

# 2023 **ESG**

ENVIRONMENTAL, SOCIAL RESPONSIBILITY &  
CORPORATE GOVERNANCE REPORT

**MRC Global**





GROWING  
BUSINESS  
SUSTAINABLY



# 2023

## ENVIRONMENTAL, SOCIAL RESPONSIBILITY & CORPORATE GOVERNANCE **REPORT**

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A photograph of an offshore wind farm at sunset. The sky is a mix of orange, yellow, and blue, with the sun low on the horizon. The water is dark with some ripples. Several wind turbines are visible, their silhouettes against the bright sky. A large, semi-transparent green hexagon is overlaid on the image, containing the text.

# OPENING LETTER & EXECUTIVE SUMMARY



## 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

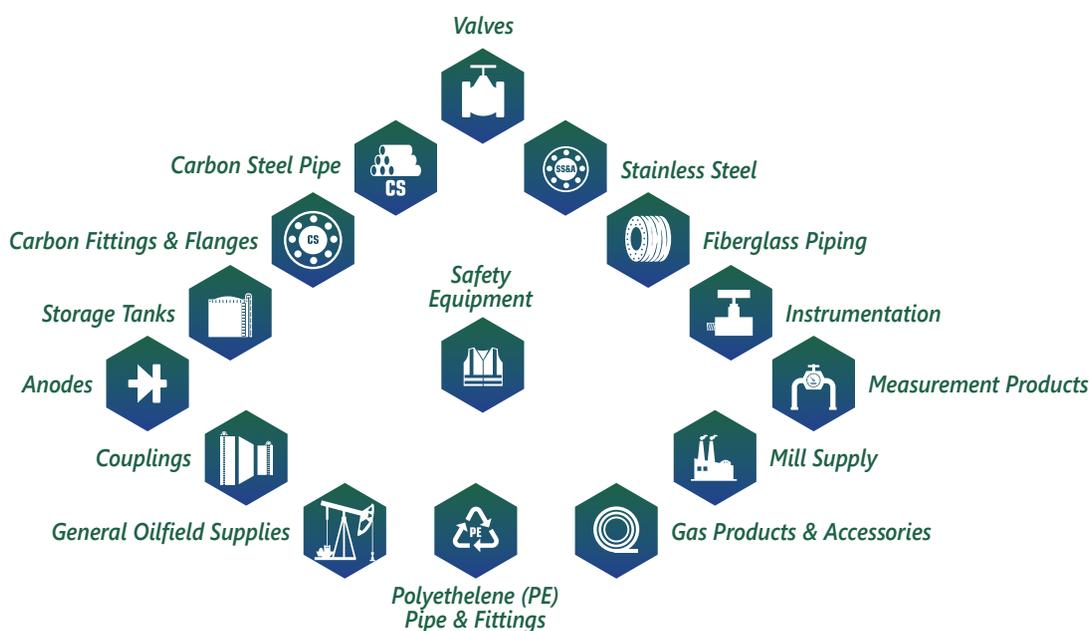
MRC Global was formed in 2007 by the merger of McJunkin Corporation and Red Man Pipe & Supply. The company began with the formation of McJunkin Supply Company in 1921 in West Virginia by Jerry McJunkin and Bernard Wehrle. Lew Ketchum, a member of the Delaware Indian tribe, was the driving force behind 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:



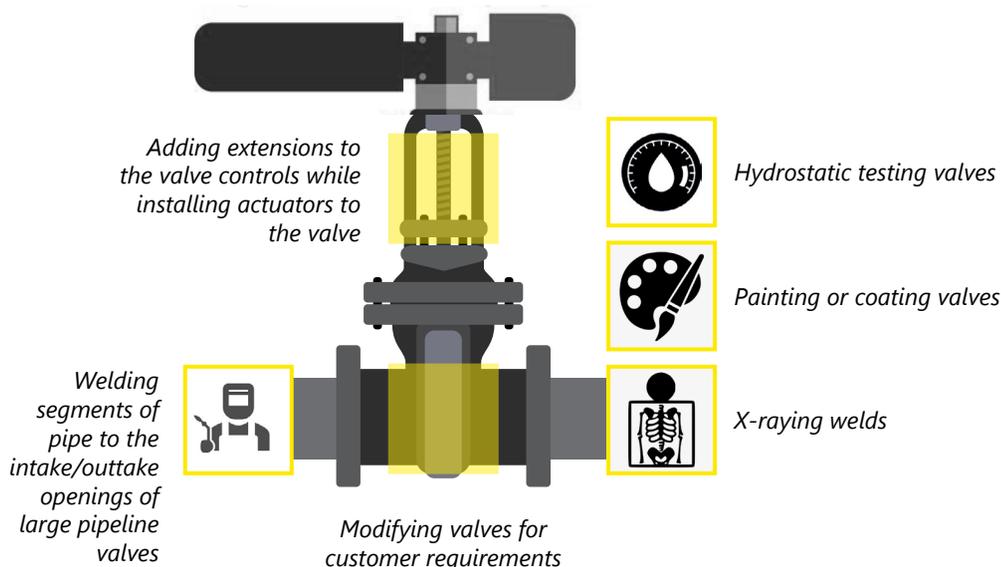
Our customers use many of these products to limit greenhouse gas (GHG) and other noxious emissions in their operations. For instance, the overwhelming majority of the valves that we sell are designed to minimize leaks of harmful gases such as methane, which has a GHG intensity many times greater than 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.<sup>1</sup>

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](#).

<sup>1</sup> - Utility size based on number of customers.

# CORE VALUES IN ACTION SNAPSHOTS

## MAKE SAFETY OUR OBLIGATION

### SAFETY LEADERSHIP FROM OUR TEAM MEMBERS



“Whenever you see something that doesn’t look safe, it is your job to say something.”  
- **Chris Smith**



“Keep your eyes on the road and know who is behind you and beside you. And always take that second look.”  
- **Dustin Matthews**



“If I can’t get the job done safely, I need to get help or ask good questions until I can do it in a safe way.”  
- **Roberto Garcia**



“Think before you do something, plan it out, especially if you have to do a task alone. And if you need help, ask for it.”  
- **John Cade**



“I signed a commitment that I would work safe, so I’m going to do it. Being safe is part of my job.”  
- **Mario Mendoza**



“When you are driving, it’s important to try your best to get rest at night and not come to work tired.”  
- **Greg Starling**

## RESPECT ALL PEOPLE

### BRISBANE, AUSTRALIA TEAM CELEBRATES WORLD CULTURAL DIVERSITY DAY

The Brisbane, Australia team highlighted this Core Value for World Cultural Diversity Day.

Acceptance and recognition of cultural diversity is vital to building a respectful dialogue among communities and individuals. The United Nations declared May 21 to be World Cultural Diversity Day beginning in 2002 to give people the opportunity to experience the value of cultural diversity.

The Brisbane team chose to honor the day by bringing food from 16 different cuisines from around the world, sharing stories of their respective heritages and participating in a cultural awareness general knowledge quiz.

“Harnessing the value and experience that a truly diverse team brings to the office every day is not always easy, but the positive impact on performance and innovative thinking is worth the effort,” Dave Cooper, General Manager – Queensland, NSW & Export, said. “We represent 11 different countries of origin and 14 unique cultures, but have one shared goal: to work together on a daily basis to deliver superior service to MRC Global’s customers.”



“We represent 11 different countries of origin and 14 unique cultures but have one shared goal: to work together on a daily basis to deliver superior service to MRC Global’s 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 MTCO<sub>2</sub>e

#### 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





# OUR APPROACH TO CLIMATE



# OUR APPROACH TO CLIMATE & TRANSITION RISK

## MANAGING CLIMATE AND TRANSITION RISK - TCFD ALIGNMENT

Our climate risk assessment and management conform with the Task Force on Climate-Related Disclosures (TCFD) guidance. Our governance, strategy, risk identification and management and measurement of climate risks and opportunities is highlighted below.

## GOVERNANCE

### BOARD OVERSIGHT OVER ESG, INCLUDING CLIMATE RISK

Our Board of Directors oversees the company's long- and short-term strategy, vision and risk profile, including the company's enterprise risk management (ERM) process to identify, assess, prioritize, address, manage, monitor and communicate risks and opportunities across the company's operations. Our Board reviews major risks facing the company, including acute and chronic climate risks and energy transition risks. Our Board has tasked its ESG & Enterprise Risk Committee<sup>2</sup> with assisting the full Board in its oversight of the company's efforts on ESG matters, which are reviewed by our Board on a quarterly basis. This committee's purview includes our cyber incident risk, reputational risk, and ESG programs, initiatives and activities, as well as our acute and chronic climate risks.

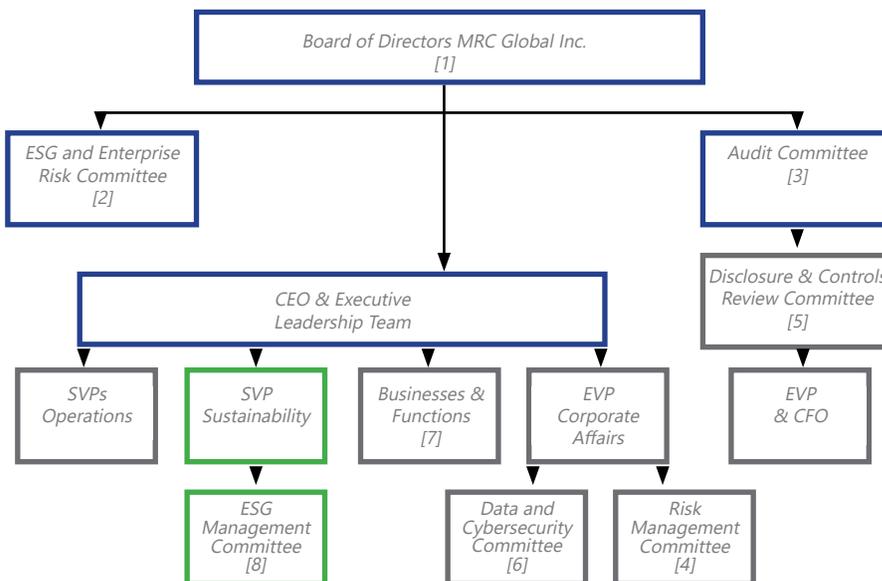
Our effective management of ESG factors is of long-term significance to our stakeholders and critical to our company's success. In 2022, we elevated our commitment to ESG principles and initiatives by adding the role Senior Vice President – Sustainability (SVP – Sustainability) to our executive leadership team. The SVP – Sustainability chairs the management level ESG Management Committee, sponsored by our EVP – Corporate Affairs, and is comprised of the executives representing various functions within our Company, including operations, quality, safety, corporate services, marketing, human resources, legal, investor relations and supply chain management leaders. The ESG Management Committee is responsible for monitoring, assessing and recommending improvements regarding all relevant issues with respect to ESG. We believe that proper management of ESG factors ultimately leads to greater returns and contributes to more engaged team members, resulting in a more effective organization. The SVP – Sustainability reports quarterly to the Board's ESG & Enterprise Risk Committee on ESG matters, including climate initiatives.

As part of the Company's strategic planning process, the Board's ESG & Enterprise Risk Committee is further supported by a management-driven Risk Management Committee comprised of key senior internal managers who assist the company in identifying key risks and the Board's oversight over risk management. This committee's focus is on cyber incident risk, operational risk, and reputational risk.

Additional information regarding the Board's role in climate risk oversight is included in the Governance section of this report and [pp. 38-40, 43-44 of our 2023 Proxy Statement](#).

### ESG GOVERNANCE STRUCTURE

The following ESG Board Oversight diagram depicts the oversight responsibilities of the Board and two committees as they relate to ESG matters:



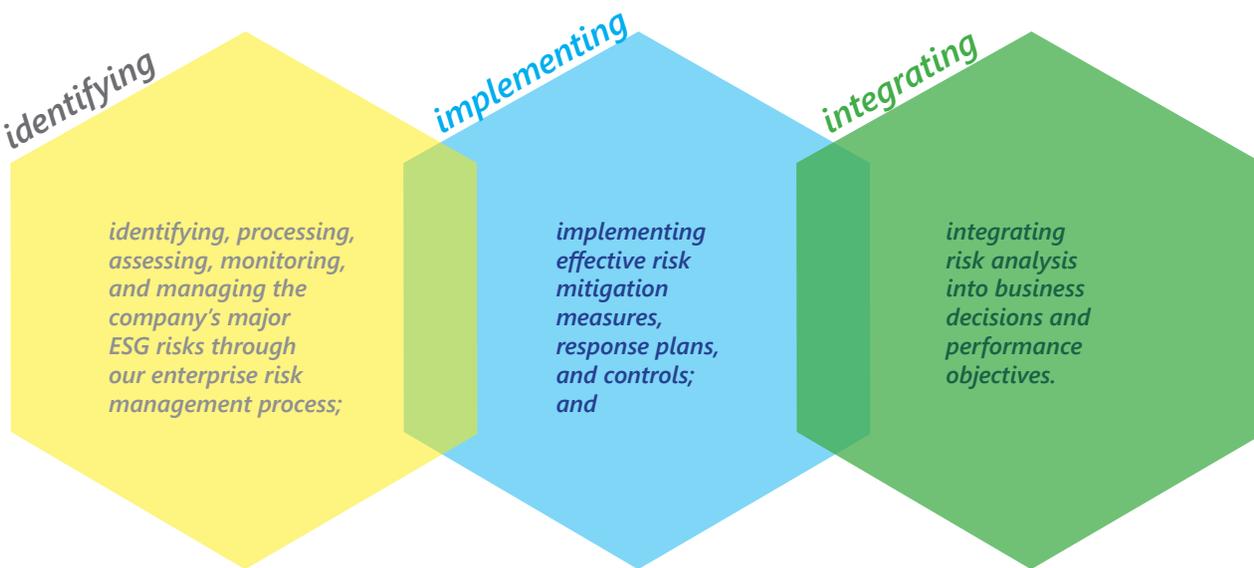
1. Oversight of ESG risk management.
2. Non-executive Directors appointed by the Board to oversee on sustainability policies and practices including climate change and other ESG matters.
3. Non-executive Directors appointed by the Board to oversee the effectiveness of the system of risk management and internal controls.
4. Assists the ESG & Enterprise Risk Committee and Board in identifying, assessing and monitoring key risks to the company. Members include the CEO, EVPs, SVPs, and certain VPs and executive directors.
5. Assists the Audit Committee, Board, CEO and CFO in meeting their obligations with respect to disclosures regarding financial results and other financial and non-financial disclosures. Members include the CEO, EVPs, SVPs, and certain VPs and executive directors.
6. Takes steps to understand and mitigate information security risks by completing regular reviews and approvals of the company's information security program.
7. Responsible for implementing MRC Global's ESG strategy. They are represented on the ESG Management Committee.
8. Collaborates on MRC Global's ESG Strategy.

2 - The responsibilities of this committee are set forth in greater detail in our Proxy Statement for the 2023 Annual Meeting of Stockholders filed with the SEC, which can be found on the Investors page of our website at [investor.mrcglobal.com](http://investor.mrcglobal.com). For Board Committees, see this report under [Governance](#).



