0 ABOUT THIS REPORT

6.0 GOVERNANCE

7.0 ENVIRONMENT

8.0 SOCIAL

9.0 STAKEHOLDER RELATIONS

10.0 MISTRAS' PEOPLE

11.0 DIVERSITY

12.0 MISTRAS WELFARE PLANS



# 4.0

## 4.0 ESG



#### 4.1 MISTRAS' APPROACH TO ESG

At MISTRAS Group, our mission is to “deliver value by developing, integrating and executing asset protection solutions that maximize uptime and safety” of the assets our customers operate. An integral component of our ability to deliver on this mission is our ability to operate safely while being the sole solution partner for all current and future customers. Our vision is to “be the integrated-solution partner to solve civilization's unmet asset protection needs.”

In our normal business operations, we help our customers operate in a safer and more sustainable way. As part of these operations, we seek to operate sustainably, benefitting our customers and the communities in which we operate. We seek to identify and make tangible changes for the better in the environments and communities in which we operate.

MISTRAS not only seeks to provide ESG solutions for our customers, but we also look internally to be leaders in ESG practices. Led by our Board of Directors, we created a standing Committee which provides guidance and oversight related to Environment, Social and Governance (ESG). This Committee, named the Environmental, Social and Safety Committee (ESS Committee), strengthens MISTRAS' commitment to operating in an environmentally-friendly manner, while being a responsible member of the communities in which we operate. Our ESS Committee, working in tandem with the Governance Committee, integrates with key business stakeholders to drive the Company's ESG initiatives throughout the business to provide comprehensive oversight and monitoring.





TABLE OF CONTENTS

1.0 CEO & BOARD CHAIR'S MESSAGE

2.0 CORPORATE PROFILE

3.0 WHERE MISTRAS OPERATES

4.0 ESG

5.0 ABOUT THIS REPORT

6.0 GOVERNANCE

7.0 ENVIRONMENT

8.0 SOCIAL

9.0 STAKEHOLDER RELATIONS

10.0 MISTRAS' PEOPLE

11.0 DIVERSITY

12.0 MISTRAS WELFARE PLANS



# 5.0

## 5.0 ABOUT THIS REPORT



### 5.0 ABOUT THIS REPORT

This report is MISTRAS Group first published ESG report. Unless otherwise stated, this report presents the performance of MISTRAS and its subsidiaries and joint ventures. Data presented in this report includes data for MISTRAS worldwide operations. Any data limitations are explicitly noted within the performance figures.

Financial data is stated in US dollars, and environmental data is stated in metric units. For further details on MISTRAS financial performance, refer to MISTRAS' financial statements for the years ended December 31, 2020, and December 31, 2021.

MISTRAS strives to continuously improve its key performance indicators, tracking and measurement systems and, in some instances, has adjusted indicator definitions and performance data to reflect current best practices. In most cases, MISTRAS uses standard industry calculation methodologies and definitions; these may be updated periodically to improve the accuracy of performance data. If industry standards are not used, applied techniques are stated alongside the data.

This report also contains forward-looking information as to MISTRAS' internal projections, expectations, or beliefs relating to future events or future performance.

ENVIRONMENT

DIVERSITY

ESG

CORPORATE  
PROFILE







# 6.0

## GOVERNANCE

## 6.0 GOVERNANCE

The Board of Directors of MISTRAS Group, Inc. (the “Company”) sets high standards for the Company’s employees, officers, and directors. Implicit in this philosophy is the importance of sound corporate governance. It is the duty of the Board of Directors to serve as a prudent fiduciary for shareholders and oversee the management of the Company’s business. To fulfill its responsibilities and discharge its duty, the Board of Directors has adopted corporate governance guidelines and other policies and practices based upon what the Board believes are best practices, as set forth by various leading corporate governance authorities. Furthermore, as a New York Stock Exchange-listed company, the Board also follows the NYSE corporate governance standards for listed companies. These guidelines are subject to modification from time to time as the Board of Directors deems appropriate in the Company’s best interests, as required by applicable laws and regulations, or to follow best practices for corporate governance.

In its proxy statement for the 2022 annual shareholders meeting, the company has described its various corporate governance practices. This includes the independence of 75% of the directors, and a goal to have diversity on the board.

## 6.1 GUIDING PRINCIPLES

- ▶ Ensure appropriate focus and oversight on ESG strategies and practices
- ▶ Engagement of the Board and its committees in providing the necessary oversight on the key components of ESG.
- ▶ Valuate and assess progress towards delivery on goals and targets established in MISTRAS corporate ESG goals and objectives.
- ▶ Continually monitor the governance structure and processes and assess any areas for possible improvement.
- ▶ Evaluate best practices for corporate governance and ESG matters and ensure a strong leadership position is maintained in all areas.
- ▶ Ensure strong link between executive compensation and performance, including considering evaluating the value and benefits of utilizing ESG as a component of compensation.

