





Sustainability Report

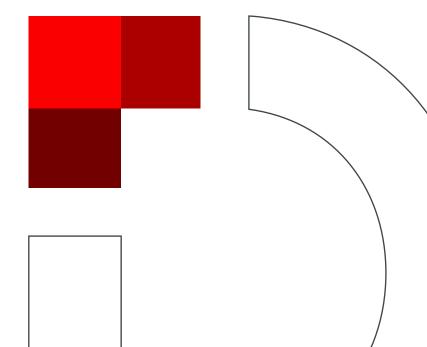
**Cultivating** Sustainable Value



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#### A WORD From our CEO

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U.N. Sustainable Development Goals We are proud to present DNOW's 2024 Sustainability Report, a testament to our commitment to corporate responsibility and sustainable growth. Over the past year, we have taken important steps to enhance our sustainability foundation and build on the momentum of our refreshed brand. Today, we are pleased to share some highlights of this transformative year.

Throughout 2024, DNOW continued to make significant strides in sustainability, reinforcing our position as a premier leader in the energy and industrial sectors. We remained focused on delivering solutions that support our customers' environmental goals, helping them reduce impact and improve efficiency. We empowered our employees to make a difference through community engagement, and our strong governance practices continued to guide our strategic priorities.

We delivered solid financial results, accentuated by \$289 million in free cash flow, and fully executed our inaugural \$80 million share repurchase program, while growing revenues on a year-over-year basis to \$2,373 million for the full-year 2024. Our results reflected the continued execution of our strategy, combining prudent working capital management and a debt-free balance sheet to position DNOW for continued growth in the future.

We completed two acquisitions in 2024, making it one of the largest acquisition years in the company's history as a public entity. The Whitco Supply acquisition expanded our operations in the midstream market, while the Trojan Rentals acquisition increased our water management capabilities, adding sustainable water sourcing, recycling and disposal solutions for our customers. We also continued to grow our EcoVapor gas treating business, helping oil & gas and renewable natural gas ("RNG") operators reduce Scope I emissions and recover valuable gas.

DNOW's progress extends beyond operations and into meaningful social sustainability outcomes. We achieved a 24% year-over-year decrease in TRIR, consistently maintaining rates below the industry average as reported by the U.S. Bureau of Labor Statistics. We launched new employee resource groups to celebrate diverse cultures and amplify the voices of marginalized communities. Our worldwide DNOW Lights program continued to promote social responsibility and lead by example, contributing 2,184 volunteer hours and raising more than \$300,000 for charitable organizations.

As we look ahead, we remain focused on environmental responsibility, social impact and a strong culture of governance. Our sustainability disclosures, incorporating SASB and TCFD frameworks, provide accountability and insight to DNOW's long-term strategy. We are proud of what we have achieved and motivated by the promise of what lies ahead.

Thank you for your continued confidence and support.





## Q&A

Introduction

Sustainable Value. At the heart of this mission is a commitment to weave corporate responsibility throughout DNOW.

In another year marked by meaningful progress, DNOW has worked hard to nourish and progress our mission of Cultivating

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#### How does DNOW approach sustainability?

DNOW is dedicated to ensuring a safe and respectful workplace while conducting business in a socially responsible and sustainable manner. Our corporate sustainability strategy aligns with our core values, focusing on creating positive social and environmental impacts within an effective governance framework. Our corporate responsibility program is overseen by a management committee comprised of senior leaders from various functional areas within DNOW.

Our Board of Directors supervises our sustainability initiatives through the Environmental, Social, Governance & Nominating Committee, as investors seek comprehensive information to make well-informed investment decisions. Annually, we engage with our shareholders to gather feedback and address their inquiries related to our data-driven disclosures. This input is considered each year alongside peer analysis and annual standards assessments to guide our corporate responsibility reporting and strategy. The results of these evaluations form the basis of this Report, including the decision to adhere to the SASB and TCFD frameworks.

