

2023 **ESG**

ENVIRONMENTAL, SOCIAL RESPONSIBILITY &
CORPORATE GOVERNANCE REPORT

EXECUTIVE SUMMARY

MRC Global





WHAT'S NEW IN 2022

Dear MRC Global Stakeholder,

This year's ESG report highlights the significant ESG progress made by our company in 2022.

First, we established a new position on our Executive Leadership Team, Senior Vice President – Sustainability, to fully integrate our ESG efforts into our business strategy. We developed our first full greenhouse gas (GHG) inventory and inventory management plan, consistent with the Greenhouse Gas Protocol, for our Scope 1 and 2 emissions. We calculated our first full GHG baseline year, positioning us to target reductions in the future. And while we had previously adopted the core recommendations of the Task Force on Financial Climate-related Disclosures (TCFD), this report is the first time we've outlined our alignment with TCFD.

We rapidly expanded our participation in Energy Transition projects in 2022 – including renewable fuels, offshore wind and geothermal - that are leading our society to a lower carbon future. We continue to support traditional energy customers with high quality, emissions-reducing products to make available reliable and affordable energy to people without harming our environment.

We adopted a new nomenclature for our employees, now referring to them as “team members”. We believe this change represents our company's spirit and signifies our dedication to working together toward a common purpose.

Safety Leadership remains our first Core Value. In 2022, we reduced the number of recordable injuries to our team members by nearly 30%, even as we increased our total working hours. Our safety performance continues to exceed that of our peer groups from the Bureau of Labor Statistics and the National Association of Wholesaler-Distributors. However, we are on a journey to Zero, and we will not relent until this goal is achieved.

We enhanced our supplier diversity efforts with a dedicated team member. We know that supporting diverse businesses creates a more enduring supply chain for our company and our customers. By assisting diverse suppliers with their revenue growth plans, hiring opportunities, and supply chain partnerships, we help to create economic opportunities within diverse communities and local economies.

Finally, while our ESG program continues its development, we are proud of the significant progress that we made in 2022. We recognize that the dedication of our 2800+ worldwide team members is what makes our ESG achievements possible and our business sustainable.

ROB SALTIEL
PRESIDENT & CEO

EMILY SHIELDS
SENIOR VICE PRESIDENT – SUSTAINABILITY

EXECUTIVE SUMMARY

WHO WE ARE

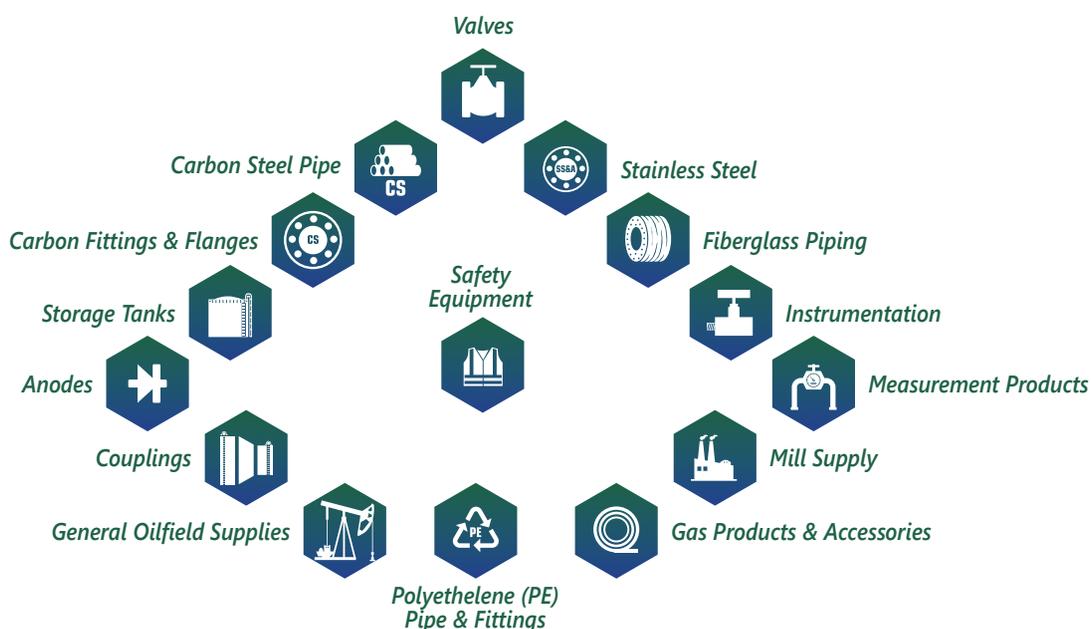
MRC Global was formed in 2007 by the merger of McJunkin Corporation and Red Man Pipe & Supply. The company began with the formation of McJunkin Supply Company in 1921 in West Virginia by Jerry McJunkin and Bernard Wehrle. Lew Ketchum, a member of the Delaware Indian tribe, was the driving force behind the Red Man organization that he founded in 1977 in Tulsa, Oklahoma. Since the beginning, over 120 companies have joined our organization through acquisitions and mergers. McJunkin and Red Man have held high ethical and business standards since their respective starts, and together, these principles have provided the foundation for over 100 years of success.