## 6.2 ESG GOVERNANCE & BUSINESS PRACTICES

Strong corporate governance forms the foundation of success. Effective leadership on ESG requires understanding how environmental and social factors may affect MISTRAS’ financial performance and long-term value creation. MISTRAS’ board performance with respect to traditional board metrics can be found in MISTRAS’ proxy statement.

- ▶ **Why Is This Material to MISTRAS?**  
MISTRAS identifies that its strategies for ESG matters are critical to the Company’s long-term success. MISTRAS management and board are aligned in their commitment to developing good practices in all aspects of ESG. MISTRAS believes that strong ESG practices assist the company’s risk mitigation, and financial performance and is the right thing to do. MISTRAS’ commitment to ESG benefits all stakeholders including shareholders, employees, customers, and the general public.
- ▶ **MISTRAS’ Approach**  
MISTRAS is committed to continually improve its ESG performance. MISTRAS continues to strengthen its commitment to ESG and, accordingly, its practices around ESG continue to evolve. MISTRAS has invested in resources to better equip itself with the knowledge and skills to proactively identify, assess, and manage ESG.





# 7.0

## ENVIRONMENT

7.1 MISTRAS' COMMITMENT

MISTRAS is organizationally committed to:

- ▶ Protecting and continuously improving reduction of potential environmental impacts related to, or caused by, our business activities and to working closely with stakeholders on sustainability best practices.
- ▶ Developing our people through applying and reviewing skills related to environmental training and competence.
- ▶ Setting clear performance objectives, measuring results, assessing, and reviewing the effectiveness of our processes through environmental management systems accredited to or aligned with EN ISO 14001 (as a minimum) and applicable laws in countries or regions where we work.
- ▶ Planning for, responding to, and recovering from any emergency of an environmental nature within our business and, as an ethical organization, providing aid and support to our local communities.
- ▶ Minimizing our carbon footprint through pollution prevention, reduction of natural resource consumption and emissions, and the reduction and recycling of business waste.
- ▶ Communicating openly with employees, customers, contractors, suppliers, and the wider community to ensure an understanding of our environmental and sustainability programs and annually sharing our commitment and compliance results.
- ▶ Continually improving our performance on issues relevant to MISTRAS and our stakeholders of global concern and on which we can have an impact by sharing our technical knowledge of successful environmental and sustainability programs and initiatives.
- ▶ Committing to supporting external organizations financially and ethically to ensure MISTRAS actively participates in sustainability programs to secure a cleaner future environment.

As we embark on our ESG journey and assess the environments in which we operate, we are performing a holistic review of our business and operations globally to assess our current usage of renewable and non-renewable resources, greenhouse gas (GHG) emissions, and customer and supplier relationships to develop goals and metrics to create meaningful and lasting change.

7.2 KEY ENVIRONMENTAL TECHNOLOGY

The following provides an example listing of Key Business Technologies that MISTRAS either provides to our customers or utilizes internally to assist with the development and growth towards more effective and efficient ESG performance.

TECHNOLOGY IMPLEMENTED	ARI VEHICLE TRACKING	ART CRAWLER INSPECTION TECHNOLOGY	SENSORIA™	VPAC II™	SPILL MODELING
BENEFIT	Allows MISTRAS the oversight of its vehicle fleet. This oversight includes the ability to track fuel usage and individual driving behaviors.	Identifies corrosion defects that could lead to leaks and/or spills, which if released, could significantly harm the environment.	Maximizes blade uptime and performance, helping our clients maximize wind energy generating capacity, which is a prime component in ensuring and sustaining a clean, healthy environment	Helps to reduce flaring and through-valve gas leaks that dissipate harmful emissions into the environment	Predictive modeling software used to create quick response plans to address pipeline leaks and avoid environmental damages.
DESCRIPTION	ARI is a telemetric vehicle tracking system that links vehicles to drivers. Allowing the monitoring of driver behaviors helps ensure MISTRAS drivers are operating vehicles safely and also tracks fuel usage, maintenance needs, and costs. This allows MISTRAS to take a proactive approach to meeting its environmental objective of reducing fuel usage.	Helps detect internal corrosion, pitting, and Corrosion Under Insulation (CUI) in aboveground piping and pipelines, even with product flowing through the lines.	Sensoria™ is an innovative, 24/7/365 remote wind blade monitor that uses acoustic emission (AE) technology to detect damages. A web-based portal allows users to view real-time and historical blade integrity data on demand.	The VPAC II™ is an acoustic emission (AE) instrument that can detect through-valve leaks and estimate the quantity of material leaking through a valve.	Spill modeling analysis helps determine the impact of pipeline ruptures based on industry leading software and models.



7.3 CLIMATE RELATED RISK

MISTRAS has evaluated Climate-related risks that will affect our business and activated mitigation strategies to ensure potential disruptions to business operations are mitigated where possible. The evaluation of climate related risk will continue to be monitored throughout MISTRAS ESG journey.