## MANAGEMENT OVERSIGHT OF CLIMATE RISK

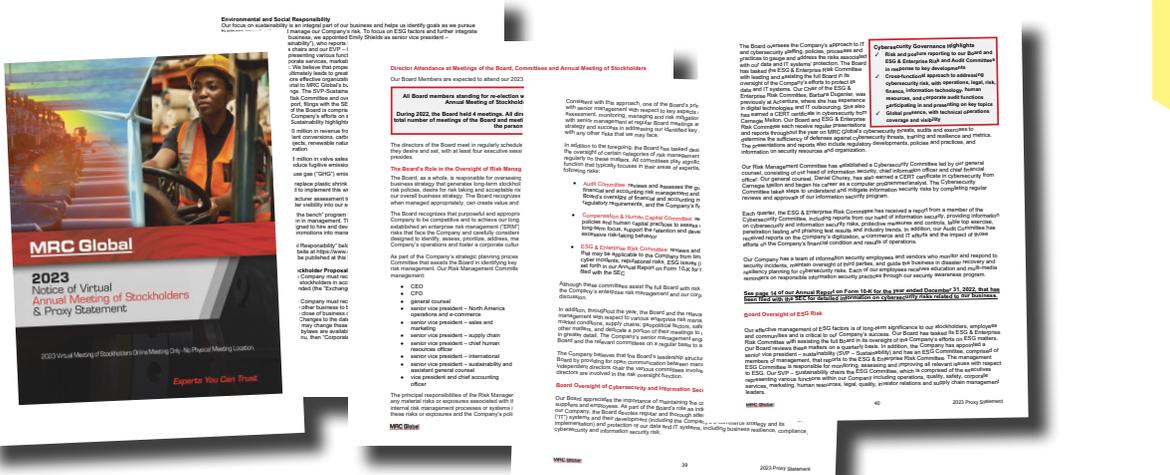
The daily monitoring, assessment and recommendations with respect to climate and transition risk is the responsibility of our SVP – Sustainability and the members of our ESG Management Committee with oversight from our executive leadership team. Together, with all of the company’s business and functional leaders, they are tasked with mitigation of climate and transition risks, such as:



Our SVP – Sustainability reports to our CEO, is a member of the executive leadership team, and chairs our ESG Management Committee. This role oversees our sustainability alignment with corporate strategy with direct responsibility for social and environmental sustainability and engagement with the Board, senior leadership, internal stakeholders, team members (i.e., employees), and external stakeholders, including customers, suppliers and investors, on climate-related issues. The ESG Management Committee drives ESG initiatives within the company and oversees reporting and benchmarking of key performance indicators to measure MRC Global’s effectiveness.

Our EVP – Corporate Affairs, General Counsel, and Corporate Secretary oversees the company’s Enterprise Risk Management Program and serves as chair of the Risk Management Committee. This committee’s work can have direct and indirect impacts on the ESG Management Committee’s work, with focus is generally on cyber incident risk, operational risk and reputational risk. There is established communication between committee chairs for collaboration on any overlapping risk or initiatives to address those risks.

Additional information regarding management’s role in climate risk oversight is included in the Governance section of this report and [pp. 12, 38-40 of our 2023 Proxy Statement](#).



## STRATEGY

We strive to align our sustainability strategy with our corporate business strategy, including on climate, which is described in detail in our 10-K<sup>3</sup>. We support both energy security and the energy transition in addition to other diversified industrial markets such as gas utilities transmission, chemicals and mining. We are committed to responsibly supporting energy security with high quality industrial products that move and store hydrocarbon products and other substances safely and prevent harmful emissions that would negatively impact the environment. We continue to support our manufacturers and customers bringing to market technology that helps reduce GHG emissions, such as low-emission valves, emission-controlled actuation technology and our online valve monitoring system, ValveWatch®. We support energy transition projects across the globe including projects in offshore wind, renewable natural gas, biofuels, hydroelectricity, geothermal, hydrogen and carbon capture, utilization and storage.

We focus on the emissions in our operations. In 2022, we made strides capturing the emissions in our operations with our first full GHG emissions inventory and inventory management plan. While we've been reporting our operational emissions to various degrees the last few years, 2022 is our first Scope 1 and Scope 2 baseline year. This was the first step to positioning MRC Global to set a net zero goal in the future. We do not yet perform scenario analysis, including a 2°C or lower scenario but will consider it in the future as our program matures. We have also begun to engage our suppliers on their emissions to begin an analysis of our Scope 3 emissions, in addition to providing valuable insight into the product carbon footprint for both our customers and us.

We also focus on other environmental impacts, both direct and indirect, from our operations and seek opportunities to improve. This includes the sustainability of the products we source and sell, the sustainability of our supply chain operations, efficiencies in our warehouse operations, use of e-commerce, use of renewable electricity, forest and water conservation and recycling and waste management.

## CLIMATE-RELATED RISKS & OPPORTUNITIES

MRC Global discloses its management of physical climate and transition risks and opportunities using TCFD and Sustainability Accounting Standards Board (SASB)<sup>4</sup> disclosure frameworks and guidelines. Even prior to the energy transition accelerating in earnest, MRC Global began to diversify and grow its business sectors. Nevertheless, traditional energy remains a significant customer base for us. As a result, climate change and the energy transition will impact our business, but we seek continued growth in alternative and renewable energy, in addition to other diversified markets and use our superior product supply chain and services as a competitive advantage. In addition, some climate regulations, such as those regulating methane, generate increased business for our low-emissions valve market and other emissions-reducing technologies. In addition, the push towards alternative and renewable energy projects has provided us with new business opportunities to service. With climate-related risks and opportunities continually evolving, we strategize, assess, monitor and manage risks and opportunities on the following timelines:



3 - See Business Strategy on p. 2 of [MRC Global's Form 10K](#) filed with the SEC

4 - SASB is transitioning to the International Sustainability Standards Board (ISSB)



Some of the key types of risks we assess, monitor, and manage as part of our climate-related risk assessments are as follows:

### MARKET RISKS:

If the demand for oil and gas is substantially reduced, then certain of our customers will be impacted and we could experience a reduction in sales, which could adversely impact our results and financial condition. Likewise, to the extent that governments limit the use of oil or gas in various applications, such as in prohibiting natural gas connections to newly constructed homes or buildings, we could also experience a reduction in sales, which could adversely impact our results and financial condition.

### REGULATORY RISKS:

**Current:** We are committed to complying with existing regulations throughout our global operations. We monitor, assess and manage our GHG emissions risks, with transportation as our most significant emission source. We continue to monitor GHG emission reporting requirements in each of the countries in which we operate.

**Emerging:** Each of our short-, medium-, and long-term risk timelines are affected by emerging regulations at the international, federal, state, provincial and local levels with climate-related legislation and regulations intended to drive down GHG emissions and disclosures to provide transparency on the progress of those goals. We monitor these regulatory changes closely and engage management and our Board on status of compliance. On a quarterly basis, we evaluate the likelihood and severity of changes in regulatory requirements and political trends related to climate-change and the energy transition through materiality risk assessments.

### TECHNOLOGY RISKS:

Our customers continue to increase their focus on emerging climate legislation and sustainability priorities that could lead to a shift in customer behavior and a decrease in demand for certain products and services and an increased demand for others. We engage with customers to anticipate these shifts, which generally occur in the medium- to long-term time horizons. We also work with our manufacturers to find new technologies to help mitigate negative environmental impacts, such as emissions reductions, products made from recycled steel and packaging material made from recycled or biodegradable content. For example, MRC Global provides low-emissions valves, which have grown to 96% of total valve sales and 24% of total sales (\$808 million) in 2022.

### LEGAL RISKS:

Our enterprise risk management process considers the financial severity of legal risks and liabilities across the company, including on climate-related issues. This assessment is performed by our Risk Management Committee formed by a broad-spectrum of senior leaders who conduct a quarterly review and report to the Board's ESG and Enterprise Risk Committee. The assessment includes an evaluation of legal and compliance incidents, trends, and current and emerging regulations.

### REPUTATIONAL RISKS:

Climate awareness and risk mitigation is growing in prominence with all our internal and external stakeholders. We recognize that reputation risk on climate issues spans across all time horizons in different ways, including, among others, the following:

- **Investor and public perception risk:** We view stakeholder engagement, monitoring and reporting as critical to managing investor and public perception risk. We have a strong governance foundation to manage these risks and are transparent in our nonfinancial disclosures utilizing recognized frameworks (TCFD, SASB) and methodologies (GHG Protocol) to further mitigate this risk.
- **Climate-related operational risk for customers:** Certain areas in which we operate have been susceptible to more frequent and more severe weather events, such as hurricanes, tornadoes and floods and other natural disasters. Weather events, in particular, may be increasing in frequency and severity due to climate change. These events can disrupt our operations, result in damage to our properties and negatively affect the local economies in which we operate. These events can cause physical damage to our service centers and in extreme cases cause us to close service centers for a period of time. These unpredictable weather events and their anticipated frequency exist across short-, medium-, and long-term timelines but we have operational mitigation strategies to reduce or avoid risk of impact to our customers, which we evaluate as part of our enterprise risk assessment.
- **Team member engagement and recruiting risk:** Corporate sustainability efforts affect our workforce engagement as our population becomes increasingly aware and knowledgeable about corporate responsibility to meet global climate goals. We have begun to communicate directly more frequently with our team members to keep them informed of our initiatives and engage their participation in our success. We recognize engagement on climate-issues is critical to maintaining our workforce and recruiting new members.

# RISK MANAGEMENT

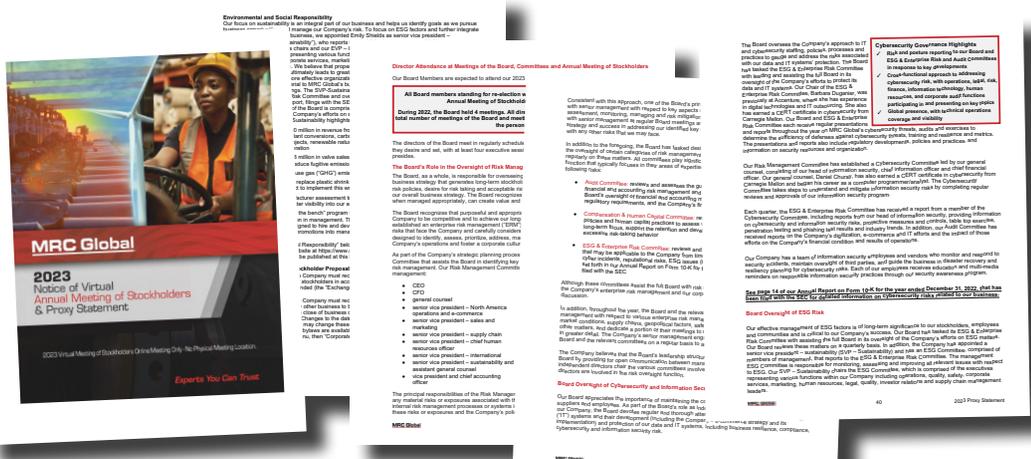
Our senior management team has developed a comprehensive strategic planning and enterprise risk management process for identifying, assessing and managing risk. Through this process, we identify key risks through an annual corporate-level risk mapping exercise, which is revisited quarterly. Our department leaders, many of which sit on the Risk Management Committee, including key roles in operations, supply chain, accounting, finance, investor relations, risk management, information security, business systems, sales and marketing, and many of whom also sit on the ESG Committee, conduct continual risk assessments in their areas of responsibility and within our geographic footprint. These risk assessments are communicated to senior management for monthly reviews on an as-needed basis and quarterly reviews by our Risk Management Committee. Changes in risk or new risks are communicated quarterly to our Board's ESG & Enterprise Risk Committee. In addition, we conduct periodic internal audits, which are reported to our management-led Disclosure and Controls Review Committee and, ultimately, to the Board's Audit Committee.

We conduct an annual review, and additional periodic reviews, of our environmental risks and opportunities, and then develop plans for improvements (i.e., risk reduction, waste reduction, etc.). The risks and opportunities are classified operational, corporate services and supply chain initiatives or projects and are given to appropriate personnel within the company to prioritize as resources permit for action and completion. Completed projects are noted with documentation of the improvements in our systems and environmental performance.

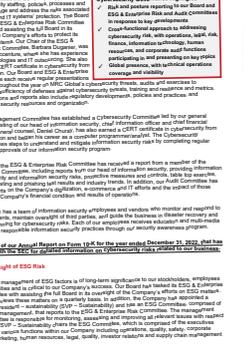
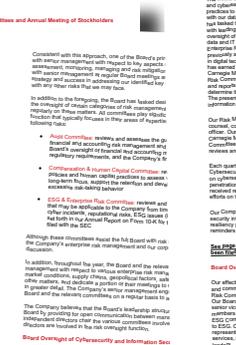
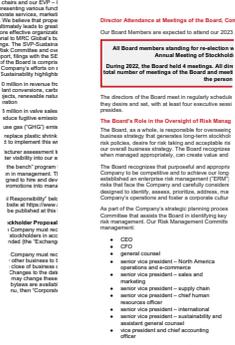
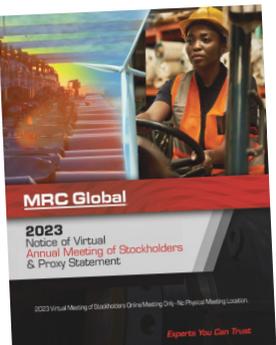
We believe our risk assessment process is reasonably designed to identify and manage climate change related enterprise risks that have the potential to significantly affect our businesses over the short-, medium-, and long-terms. These assessments cover exposures to both physical and transition climate-related risks and their respective financial impact. We do not yet perform scenario analysis, including a 2°C or lower scenario but will consider it in the future as our program matures.

Climate-related risks that we monitor as part of our enterprise risk management process include country-specific and local legislation and regulations, environmental compliance, unpredictable severe weather events capable of impacting our operations, financial investment and risks associated with climate change, and perception of our business and the industries we support due to climate change public awareness. Business risks related to climate change are identified based on input from internal and external sources, including feedback from customers, investors, the Board, and other stakeholders. In addition, we consider our climate-related opportunities and whether those off-set certain risks.

With acute physical risks, crisis management scenarios are created and tested in simulations at the corporate level by the respective designated team. Enterprise-level risks are also included in our operational risk maps, which help to identify and assess potential threats to mid-and long-term strategic objectives. A risk owner is assigned from among senior management for each enterprise-level risk to manage this risk management and mitigation plans. Oversight of the management plan for each enterprise level risk is assigned to the Board or Board committee as appropriate. For example, certain potential impacts of a cybersecurity event have been determined to be an enterprise-level risk. Our management-led Risk Management Committee established a Cybersecurity Committee led by our General Counsel and consisting of our head of information security, Chief Information Officer, and CFO. The Cybersecurity Committee is the risk owner and oversees the company's comprehensive monitoring, prevention, and response capabilities. This committee reports quarterly to the Board's ESG & Enterprise Risk Committee. In addition, our Audit Committee has received reports on the company's digitization, e-commerce and information technology (IT) efforts and the impact of those efforts on the company's financial condition and results of operations. Board Committees with specific oversight responsibilities receive more frequent updates related to those specific risks. These risks are monitored and embedded into the business planning cycle. Risks are scored on a materiality assessment based on likelihood, severity, time horizon and financial impact. Management objectives include both management and mitigation of risks. For more information on our Board's oversight of risk management, [see pp. 38-40 of our 2023 Proxy Statement](#).