WHAT WE DO

MRC Global is the leading worldwide distributor of pipe, valves and fittings (PVF) products and other infrastructure products and services to diversified end-markets including the Gas Utilities, Downstream, Industrial and Energy Transition (DIET), and the Production and Transmission Infrastructure (PTI) sectors. We provide customers with extensive technical product and supply chain expertise. We are a global team in 15 countries and over 200 locations dedicated to our customers, our communities and each other.

OUR PRODUCTS

As a distributor of PVF, we sell products that control the flow of liquids and gases in a safe and environmentally responsible manner. The products we provide dramatically reduce leaks of hydrocarbons, gases and other substances into the air, water and soil. Our product offering includes the following:



Our customers use many of these products to limit greenhouse gas (GHG) and other noxious emissions in their operations. For instance, the overwhelming majority of the valves that we sell are designed to minimize leaks of harmful gases such as methane, which has a GHG intensity many times greater than carbon dioxide. In addition, the pipe, fittings and flanges that MRC Global provides are environmentally friendly; in most cases, they are manufactured from recycled steel scrap, and their purpose is to transport fluids and gases without leaks.

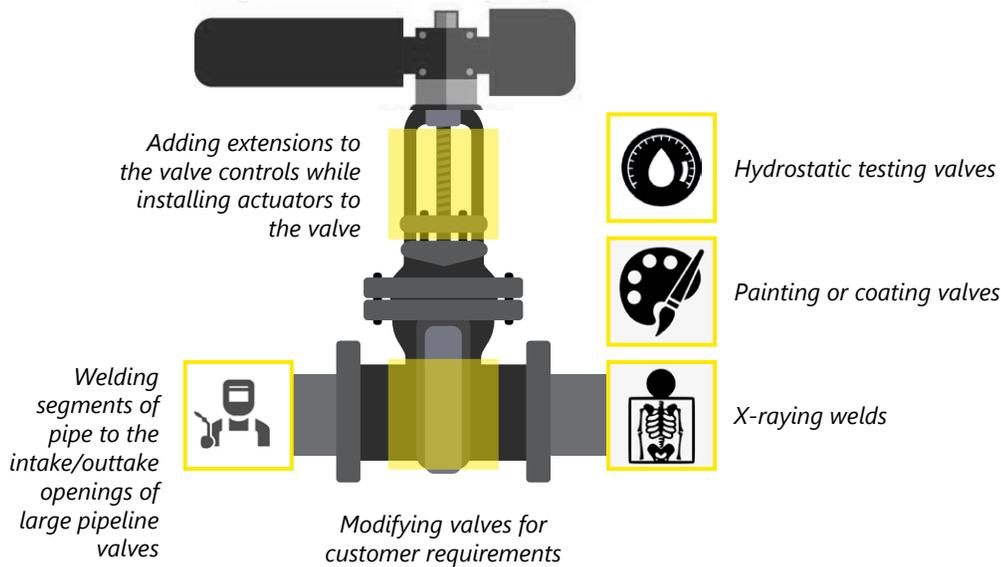
For a more detailed discussion, see [Our Products](#).