RISK	POTENTIAL RISK TO MISTRAS	MITIGATION STRATEGIES
ACUTE	Potential for escalation of climate change events such as flooding, higher snowfall, and daily temperature excesses that may disrupt project execution and/or supply chains.	Extensive global knowledge and workplace experience of working extreme weather conditions are utilized for risk mitigation during planning phases for individual projects. Mitigations include, but are not limited to, Specialist training and personal protective equipment, 'fit-for-purpose' asset planning, and multiple supply chain resourcing.
CHRONIC	Operational impacts to our customers caused by long-term environmental impacts, including prolonged precipitation patterns, snow melt, excessive temperature changes (heat/ cold), and climatic seasonal changes impacting project length.	Rolling 5-year Business Continuity planning against changing environmental aspects and impacts and organizational evolution of strategies to meet customer operational requirements
POLICY & LEGAL	The epistemic nature of climate change from future federal, provincial, and international regulations changes may impact the operational capability of MISTRAS facilities, execution of project scopes, and MISTRAS' ability to comply with regulatory requirements while remaining cost-competitive.	Cognizance of federal, provincial, and international climate policy changes through environmental strategies, resource allocation to anticipate change, and an annual carbon performance review aligned to coherent environmental impact reduction strategies.
TECHNOLOGICAL	Limitations on technological innovations in emission reduction and cost effectiveness of implementing such strategies within a customer focused business.	Maintenance of the Business Continuity Plan that includes monitoring of evolving technologies, participation in environmental programs, and working with customers on project technology enhancements to improve cost effectiveness.
MARKETS	Potential for decreased market demand due to acute and chronic environmental factors which impose stringent legal restrictions that financially impact customer ability to perform critical inspection and maintenance.	Engagement with related industry bodies and other events to engage in public dialogue on global impacts to the environment and the opportunities for business to support and effect change. Transparent publication of MISTRAS ESG reports and communications with investors that are designed to disclose challenges, opportunities, and strategies to remain market relevant and a responsible, environmentally conscious organization.
REPUTATIONAL	Epistemic geo-political factors and regulatory uncertainty may adversely impact customer ability to commit to future projects and MISTRAS' ability to deliver its commitment of a quality driven, safety conscious and environmentally focused provision of its services.	Strategic evolution of new technologies that are cost effective and customer driven, which are enhanced through our commitment to the Corporate Core Values and Mission that extents not only internally but externally to our customers and the support to the wider community in which we engage.

7.4 CLIMATE RELATED CHANGE OR SUBSEQUENT MITIGATION STRATEGIES

In MISTRAS' evaluation of risks, we have also identified opportunities that may be created through climate related change or subsequent mitigation strategies.

OPPORTUNITY	POTENTIAL BENEFIT TO MISTRAS	ACTIONS AND STRATEGIES
RESOURCE EFFICIENCY	Potential to reduce operational costs through ethical sourcing, management of unnecessary travel, delivery of cost based environmental planning to minimize carbon emissions, and an internal focus on MISTRAS operational real estate carbon footprints	Phased approach to replacing aged vehicles with a cleaner carbon emission fleet that uses less fossil fuels and protects the environment through reduction of harmful pollutants.  Replacement of harmful chemicals used in our operations for cleaner, environmentally-sourced products.  Business case development for reduction in light pollution, harmful gas infused lighting systems (tubes), and energy management of unattended workspaces through motion activated LED lighting systems.
ENERGY SOURCE	Ethical, financial, and environmental benefits by reducing emissions through electrification of fossil fuel-based equipment.	Business Case study for substitution of fossil fuel power generation systems or equipment to be replaced with renewably sourced power generation (e.g., hydroelectricity, wind power)  Business Case study for transition of MISTRAS' real estate facilities energy and utility providers to renewable energy sourced utility providers
PRODUCTS/ SERVICES	Opportunity to create increased revenue stream from development and sale of sustainable resource monitoring, equipment and services through investments in our greenfield technologies, such as Acoustic Emission (AE) monitoring system programs globally and further technological development within similar sectors (e.g., hydroelectrical, wave power, etc.)	Opportunity to generate revenue through renewable energy products to a global marketplace and present MISTRAS as a responsible global player in environmental protection through our products and services
MARKETS	Potential to attract new investors within energy generation markets as global regulatory and ethical accountability for the environment pressurizes energy generation and infostructure to use MISTRAS technologies for monitoring and inspection of power generation activities.	MISTRAS has documented success with its current technologies for monitoring and inspection with new and current opportunities from customers to trial new systems and programs.  MISTRAS recognizes and supports that many of our current investors factor climate change into their investment decision-making through provision of technical advice, design technological solutions through monitoring applications, and providing detailed reporting to impact environmental change proactively.
RESILIENCE	MISTRAS' investment in its AE monitoring technologies, supporting programs (Sensoria™) and advanced inspection techniques secures its resilience in current and future markets and increases company value (financial and ethically) through improving investor capability to demonstrate their environmental management of physical impacts on climate change.	Maintaining investor confidence through our current and emerging technologies by continued investment in anticipating, where possible, the epistemic climate change that will impact the global market.