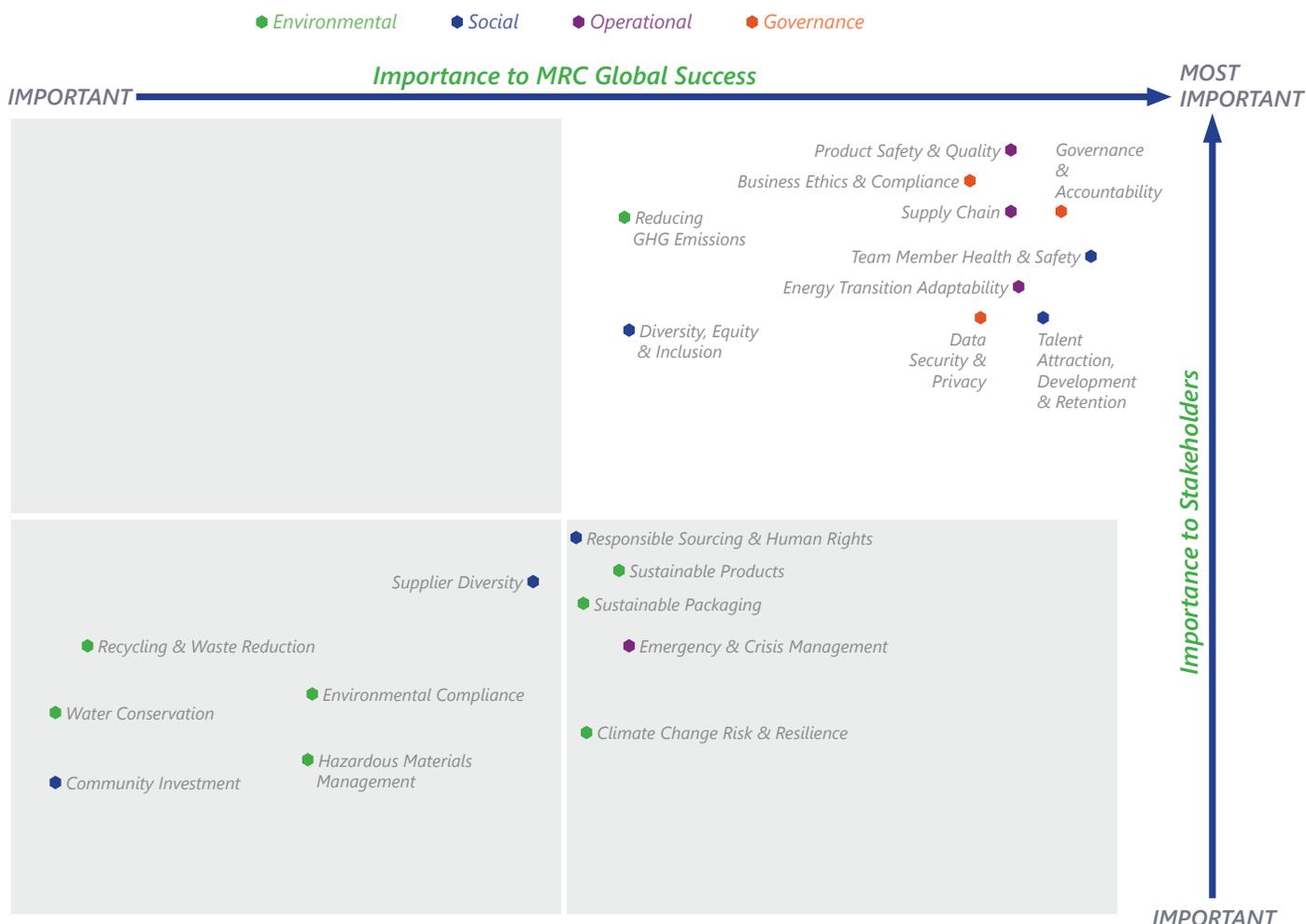


Environmental and Social Responsibility Our focus on sustainability is an integral part of our business and helps us identify risks as we pursue business opportunities. To focus on ESG factors and further improve our reputation, we appointed Emily Shanks as senior vice president - sustainability, and she reports to the CEO.



## MATERIALITY MATRIX

MRC Global continually reviews and assesses key issues affecting the company by evaluating each issue against the issue's relative importance to stakeholders and importance to achieving business objectives. The materiality of key issues helps drive our initiatives.



## CLIMATE RISK ASSESSMENTS

We are in the early stages of conducting a climate risk assessment. Our climate risk profile reveals our primary risks are acute physical risks associated with extreme weather events such as hurricanes, tornadoes, fires and floods. As these may increase in severity and frequency, the impact on our operations may increase. This could result in increased operating costs and insurance premiums or decrease in revenue through disruptions at our facilities and in our supply chain. To manage extreme weather risks, we work with a third-party loss prevention firm to conduct site visits, assess potential risks to our facilities and propose mitigating actions. Our insurance policies help mitigate the risk of material loss of assets at our facilities. Our leadership team has crisis and continuity management processes to mitigate potential disruptions caused by extreme weather events and has, in the past, successfully navigated through disasters.

Our chronic physical risks include the impact of sea-level rise on our coastal operations, which are limited in number, as well as coastal operations of our customers. Our transition risks include policy, regulatory and legal risks, including the cost of reducing our carbon footprint through electrifying our transportation fleet, investing in renewable energy sources to power our operations, developing robust internal and external climate expertise and resources to meet the demands of disclosure requirements and customer preferences, the inability to pass through the additional cost of compliance impacting our revenue generation and the ability to identify and source climate-friendly products and services at the speed that customers' changing demands might require.

For our Scope 1 & Scope 2 GHG emissions details, [see Emissions in Our Operations](#).



## TRANSITION RISK ASSESSMENTS

Climate-related transition risks include policy, regulatory and legal risks, including the cost of reducing our carbon footprint through electrifying our transportation fleet, investing in renewable energy sources to power our operations, developing robust internal and external climate expertise and resources to meet the demands of disclosure requirements and customer preferences, the inability to pass through the additional cost of compliance impacting our revenue generation, and the ability to identify and source climate-friendly products and services at the speed that customers' changing demands might require.

Our strategy to manage these risks include engaging with our manufacturers to assess their development of new product offerings to meet the lower-carbon emission demands of our customers, such as low-e valves and emission-controlled actuation technology, and embracing the energy transition with supply to alternative and renewable projects. Our product offerings include carbon and stainless products made from recycled steel and our diverse range of products are used in diversified markets allowing us to be nimble as the energy economy moves away from hydrocarbon production over time. We also developed our own clean technology, ValveWatch®, that allows for remote, on-line monitoring of critical valves and actuators to detect degradation before it affects safe and reliable operation or causes harmful environmental impacts.

[For more on ValveWatch®, see our Clean Energy.](#)

## CLIMATE RESILIENCE

2022 is our first Scope 1 and Scope 2 baseline year. Our climate journey has not reached the stage of climate-related scenarios.



A landscape photograph featuring a dirt path that leads through tall, golden-brown grass towards a horizon. The sky is filled with soft, glowing clouds, transitioning from a bright yellow near the horizon to a deep blue at the top. A large, semi-transparent green hexagonal graphic is centered in the upper half of the image, with a white border. The text "OUR PLANET" is written in white, uppercase letters across the center of the green hexagon.

# OUR PLANET



## OUR PLANET

We are committed to acting in an environmentally responsible manner and continually improving our environmental performance. In addition, our products and services help to improve air quality and reduce GHG emissions for the benefit of our customers and the broader society. Our effective management of ESG factors is of long-term significance to our stakeholders and critical to our company's success.

## A SUSTAINABLE ENERGY FUTURE

ENABLING THE ENERGY TRANSITION – ALTERNATIVE AND RENEWABLE ENERGY SECTORS

**We believe our business plays a significant role in the energy transition by offering our customers the products and services needed to drive continued progress in reducing GHG emissions.**

In addition to our energy security business, transitioning from hydrocarbon fuels to alternative and renewable energy sectors is a significant business opportunity for MRC Global, and many of our largest energy customers are among the leading investors in alternative and renewable energy technologies. As they further rebalance their capital investment from traditional, carbon-based energy to alternative and renewable sources, we aim to support their changing requirements through the supply of PVF and other infrastructure products and the enhancement of our product and service offerings.



Our experience in energy transition is heavily project based and rapidly growing. The following are examples of alternative and renewable energy work we have performed in 2022 or have in progress:

Alternative / Renewable Type

MRC Global's Contribution



**RENEWABLE NATURAL GAS (RNG)**

Provided 5,500 feet of pipe, 348 valves, and over 1,200 stainless steel and alloy fittings and flanges to support a RNG project for a dairy in Arizona that cares for more than 35,000 cows and converts biogas to RNG. The project will generate over 375,000 MMBtus of RNG annually to be used as renewable transportation fuel. The volume of RNG has the equivalency of **reducing 4,400+ cars from the road annually** and **powering 3,575+ homes**. This technology captures 99% of methane from each cow. The pipeline began to deliver RNG in the first quarter of 2023.



**HYDROGEN**

Ongoing support of pipe, valves and fittings to an industrial gas company in Edmonton, Alberta for a world-scale blue-hydrogen plant. The facility is expected to begin net-zero hydrogen production and liquidification in 2024.



**GEOHERMAL**

Provided valves and actuators for one of New Zealand's largest electricity generators to develop the infrastructure for a renewable power station involving the world's largest single shaft steam turbine. This project is key to delivering New Zealand's Zero Carbon 2050 ambitions and updated 2030 targets.



**WIND**

Provided valves and piping to an offshore wind project's substations off the coast of Great Britain. Once all 277 wind turbines are operational by 2026, it will **power more than 6 million British homes**.



**BIOFUELS**

Provided 136,000+ feet of stainless steel pipe, 103,000+ feet of carbon steel pipe, 10,000+ valves, 42,000+ fittings, and 11,000+ flanges to support a 320 million gallons per year renewable diesel production unit which is expected to **reduce CO2 emissions by 2.2 million tons annually**.



## OUR PRODUCTS

We play a key role in positively impacting our environment. The products we provide are fundamental to moving and storing hydrocarbon products and other substances in a safe and environmentally responsible manner and in preventing harmful emissions that would negatively impact the environment.

As a distributor, we purchase valves and actuators designed in compliance with Recognized and Generally Accepted Good Engineering Practices, which regulate valve stem leakage to minimize emissions such as methane. This measurable leakage between the stem and housing is referred to as “fugitive emissions” in the valve industry. Between 60 – 85% of fugitive emissions of hydrocarbons, gases and other substances in the chemical processing and refining industries are attributed to valves, due in part to the cumulative effects of large numbers of valves in processing plants. By working with MRC Global to sustainably manage their supply chains, energy producers can operate with confidence that their products will perform as intended and prevent pollution.

The products we sell:



**Reduce Methane Emissions**



**Sourced from Recycled Steel**

**Low-E valves:**

- valves or valve packing that will not release fugitive emissions greater than 100 ppm per ISO 15848-1:2015
- represented approximately 24% of the products that we sold in 2022 and 96% of total valve sales (up 2% over 2021)

**Emissions controlled actuation technology:**

- prevents methane emissions from release into the atmosphere from isolation valve operations on high pressure natural gas pipelines
- captures methane and re-injects it into the pipeline, eliminating environmental contamination

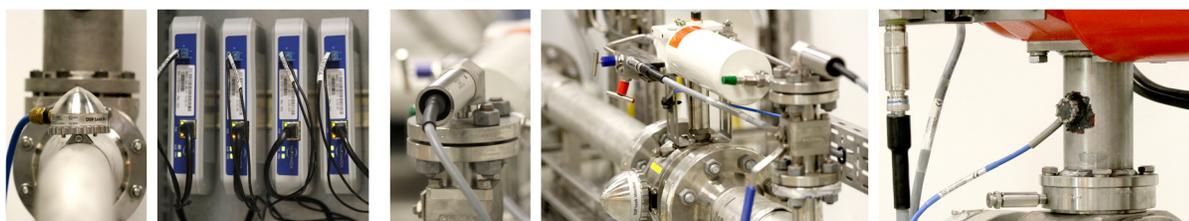
**All carbon and stainless steel pipe, flanges and valves we sell are made from recycled steel to varying degrees:**

- Majority of pipe is API 5L steel pipe which is made from high percentage of recycled steel scrap
- Recycled steel products made in the US are repurposed in electric arc furnaces, emitting up to 96% lower CO2 emissions compared to blast furnace steelmaking<sup>5</sup>



## OUR CLEAN TECHNOLOGY

In addition to our core PVF products and new environmentally-conscious product offerings, we have worked with oil and gas operating companies to develop and deploy ValveWatch®, an automated, online valve monitoring system for critical valves and actuators. Users can remotely monitor a valve or actuator’s performance and correct degradation before it affects safe and reliable operation or causes harmful impacts on the environment. ValveWatch® employs small sensors installed on or near each valve that log precision measurements at high data sample rates to capture the information needed to properly assess valve and actuator condition during every operation. The result is a calculable high level of safety and environmental risk prevention that cannot be achieved with any other test or analysis approach. Using this information, customers can remove valves for repair or replace them before they fail. This has the added benefit of preventing leakage of GHGs, hydrocarbons or other substances due to valve failure.



5 - Li, Yin & Xu, Wenqing & Zhu, Ting & Qi, Feng & Xu, Tie & Wang, Zhen. (2012). CO2 emissions from BF-BOF and EAF steelmaking based on Material Flow Analysis. *Advanced Materials Research*. 518-523. 5012-5015. 10.4028/www.scientific.net/AMR.518-523.5012.

## OUR ENVIRONMENTAL FOOTPRINT

We strive to limit the negative environmental effects of our operations by creating an efficient supply chain, which reduces the carbon footprint of deliveries to our distribution centers, service centers, and our customers, while conserving resources. Overall, as a distributor, we are engaged in a relatively low amount of manufacturing and assembly, mostly through the actuation and valve modification services that we offer our customers. Our footprint is generally comprised of the following:

 <p><b>Electricity Use</b></p> <ul style="list-style-type: none"> <li>Lighting</li> <li>Heating</li> <li>Cooling</li> <li>Charging mobile warehouse equipment including electric forklifts</li> </ul> <p><b>No</b> heavy manufacturing or energy intensive processes</p>	 <p><b>Natural Gas Use</b></p> <ul style="list-style-type: none"> <li>Heating</li> <li>Propane to power certain mobile warehouse equipment</li> </ul>	 <p><b>Gasoline / Diesel</b></p> <ul style="list-style-type: none"> <li>Sales and delivery vehicles</li> <li>Limited heavy duty forklifts for pipe-yard use<sup>6</sup></li> </ul>	 <p><b>Recycling to minimize waste from</b></p> <ul style="list-style-type: none"> <li>Pallets</li> <li>Cardboard</li> <li>Plastics</li> <li>Office paper &amp; electronics</li> <li>Scrap metal</li> </ul>	 <p><b>Water limited to</b></p> <ul style="list-style-type: none"> <li>Hand washing</li> <li>Toilet flushing</li> <li>Limited dishwashing</li> <li>Light irrigation for the few locations with minimal landscaping</li> <li>Limited hydrotesting at 4% of global locations, recycling the water for testing</li> </ul>
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In general, we know that the primary way to reduce our carbon footprint is to do what we do best – create an efficient supply chain. By identifying and utilizing the most efficient methods to move products from one place to another, we create efficiencies for our customers and our business. This reduces cost, increases financial returns for our business and contributes to the health of the environment by reducing the fuel and GHG emissions required for us to transport our products. We do this through:



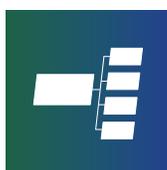
### Better Planning

MRC Global's procurement and supply chain experts embed themselves into our customers' procurement teams, enabling early supplier engagements and phased project planning, designed to reduce errors and reduces or eliminates the carbon emissions from preventable and unnecessary transportation. This, along with providing services such as valve certification control and coordination of combined shipments avoids unnecessary transportation of multiple smaller shipments that could have occurred as one and of noncompliant material and associated returns and replacement product sourcing, especially when replacement product sourcing requires expedited air travel internationally to meet time demands.



### Integrated supply

MRC Global strategically sources material for customers to actively promote manufacturers and vendors that are close to the final destination to reduce transportation cost and associated GHG emissions. We keep in mind that the total cost of ownership includes service conditions and environmental impacts.



### Hub and Spoke Model

Our hub and spoke distribution system, whereby our regional distribution centers (RDCs) receive the vast majority of the product we sell, then resupply our service centers when products are needed, is designed to create efficiencies and reduce the product that we must maintain in inventory. Because the RDCs receive most of the product we sell, individual service centers have reduced the number of products they order and receive, thereby reducing the transportation used to deliver products to and from the service centers. We continuously review the operations of our distribution network to optimize the flow of products from initial receipt to customer delivery.