#### **How is DNOW Cultivating Sustainable Value?**

Cultivating sustainable value for DNOW is achieved through several interconnected strategies that balance short-term performance with long-term viability. Our growth strategy aims to protect and expand our core markets, achieve growth by participating in the energy evolution by providing our customers with products to reduce methane emissions, capture CO<sub>2</sub> emissions through CCUS and direct air capture opportunities and renewable energy products such as renewable natural gas and sustainable fuels. We are also expanding opportunities in a number of adjacent industrial markets where we have a number of environmental beneficial products that help our customers' sustainability.

Intertwined with our strategy is our focus on operational excellence through efficient operations that can scale and adapt over time. These include optimized supply chains, employing robust quality control systems and building organizational capabilities that support growth. Furthermore, we continue to weigh stakeholder capitalism decisions in balance with ESG integration, financial discipline and building trust with investors, customers, suppliers and other stakeholders through thoughtful communication.





# Q&A

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#### What progress did DNOW make in 2024?

We take great pride in the advancements we have made in our sustainability initiatives each year, building on our initial disclosures from the past six years. Notably, one of our most significant achievements has been fostering and supporting a winning culture, where our values inform our business practices. A year ago, we set forth foundational steps to rebrand DNOW, incorporating our three core principles: inspiring one another, delighting our customers and fueling the future. Over the past year, we have successfully integrated these principles across DNOW through various employee development and communication initiatives.

In 2024, DNOW:

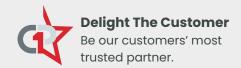
- Expanded our custom environmental solutions that help customers reduce emissions and manage water usage. Our Supplier Code of Conduct was reinforced to elevate expectations for sustainable practices in our vendor partners.
- Focused on supporting communities and fostering an inclusive workplace, including deepening our partnerships with several charitable organizations. These initiatives have been instrumental in fostering a culture of inspiring one another.
- Strengthened our governance framework to ensure accountability and transparency. The Environmental, Social, Governance & Nominating Committee has been instrumental in guiding our ESG strategy and monitoring our corporate social responsibility and environmental sustainability initiatives. Our Board of Directors continues to oversee our sustainability efforts, ensuring that our strategies align with shareholder expectations and industry best practices.

DNOW is enthusiastic about the future and its role in expanding sustainability for our operations and for our customers. With a solid foundation and a clear path forward, we're poised for a successful 2025 and beyond.

#### **Our Ethos**











**ABOUT US** 

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DNOW is a supplier of energy and industrial products and packaged, engineered process and production equipment with a legacy of over 160 years. Headquartered in Houston, Texas, with approximately 2,575 employees and a network of locations, we offer a broad set of supply chain solutions combined with a suite of digital offerings branded as DigitalNOW® that provide customers access to highly complementary digital commerce, data and information management channels. Our locations provide products and solutions to companies in exploration and production, midstream transmission and storage, refineries, chemical production, utilities, mining, municipal water, manufacturing, engineering and construction, as well as those involved in decarbonization, energy evolution and renewable end markets.

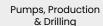
We cater to diverse industries, from exploration and production to renewable energy sectors; we are committed to driving progress and supporting the transition to a sustainable future.



For more information about DNOW. visit www.dnow.com.

#### **Product & Services**







Pipe



Valves



Fittings & Flanges



Mill, Tool, MRO, Safety & Other



Electrical



**Power Generation** & Transmission



**Artificial Lift** 



Instrumentation & Measurement



Industrial & **Facilities Supplies** 

#### Solutions

#### Digital NOW®







Engineering, Design & Fabrication



Safety Services



Supply Chain &

Materials

Management

Valve Actuation & Automation



Turnaround







#### **DigitalNOW® Ecosystem**



eCommerce



eSpec™ Product Configurator



eTrack™ Asset Management



OptiWatch Pump Monitoring



Sable Automation Solutions



**Customer Information Portal** & DNOW Data Analytics

#### Point of Sales Convenience



AccessNOW™ Inventory Control



Mobile Consignment App



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#### **DNOW** At-A-Glance

We remain focused on delivering strong financial performance and long-term value for our shareholders. Our inclusion in multiple industry rankings reflects our operational excellence and ability to adapt in dynamic markets. As we continue to strengthen our position, we are also advancing sustainability initiatives that align with evolving industry standards and expectations, ensuring responsible growth and resilience in a changing global landscape.