TABLE OF CONTENTS

1.0 CEO & BOARD CHAIR'S MESSAGE

2.0 CORPORATE PROFILE

3.0 WHERE MISTRAS OPERATES

4.0 ESG

5.0 ABOUT THIS REPORT

6.0 GOVERNANCE

7.0 ENVIRONMENT

8.0 SOCIAL

9.0 STAKEHOLDER RELATIONS

10.0 MISTRAS' PEOPLE

11.0 DIVERSITY

12.0 MISTRAS WELFARE PLANS



# 8.0

## 8.0 SOCIAL



8.1 GUIDING PRINCIPLES

We believe that employee development and engagement begins with our senior management team, which has considerable industry experience and expertise. Leveraging this experience and expertise, the senior management team is able to continuously review the Company's organizational structure and provide opportunities for the growth and development for our employees. This process helps us develop leaders at all levels within the organization, and to engage employees with rewarding opportunities, competitive salary and benefits, to advance their careers and contribute to our success.

As part of our continued commitment to our employees, we have established various programs to promote lifelong learning and development opportunities for our employees. These include a mix of voluntary and mandatory training programs, which are provided in-person, virtually or on the job. We also provide employees the ability to continue to gain additional professional certifications to contribute to their career advancement. We utilize a web-based training center which is available to field technicians for career advancement and includes over 500 web-based classes. In addition, we are committed to ensuring all employees are compensated at a living wage. All local minimum wage requirements are met and where no wage laws are in place, employees are compensated competitively, in accordance with industry standards.

We also provide leadership development using third-party leadership organizations to members of our executive management team, and we provide coaching and leadership development to all levels of management, including the General Managers who work in the field. Our human rights policy places a high priority on diversity and equal opportunity and provides the Company's employees with management's expectations related to human rights and labor practices.

Another program we instituted focuses on our connection by a common thread of caring – about one another, our customers, the environment, and the work we do. We seek to foster a culture of togetherness, safety, respect, and contribution which enables each individual member to feel that he or she is a part of something bigger. A community of caring professionals with a genuine passion for helping people and making a difference together – that is the heart of the program we call “**Caring Connects**.”

At MISTRAS we seek to create lasting relationships with our employees, fostering an inclusive workforce.

MISTRAS' Safety-Conscious Culture

We consider safety the backbone of our operations. Our asset protection solutions aim to ensure that industrial assets and facilities remain in safe, reliable working condition, which in turn enhances safety for our clients, the public, and the environment. Our lab and field personnel are trained to operate according to strict safety and quality standards so that our processes and procedures regarding hazardous materials, worker safety, and accident prevention are sound and effective. Further to this, we are constantly evaluating these processes and procedures to ensure that they remain of high quality and are effective and consider changes in the manner in which work is performed or lessons that have been learned from any sources, such as industry data. MISTRAS works to help ensure that our clients are in full compliance with all federal, state, and local regulations. Our practices, policies and procedures are designed to help ensure we perform our duties through the use of safe, industry-best practices, seeking to minimize risk wherever possible.

We emphasize a “MISTRAS' safety-conscious” culture with the intent that it becomes embedded in the day-to-day work of all our employees. We use various training tools and other practices to instill attitudes, beliefs, perceptions, and values that all employees share in the mandate to create and maintain a safe work environment for all.

We continuously monitor our safety performance through analysis of our company-wide safety statistics, which help us to determine behavioral trends while also instilling a culture of proactivity. For the year ended December 31, 2021, our Total Recordable Incident Rate (“TRIR”) was 0.15, when excluding COVID-19 related cases. This was a reduction of (0.19) and (0.18) from the years ended December 31, 2020, and December 31, 2019, TRIR, respectively, when similarly excluding COVID-19 related cases.



8.2 WORKFORCE HEALTH AND SAFETY

MISTRAS is committed to conducting operations in a safe manner. At MISTRAS, the wellbeing of our employees and contractors is fundamental to MISTRAS' organizational purpose of helping maximize the safety and operational uptime for civilization's most critical industrial and civil assets. MISTRAS' goal is to be an industry leader in health and safety practices and performance.

8.2.1 WHY DOES SAFETY MATTER TO MISTRAS?

MISTRAS believes that our success is built on the success of our employees, and that the first step to their success begins with safety. Therefore, MISTRAS is relentlessly focused on risk mitigation, prevention, and the continuous improvement of operations to ensure the safety of employees and contractors. Poor health and safety performance may affect the Company's reputation, employee morale, and financial results. Safety starts at the top and is a shared responsibility of MISTRAS leaders, employees, and contractors. The health and safety of our employees and contractors is a key component of our “Caring Connects” philosophy, and as such is deeply engrained in the Company's culture.