### Strategic Sourcing

MRC Global's quality program recently localized quality auditors to reduce global travel and associated emissions. Our quality team also engages with manufacturers on our Approved Manufacturer List (AML) to encourage better sourcing of major subcomponents (e.g., castings) as close to the manufacturer's facility as possible to reduce its carbon footprint. We also audit major foundries and forge masters, enabling us to collaborate with our core vendors to find quality sources that are more strategically located to help reduce the manufacturer's carbon footprint.



### E-Commerce

MRC Global's strategic plan includes greater use of digital transactions through our MRC Global Online (MRCGO™) customer and supplier interface. It simplifies the procurement process and allows customers to efficiently order our company's products online. In 2022, our digital sales revenue was up 19.3% (~\$1.4B) over 2021 (~\$1.1B) and digital orders were relatively flat at 47.4% (from 47.5% in 2021). This allowed us to ship more to our customers directly from RDCs, which reduced the need to ship to our service centers to fulfill orders. These changes further reduced our shipping needs and minimize our carbon footprint by removing downstream emissions associated with our supply chain.

<sup>6</sup> - Gasoline or diesel powered forklifts are required in our pipe yard operations because there is no renewable alternative available on the market rated to handle the lifting weight capacity required.

## MANAGING ENVIRONMENTAL RISK

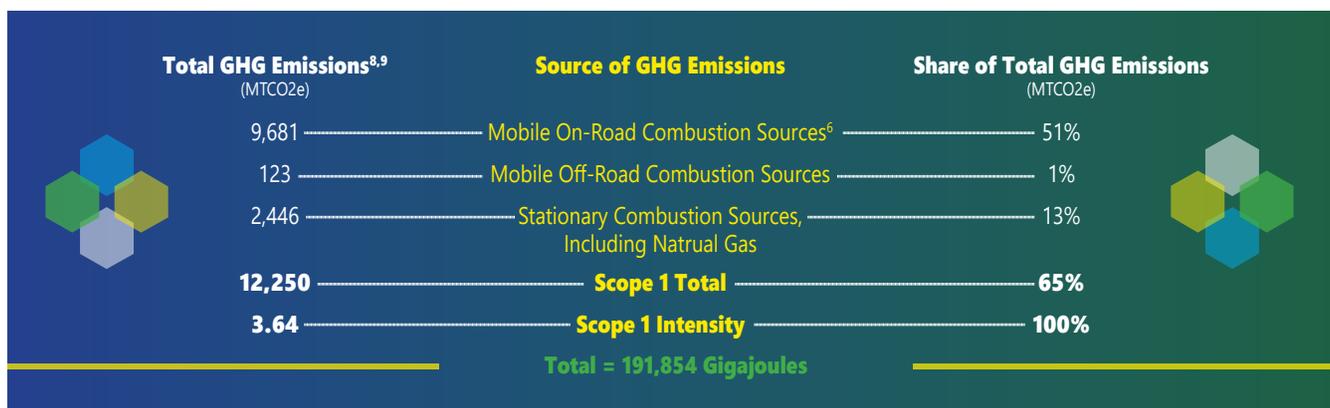
We conduct environmental assessments on our major facilities before we begin operations and on any facility that we sell. Our commitment to environmental protection as described in our Environmental Policy, available on our website, requires that a minimum standard of environmental performance is established at all of our facilities. **Four** of our locations are **ISO 14001** certified, and **30** of our locations are **ISO 9001** certified. For further information, see also our Code of Conduct for Suppliers on our website.

## EMISSIONS IN OUR OPERATIONS

2022 marks our first year with a true GHG baseline calculated pursuant to the GHG Protocol. Our total Scope 1 and Scope 2 emissions is 18,885 MTCO<sub>2e</sub><sup>7</sup>. Our total Scope 1 and Scope 2 emissions intensity is 5.61.

## SCOPE 1 EMISSIONS

2022 is an emissions reporting transition year for MRC Global. This is the first year MRC Global’s Scope 1 includes stationary combustion sources, including natural gas. To the extent possible, MRC Global includes a year over year comparison in our 2022 [ESG Performance Summary Supplement](#).



At least 32% of our global fleet is comprised of fuel efficient vehicles. 8% of our global fleet is hybrid or electric, with additional hybrids on order. We have placed initial factory orders of all-electric (EV) pick-up trucks for a small pilot in the U.S. that are expected in 2024. The pilot program will monitor the charging process, the development of charging station infrastructure near our service center locations and our customers, the towing capacity’s effect on the battery charge duration and overall maintenance needs and costs. In anticipation of this pilot program, we are evaluating installation of charging stations at limited facilities. We continue to evaluate how EVs can merge into our fleet as electric charging station infrastructure improves near our service centers and customer locations and the operating costs make sense for our business.

In addition, our warehouse lifts and picking equipment are powered by either electricity or propane. Our remaining gasoline and diesel-powered forklifts are primarily utilized for applications with heavy weight requirements for which there is not a suitable alternative or renewable option available.



*One of our fleet vendors participates in and supports the Environmental Protection Agency (EPA) SmartWay Transport Partnership. SmartWay is a voluntary partnership between the freight industry and the EPA that establishes incentives to improve fuel efficiency and reduce GHG emissions.*

7 - Potential fugitive emissions from hydrofluorocarbons (HFCs) from refrigerators and air conditioning was not tracked in 2022 and likely immaterial.

8 - In 2022, MRC Global removed the GHG emissions associated with its U.S. team members’ personal use of company vehicles. Estimated fuel use reported by team members as personal use from a fringe benefit reported to the U.S. Internal Revenue Service.

9 - The fourth quarter of 2022 for international mobile on-road and stationary combustion sources, including natural gas was estimated under the GHG Protocol using a linear extrapolation.



## SCOPE 2 EMISSIONS

For 2022, MRC Global’s market-based GHG emissions for our global operations are as follows:

Source of GHG Emissions <sup>10</sup>	Electricity	Electricity from Renewables	Electricity from Non-Renewable Sources	Scope 2 Total
Total GHG Emissions (MTCO <sub>2e</sub> )	6,635	165	6,470	<b>6,635</b>
Total Consumption (gigajoules)	82,372	22,194	60,178	<b>82,372</b>
Total Consumption (megawatts)	22,881	6,165	16,716	<b>22,881</b>
Share of Scope 2 GHG Emissions	100%	27%	73%	<b>100%</b>
Share of Total GHG Emissions	35%			<b>35%</b>

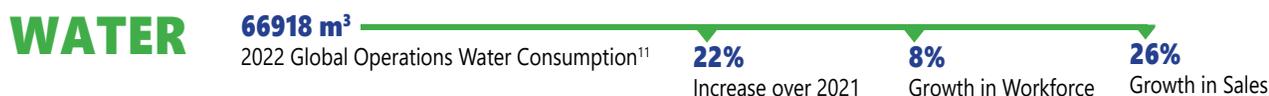
**Scope 2 Intensity = 1.97** and is **100%** of total

Our electricity use increased in 2022 due to final restrictions from the COVID-19 pandemic lifting in our international operations and due to overall headcount growth. We better aligned our calculation of renewable energy consumption with the GHG Protocol’s market-based approach this year, giving the appearance of a reduction in renewable use, when, in fact, no substantive changes to our electricity program occurred. Our ESG Management Committee is also seeking to move to more renewable electricity sources in North American de-regulated markets and we seek opportunities in our international operations, where feasible. For example, our regional distribution center in The Netherlands has solar panels on its roof that generate some of its power.

The vast majority of our company’s electricity consumption and use is from lighting, heating and cooling our distribution centers, service centers and offices around the world. Approximately 97% of our nearly 5.2 million square foot global facility portfolio is leased, so we do not have complete control over the electricity-consuming aspects of the majority of our facilities. However, upon every lease renewal or initiation at a new location, we look for opportunities to:

- + promote energy efficiencies that we have determined through internal evaluations
- + retrofit and update those facilities to current efficiency standards
- + upgrade to motion activated lighting

Moreover, we are improving energy efficiency standards on all new buildings and strategically replacing old light fixtures in existing facilities.



MRC Global is not a large user of water resources. Even so, we acknowledge that water is a tremendously valuable resource. Some of our team members in our international region continued to work from home due to COVID-19 pandemic restrictions in 2021, which were lifted in 2022, increasing our consumption.

As a distributor and services provider, we primarily use water for toilets, handwashing, limited dishwashing use and light irrigation as most facilities have little or no lawns or landscaping. We also use water for hydrotesting at only 4% of our global locations to the seal integrity of certain valves. That water is circulated through tanks and recycled for ongoing hydrotesting except for a fresh water charge once to twice a year.

Although water is not a focal point of our sustainability efforts, we continue to look for opportunities to reduce our consumption where possible. For example, we continue to seek opportunities to upgrade existing facilities to have, and lease new facilities that have, motion-activated bathroom toilets and sinks to reduce water consumption.

10,11 - The fourth quarter of 2022 was estimated under the GHG Protocol using a linear extrapolation.



## DEFORESTATION

We acknowledge that the protection and preservation of our forests is crucial to the well-being of our planet. As a PVF distributor and services provider, we use cardboard and wood pallets in some of our packaging, most of which come with the products we procure from our suppliers for sale to our customers. We also use wood pallets made from recycled wood and work to minimize the use of paper products in our offices. Other than cardboard and pallets in packaging, we do not produce, use or sell any timber or any other forest risk commodities. Our U.S. service centers work closely with our waste management provider and local service providers to improve our pallet and wood recycling/resourcing to limit the amount of raw material that is dumped in local landfills. We also have cardboard recycling programs in many of our larger locations and are expecting to implement this where possible throughout the U.S. We also recycle paper in our corporate offices. As forest-related issues have limited relation to, and minimal impact on, our business, we currently do not undertake a forest-related risks assessment nor track production or consumption data for forest risk commodities. However, our general environmental policy includes impacts regarding forest-related issues. For example, we recycle cardboard and pallets in those areas where recycling services are reasonably available and, since 2019, we only use recycled paper in our printed marketing materials.



## WASTE MANAGEMENT & RECYCLING

We understand that recycling not only prevents millions of pounds of materials from going to landfills on an annual basis and any associated emissions that may result, but it also stimulates the economy by transforming usable materials into new products. To manage waste materials more efficiently, we are constantly improving our processes and evaluating ways to reduce our overall waste and promote recycling of materials within our operations. We encourage all team members and contractors to recycle consumer goods and other business and production waste by utilizing dedicated recycling containers in most of our warehouses and corporate offices.

Additionally, since 2017, we have had a national contract with a major waste management company to manage our waste and recycling in the U.S., a region responsible for 84% of our 2022 sales. MRC Global's total recycling tonnage is limited to the amounts accepted and purchased by the commodities end user. This market has declined in recent years. When compared to 2017, our 2022 recycling tonnage increased by 44%. MRC Global is seeking to capture the recycling tonnage in our International operations.

**2022 pilot and 2023 roll-out of Vanish Stretch Film, a biodegradable shrink wrap, distributed by Veritiv. MRC Global's U.S. operations will fully transition to Vanish Stretch Film from plastic shrink wrap in 2023.**



Biodegradable shrink wrap that turns into renewable material for micro-organisms



Recyclable



State-of-the-Art Stretch film utilizes Eclipse™ technology in order to bio-assimilate beginning two years after production

### 2022 Recycle Summary<sup>12</sup>

- 459 Total tons recycled
- 2,063 Enough airspace to meet Americans annual waste disposal needs
- 68 Enough timber for sheets of newspaper
- 1,607 yards<sup>3</sup> Landfill air space saved
- 1,460 MTCO2E (Metric Ton of Carbon Dioxide Equivalent) Net Greenhouse Gas Reduction
- 5,508 Number of mature trees saved

<sup>12</sup> - Recycle summary data provided by our third-party waste and recycling vendor.



### We strive to:

- + Maximize waste and recycling loads to minimize transportation GHG emissions from hauling
- + Improve work processes to reduce waste from transportation and warehousing (e.g., re-use wood pallets, packaging)
- + Work processes for hazardous waste
- + Wood pallets, when feasible, and recycle wood pallets
- Require detailed packaging specification for incoming products designed to reduce wooden crates
- + Complete implementation of a printer / copier toner cartridge recycling program for North America





DRIVING  
TOWARDS A MORE  
SUSTAINABLE  
SUPPLY CHAIN



## SUPPLY CHAIN SUSTAINABILITY

Building and maintaining a supply chain centered on sustainability expectations is fundamental to our value proposition for our customers. Supplying quality products to our customers is key to providing confidence that products will not break, crack or leak and harm the environment or create safety hazards. We go to great lengths to select, purchase and supply quality products that meet these high standards.

Our product quality assurance program includes manufacturer qualification, product inspection, routine destructive material evaluations, and non-conformance response processes to increase ethical behavior in our supply chain, avoid improper labor practices and encourage sustainability. In the last 10+ years, we have significantly increased the average number of audits we conduct annually and these new improvements are expected to support that trend.

In late 2022, we implemented a new enhanced manufacturer quality assessment that includes a more detailed sustainability review. This review is used for an additional manufacturer scorecard that includes a more in-depth environmental, social and governance analysis that will enable us to gain greater visibility into the maturity of our manufacturers' sustainability programs and how their programs add or detract from our and our customers' sustainability objectives. These reviews can be provided upon request to customers.

Benefits of our enhanced quality process involves the following initiatives:



### Quality Process

- +** Approval of new suppliers through a rigorous quality approval process that includes on-site audits
- +** A revised audit scoring methodology that offers more detailed analysis
- +** Capabilities for result-sharing with customers without the release of proprietary information
- +** Increased transparency of our quality audits between customers and suppliers
- +** Enhanced audit capabilities and efficiencies through our expanded global auditing team



### Additional Enhanced Sustainability Process

- +** 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

In addition, we require each prospective significant supplier to complete a thorough due diligence form to determine if the supplier meets our quality and sustainability expectations. This due diligence form helps us evaluate their performance capability. Questions contained in this form address the supplier's quality and product safety, health and safety practices, sustainability and environmental impacts, labor and human rights practices, legal compliance and social responsibility.



If a supplier meets our standards, we add the supplier to our Approved Manufacturers List (AML). A place on our AML ultimately helps them access over 10,000 customers including some of the largest gas utilities, energy producers and industrial companies in the world.



We also maintain a database containing all material testing summaries for our required products. Product testing records, including material test reports (MTRs), are stored for 20 years, and our audit results and testing results are stored for 15 years. We recently added MTRs to our customer platform, MRCGO™, for ready access by our customers and team members.

 *Our quality auditors are now localized to reduce GHG emissions due to a reduction in global travel*



## SUPPLIER DIVERSITY

In late 2022, we made the important decision to add a dedicated resource to advance our supplier diversity initiatives. While we have tracked our spending with diversity suppliers for a number of years, we recognize the importance of accelerating more of our supplier spend with diverse suppliers and adding diverse suppliers to our supply chain for the benefit of our company, our customers, and our communities. By growing our diverse supplier base, we can drive innovation and resiliency in our supply chain, as well as economically strengthen the communities in which we live and work.

Our Supplier Diversity Program actively seeks and promotes products and services from certified manufacturers and service providers that are majority owned and operated by diverse and small businesses. MRC Global is committed to mentorship and development of these diverse businesses in its corporate membership and participation with both national and local business councils and supplier development organizations.

For 2023, our Supplier Diversity Program is focused on advocating for and increasing participation of diverse suppliers in our supply chain to provide consistent and equitable opportunities in our business. Also, we are improving our identification, analysis, and reporting of our diverse spending, both direct and indirect, with our Tier I and Tier II suppliers that benefits our customers with new innovative tools. We are determined to embed supplier diversity practices into our overall business objectives and purchasing strategies to create a more inclusive culture.



