

MRC Global (Canada) Ltd.'s Report Pursuant Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act

MRC Global (Canada) Ltd.'s Operations

MRC Global (Canada) Ltd. (the “Company”) is an entity organized pursuant to the Canada Business Corporations Act and is located at 255 – 5th Avenue SW, Calgary, AB, T2P 3G6, Canada. The Company is a subsidiary of MRC Global Inc. (“MRC Global”), an American publicly traded company headquartered in Houston, Texas. This report covers the Company’s financial reporting for the year 2023.

Globally, MRC Global is the leading distributor of pipe, valves, and fittings (“PVF”) products and other infrastructure products and value-added services to diversified end-markets. The Company’s Canadian operations consist of ten locations with differing operations. Our Nisku facility primarily consists of the Canadian regional distribution centre, along with workshop for assembly of valve automation products, in addition to a sales office offering daily maintenance, repair and operations and project sales services. In the eight field service centres located in Sarnia, Red Deer, Grande Prairie, Lloydminster, Bonnyville, Fort St. John, Whitecourt and Athabasca, we operate a warehouse and sales operation for the distribution of PVF products. In Calgary, our corporate office offers sales, business development, and internal operations services.

The Company’s customers are primarily in the energy markets, including oil and gas and energy transition. MRC Global has a global supply chain (“Supply Chain”), which the Company utilizes, that includes suppliers from around the globe, namely the U.S., Canada, Mexico, Spain, Germany, Italy, China, India, and Taiwan. While there is some level of inherent risk of human rights concerns with additional regions from which the Company obtains product supply, such as China and Taiwan, neither the Company nor MRC Global have identified violations to date. On a global basis, MRC Global conducts due diligence, outlined below, to evaluate this risk and implement measures to deter and prevent human rights violations through its Supply Chain and as part of its decision to do business with its customers and ultimate end-users. Upholding human rights and decent working conditions is important to the Company, MRC Global and to its and their respective customers, most of whom are large, multi-national companies with similar diligence requirements. Together with MRC Global, the Company believes its ethical standards are clearly communicated as a condition of doing business through the Supply Chain.

The Company’s senior management team is in Calgary, AB and reports to the Vice President – Canada Sales, Marketing & Projects who resides in Calgary, AB, who reports to MRC Global (US) Inc.’s Senior Vice President Sales & Marketing located in Houston, Texas. MRC Global’s nine-member [Board of Directors \(“Board”\)](#) is in the United States.

MRC Global's Commitment to Social Responsibility

MRC Global has a history of promoting social responsibility through its operations and Supply Chain. We recognize that our effective management of social responsibility is of long-term significance to our stakeholders and critical to the Company's success. Our commitment starts at the top with MRC Global's Board which tasked its ESG & Enterprise Risk Committee with assisting the full Board in its oversight of the Company's efforts on ESG matters, including social responsibility. MRC Global's management-driven ESG Committee is chaired by its SVP – Sustainability and sponsored by its EVP – Corporate Affairs and is comprised of the executives representing various functions within MRC Global, including but not limited to operations, quality, human resources, legal, and supply chain management leaders. MRC Global's most recent Sustainability report can be found at <https://online.fliphtml5.com/jzchy/nydm/#p=1>

MRC Global's Compliance, Human Resources, and Supply Chain teams further drive our expectations and diligence concerning fundamental human rights and decent working conditions for our operations and for the third parties with whom we conduct business.

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 MRC Global and our Company. All employees (known as “team members”) must follow MRC Global's Code of Ethics, compliance policies and applicable law in all our activities and operations on a worldwide basis. Those policies include, but are not limited to, MRC Global's [Human Rights Statement](#), [Anti-Slavery and Anti-Human Trafficking Statement](#), [Anti-Discrimination & Anti-Harassment Policy](#), and its [Code of Conduct for Suppliers](#). These Core Values and policies apply to MRC Global's global operations, including those of the Company.