OUR VALUE-ADD SERVICES

MRC Global has technical expertise and value-add supply chain solutions that differentiate us from our competitors and integrate our capabilities with our customers' demands. We have valve engineering centers worldwide that provide valve automation services. In addition, we have a valve engineering and modification center in La Porte, Texas that provides services primarily to our production and transmission infrastructure and gas utilities customers. These services help our customers operate more reliably, safely, and with a lower environmental impact and include the following:

Delivering complete valve/actuation assemblies to our customers for field installations



*Our quality assurance program determines which manufacturers meet our stringent standards for inclusion on our **Approved Manufacturers List (AML)**. This program provides for product quality testing and includes significant supplier audits. MRC Global has **integrated supply solutions** for customers who choose to outsource inventory management, including warehouse and logistics solutions, stock replenishment, and product rationalization.*



To complement these services, MRC Global developed ValidTorque™, which certifies the precise baseline performance for each unique valve and actuation package before it is placed into service, providing for greater certainty of performance. This set of measurements enables operators to monitor changes in cycle time that could impact performance and predict degradation before failure because the certification data provides a baseline for optimal performance. MRC Global's FastTrack™ service provides specified classes of actuated valves in short delivery windows. We also provide:

- + complete engineering documentation
CAD drawings
- + testing services
e.g., hydrostatic testing, weld x-rays
- + on-site product assistance
- + training and demonstrations
- + technical support
- + order consolidation
- + volume purchasing
- + truck stocking
- + multiple daily deliveries
- + product tagging
- + system interfacing that is customized to customer and supplier specifications for tracking and replenishing inventory



OUR BUSINESS / CUSTOMERS

Our strategy to sustain our business includes continued expansion into energy transition markets, while providing products and services to multiple industrial and energy sectors – including contracts with the majority of the largest gas utilities in the U.S.¹

Our **Gas Utilities** sector represented 38% of the company's 2022 revenue and has experienced solid growth.

Our customer spending in the Gas Utilities sector is not determined by oil and gas prices but rather customer needs to replace existing infrastructure, modernize distribution systems and expand their markets.

Downstream, Industrial and Energy Transition (DIET) represented 30% of the company's 2022 revenue and includes energy transition projects, chemical and petrochemical plants, petroleum refineries, liquified natural gas facilities and other industrial operations.



We also provide products to the **Production & Transmission Infrastructure** sector for reliable, affordable energy.

WHAT WE DON'T DO

- X** Engage in **heavy manufacturing** activities such as smelting, molding, refining, producing chemical compounds or discharging production waste materials – we only engage in light assembly, product modification or repair activities
- X** **Mine for minerals** or conduct oil and gas exploration and production activities – we distribute products that help our customers in these sectors do so in an environmentally responsible manner
- X** **Own, lease or operate** oil and gas pipelines
- X** **Source, use or discharge** large quantities of **chemical compounds or hazardous materials** for our operations – our chemical waste is limited to light amounts of oil, grease, paint and other coatings
- X** Develop, own or operate facilities in **critical habitats** or other **high biodiversity** value areas
- X** Transport **hazardous** chemicals



BIODIVERSITY

- X** As a distribution-based company with limited manufacturing capabilities, we do not operate in critical habitats or other high biodiversity value areas. Nonetheless, we approach our operations with respect for the land on which we operate, and we remain committed to reducing our impact on the local environment.

WHAT IS IMPORTANT TO US

For more on our priorities, see our [Material Assessment](#).