### SUPPLIER DIVERSITY PROGRAM | DIVERSE + SMALL BUSINESS

MRC Global engages with businesses that identify as one or more of the following:

#### Diverse Businesses

Minority Business Enterprise (MBE)

- African American
- Hispanic American
- Asian Indian American
- Pacific Islander American
- Native American

Women Business Enterprise (WBE)

Disadvantaged Business Enterprise (DBE)

Veteran Business Enterprise (VBE)

Service-Disabled Veteran Business Enterprise (SD-VBE)

Lesbian, Gay, Bi-Sexual, Transgender Business Enterprise (LGBTBE)

Disability Owned Business Enterprise (DOBE)

**we support**  
**177<sup>13</sup>**  
**diverse**  
**companies**

#### Small Businesses

Woman Owned Small Business (WOSB)

Small Disadvantaged Business (SDB)

Veteran Owned Small Business (VOSB)

Service Disabled - Veteran Owned Small Business (SD-VOSB)

Small Business Enterprise (SBE)

8(a) Firms

Federal HUBZone Certified Firms

Historically Underutilized Business (HUB)

**we support**  
**676<sup>13</sup>**  
**small**  
**businesses**

**NOTE: Businesses must be 51% owned, operated and controlled by one or more people who fit into either the diverse or small business category.**



### Fontaine Stegal

Supplier Diversity Program Manager

Employed by MRC Global since September 2014

Navy Veteran

Board Member of Student Veterans of America

BS in Petroleum Engineering from the University of Houston

*“We are committed to growing our network of diverse suppliers and economically strengthening the communities we serve.”*

13 - Suppliers are included in every category for which they qualify and, therefore, can be counted twice, if applicable. Small Business classification is not based on Small Business Administration (SBA) guidelines. Small Businesses are certified or registered as small by a local or national certifying agency.



# SUPPLIER CODE OF CONDUCT

We have more than 9,000 suppliers worldwide from over 50 countries, and we require that each supplier, contractor and third party with whom we do business maintains high standards in the conduct of its businesses and operations by adhering to our Supplier Code of Conduct. This document details the behaviors, practices and responsible business standards with which we expect our suppliers, contractors and third parties to comply. For more information, see our [Supplier Code of Conduct](#).



# CONFLICT MINERALS

As a distributor of products manufactured by other companies, MRC Global does not directly purchase any raw conflict minerals from any source and is many levels removed from the mines, smelters and refiners that produce the metals used in the products manufactured by our suppliers. We support the goals of the Dodd-Frank Act and related applicable 2012 U.S. Securities and Exchange Commission (SEC) rules of preventing armed groups in the Democratic Republic of the Congo (DRC) from benefitting from the sourcing of conflict minerals. We desire to have a conflict mineral-free supply chain with ethical sourcing of materials and products. Our supply chain program strives to prevent purchased products from containing conflict minerals (tin, tantalum, gold and tungsten) that directly or indirectly finance or benefit armed groups in the DRC or adjoining countries. We require the suppliers and manufacturers of the products distributed by us to adopt the same policy for their businesses and comply with applicable legal standards and requirements. For further information, see our [Conflict Minerals Policy](#), and our annual [Form SD and Conflict Minerals Report](#).

**MRC Global**

source of any Conflict Minerals in the products they sell to Company.  
 C. Immediately refraining from sourcing from a supplier or manufacturer any product that contains Conflict Minerals if Company determines the product is not DRC Conflict Mineral Free.

**4.2 Expectations of Suppliers**

A. Suppliers should not include in any products sold to Company any Conflict Minerals that are DRC Conflict Free;  
 B. Suppliers should develop Conflict Minerals policies, due diligence frameworks, and management systems that are designed to prevent Conflict Minerals that are not DRC Conflict Free from being sold to Company;  
 C. Company's suppliers should source Conflict Minerals only from sources that are DRC Conflict Free.

In doing so, suppliers

A. Implement at this Policy, at indirect suppliers;  
 B. Put in place DRC Conflict Free reasons;  
 C. Advise our reasonable Conflict Free;  
 D. Maintain at the Company We may it and;  
 E. From time the origin entitled to or market do not st

Suppliers also at practices in Con

**4.3 Consequences**

Company evalu to evaluate the Company rese of any Conflict Suppliers who organization f In the event f and the supp Company re from the sup Nothing in it supplier or i

Conflict Minerals Polic

Revision 01  
Revised 08/12/2016  
Effective 03/01/2016  
Legal Department  
Global

**MRC Global**

**4.4 Grievance Mechanism and Reporting**

Our employees, suppliers and other parties can report concerns and alleged violations of this Policy as follows:

Email us at: [US-Compliance@mrcglobal.com](mailto:US-Compliance@mrcglobal.com) Attn: Chief Compliance Officer

Revision 01  
Revised 08/12/2016  
Effective 03/01/2016  
Legal Department  
Global

line  
will be kept confidential to the fullest extent practicable and  
against our employees, suppliers, or other parties who make a  
[MRCCompliance@mrcglobal.com](mailto:MRCCompliance@mrcglobal.com) if they wish to seek

Description	Approval Date	Author	Approver

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**MRC Global**

**Conflict Minerals Policy**

1.0 Scope	1
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3.0 Purpose	1
4.0 Policy & Procedures	1
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**1.0 Scope**

1.1 This Policy is mandatory and applies to all directors, officers and employees of MRC Global Inc. and its subsidiaries ("MRC Global" or the "Company"), and any third party suppliers and/or manufacturers working with MRC Global wherever located.

**2.0 Overview**

2.1 The Dodd-Frank Act and related applicable 2012 U.S. Securities and Exchange Commission rules ("Dodd-Frank Act") require publically traded companies to disclose whether the products they manufacture or contract to manufacture contain Conflict Minerals. Conflict Minerals are tantalum, tin, tungsten and gold, which are sourced from mines in the Democratic Republic of the Congo ("DRC") or adjoining countries named in the Dodd-Frank Act.

**3.0 Purpose**

3.1 As a supplier and distributor, MRC Global is committed to acting in a socially and environmentally responsible manner, and to complying with applicable law wherever it operates. The Company supports the goal of the Dodd-Frank Act of preventing armed groups in the DRC from benefitting from the sourcing of Conflict Minerals and expects the suppliers and manufacturers of the products distributed by Company to adopt the same policy for their businesses and comply with applicable legal standards and requirements. The purpose of this Policy is to (i) state the Company's commitment to the responsible sourcing of Conflict Minerals, (ii) establish guidelines regarding the responsible sourcing of Conflict Minerals, and (iii) set the Company's expectations for its suppliers.

**4.0 Policy & Procedures**

**4.1 Our Commitment**

As a distributor of products manufactured by other companies, Company does not directly purchase any raw Conflict Minerals from any source and is many levels removed from the mines, smelters, and refiners that produce the metals used in the products manufactured by Company's suppliers. Company is however wholly committed to:

A. Supporting the aims and objectives of the Dodd-Frank Act concerning Conflict Minerals sourcing by working to educate the manufacturers of the products we distribute about Conflict Minerals. MRC Global will assist our customers in implementing their Conflict Mineral programs and will strive to work cooperatively with our customers and supply chain partners in implementing Conflict Mineral compliance programs.

B. Helping our suppliers understand the due diligence steps they can take to investigate the

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OUR PEOPLE



## OUR PEOPLE

We believe in the societal benefit of our products and services safeguard the health and well-being of our team members, customers and our communities wherever we do business.



## HEALTH & SAFETY

Safety leadership is a fundamental part of our culture at MRC Global and our first Core Value. Our goal is for all team members to return home at the end of each day in the same – if not a better – condition than when they arrived at work. Every team member has a personal responsibility to make sure that they, along with their co-workers, work safely and free from injury. Our dedication to providing safe working conditions and involving all team members in our safety efforts has been fundamental to our company's success. Additionally, we share our customers' commitment to safety and are proud that safety is a deeply embedded part of our culture.

At MRC Global, we believe zero injuries is an achievable goal. In 2022, we continued our multi-year trend of zero fatalities on the job. Our safety metrics include our total recordable incident rate (TRIR), lost time incident rate (LTIR) and recordable vehicle incident rate (RVIR). Our safety performance continues to exceed the U.S. Bureau of Labor Statistics (BLS) averages for wholesalers of metal products and the National Association of Wholesale Distributors (NAW)<sup>14</sup> averages. We participated in NAW's 2022 safety survey, but the results have not been published as of the release of this report.

In addition, our RVIR has also remained low at 0.36. Our Near Miss Frequency Rate (NMFR) for 2022 increased in part, because our team members using their stop work; and team members are using their *stop work obligation* before a near miss occurs. We continue to view our NMFR positively as an indicator that our team members are willing to report near misses. Near miss reporting reveals that our safety culture encourages this reporting to identify specific improvements to remediate for a safer environment overall.

In 2022, our SVP – Sustainability took responsibility for leading our safety program and makes quarterly reports to our Board on safety initiatives and performance. We continually strive for safety culture building to reduce risk of injury. We utilize a combination of on-the-job training, in-person workshops, live-online workshops, interactive online safety lessons, safety culture tools and more to develop each of our team members into safety leaders. For more, see our [2023 Proxy Statement](#) at p. 3.

25,807  
Safety  
Training  
Hours  
2022

Our #1  
Core Value  
Safety  
Leadership



2022 Safety  
Performance  
U.S. Bureau of Labor  
Statistics (BLS)

Our#		BLS*	NAW**
0.78	TRIR	3.4	2.78
0.12	LTIR	1.6	1.08
0.36	RVIR		2.08

\*for wholesalers of metal products  
\*\*based on NAW's 2021  
Safety Survey Results

## CORE VALUES IN ACTION MAKE SAFETY OUR OBLIGATION

14 - NAW's members have excess of \$1 billion in annual revenue and serve as a highly relevant peer group to MRC Global.



## TEAM MEMBERS

We are a global team of over 2,800 team members in 15 countries dedicated to our customers, our communities and each other. MRC Global team members regularly go out of their way to support each other in times of need, provide excellent service to our customers and uplift the communities where we live and work.

## DIVERSITY & CULTURE

As we operate in 15 countries with an increasingly global and diverse customer base, we strive to build a team that reflects this diversity of cultures, backgrounds and approaches in our business. We are committed to maintaining a harassment and discrimination-free workplace where every team member feels safe, valued and encouraged regardless of age, gender, race, religion, ethnicity, sexual orientation, veteran status, disabilities or backgrounds. We want every one of our team members to have the opportunity to advance his or her career.

### Core Values

- Safety Leadership*
- Customer Satisfaction*
- Business Ethics*
- Operational Excellence*
- Financial Performance*
- Teamwork*
- Employee Development*
- Community/Charity Involvement*

### Build-the-Bench Program

Intentionally recruits diverse cohorts into a training program

Goal is to increase the pace of the diversity of our leadership while leveraging our investment in their knowledge, experience, training and corporate culture

#### Management, Director and Above Positions

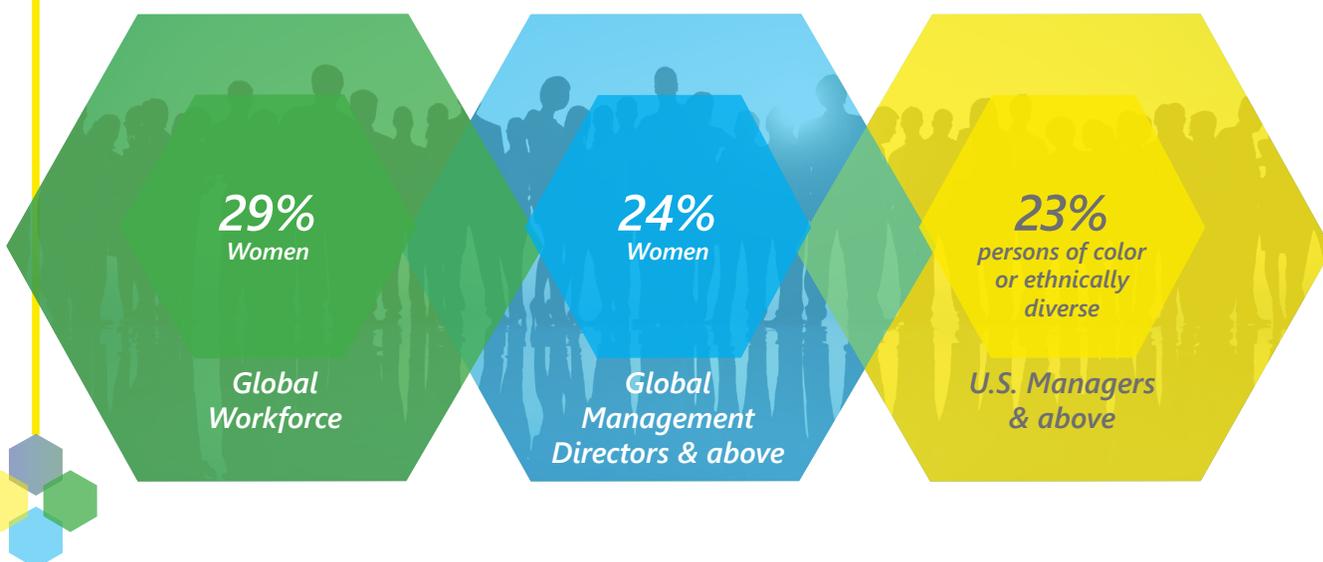
Use diverse candidate slating to drive process by ensuring diverse candidates are recruited and considered

#### Succession Planning

High-potential team member identification includes diverse candidates for promotions and developmental assignments

Our Core Values underpin our culture and are fundamental to the training our new hires receive. In addition, we maintain an independent process for confidential reporting of workplace concerns through our **ethics hotline**, and the ability to bypass management and directly contact the Legal or HR Departments or the company's Audit Committee regarding concerns. In 2022, we rolled-out a new **annual team member survey** administered by a third party. It is electronic, secure and confidential to encourage honest feedback. This system has the ability to tailor survey questions based on any demographic data in our human capital management system (e.g., management level, country, region and job title, among others) and configure dashboards to provide leadership rich data about the identified strengths and opportunities for improvement. Our executive leadership team reviewed the analytics and trends, identified actionable items and implemented change in response to the feedback. In early 2023, we re-surveyed our team and will announce those results company-wide and identify new action items we plan to address. MRC Global strives to be an employer of choice and feedback from our workforce is critical to understanding our team members' perception of the company and their priorities in their careers with us.

For more information on our Diversity, see "Human Capital" starting on p. 6 of our [Annual Report on Form 10-K](#).



## TALENT MANAGEMENT & RETENTION

We seek to recognize and reward our team members and create a culture that attracts and retains leading talent.

We believe that we provide our team members with competitive compensation within our industry in the form of wage or salary, depending upon the position. In the U.S., where approximately 68% of our team members live and work, in 2022, we paid our hourly team members **at least \$15 per hour** beginning in their first year of employment and in other countries we pay the **living wage that is prevailing for our industry**. In the U.S., Canada, and Australia, we offer a defined **contribution retirement plan** and in other countries we offer similar plans or participate in local government retirement schemes. In addition, we offer a cost effective, comprehensive **medical and health plan**. For those positions where short-term incentives, such as **annual or quarterly bonuses** are applicable, we align our incentives with overall financial results. While we align overall incentive payout with financial results, many team members are also incentivized on non-financial performance objectives and safety or operational efficiency goals or project objectives. A team member’s objectives are usually set at the beginning of each year with the team member’s supervisor, and we perform an annual check-in review.

Total rewards for executive compensation, see “Item 11 Executive Compensation” starting at p. 44 in our [Annual Report on Form 10-K](#) and a detailed explanation in “Compensation Discussion and Analysis” starting at p. 45 in our [2023 Proxy Statement](#).

## TEAM MEMBER DEVELOPMENT & LEARNING OPPORTUNITIES

We provide our team members with educational tools and development opportunities to continually improve their talent and skills. We have an Organizational Development and Learning team who develops and presents training to team members along with other subject matter experts inside and outside of the company.