8.2.2 STATE-OF-THE-ART HEALTH AND SAFETY MANAGEMENT SYSTEM

MISTRAS has invested in a state-of-the-art enterprise system for compliance management.

8.2.3 ONGOING TRAINING INVESTMENT

MISTRAS made significant investments in leadership training in 2021, investing over \$55,000 to help our leaders drive a more safety-conscious workforce. In addition, MISTRAS invested over \$5.5 million in employee education in 2022, because we believe an educated workforce is a safe workforce.

MISTRAS has trained its safety leadership in various root cause analysis processes, ranging from “Taproot” to “Causemapping” methods of investigating incidents. MISTRAS believes in the causemapping method of incident investigation, as it helps to identify the causal factors that led to an incident and areas of focus for corrective actions to prevent re-occurrence.

8.2.4 HAZARD IDENTIFICATION AND MONITORING (CHEQS)

MISTRAS believes that safety starts with proper project planning. We have developed and implemented a job planning tool that identifies areas of risk and mitigation plans to eliminate or mitigate those risks. We call the job planning tool CHEQS, which stands for Customer, Human Resources, Equipment, Quality and Safety. The CHEQS process is followed for each job MISTRAS technicians complete, and by evaluating and mitigating the risks prior to ever mobilizing to a job, this tool has helped MISTRAS significantly improve safety and operational performance.

8.2.5 PERFORMANCE HIGHLIGHTS

- ▶ Two of MISTRAS' largest North American regions — the U.S. Gulf Coast region, along with the Canadian region and its five operational companies — had zero recordable injuries in 2021. The Gulf region, which is the largest region for MISTRAS in the U.S., had zero recordable injuries in **2,572,408** labor hours. Combined, the Canadian companies had over **1,085,916** labor hours.
- ▶ MISTRAS' Peer Observation Performance Program (POPP) drives peer engagement by encouraging employees to proactively observe behaviors and encourage safe actions. In 2021, MISTRAS had over 4,000 POPP observations, which helped drive better field engagement and safety behaviors.

8.2.6 KEY PERFORMANCE INDICATORS (ANNUAL AND PER QUARTER SHOWN BELOW)

In 2021, we continually improved on reducing recordable injuries after a less desirable first quarter and significantly increased investment in leadership and employee training throughout the year.

2021 TABLE

2021 Safety KPI	Good Catches	First Aids	Vehicle Incidents	High Potential Incidents	OSHA Recordable
Total	2,896	138	60	37	17
USA	1,717	97	38	29	7
Canada	719	27	20	8	0
Europe	460	14	2	--	10

2021 Social KPI	Labor Hours	Number of Employees (peak)	Employee Development Investment	Leadership Development investment	Charitable Funding
Total	8,931,776	5,584	\$5,548,739	\$55,830	\$80,983
North America	7,544,391	4,655	\$5,177,589	\$55,830	\$80,983
Europe	1,387,385	929	\$371,150	--	--



### Q1 TABLE

Q1 Safety KPI	Good Catches	First Aids	Vehicle Incidents	High Potential Incidents	OSHA Recordable
Total	718	33	7	5	8
USA	467	23	4	3	5
Canada	125	3	3	2	0
Europe	126	7	0	--	2

Q1 Social KPI	Labor Hours	Number of Employees (peak)	Employee Development Investment	Leadership Development investment	Charitable Funding
Total	2,115,126	5,134	\$1,497,105	\$12,185	\$2,582
North America	1,711,199	4,205	\$1,383,171	\$12,185	\$2,582
Europe	403,927	929	\$36,850	--	--

### Q2 TABLE

Q2 Safety KPI	Good Catches	First Aids	Vehicle Incidents	High Potential Incidents	OSHA Recordable
Total	708	41	17	10	3
USA	431	28	11	8	0
Canada	153	10	5	2	0
Europe	124	3	1	--	3

Q2 Social KPI	Labor Hours	Number of Employees (peak)	Employee Development Investment	Leadership Development investment	Charitable Funding
Total	2,042,536	5,566	\$1,381,951	\$13,395	\$10,020
North America	1,747,572	4,655	\$1,274,061	\$13,395	\$10,020
Europe	294,946	911	\$107,890	--	--

### Q3 TABLE

Q3 Safety KPI	Good Catches	First Aids	Vehicle Incidents	High Potential Incidents	OSHA Recordable
Total	804	42	17	7	3
USA	422	28	11	5	2
Canada	264	11	6	2	0
Europe	118	3	0	--	1

Q3 Social KPI	Labor Hours	Number of Employees (peak)	Employee Development Investment	Leadership Development investment	Charitable Funding
Total	2,271,807	4,883	\$1,378,881	\$12,000	\$65,381
North America	1,922,252	3,978	\$1,235,291	\$12,000	\$65,381
Europe	394,555	905	\$143,590	--	--