We rely on the good judgment, high standards and the examples of our directors, officers, and team members as the principal guide to ethical conduct. We conduct training and testing of our officers and team members on these issues on a regular basis. We have a strict code of ethics to which our principal executive and senior officers must adhere. Our compliance function, managed through MRC Global, routinely reviews recent developments in law so that we can immediately update our policies and practices to maintain our high standards.

The Company and our Canadian team members use MRC Global's on-line learning management system to receive regular training on our Core Values, including specific training for anti-discrimination and anti-harassment. This 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. MRC Global's international team members, including those in Canada, 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.

MRC Global is committed to respecting human rights as a fundamental principle in its global operations including those of the Company. The Company supports 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 labour; and the elimination of discrimination in respect of employment and occupation.

We have a zero-tolerance approach to slavery. Modern slavery is a violation of fundamental human rights and a crime. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty to exploit them for personal or commercial gain. MRC Global is committed to implementing and maintaining systems, controls and practices to prevent modern slavery from taking place within its global business, the Company, the Supply Chain, as well as choosing not to conduct business with customers who may engage in modern slavery practices.

We oppose all forms of forced and child labour, and we hold both ourselves and the Supply Chain accountable for compliance with the U.K. Modern Slavery Act and other applicable local laws in Canada and beyond. We maintain internal accountability standards and processes for team members, contractors and members of the Supply Chain regarding this responsibility. We also have due diligence processes in place to avoid conducting business with customers at risk for these forced labour practices.

MRC Global has prevention checks in place for internal human rights and decent working conditions standards in Canada and throughout its global operations. In addition to the policies and training above, we have levels of approval processes for hiring and setting wages, auditors to evaluate wages and our operations, including safety and working conditions.

While no violations of human rights policy or law have been identified, we have a clearly communicated reporting system to allow team members and third parties to report concerns to us for investigation, including anonymously. We encourage reports of unsafe, illegal, unethical behavior, harassment, and other concerns without fear of adverse impacts. MRC Global's Global Ethics Hotline, monitored by NAVEX Global, its independent third-party operator, is available 24 hours a day, seven days a week and in multiple languages to address our team members' or third parties' concerns. To make an information request, a person may access the [Ethics Hotline](#). We proactively communicate the existence of the Global Ethics Hotline with prominent display at the top of MRC Global's intranet homepage, on MRC Global's external website under Social Responsibility, (see <https://www.mrcglobal.com/social-responsibility/>) within its Code of Conduct for Suppliers, and each of MRC Global's global locations has a poster with information on how to access the hotline. When conducting service center, distribution

center or other site audits, we request confirmation that the hotline has been adequately publicized.

MRC Global maintains reports regarding concerns reported on the hotline and any related investigations, including any whistleblower reports. All such reports are available to the Company. We will not allow adverse action for reports of violations, and we endeavor to investigate reports consistently and fairly. MRC Global's General Counsel provides a summary report to the Audit Committee of the 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 MRC Global's Whistleblower Policy.

All MRC Global team members (including those within the Company) are required to respond to an annual compliance certification, administered by a third party. Each team member is required to certify his or her understanding of various compliance policies and adherence to those policies, including on human rights and awareness of and how to access MRC Global's Ethics Hotline. Any team members who are unable to certify a compliance topic or question, must explain why and MRC Global's Human Resources and Compliance Teams vet and work to remedy it. This is another opportunity for MRC Global to determine whether all team members are sufficiently trained, able to comply, and are prepared to report any concerns inside or outside of the Company.

For our suppliers, contractors, and other third parties with whom we do business, MRC Global has a Code of Conduct for Suppliers that sets forth our expectations to maintain high standards in the conduct of its businesses and operations. The Code of Conduct for Suppliers details the behaviours, practices, and responsible business standards with which we expect them to comply. MRC Global risk assesses suppliers based on the amount of business conducted with them annually, the location of their operations, their responses to inquiries, publicly available information from MRC Global's compliance due diligence reviews, and information directly observed and obtained by on-site auditors.

MRC Global encourages 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 MRC Global's audit process of suppliers on its Approved Manufacturers List ("AML"), the suppliers' performance regarding human rights and labour rights, including their conformance with MRC Global's human rights and labour rights policies are given high consideration. 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 MRC Global's Global Ethics Hotline.