Because our workforce is distributed over 212 locations in 15 countries, we have a strong internet-delivered learning management system (LMS) that has many training modules that can be accessed throughout our company. The LMS maintains both our core training content to meet **compliance obligations** and our wealth of **discretionary content** for **team member development**. We have a LMS consisting of a Netflix-style interface that builds engagement and training utilization by offering individualized content offerings based on job duties and past accesses. This enhanced format effectively encourages team members to take advantage of our discretionary content and resulted in a sharp increase in the number of individual users accessing our discretionary online content.

We require team members to complete modules on anti-harassment, anti-discrimination, legal compliance, safety and computer systems security at regular intervals. **We provide additional training covering the company’s proprietary procedures and systems, product knowledge, leadership and management, sales skills, Office 365 applications and a wide variety of information technology (IT) areas.** Each year, we develop new training that covers particular initiatives of importance that year. We live stream our “Safety Standup” training on a quarterly basis. We also produce a **monthly video segment, “Coffee with Rob,”** in which our CEO focuses on highlighting our business strategy, Core Values, safety culture, corporate policies and resources and individual team member recognition. In addition, we have a dynamic human capital management system. The system’s framework expanded with the use of **team member talent and career profiles** to highlight individual skills and experience for future career growth. As we are increasing our digital capabilities through our MRCGO™ offering as well as other internal initiatives, we are increasing the capabilities of team members to develop, implement, use and promote those digital platforms. In addition to modules on the company’s LMS, we provide team members many opportunities to grow their product knowledge through targeted training that the company, its suppliers or its customers present.

Below is information on the percentage of our total workforce across all locations who received training on business ethics and preventing discrimination and human rights violations: last year’s report has prior years. The 2022 numbers are below:

-  **Anti-Corruption & Anti-Bribery 98%**
-  **Workplace Equality, Harassment, & Discrimination 98%**

All team members are required within five days of employment to take compliance training, and team members have 90 days to take required refreshment training, so the training percentages above reflect a lag in new team member completion. Our on-boarding process for new team members provides a broad and accelerated understanding of MRC Global’s business and culture. We also periodically assess our team members’ satisfaction through company-wide surveys (as referenced under Diversity & Culture above).

For more information on our Diversity, see “Human Capital” starting on p. 6 of our [Annual Report on Form 10-K](#).



## CAREER DEVELOPMENT TRAINING

<p><b>Annual Team Member Development Review</b></p> <p>Goals agreed upon by team member and manager</p> <p>Development goals identified with project or training</p>	<p><b>Human Capital Management System</b></p> <p>Team members highlight skills and experience</p> <p>Express interests for future career growth</p>	<p><b>Tuition Reimbursement Plan</b></p> <p>6-months of service to qualify</p> <p>Applies to select graduate and undergraduate courses</p>	<p><b>Apprenticeship Programs</b></p> <p>Available in certain countries in our International region</p> <p>Provides on the job training and experience in technical product roles</p>
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## TEAM MEMBER AND LEADERSHIP DEVELOPMENT PROCESS

Our Human Resources team facilitates a review of our company leadership for all director and above roles for each of the business and functional teams in the company. This **leadership planning process** occurs twice a year with a full census review of all leaders for talent mapping and calibration, development assignments and succession plans. The process also incorporates identification of emerging leaders in the company, as well as comprehensive remuneration review for internal equity and market competitiveness.

Our Organizational Development and Learning team collaborates closely with health, safety and environmental (HSE) stewards, field operations and executive leadership to enable team member and manager development across the enterprise. **Career development training includes a broad variety of options**, from leadership development, communication skills, sales excellence, technical content and operations systems/processes.

**Training is conducted in a variety of formats** to effectively appeal to a wide variety of adult learning styles and preferences including self-guided e-Learning, instructor-led training (ILT), virtual instructor-led training (VILT) and informal on-the-job training (OJT). Training is role-specific, ensuring content is relevant and supports short-term and long-term performance needs.

Given our global footprint and operational efficiency, many locations operate with small teams who are cross trained for multiple functions. Informal OJT (on the job training) conducted in the moment is not possible to quantify, however it represents a large percentage of development activities within MRC Global. As such, **OJT hours are not included in the metrics covered in this report.**

## TEAM MEMBER RELATIONS

We consider our relationships with our team members to be excellent, as verified by engagement surveys and other feedback mechanisms.



*We are committed to freedom of association and our team members' desires to bargain collectively.*

## MONITORING FOR SUCCESS

We, with oversight from our board’s Human Capital Management Committee, monitor our workforce to determine its overall effectiveness by reviewing metrics related to headcount, composition, recruitment, performance (such as revenue per team member, safety ratings, attrition, or adjusted EBITDA per team member) and selling, general and administrative expense as a percentage of sales. We also use **people analytics** to assist in our strategic workforce planning, identify current workforce skills gaps, recruit and hire new talent, identify flight risks to improve retention, and obtain competitive intelligence.

To deliver data-driven people practices and drive decisions to support our business, we use data mined from our Human Capital Management System (HCMS) platform to analyze human resource talent to inform our strategic workforce planning, organization development, learning and recruitment practices.

We further utilize people analytics in our strategic workforce planning with a module in our HCMS that includes a behavior change work practice as a critical execution component. We create custom team member-specific experiences and actions taking into account their location, management level or any other team member parameter within our HCMS. The process creates on-demand experiences through an “if-then” model where human resources can deliver real-time prompts, nudges and queues for team members. Managers are provided with information to help take steps to drive action, reinforce behaviors and tap into discretionary effort. This model has increased the effectiveness of our team member engagement. For example, this HCMS model has driven our internal referral and candidate process as part of our overall workforce planning to increase internal referrals. Because our distributed workforce presents challenges to optimize internal candidate sourcing and external referral model, this HRIS model allows us to customize workflow to differentiate our action notifications which resulted in an increase in our internal referral programs in the U.S.

We implemented new **dynamic team member survey** to solicit feedback on what we, as a company, do well and what we could improve to enhance our team members’ experience and growth within the company (as referenced under [Diversity & Culture](#)). These survey results provide the company with useful metrics on team member engagement.

We also **monitor our team member exits** and solicit direct feedback to determine the reasons team members leave the company. As with most employers in 2022, MRC Global was not immune to the “great resignation,” experiencing 19% voluntary turnover of its workforce.

	2022	2021	2020
Total Team Member Turnover Rate	23%	19%	31%
Voluntary Team Member Turnover Rate	19%	15%	5%

We strongly support both the letter and the spirit of the current U.S. laws on **pay equity**, including the long-established Equal Pay Act, which requires that men and women be given equal pay for equal work in the same establishment. This law allows pay differentials when they are based on seniority, merit, quantity or quality of production, or a factor other than sex. We fully support equal pay for equal work, as well as all federal antidiscrimination laws applicable to employment, including those within Title VII of the Civil Rights Act. Pay practices that reward performance and all other legitimate factors should remain lawful.

With the implementation of our new HRIS platform, we now have a data host and system that provides for much improved analytics related to pay. While we do not have a pay equity monitoring program now, we are **implementing a pay banding program** in our U.S. market as the first step in that direction. Pay banding will provide the framework we need to start the pay equity analysis.

For more information on our Diversity, see [“Human Capital” starting on p. 6 of our Annual Report on Form 10-K](#).



# COMMUNITY INVOLVEMENT

## MRC GLOBAL CARES

We are dedicated to uplifting the communities where we live and work. MRC Global supports education, health and human services, the arts and humanities and civic projects through the MRC Global Cares initiatives. We provide support to various charitable and community causes and have several corporate-sponsored opportunities for our team members to volunteer their time. In addition to our charitable contributions in 2022 (as described below), we had team members fundraise for charitable causes. While MRC Global team members have dedicated time to many causes, we have tracked volunteer time of over 360 hours with the American Heart Association and PVF Roundtable efforts alone.



### Education - PVF Roundtable Scholarship Sponsorship

As a leader in the PVF industry, we recognize the need to invest in the next generation of industry professionals. That commitment led us to fund an **annual scholarship** through the PVF Roundtable with Texas A&M University for students in the industrial distribution field of study. In 2022, our team members donated approximately 65 hours of their time for the PVF Roundtable, including volunteer services for the creation of promotional video and materials, quarterly board meetings, and other activities to support the scholarship committee's needs. The company also sponsors multiple events throughout the year, which raise money for additional scholarships at other industrial distribution programs and trade schools.

### PVF Roundtable

The PVF Roundtable is a networking organization for companies involved in the pipe, valve and fitting industry. **The Houston-based group realized quickly that they had an opportunity and desire to invest in the next generation of industry-leaders and began fundraising and awarding scholarships to deserving students pursuing a career in our industry.** As the largest industrial PVF distributor in the world, MRC Global is proud to support the PVF Roundtable Charitable Foundation. We do that in two ways: financial support through sponsorships of the two largest fundraising events of the year and by providing MRC Global team members to serve on leadership committees and volunteer positions.

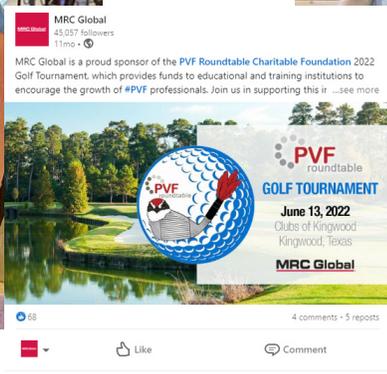
By volunteering as a **mentor** with the PVF Roundtable Young Professionals Group, Buddy Rains, MRC Global Business Development Manager in Houston, invests in a specific class of engineering students from a local Community College throughout the year. He and his fellow mentors get to know them all by name and arrange for 15-20 tours of manufacturer or distributor locations to introduce these students to career opportunities in our industry. Some of those students stepped into MRC Global's Sales & Service Trainee Program upon graduation.



*Having the opportunity to be part of the **PVF Young Professionals Mentorship Program** is about being a servant at heart for the students and the ability to help mentor and educate them as they grow within our PVF industry. This industry has provided blessing and opportunities for my family and I am grateful for them. I want give back to our industry and invest in our next generation of talented students.*

**Buddy Rains**

PVFR Student Mentor – Houston, TX



**3** GOOD HEALTH AND WELL-BEING

### American Heart Association

Our national support for the American Heart Association (AHA) is deeply rooted in the loss of Lew Ketchum, the founder of one of our heritage companies, Red Man Pipe and Supply, in 1995 after a heart attack. We honor his legacy by standing with the American Heart Association in the fight against heart disease. In 2022, we had 113 team members dedicate **345 hours of volunteer time** for AHA's Heart Walks in Houston, Texas and Charleston, West Virginia, in addition to the Heart Walk planning committee, participation in CycleNation in Houston, and executive leadership service (our CFO is a Board member). Since the inception of our support for AHA in 2008, MRC Global has sponsored and fundraised over \$1 million.



120 Team Members Participated in an AHA event

25,000+ minutes of physical activity leading up to the Houston & Charleston Heart Walks

Top Fundraising Company – Houston CycleNation

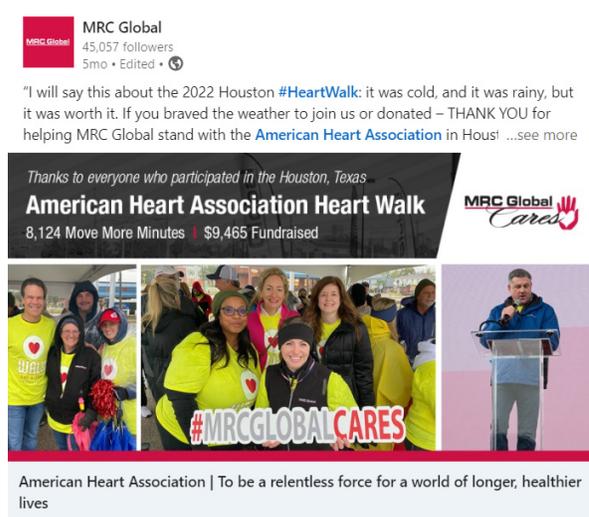
Go Red for Women

140 Sports Balls Donated to local youth

Multiple CPR Trainings at MRC Global Office

1 Heart Walk Chairman

*That was the lightbulb moment for me. I never miss my vehicle appointments, but I thought back to all the times I put my personal health check-ups at the bottom of the list thinking, "I'll get to it when I get to it," but that day never really comes."*  
**Rosalinda Gonzalez**, Legal Operations Manager – Houston, TX commented after attending the **Go Red for Women Luncheon** in May where speakers urged women to prioritize their heart health.



In addition, **MRC Global hosted a Family Fun Day to benefit the AHA.** At the event, we provided all team members in the Houston area hydroponic greens from Moonflower Farms to take some home to bring to life the AHA's focus on local food deserts in Houston. Moonflower Farms is a leader in sustainable urban farming. Founded in 2016 and headquartered in Houston, Texas, the farm uses space age technology to solve real world problems. Through its innovative use of hydroponics, Moonflower Farms offers year-round access to safe, high-quality produce with as little environmental impact as possible. It is one of the AHA's award-winning producers that provides farmers markets in those deserts where healthy food is expensive/non-existent. By supporting the AHA, we support this sustainable, local farm.

## ADDITIONAL GLOBAL COMMUNITY INVOLVEMENT

Throughout the year, MRC Global team members participated in a wide range of corporate community service and fundraising activities. These activities included, but were not limited to, donating enough blood to save 438 lives, providing holiday gifts for underprivileged children and donating food to individuals with disabilities and their families.

### Animal Shelter

The Seaham, United Kingdom team raised money through a spooky bake sale for Animal Krakers, a local charity run by volunteers who care for and rehome rescued pets as well as providing support for people struggling to feed their pets, pay for vet fees etc. during difficult times.



### Early Childhood Education

The Houston team sponsored Christmas for 15 students at Small Steps Nurturing Center. The preschool provides an exemplary early childhood program to instill and foster the social, emotional, physical, intellectual and spiritual growth of economically at-risk children and their families.



### Holiday Giving

The Casper, Wyoming team comes together to sponsor Christmas gifts for a child in their community. They intentionally chose an older child because they tend to get overlooked, but that would not be the case for this 12-year-old boy.



### Blood Drives

In 2022, 98 donors from the Houston, TX team provided 146 units of whole blood to the Gulf Coast Regional Blood Center to benefit local hospitals. That's enough to save 438 lives.



### Community Food Pantry & Toiletries

Charleston, WV team members restocked the local YMCA Marketplace, a free pantry for anyone in the community to come and get food or toiletries as needed. The entire corporate office collected donations throughout the month of November in preparation for the holiday season.

### Cancer Research

MRC Global team members supported one of their own, David Hopkinson, when he embarked on a cycling challenge from the southern tip of the UK in Land's End to the northern region in John O'Groats in a mere nine days in support of Cancer Research UK. David has been with MRC Global for 39 years and is a cancer survivor.

### La Porte Cares Committee

One of MRC Global's team members based in La Porte suffered a tragedy when his family lost their home to a house fire. The location's Cares Committee swiftly put into action a fundraiser to offset some of the family's losses.



### Free Onsite Dental Services

MRC Global offers free onsite dental services for its team members at its largest regional distribution center, valve engineering center and modification center in La Porte, Texas.



## CHARITABLE CONTRIBUTIONS

We make grants to nonprofit organizations in our communities for charitable causes, including education, health and human services, arts and humanities and civic projects. In 2022, we made charitable contributions across a wide range of causes including, but not limited to the American Heart Association, United Way, Special Olympics, Make a Wish Foundation, Boys & Girls Club, Susan G. Komen, the Boy Scouts of America, the YMCA and Spindletop Community Impact Partners, Inc..

## NO POLITICAL ADVOCACY

MRC Global does not use corporate funds for political advocacy, and in 2022 no funds were allocated to lobbying expenses. In addition, MRC Global does not provide matching gifts related to team member political donations or solicit for corporate political action committees.



A hand in a light-colored sweater sleeve reaches up from the bottom left towards a large green hexagonal graphic. The graphic has a white border and contains the text 'ESG STARTS WITH GOOD GOVERNANCE' in white. The background is a sunset over a field of tall grass, with mountains in the distance under a blue sky with clouds.