### Q4 TABLE

Q4 Safety KPI	Good Catches	First Aids	Vehicle Incidents	High Potential Incidents	OSHA Recordable
Total	666	22	19	15	4
USA	397	18	12	13	0
Canada	177	3	6	2	0
Europe	92	1	1	--	4

Q4 Social KPI	Labor Hours	Number of Employees (peak)	Employee Development Investment	Leadership Development investment	Charitable Funding
Total	2,502,307	4,871	\$1,367,886	\$18,250	\$3,000
North America	2,163,386	3,960	\$1,285,066	\$18,250	\$3,000
Europe	338,939	911	\$82,820	--	--



8.3 INDIGENOUS RELATIONS/ VETERAN HIRING INFORMATION

INDIGENOUS RELATIONS

In addition to general ongoing community commitments, MISTRAS has engaged with Indigenous communities that are directly, and indirectly, affected by our services or the operations of the clients for which we provide those services. The goal of this engagement is to seek initiatives to provide socio-economic benefits within the community, either through direct business opportunities or through recruiting of community members.

Of specific note, we formed a partnership in Northern Alberta with the business interests of a First Nation community that is directly impacted by Oil Sand clients, for which we provide continual services. This partnership improves engagement with the community on behalf of ourselves, but also on behalf of our clients. We strive to create positive relationships with Indigenous-owned companies to ensure that affected communities are engaged on the fronts of environmental protection, safety, equal opportunity, and economic growth.

The Indigenous Peoples of Canada have protected Indigenous and Treaty rights through the Canadian Constitution. While our current partnership is generally focused in the Treaty 8 region, our Partners have also supported our opportunities in other regions in Canada through business development activities and communication with affected communities.

Not only does our engagement with Indigenous businesses and communities make sound business sense within the Canadian market, but it provides our staff a vehicle to learn about and respect the cultures of Canada's First Nation communities.

VETERAN HIRING INFORMATION

Veterans wanting to pursue an exciting career have the opportunity to choose a path in a line of work that fits their interests in the versatile asset protection industry. We offer exceptional career growth in a dynamic environment, with the potential to help keep people and the environment safe. The organization, attention-to-detail, and

drive that you've developed during your service are the characteristics we seek in our team members. For those interested in NDT, MISTRAS offers the possibility of efficiently obtaining useful and necessary training.

Veterans wanting to pursue an exciting career have the opportunity to choose a path in a line of work that fits their interests in the versatile asset protection industry. We offer exceptional career growth in a dynamic environment, with the potential to help keep people and the environment safe. The organization, attention-to-detail, and drive that you've developed during your service are the characteristics we seek in our team members. For those interested in NDT, MISTRAS offers the possibility of efficiently obtaining useful and necessary training certifications.





# 9.0

## 9.0 STAKEHOLDER RELATIONS



## 9.0 STAKEHOLDERS RELATIONS

- ▶ Strong and clear engagement with stakeholders is essential in enabling MISTRAS to meet our strategic purpose and our business objectives. We are always aware that actions and decisions taken by the Company can impact our stakeholders and the communities in which we operate.
- ▶ To maintain transparency with stakeholders, MISTRAS publishes quarterly earnings reports, and 2021 continued top-line growth and significantly improved bottom-line annual operating performance:
  - a) 2021 Revenue of \$677.1 million, an increase of 14.3% of organic growth
  - b) 2021 Operating Income of \$18.2 million, a substantial increase from the prior year
  - c) Gross profit of \$197.1 million, up 10.4% with gross profit margin of 29.1%
  - d) SG&A expenses of \$161.3 million, up 2.7% due to the reversal of remaining COVID-19 temporary cost reductions in August 2021
  - e) Net income of \$3.9 million
  - f) Adjusted EBITDA of \$63.0 million, up 21.4%; Adjusted EBITDA Margin of 9.3%, up 50 bps
  - g) Ongoing deleveraging, with \$16.3 million of full year debt repayments, and total debt decrease to \$202.6 million