\$2.37B

Revenue

\$81M

**Net Income** 

\$176M

\$0.74

**Diluted EPS** 

- Cash provided by operating activities was \$298 million for the full-year 2024
- Revenue was \$2.373 billion for the full-year 2024
- Net income attributable to DNOW Inc. was \$81 million, or \$0.74 per diluted share, for the full-year 2024
- Non-GAAP net income attributable to DNOW Inc., excluding other costs, was \$100 million, or \$0.91 per diluted share, for the full-year 2024
- EBITDA, excluding other costs, was \$176 million, or 7.4% of revenue, for the full-year 2024
- Cash and cash equivalents was \$256 million and long-term debt was zero at December 31, 2024, with total liquidity of approximately \$556 million

#### **Our 2024 Awards**

	an Supply Association
PPI V	+0
	TIMES
	<b>PPLY</b>

Premier 150: Segment Leaders (Pipe-Valves-Fittings)

**#10 Premier 150:** Top Sales

#3



#3 Wholesaling 100: Top PVF Distributors

**#11 Wholesaling 100:** Overall Ranking



#4 Top Distributors: Industrial PVF

**#4 Top Distributors:** Fluid Power

INDUSTRIAL DISTRIBUTION

 $t_{14}$  Industrial Distribution Big 50

**Industrial** Supply

Top 20 Industrial Distributors

HOUSTON CHRONICLE

#46 The Chronicle 100: Publicly Traded Companies

HOUSTON Business Journal

[5] Largest Houston-Area Public Companies

Forbes

#65 America's Most Successful Small-Cap Companies





A ESG Rating

1 - The use by DNOW of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation or promotion of DNOW by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.



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manufacturing
site audits

employee fatalities & TRIR¹ lower than BLS² industry averages

Over

93%

carbon-neutral parcel
shipments for five
consecutive years through
our supplier partnership³

>34% decrease in Scope 1 & 2 greenhouse gas (GHG) emissions intensity from 2021 (34.64% exact)



316 total deployed ZerO2™ equipment units in the U.S., enabling oil & gas and RNG operators to cut 5+ million MT CO₂e annually<sup>4</sup>

- 1 Total Recordable Incident Rate ("TRIR")
- 2 Bureau of Labor Statistics ("BLS").
- 3 Specific to U.S. only; prior to 2024 acquisitions, nearly 100% carbon-neutral shipments for four consecutive years.
- 4 As of December 31, 2024, 316 total equipment skids were installed at RNG and oil & gas sites across the U.S. Collectively, these units can process over 100 million standard cubic feet of gas daily, enabling our customers to cut more than 5,000,000 MT CO<sub>2</sub>e emissions annually. Represents estimated emissions reduction design capacity as calculated by a third-party environmental consultant.





# **OUR SUSTAINABILITY** Strategy

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#### Who We Are

# Our Guiding Principles

#### **INTEGRITY**

We hold ourselves to the highest ethical standards in all that we do.

#### **SAFETY**

We act with the highest priority on health and safety in our workplace and communities.

#### **TEAMWORK**

We collaborate with our suppliers, our customers and one another to optimize the sum of all individual efforts, while being active participants in the communities where we live and work.

#### **EXCELLENCE**

We are passionate about being the best in the industry, making our customers priority one and creating long-term value for our stakeholders.

#### Our Core Values

#### **WE CARE**

We act with compassion and honesty in all that we do. We respect one another, our customers and our communities.