**ESG STARTS WITH  
GOOD GOVERNANCE**



# GOOD GOVERNANCE

We believe that good governance is the foundation for good business and how we continue to best serve our customers. Our emphasis on the highest standards of ethics and integrity begins with our Board of Directors (“the Board”), our Executive Leadership Team (ELT) and extends to all levels of our organization.

MRC Global is committed to sound principles of governance and has adopted corporate governance practices that promote the effective functioning of our Board, its committees and our company. The primary responsibility of our Board is to foster the long-term success of the company by promoting the interests of our stakeholders. Our Board believes that strong corporate governance is critical to achieving our performance goals and to maintaining the trust and confidence of customers, investors, team members, business partners, local communities and all other stakeholders. To properly reflect the level of emphasis our Board puts on ESG matters, the Board renamed its Governance Committee to the ESG & Enterprise Risk Committee.

The following summarizes our corporate governance practices and provides direct links to detailed content in our 2023 Proxy Statement. For example, a more detailed description of the company’s Corporate Governance is in our [2023 Proxy Statement at p. 34 under the caption “Corporate Governance Matters.”](#) The 2023 Proxy Statement can also be found [on our website](#) or the EDGAR portion of the [website of the U.S. Securities and Exchange Commission](#).

## CORPORATE GOVERNANCE MATTERS

The primary responsibility of our Board is to foster the long-term success of the Company by promoting the interests of our stockholders. Our Board believes that strong corporate governance is critical to achieving our performance goals and to maintaining the trust and confidence of investors, employees, customers, suppliers, business partners, regulatory agencies and other stakeholders.

### Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines to help guide and promote our good corporate governance and responsible business practices. The Corporate Governance Guidelines provide a framework for the effective governance of MRC Global as a whole and also address the operation, structure, and practice of the Board and its committees. The Board’s ESG & Enterprise Risk Committee reviews these guidelines at least annually. Our Corporate Governance Guidelines can be found on the Company’s website at [www.mrcglobal.com](http://www.mrcglobal.com).

### Strategic Planning

During the year, the Board meets with management to discuss and approve our strategic plans, financial goals and capital allocation, taking into account potential or existing disruptive forces, innovation, macroeconomic factors, customer end market trends, the competitive landscape and other factors critical to successful performance. The Board also conducts quarterly reviews of progress on objectives and strategies. During Board meetings, directors review key issues and financial performance. The Board meets privately with the CEO at least four times per year and meets in executive session without the CEO at each regular Board meeting and additionally as required. Further, the CEO communicates regularly with the Board on important business opportunities and developments. The Board and the CEO also annually discuss and collaborate to set the CEO’s performance goals and objectives. The Board meets at least annually in executive session to assess the CEO’s performance.

The Board maintains a process for planning orderly succession for the CEO and other executive officer positions and oversees executive officer development.

### Board Membership and Qualifications

The Board regularly considers the long-term make-up of our Board, leadership structure and how the members of our Board change over time. The entire Board selects nominees for the Board in accordance with the procedures and criteria set forth in our Corporate Governance Guidelines. The Board will also consider director candidates from stockholders that have been properly nominated in accordance with our Corporate Governance Guidelines and as further detailed under Deadlines for Submitting Stockholder Proposals for 2024 Annual Meeting of Stockholders on page 12. The Board will consider these stockholder nominees in the same manner and by the same criteria as Board nominees. The Board strives to maintain an engaged, independent Board with broad and diverse experience and judgment that is committed to representing the long-term interests of our stockholders. The Board seeks a diverse group of candidates who possess the background, skills and expertise to make a significant contribution to the Board and the Company. The structure and composition of the Board are intended to leverage diverse perspectives of the Board members and promote effective oversight.

When reviewing director candidates, the Board considers each candidate’s qualifications for membership on the Board, including the enhanced independence, financial literacy and financial expertise standards that Audit Committee membership may require and assesses the performance of current directors who are proposed to be renominated to the Board.



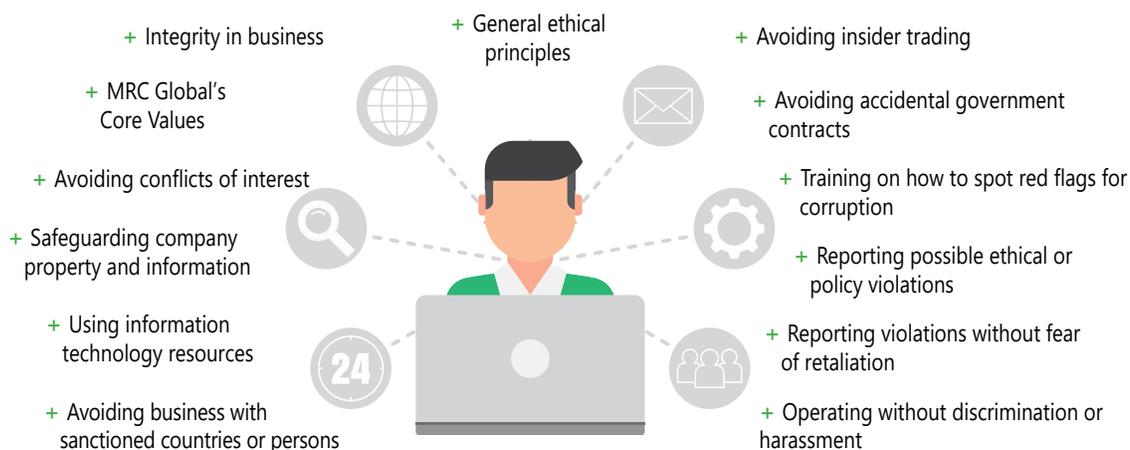


## CODE OF ETHICS

We are committed to high standards of honest and ethical behavior and integrity in carrying out our business activities. Business Ethics is a fundamental Core Value of our company. All team members must follow our **Code of Ethics**, compliance policies and applicable law in all of our activities and operations on a worldwide basis. We rely on the good judgment, high standards and the examples of our directors, officers and team members as the principal guides to ethical conduct. We conduct training and testing of our officers and team members on these issues on a regular basis. We require our team members to complete an **annual online compliance ethics questionnaire** concerning their activities to certify their compliance with our ethics policies. Additionally, we have a strict code of ethics to which our principal executive and senior officers must adhere. Our compliance function routinely reviews recent developments in law so that we can immediately update our policies and practices to maintain our high standards.

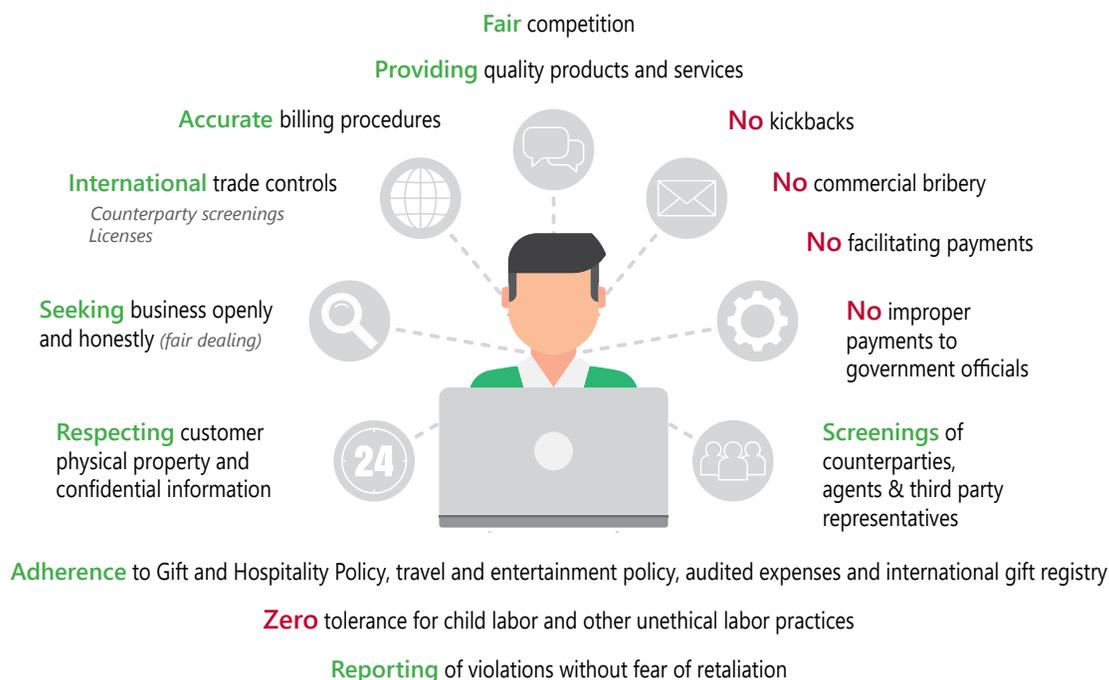
Given that our workforce is distributed across 34 U.S. states and 15 countries, we utilize an on-line learning management system (LMS) to deliver broad based training to our team members. Our compliance training is interactive and practical with industry-specific scenarios to better engage our team members on important topics that impact compliance and our business ethics. This **four-part "ONE MRC Global" Compliance Training** is a comprehensive series that addresses general ethical principles, anti-bribery and anti-corruption, human rights and environmental protection dimensions. Our international team members have access to localized and translated content. By establishing and reinforcing a company global standard for ethics and conduct expectations, these modules transform complex legal topics into easily comprehended practices. Team members learn our requirements in practical, actionable terms. Our "ONE MRC Global" Compliance training covers the following content:

## HOW WE ACT IN THE BEST INTERESTS OF THE COMPANY





## HOW WE TREAT OUR CUSTOMERS & SUPPLIERS



## HOW WE TREAT OUR SHAREHOLDERS

- Honest** and accurate books and records
- Financial** disclosures and preventing fraud
- Third party** audit assurance on financial statements
- Reporting** violations without fear of retaliation
- Commitment** to strong shareholder value



## HOW WE TREAT OUR COMMUNITIES



## BOARD MEMBERSHIP & DIVERSITY

The Board of Directors regularly considers the long-term composition of our Board and how the members of our Board change over time. The entire Board selects nominees for the Board in accordance with the procedures and criteria set forth in our Corporate Governance Guidelines. For information on our Board’s qualification process, see our [2023 Proxy Statement at pp. 34-36](#).

Today, 44% of our directors are from diversity groups, up from 33% in the prior year. Our Board leadership positions are 75% held by diverse groups, including our Chairman. Our Board is comprised of the following members:

Directors (Independent Directors*)	Deborah Adams*	Leonard Anthony*	Henry Cornell*	George Damiris*	Barbara Duganier*	Ronald Jadin*	Anne McEntee*	Robert Saltiel	Robert Wood*
<b>Competencies</b>									
CEO / Former CEO		☺		☺				☺	☺
Former CFO		☺			☺	☺			
Financial Acumen / Financial Expert	☺	☺	☺	☺	☺	☺	☺	☺	☺
COO / Operations	☺			☺					☺
Global / International Exposure / Experience	☺	☺	☺	☺	☺	☺	☺	☺	☺
PVF / Industrial Distribution Experience	☺		☺			☺			
<b>Customer Experience</b>									
▶ Gas Utilities									
▶ Downstream, Industrial & Energy Transition	☺	☺		☺			☺	☺	☺
▶ Production & Transmission Infrastructure	☺			☺			☺	☺	
Oilfield Services / Equipment Sales Experience		☺			☺		☺	☺	
Supplier / Supply Chain Expertise	☺	☺				☺	☺		
Technology Information Systems, Cyber & Information Security	☺				☺	☺			
Environmental & Climate					☺		☺		
<b>Personal / Demographics</b>									
Other Public Boards	2	0	0	1	1	0	0	0	2
Tenure (as of Jan 2023)	5.6	10.6	4.0	1.6	8.0	1.6	0.6	2.2	7.8
Age	62	68	67	63	64	62	52	60	69
Gender (male or female)	F	M	M	M	F	M	F	M	M
Racially or Ethnically Diverse									*

## BOARD COMMITTEES

The Board currently maintains three permanent committees that have been tasked to assist with the oversight of their respective areas of focus and certain categories of risk management, and the committees report to the Board regularly on these matters. The Board’s committees are the Audit Committee, ESG & Enterprise Risk Committee and the Compensation & Human Capital Committee. The responsibilities of each of these committees is set forth in greater detail in our [2023 Proxy Statement at pp. 38-43](#).

## THE BOARD'S OVERSIGHT OF RISK MANAGEMENT

The Board is responsible for overseeing the company's risk exposure, as part of determining a business strategy that generates long-term stockholder value and improved ESG performance. The Board shapes our enterprise-wide risk policies and acceptable risk tolerance levels that provide the foundation for our overall business strategy and recognizes that risk mitigation not only preserves value, but, when managed appropriately, can create value and opportunity for the company. For details on our Board's oversight of risk management, please see our [2023 Proxy Statement at pp. 38-39](#).

## THE BOARD'S OVERSIGHT OF INFORMATION & CYBERSECURITY

Our Board appreciates the importance of maintaining the confidence and trust of our customers, suppliers, and team members. As part of the Board's role as independent oversight of the key risks facing our company, the Board devotes regular and thorough attention to our data, information technology (IT) systems and development (including the company's e-commerce strategy and its implementation) and protection of our data and IT systems, including business resilience, compliance, cybersecurity, and information security risk. For complete detail, see our [2023 Proxy Statement at pp. 39-40](#).

## EXECUTIVE COMPENSATION & ESG PRIORITIES

Our compensation program is designed so that higher-ranked executives have a greater percentage of their compensation contingent on the company's financial performance, long-term stock price performance and other key performance indicators, described as "at-risk" compensation. The company believes that having a significant portion of our executives' compensation at risk more closely aligns their interests with the company's long-term interests and those of the company's stockholders. As relates to linking ESG metrics to executive compensation, some of the company's safety goals are reflected in the 2022 and 2023 short-term cash incentive compensation opportunity for the CEO and other members of our executive leadership team. Specifically, a portion of that compensation opportunity will be based on achieving our annual internal objectives related to safety performance as measured by the company's total recordable incident rate (TRIR) and lost time incident rate (LTIR).

A more detailed discussion of our executive compensation program is available in our [2023 Proxy Statement](#) starting at p. 45 hyperlink under the title "Compensation Discussion and Analysis."

## MANAGEMENT OF CLIMATE CHANGE MATTERS

For a discussion on the Board's and management's handling of climate change matters, please see [Our Approach to Climate](#).

## CLIMATE CHANGE MATTERS

For a discussion on the Board's and management's handling of climate change matters, please see [Our Approach to Climate](#).

## ANTI-BRIBERY & ANTI-CORRUPTION

We are committed to complying with all applicable anti-bribery and anti-corruption laws and rules, including, but not limited to, the local laws of the countries in which we operate, the U.S. Foreign Corrupt Practices Act of 1977, as amended, the UK Bribery Act 2010 and any laws enacted pursuant to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Our team members receive training on anti-corruption and anti-bribery. Additionally, we actively monitor and audit our internal compliance with this policy and we expect our suppliers to fully comply with these laws and regulations.

The Transparency International's 2020 Corruption Perception Index (TICPI) scores and ranks countries and territories based on how corrupt a country's public sector is perceived to be by experts and business executives. **During 2022, approximately 0.09% of our revenue was derived from countries that have the 20 lowest rankings according to the TICPI.**

## GLOBAL ETHICS HOTLINE

Our Global Ethics Hotline allows team members and other individuals to anonymously report unsafe, illegal, unethical behavior, harassment and other concerns without fear of retaliation. Our Global Ethics Hotline, monitored by NAVEX Global, our independent third-party operator, is available 24 hours a day, seven days a week and in multiple languages to address our team members' concerns in the various countries in which we operate. We proactively communicate the existence of our Global Ethics Hotline with prominent display at the top of our intranet homepage, and each of our global locations has a poster with information on how to access the hotline. We conduct an annual ethics compliance survey of our team members to determine if they have ethics concerns. In that survey, we ask them to let us know if they are aware of the hotline and provide them with information on where to access it. Finally, when conducting service center, distribution center or other site audits, we verify that the hotline has been adequately publicized.