¹ - Utility size based on number of customers.



MRC GLOBAL SUSTAINABILITY HIGHLIGHTS



LEADERSHIP

Dedicated *Sustainability Leader* since 2021; Sustainability position on Executive Leadership Team reporting to the CEO since 2022

Board oversight of Sustainability

Quarterly reporting to MRC Global's Board of Directors' ESG & Enterprise Risk Committee or full Board

ESG ACCOLADES



S&P'S 2022 ESG Assessment

MRC Global placed in the **top 6%** of companies in the Trading Companies and Distributors sector, placing 11th out of 185

2022 Ecovadis Assessment

MRC Global scored a 57, placing in the **70th percentile** and awarded a Bronze Ecovadis Medal

Bronze Ecovadis Medal award winner **6 times**



Newsweek named MRC Global one of *America's Most Responsible Companies for 2022*

95%

Since 2018, MRC Global has participated in the TSP Project, now known as the *Sustainable Supply Chain Alliance (SSCA)*.

In 2022, MRC Global scored a 95%

ENVIRONMENTAL EMISSIONS FROM OPERATIONS



S&P'S 2022 ESG Assessment

Scope 1&2

2022 marks our first year with a full GHG baseline calculated pursuant to the GHG Protocol

Our total Scope 1 and Scope 2 GHG emissions are 18,885 MTCO₂e

Scope 2

27% of energy use was from renewable sources in 2022

Scope 3

Initial assessment underway



ENVIRONMENTAL INITIATIVES IN OPERATIONS

Successful 2022 pilot of **biodegradable shrink wrap** for U.S. operations with full roll-out in Q1 2023; removal of traditional plastic shrink wrap for U.S.



Electric Fleet

Electric truck pilot program in U.S. – first factory orders placed in 2023 with **expected delivery in 2024**

Small population of International business has electric vehicles

US warehouse equipment is **electric (52%)** or **propane (29%)** powered



Water Use

Water used primarily for hand washing, toilet flushing, limited dishwashing and light irrigation if landscaping exists

4% of global locations perform limited hydrotesting of valves, **recycling the water used for testing** a majority of the time



SAFETY



Safety stats *significantly better* than BLS (U.S. Bureau of Labor Statistics) peer group

down 28% since 2021

0.78

TRIR
Total Recordable Incident Rate

Lost Time Incident Rate

LTIR
0.12

down 75% since 2021

2022 Recordable Injuries **29%** over 2021 despite increase in hours worked



DIVERSITY EQUITY & INCLUSION

Dedicated **Supplier Diversity Manager** added in late 2022



Board is **44%** diverse



2023 addition of **new CHRO with strong DE&I background** to build initiatives

53% of our global workforce in corporate functions *are women*

40% of our U.S. workforce *is racially or ethnically diverse*

24% of global management director and more senior positions are *held by women*

23% of management and above positions in the U.S. *are racially or ethnically diverse*



Actively recruiting military veterans

Board Leadership positions

75% diverse



Implemented a **sales and service representative training program** for cohorts of individuals from diverse backgrounds to build the bench for **further diversification of operations and sales management**

ENVIRONMENTAL INITIATIVES IN SUPPLY CHAIN



Localized Quality Auditors to **reduce global travel**



2023 planned **survey of broad manufacturing base** to assess current state of environmental sustainability and timelines for development of product carbon footprints



+ Evaluation of sustainability and environmental impacts resulting from operations

+ Determination of the maturity of a manufacturer's environmental sustainability commitment

+ Assessment of Sustainability Training

+ Review of GHG performance monitoring

+ Request for Internal and external assurance (accuracy of GHG emissions reporting)

+ Evaluation of GHG reduction progress





MRC Global

CORPORATE HEADQUARTERS

1301 MCKINNEY STREET, SUITE 2300

HOUSTON, TX U.S. 77010

877-294-7574

www.mrcglobal.com