TABLE OF CONTENTS

1.0 CEO & BOARD CHAIR'S MESSAGE

2.0 CORPORATE PROFILE

3.0 WHERE MISTRAS OPERATES

4.0 ESG

5.0 ABOUT THIS REPORT

6.0 GOVERNANCE

7.0 ENVIRONMENT

8.0 SOCIAL

9.0 STAKEHOLDER RELATIONS

10.0 MISTRAS' PEOPLE

11.0 DIVERSITY

12.0 MISTRAS WELFARE PLANS



# 10.0

## 10.0 MISTRAS' PEOPLE



## 10.1 TALENT ATTRACTION, DEVELOPMENT, AND RETENTION

- ▶ We continue to prove MISTRAS' place as an attractive workplace through competitive pay and excellent benefits (with an emphasis on the long-term wellness of both financial conditions and personal health of our employees), a safe and accessible work environment, and opportunities for growth, development, and sustainable career paths for all of our employees.
- ▶ Turnover continues to be a concern in a post-pandemic climate. To reduce impact, MISTRAS is committed to sourcing talent from within and providing on-the-job training and education to promote existing talent and develop careers.
- ▶ MISTRAS is committed to providing a living wage to all employees, as well as maintaining wage compliance with all local, national, and international law. This includes a focus on ensuring human rights across the globe.
- ▶ Communication between company leaders and employees at all levels fosters honesty, accountability, and respect, all of which are critical to employee retention. MISTRAS is committed to transparency and open communication at all levels, promoting meetings and communications regarding safety and operations, as well as making quarterly earnings reports and calls available to all employees. We also recognize that communication must be reciprocal, so MISTRAS is committed to gathering information and feedback from employees via surveys that are used to inform strategic priorities and necessary change implementation.
- ▶ MISTRAS also distributes inSIGHT, an internal newsletter with stories on employee safety, leader communications, potential job hazards, employee successes, updates on benefits and career opportunities, wellness tips, and more.





TABLE OF CONTENTS

1.0 CEO & BOARD CHAIR'S MESSAGE

2.0 CORPORATE PROFILE

3.0 WHERE MISTRAS OPERATES

4.0 ESG

5.0 ABOUT THIS REPORT

6.0 GOVERNANCE

7.0 ENVIRONMENT

8.0 SOCIAL

9.0 STAKEHOLDER RELATIONS

10.0 MISTRAS' PEOPLE

11.0 DIVERSITY

12.0 MISTRAS WELFARE PLANS

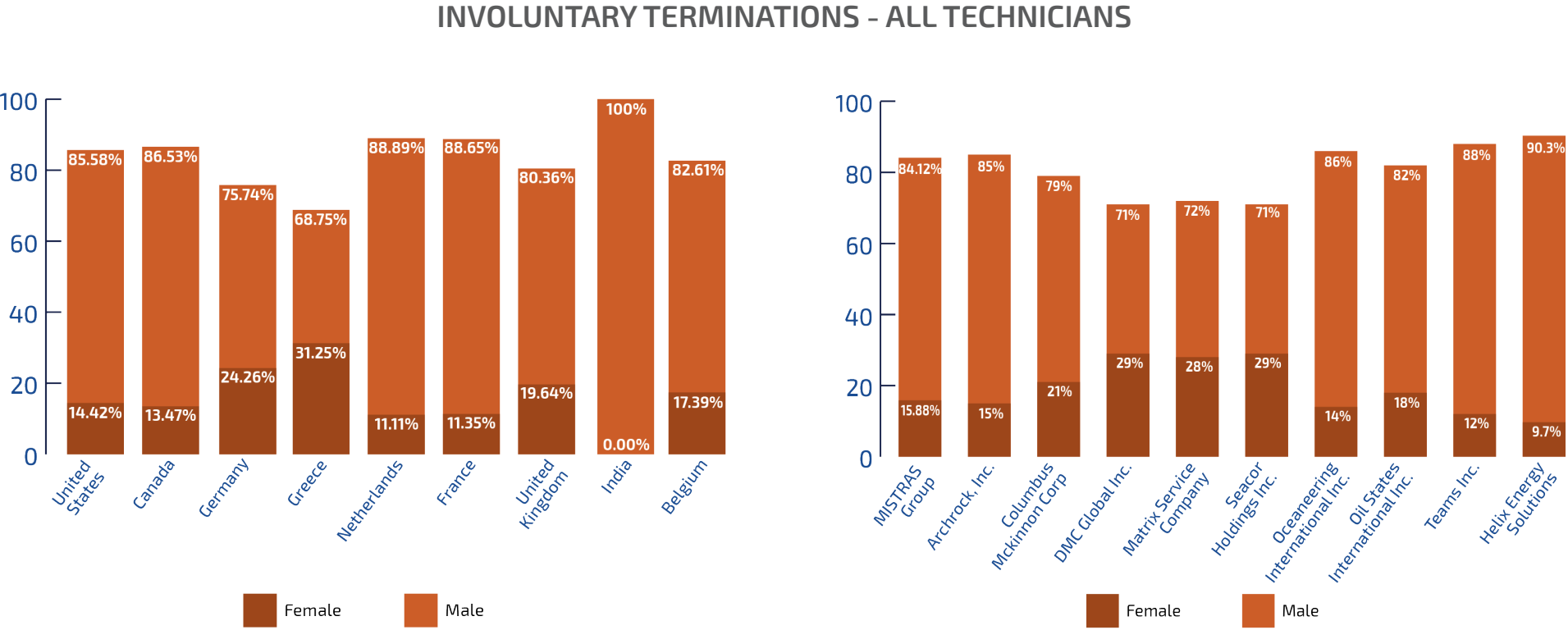


# 11.0

## DIVERSITY

11.0 DIVERSITY

At MISTRAS, we continually monitor our diversity statistics and where we are in relation to our peer group and the communities we work in. MISTRAS records data for both gender and ethnicity in the countries or jurisdictions where available. For example, we have complete gender and ethnicity data for North America (some international countries prohibit the gathering of ethnicity data). After gathering the data, we then compare MISTRAS to the companies that represent our peer group. The following charts show MISTRAS gender and ethnicity percentages for the United States, a breakdown of gender throughout MISTRAS by country, and a comparison of MISTRAS gender statistics compared to our peer group.