#### WE DO WHAT IT TAKES

We approach every task with energy and passion to make sure the job is done right. We continuously challenge ourselves to provide the highest level of service to our stakeholders.

#### WE ARE ACCOUNTABLE

We take pride in our work and are responsible for our actions and the outcomes produced.

#### **Our Ethos**



#### INSPIRE ONE ANOTHER

Foster an inclusive, people-first culture.



#### **FUEL THE FUTURE**

Win the market and pursue sustainable growth.



#### DELIGHT THE CUSTOMER

Be our customers' most trusted partner.

#### **How We Drive Sustainable Value**

#### Our Strategic & ESG Priorities

- Defend and grow market share within core energy markets
- Growth from customer investments tied to decarbonization and energy evolution
- Additional growth through adjacent industrial markets
- Support organic growth through free cash flow
- Inorganic accumulation strategy to grow earnings and free cash flow
- · Share repurchase program

#### **Our ESG Topics**

#### **ENVIRONMENT**

- Delivering Sustainable Energy: Page 47
- Environmental Performance: Page 56

#### SOCIAL

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- Employee Engagement & Development: Page 35
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U.N. Sustainable Development Goals In support of our ESG efforts, we align with leading sustainability organizations and industry peers, which enables us to enhance our reporting and protocols in-line with evolving best practices, ultimately advancing our sustainability impact and increasing our ESG awareness. The specific metrics included in our 2024 Sustainability Report were determined by assessing the most relevant and material areas for DNOW and our shareholders, and were aligned with recommendations from the organizations below. The ESG disclosures throughout this Report are for the years ended December 31, 2024, 2023 and 2022, and include our three reportable segments: United States ("U.S."), Canada and International, unless otherwise noted.



Now part of IFRS Foundation

# Sustainability Accounting Standards Board ("SASB")

This Report follows the guidance of the SASB standards of the International Financial Reporting Standards ("IFRS") Foundation and the applicable recommended disclosure topics for the Multiline and Specialty Retailers & Distributors and the Oil & Gas – Services standards. The SASB standards provide a standardized reporting approach that yields decision–useful metrics to help track progress and supports comparability for our investors and other shareholders. When evaluating our disclosures in relation to the SASB standards, users in some cases will need to normalize the data to make meaningful comparisons. As such, we have included certain activity metrics to aid users in their evaluation. Refer to our SASB Index on Page 60, which highlights our responses to the suggested SASB accounting metrics and includes the appropriate activity metrics to assess our disclosed data in a meaningful context.



# Task Force on Climate-Related Financial Disclosures ("TCFD")

As we work towards progressing on our overall ESG reporting and assessments, we also focus on understanding and mitigating the risks associated with climate change and optimizing the opportunities it presents. Since introducing our Sustainability Report in 2019, we have integrated and adopted the recommendations from the TCFD to effectively steer and gauge our advancements. Beginning with governance, followed by strategy, risk management and specific metrics, we remain committed to evaluating the influence of climate change on our operations. Our assessment according to the TCFD framework can be found on Page 64 of this Report.

This Sustainability Report covers DNOW's operations for the 2024 fiscal year. DNOW has not obtained external assurance for this Report, but its contents have been subject to an internal quality review. Given the inherent uncertainty in predicting and modeling future conditions, caution should be exercised when interpreting the information provided in this Report.

# DNOW Run Stronger.

# CULTURE OF GOVERNANCE

Governance is the foundation of sustainability. DNOW's commitment to strong governance policies and practices is rooted in our values. We operate our business with the highest standards of ethics and integrity and strive to provide accountability and transparency through active engagement with all our shareholders.