We maintain reports regarding concerns reported on the hotline and any related investigations, including any whistleblower reports. We will not allow retaliation for reports of violations, and we endeavor to investigate reports consistently and fairly. Our General Counsel provides a summary report to the Audit Committee of our Board each quarter regarding the number and nature of the team member concerns. Of course, any major whistleblower report is communicated to the Audit Committee in accordance with our Whistleblower Policy.



## HUMAN RIGHTS

MRC Global is committed to conducting its worldwide business and operations in accordance with high standards of integrity in a legal, ethical and socially responsible manner. This includes a commitment to respecting human rights as a fundamental principle in our operations. We support the protection of internationally proclaimed human rights including the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, which enshrines the core principles of freedom of association; the effective recognition of collective bargaining; the elimination of all forms of forced and compulsory or child labor; and the elimination of discrimination in respect of employment and occupation.

Our team members receive regular training on Core Values, including specific training for anti-discrimination and anti-harassment. We encourage our suppliers to align their practices with the International Labor Organization's core principles and are committed to working in partnership with suppliers, customers and third parties to promote the furtherance of human rights. As part of our audit process of suppliers on our Approved Manufacturers List, we consider these suppliers' performance regarding human rights and labor rights, including their conformance with our human rights and labor rights policies. We have not discovered any noncompliance by our suppliers with our policies, but should issues arise, we will investigate immediately and determine the appropriate next steps. We encourage our stakeholders' involvement in the company's commitment to protect human rights and the implementation of our human rights policy by reporting any human rights violations or concerns related to our business through our Global Ethics Hotline.

For further information, see our [Human Rights Statement on our website](#).

## INFORMATION & CYBERSECURITY

We recognize that threats to our data and systems continue to grow, requiring proactive measures to protect the company, its customers and suppliers, and its team members. Our information security department includes both internal and external cybersecurity resources and experts. We have a Cybersecurity Committee led by our General Counsel and consisting of our head of information security, Chief Information Officer (CIO) and CFO. The Cybersecurity Committee is the risk owner and oversees the company's comprehensive monitoring, prevention, and response capabilities.

We also have required cybersecurity training for all team members. This training explains the threat landscape and our team members' role in keeping our company's systems secure against these threats. The training introduces team members to current cybercrime strategies, followed by an exploration of 12 common types of digital and in-person threats used by today's cybercriminals to trick team members into taking an action. By learning how to recognize these threats, a team member can make smarter security decisions every day and help prevent a cybercrime attack that would put our organization, and themselves, at risk.



### Phishing Alert Training

- Required training is conducted globally
- Localized in all languages
- Additional education is available

### Monthly Mock Phishing Exercising

Targeted follow up training is provided promptly following the event to maximize relevance and understanding.

In 2022, **98% of team members were trained**<sup>15</sup>

On the system side, we follow a Penetration Testing Execution Standard and work with a third party to conduct vulnerability analysis, including simulated hacker attacks. We conduct a wide range of technical assessments, vulnerability scans, remote retests, attestation reporting and internal and external Payment Card Industry Data Security Standards (PCI DSS) penetration testing. Additionally, we participate in a biweekly meeting with industry leaders sharing the latest info-security and cybersecurity emerging threats for situational awareness and collaborate on lessons learned and solutions.

We protect the privacy of each individual person who transacts business with us. In addition to policies and communications to team members, we use electronic monitoring systems to capture and prevent transmission of protected information within corporate systems. This includes electronic mail, file attachments, and publicly shared or accessible data. Strict privacy controls are enforced through policy and contract addenda to all entities who require or may have access to MRC Global information systems.

**0000** **2022** zero breaches of Personal Identifying Information (PII) or other sensitive team member information **00**

## CORPORATE POLICIES

Our adherence to our corporate policies is the first step in maintaining our corporate integrity. Our most important policies related to our corporate integrity include:

- > Code of Ethics
- > Code of Ethics for Senior Officers
- > Human Rights Statement
- > Anti-Slavery & Anti-Human Trafficking Statement
- > Gifts & Hospitality Policy
- > Anti-Bribery & Anti-Corruption Policy
- > Related Party Transaction Policy
- > Dignity at Work & Equal Opportunity Statement
- > Delegation of Authority Policy
- > Antitrust Compliance Policy
- > Anti-Discrimination & Anti-Harassment Policy
- > Health and Safety Policies
- > Environmental Policy
- > Conflict Minerals Policy
- > Code of Conduct for Suppliers
- > Whistleblower Policy
- > Privacy Statement
- > Business Data Use Statement
- > Third-Party Due Diligence Procedures and Standards
- > Global Trade Compliance Policy
- > Sanctioned Country, Restricted Parties, & End User Policy
- > Record Retention Policy
- > Supplier Diversity Program Statement

<sup>15</sup> - We require 100% of team members to take this training. However, the 98% number reflects a discrepancy in tracking contractors that is under improvement.







## ABOUT THIS REPORT

*The information included in this ESG Report has been subjected to MRC Global's policies surrounding the disclosure of financial and non-financial data. The financial information included in this ESG Report was sourced from our Annual Report on Form 10-K for the year ended December 31, 2022 that has been filed with the Securities and Exchange Commission (SEC). This financial information and all non-financial data included in this ESG Report was not subject to a third-party audit verification process.*

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## FORWARD-LOOKING STATEMENTS

Certain information contained in this ESG Report may constitute forward-looking statements within the meaning of applicable securities laws, including, but not limited to, words such as “will,” “expect,” and similar expressions are intended to identify forward looking statements. Statements regarding our company’s plans, strategies, objectives and assumptions, including plans to move forward with climate change opportunities and plans to seek opportunities to further integrate sustainability factors into investment decisions are not guarantees of future performance. 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 MRC Global 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. We also describe risks and uncertainties in our reports filed with the SEC, including our Annual Report on Form 10-K for the year-ended December 31, 2022 (under the headings “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” and elsewhere) and our subsequent reports, which are available through the SEC’s EDGAR system at [www.sec.gov](http://www.sec.gov), and on our website at [www.mrcglobal.com](http://www.mrcglobal.com). MRC Global assumes no obligation to update or otherwise revise these forward-looking statements, whether as a result of new information, future events, or otherwise.

# 2022 SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

## MULTILINE AND SPECIALTY RETAILERS & DISTRIBUTORS (CODE CG-MR)

### OIL & GAS - SERVICES (CODE EM-SV)

The Sustainability Accounting Standards Board (SASB – now part of the Value Reporting Foundation) is an independent, private sector standards-setting organization whose mission is to help businesses identify, manage and report on the sustainability topics that SASB believes will be financially material, decision-useful information to investors. According to the SASB’s Sustainable Industry Classification System®, we determined the two industry standards listed below most accurately reflect our business operations. This index references only the disclosure topics within those two standards that we believe are significant and relevant to our business.

Topic	SASB Code	Accounting Metric	Page(s)
Emissions Reduction Services & Fuels Management	EM-SV-110a.1	Total fuel consumed, percentage renewable, percentage used in: (1) on-road equipment and vehicles and (2) off-road equipment	21 & 48
Emissions Reduction Services & Fuels Management	EM-SV-110a.2	Discussion of strategy or plans to address air emissions-related risks, opportunities and impacts	17-22
Energy Management in Retail & Distribution	CG-MR-130a.1	(1) Total energy consumed, (2) percentage grid electricity,	22 & 48
Workforce Health & Safety	EM-SV-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), (4) total vehicle incident rate (TVIR), and (5) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	29 & 48
Workforce Health & Safety	EM-SV-320a.2	Discussion of management systems used to integrate a culture of safety throughout the value chain and product lifecycle	25 & 29
Data Security	CG-MR-230a.1	Description of approach to identifying and addressing data security risks - see pages 34-35 of our 2021 Proxy Statement on our company’s website at investor.mrcglobal.com	13, 43-45 & 61
Labor Practices	CG-MR-310a.3	Total amount of monetary losses as a result of legal proceedings associated with labor law violations*	32 & 48
Workforce Diversity & Inclusion	CG-ME-330a.1	Percentage of gender and racial/ethnic group representation for management and all other employees	32 & 48
Workforce Diversity & Inclusion	CG-MR-330a.2	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination*	48
Product Sourcing, Packaging & Marketing	CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	23
Business Ethics & Payments Transparency	EM-SV-510a.1	Amount of net revenue in countries that have the 20 lowest rankings in Transparency International’s Corruption Perception index	43
Business Ethics & Payments Transparency	EM-SV-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	25, 27, 39-45
Management of the Legal & 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	11-15, 26-27
Critical Incident Risk Management	EM-SV-540a.1	Description of management systems use to identify and mitigate catastrophic and tail-end risks	13-14, 43

\* There were no monetary losses resulting from any legal proceedings that resulted from employment discrimination or labor law violations.

# 2022 TASK FORCE ON CLIMATE-RELATED DISCLOSURES (TCFD) INDEX

	Activity Metric	Report Location
Governance	Describe the board’s oversight of climate-related risks and opportunities	9, 11-12, 43
	Describe management’s role in assessing and managing climate-related risks and opportunities	11, 43
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short-, medium-, and long-term	11
	Describe the impact of climate-related risks and opportunities on the organization’s business, strategy, and financial planning	11-15
	Describe the resilience of the organization’s strategy taking into consideration different climate-related scenarios, including a 2° C or lower scenario	15
Risk Management	Describe the organization’s processes for identifying and assessing climate-related risks	13-14
	Describe the organization’s processes for managing climate-related risks	13
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management	10, 13-14
Metrics & Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	9-15, 48
	Disclose Scope 1, 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	21-22
	Describe targets used by the organization to manage climate-related risks and opportunities and performance against targets	N/A

## 2022 ESG PERFORMANCE SUMMARY SUPPLEMENT

\$808 million of the company's 2022 revenue of \$3.4 billion was represented by Low-E valve sales. This amounts to 96% of total valve sales and approximately 24% of the company's total revenue.

	Global		
	2022	2021	2020
Scope 1 Emissions – MTCO <sub>2</sub> e (1)	12,250	N/M	N/M
Scope 1 Emissions Intensity (1,2)	3.64	3.34	3.86
Total Scope 2 – electricity emissions from all sources – MTCO <sub>2</sub> e (3)	6,635	N/M	N/M
Total Scope 2 – electricity consumption from all sources – megawatts	22,881	21,264	17,378
Total Scope 2 – electricity consumption from all sources – gigajoules	82,372	76,540	62,561
Scope 2 Emissions, electricity emissions from hydrocarbon sources – MTCO <sub>2</sub> e (3,5)	6,470	N/M	N/M
Scope 2 Emissions, electricity consumption from hydrocarbon sources - gigajoules (3,5)	60,178	42,713	49,211
Scope 2 Emissions, electricity emissions from renewable energy sources – MTCO <sub>2</sub> e (3)	165	N/M	N/M
Scope 2 Emissions, electricity consumption from renewable energy sources - gigajoules	22,194	33,827	13,350
Scope 2 Emissions Intensity (2)	1.97	N/M	N/M
Water Consumption, cubic meters (4)	66,918	54,966	21,405
Material Recycled, tons (U.S. only)	459	499	487
Percentage of Waste Recycled (U.S. only) (6)	5%	13%	12%

## EMISSIONS, WATER & WASTE

- (1) In 2022, MRC Global removed GHG emissions associated with its U.S. team members' personal use of company vehicles. Estimated fuel use reported by team members as personal use is from a fringe benefit report to the U.S. Internal Revenue Service. The fourth quarter for international mobile on-road and stationary combustion sources, including natural gas was reported under the GHG Protocol using linear extrapolation. Prior years did not report complete Scope 1, nor were they calculated in MTCO<sub>2</sub>e and, as such, were not provided for comparison.
- (2) emissions/1,000,000 unit total revenue.
- (3) 2022 is the first year electrical emissions were calculated under the GHG Protocol so there are no prior years to compare under MTCO<sub>2</sub>e. The fourth quarter was estimated under the GHG Protocol using linear extrapolation.
- (4) The fourth quarter for international mobile on-road and stationary combustion sources, including natural gas was estimated under the GHG Protocol using linear extrapolation.
- (5) excludes renewable energy sources.
- (6) MRC Global produces negligible to zero hazardous waste, totals above incorporate only non-hazardous waste.
- [N/M] denotes data that was not measured.

## REAL ESTATE

	Global		
	2022	2021	2020
ISO 14001 Certified Locations	4	4 (1)	6
ISO 9001 Certified Locations	30	30	34
LEED Certified Space	645,690 ft <sup>2</sup> (59,986 m <sup>2</sup> )	645,690 ft <sup>2</sup> (59,986 m <sup>2</sup> )	645,690 ft <sup>2</sup> (59,986 m <sup>2</sup> )

## HEALTH & SAFETY

	Global		
	2022	2021	2020
Total Recordable Incident Rate (TRIR)*	0.78	1.09	0.49
Lost Time Incident Rate (LTIR)*	0.12	0.48	0.17
Recordable Vehicle Incident Rate (RVIR)**	0.36	0.39	0.38
Near Miss Frequency Rate (NMFR)+	29.99	19.76	20.22
Work Related Fatalities	0	0	0

\*per 200,000 hours worked

\*\*per 1,000,000 miles driven

+The company changed NMFR recording methodology in 2020. 2021 and 2020 numbers were calculated using this methodology. [n/m] denotes data that was not measured

## ETHICS & VALUES

	Global		
	2022	2021	2020
Percentage of Workforce Trained on Anti-Corruption & Anti-Bribery	98%	98%	98%
Percentage of Workforce Trained on Workplace Equality, Anti-Harassment & Anti-Discrimination	98%	99%	98%
Percentage of Workforce Trained on Basic Cybersecurity*	98%	99%	96%

\*Cybersecurity training includes contractors.

All employees are required within five days of employment to take compliance training, and employees have 90 days to take required refreshment training, so the training percentages above reflect a lag in new employee completion. Employee actions must always reflect the highest possible standards of business conduct and ethics, and all employees are required to sign their agreement to the code of conduct as part of their employment condition.

## DIVERSITY

	Global		
	2022	2021	2020
<b>Global Workforce Diversity</b>			
Workforce (Total), percent women	29%	27%	26%
Workforce Director and Above, percent women	24%	24%	19%
Workforce (Corporate Functions), percent women	53%	55%	45%
Board of Directors, women or persons of color	44%	33%*	33%
	U.S. Only		
	2022	2021	2020
<b>U.S. Racial/Ethnic Diversity</b>			
American Indian/Alaska Native	1%	1%	1%
Asian	2%	2%	2%
Black or African American	8%	8%	8%
Hispanic or Latino	14%	16%	16%
Native Hawaiian/Other Pacific Islander	<1%	<1%	<1%
Not Specified	14%	8%	10%
Two or More Races	1%	1%	1%
White	60%	64%	62%
		2022	2021
<b>U.S. Workforce Diversity</b>			
Workforce (Total), percent persons of color or diverse ethnic groups		40%	36%
Workforce Director and Above, percent persons of color or diverse ethnic groups		3%	6%
Workforce Manager and Above, percent persons of color or diverse ethnic groups		23%	21%

\*75% of our Board leadership roles are from diversity groups.

We operate in 16 countries and have an increasingly global and diverse customer and employee base.

## EMPLOYEE DEVELOPMENT

	Global		
	2022	2021	2020
Average Number of Training Hours Per Employee	22.1	17.3	17.2
Average Amount Spent on Training Per Employee	\$414	\$324	\$153





# **MRC Global**

## **CORPORATE HEADQUARTERS**

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