- MISTRAS Group U.S. employees are 85.58% male and 14.42% female
  - a) 1 out of 18 (5.6%) employees classified as Executives are female
  - b) 76 out of 363 (21%) employees classified as Managers are female
- Diversity, Equity, and Inclusion (DEI) are fundamental standards outlined in MISTRAS' Code of Conduct. The diversity of MISTRAS employees is a tremendous asset of the company and a benefit to all employees. We are committed to providing equal opportunity in all aspects of employment. We work to assess our DEI while maintaining our commitment to foster growth and improvements in diversity and inclusion across all aspects of business. Recruiting strives to source diverse talent to enrich our workforce and ensure representation. MISTRAS' partnership with the following organizations assists in our development of diverse voices:
  - American Advanced Technical Academy (AATA). AATA is a Los Angeles-based nonprofit founded in April 2015. AATA's mission is to empower Los Angeles women and men living below the poverty line and veterans with poor job prospects through free Nondestructive Testing

- 36.95% of MISTRAS Group US employees identify as ethnically diverse
  - a) 0 out of 18 (0%) employees classified as Executives as minorities
  - b) 40 out of 363 (11%) employees classified as Managers are minorities (NDT) training.
- Society of Women Engineers (SWE). The SWE's mission is to empower women to achieve their full potential in careers as engineers and leaders, expand the image of the engineering and technology professions as a positive force in improving the quality of life, and demonstrate the value of diversity and inclusion.
- National Society of Black Engineers (NSBE). The National Society of Black Engineers (NSBE) is one of the largest student-governed organizations based in the United States. NSBE, founded in 1975, supports and promotes the aspirations of collegiate and pre-collegiate students and technical professionals in engineering and technology



11.1 CORE VALUES

MISTRAS' core values are connected and summed up by a single word: CARING. By always caring about each other and our work, we will continue to fulfill our pledge as the leading OneSource provider of asset protection solutions.



11.1.1 SAFETY & HEALTH  
STEWARDSHIP

Safety and health are an integral part of all our activities. We believe that all safety incidents are preventable if the proper care measures are taken.



11.1.2 OUR EMPLOYEES

Our employees' integrity, skills, ethics, and commitment are the keys to Caring Connects. It is our responsibility to ensure that we're all treated fairly with trust and respect.



11.1.3 CUSTOMER  
SATISFACTION

We will make the customer a priority by always delivering the highest level of quality services and products with care.



11.1.4 LEADERSHIP

We strive to practice leadership in all areas of our business, by leveraging the diverse talents of our people and through the sophistication of our solutions.



11.1.5 ENHANCING  
STAKEHOLDER VALUE

By consistently caring about our people and our work, we will increase and maintain profitable growth and enhanced stakeholder returns.



# 12.0

## 12.0 MISTRAS WELFARE PLANS



## 12.0 MISTRAS WELFARE PLANS



- MISTRAS is committed to providing competitive and comprehensive health and welfare plans to our employees. Through annual national benchmarking analysis, MISTRAS remains competitive in providing four major health plan options that fit a diverse set of health needs and financial situations.



- The Wellness Initiatives Committee serves as a forum to bring diverse voices to the table with the objective to strategize strong, aligned wellness initiatives, which meet the needs of our employees at all levels.



- Personal problems, planning for life events or simply managing daily life can affect your work, health and family. Guidance Resources is a no-cost, company-sponsored benefit that is available to you and your dependents that offers confidential support, resources and information to get through life's challenges.



- Our employee's health is paramount and MISTRAS recognizes that mental health is just as important as physical health, so we have partnered with Headspace Mindfulness App — a mental health solution offering science-backed meditation and mindfulness tools — to reach employees in all locations. Their service effectiveness has been backed up by two blue collar workforce cases within similar industries. MISTRAS is committed to continue excelling with their wellness approach.



- Medicare Transition Services (MTS) is a program that provides employees and their family members with guidance on their Medicare options and providing enrollment assistance when appropriate. Additionally, should a Medicare eligible employee terminate or retire from MISTRAS, the service is available to aid them in enrolling in a Medicare plan option.



- Mindfulness has been shown to help people stress less, increase focus, and sleep more soundly. Meditation helps you to be more mindful and Headspace is your personal guide with hundreds of meditations and exercises for sleep, focus, and movement. Employees are provided access to the full library for free.



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