Before we add a new third party as a vendor, we conduct due diligence guided by MRC Global's compliance team. That due diligence requires the third party vendor to have an

authorized representative certify compliance with the Supplier Code of Conduct, support our health, safety, and environmental policies, adhere to worker protections, disclose whether the third party has been subject to fines, sanctions, or prosecutions for violations in these areas, confirm no use of child labour or forced labour, and confirm no charges, convictions, or breach of any labour or anti-slavery laws, trade compliance or trade control laws, bribery or corruption laws, among others, in the last 5 years. This due diligence further requires the third-party vendor to immediately provide MRC Global with notice of any change in information and to execute an updated due diligence declaration as and when required by MRC Global. The vendor also must agree that MRC Global, including the Company, has the right to terminate any contract without liability if the vendor knowingly or unknowingly provides inaccurate information to MRC Global. In addition, MRC Global's Finance department prepares an additional due diligence form that validates the prior vendor's declaration was completed and approved and other compliance approvals are in place before the new third-party vendor can be added to our system.

For our product manufacturers, we have built and maintained a supply chain centred on the notion that our sustainability expectations, including human rights, is fundamental to our value proposition for our customers. To advance this, our product quality assurance program includes manufacturer qualification and other quality control functions as well as processes to increase ethical behavior in the Supply Chain, avoid improper labour practices and encourage sustainability.

In addition, we require each prospective significant supplier to complete MRC Global's 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 health and safety practices, sustainability and environmental impacts, labour and human rights practices, legal compliance, and social responsibility.

In late 2022, MRC Global 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 environmental, social, and governance analysis that will enable us to gain greater visibility into the maturity of our manufacturers' sustainability programs, how their programs add or detract from our and our customers' sustainability objectives and can be provided upon request to customers.

If any assessments of the third parties with whom we do business reveal a human rights or decent working conditions concern, MRC Global will conduct a thorough investigation and require corrective actions and further assurance before continuing business. If necessary, MRC Global will discontinue business and reserves that right to do so as a legal breach in its contracts. The negative impact of discontinuing business with a supplier engaged in human rights abuses is anticipated to be negligible. MRC Global has built a resilient Supply Chain and we anticipate we could replace the supply from a compliant supplier.

As a distributor of thousands of products to thousands of customers, MRC Global requires an end-user declaration as part of its export control due diligence. This diligence provides MRC Global with insight into the ultimate end-use destination and end-user of our products to enable us to avoid selling or shipping to restricted parties or sanctioned countries, some of which are listed as such due to human rights abuses. For new customers and end-users in higher risk locations or businesses, MRC Global has an Ethics Committee which convenes to review more detailed due diligence to determine whether we should transact business and, if so, on what terms.

MRC Global has policies, due diligence (including questionnaires, declarations, on-site assessments, and inquiries into whether our suppliers vet their suppliers), and reporting mechanisms in place to limit the risk of our operating or transacting business with third parties where human rights or decent working conditions are compromised. MRC Global monitors the results of its due diligence measures, investigates abnormalities as necessary and will take reasonable steps to remediate concerning behaviour. In addition, as a condition to our standard contracting terms, the Company and MRC Global requires suppliers comply with applicable regulations and conventions relating to ethics, and integrity in business and compliance with human rights principles. This provides MRC Global with the ability to hold suppliers accountable to adherence with our human rights expectations.

If or when any adverse impacts to human rights are identified and confirmed either within our organization or with third parties with whom we do business, MRC Global will follow its process to notify appropriate internal and external stakeholders.

MRC Global continuously works to promote fundamental human rights and decent working conditions throughout its operations globally, including Canada, and with the third parties with whom we conduct business. This work is performed in accordance with the OECD Guidelines for Multinational Enterprises and the requirement of applicable. More information can be found in [MRC Global's Annual Report](#).

Attestation:

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Chad Larocque
Vice President – Canada Sales, Marketing & Projects
May 30, 2024

DocuSigned by:
 "I have the authority to bind MRC Global (Canada) Ltd."
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