# **OUR 2024** Governance Highlights

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**independent directors** on our Board of Directors

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**gender/racially diverse**<sup>1</sup> **directors** on our Board of Directors

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manufacturing site audits of key suppliers conducted in 2024

data security breaches

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U.N. Sustainable Development Goals Our Governance Highlights

- Majority of directors are independent by SEC and NYSE standards, including Chairman of the Board
- · Robust oversight of risk and risk management
- Annual Board of Directors and committee evaluations and assessments
- Regular executive sessions of independent directors required by Governance Guidelines
- · Diverse Board with varying backgrounds and expertise

#### **Compensation Principles**

- Competitive, market-driven base salary
- Formula-driven, quantitative performance targets for a significant portion of total compensation, including varying metrics to drive short-term and long-term performance
- Capped incentive opportunities
- Robust stock ownership guidelines align executive and director interests with those of stockholders
  - Non-employee directors: 5x annual cash retainer, CEO: 5x annual base salary, All Executive Officers: 2x annual base salary
- Executive officers and directors are unconditionally prohibited from engaging in short selling, put, call or other derivative transactions or hedging or other monetization transactions in our common stock
- Double trigger in employment agreements for change in control



# **CORPORATE GOVERNANCE** Oversight

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U.N. Sustainable Development Goals We emphasize a culture of accountability and conduct our business in a manner that is fair, ethical and responsible to earn the trust of our shareholders. We also maintain governance, compliance and risk management programs to help ensure compliance with applicable laws and regulations governing our business practices.

DNOW's Board of Directors and management acknowledge that a strong governance structure is foundational for fostering an accountable business culture, upholding high standards of ethical conduct and ensuring sustainable shareholder value creation.

Maintaining shareholder trust and goodwill by upholding our ethical standards and adhering to high standards in both policies and performance remains a centralized focus of our Company. We are committed to being responsive to and engaging with our shareholders on operational, financial, governance, environmental, safety and social matters to create a layer of transparency which ensures consistency in our implementation and enforcement, creating commitment and gaining buy-in.

The DNOW Board is responsible for the oversight of the management of our Company and its business for the long-term benefit of our shareholders. Its Directors set the tone for DNOW and operate under a set of published Corporate Governance Guidelines, which are based on best practices that meet or exceed the NYSE's and SEC's existing standards. We feature an independent, experienced and diverse Board with expertise in a broad set of areas relevant to our business. Our Code of Conduct and Ethics requires all of our directors, officers and employees to conduct business in an ethical manner and in compliance with all applicable laws, rules and regulations.

DNOW has a unified focus on protecting our environment, investing in our people and communities and striving for transparency at all levels of the organization. We have a strong structure to ensure continuous improvement toward achieving our goals and programs to benefit all our shareholders. The Board has designated the Environmental, Social, Governance & Nominating Committee with responsibility for oversight of DNOW's policies and practices on environmental responsibility, social impact and our culture of governance.

Our committee ensures ESG considerations provide context to help drive strategic decisions, holding leadership accountable to sustainability commitments while transforming good intentions into measurable outcomes that create long-term value.

# The following documents represent key corporate governance framework:

- Corporate Governance Guidelines
- Charter of the Audit Committee of the Board of Directors
- Charter of the Compensation
   Committee of the Board of Directors
- Charter of the Environmental,
   Social, Governance & Nominating
   Committee of the Board of Directors
- · Bylaws of DNOW Inc.
- Certificate of Incorporation of DNOW Inc.
- Anti-Corruption / Anti-Bribery Policy
- Code of Business Conduct and Ethical Standards
- Code of Business Conduct and Ethics for Members of the Board of Directors and Executive Officers
- Code of Ethics for Senior Financial Officers
- Policy on Insider Trading
- U.S. Export and Economic Sanctions Policy



# **CORPORATE GOVERNANCE** Oversight

**Our Sustainable Governance Structure** 

SDG ALIGNMENT



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OVERSIGHT	Board of Directors	Comprised of 8 directors with deep industry and leadership expertise, with 7 independent members, including the Chairman of the Board Consists of three committees:  • Audit Committee  • Compensation Committee  • Environmental, Social, Governance & Nominating Committee	<ul> <li>Oversees business strategy development, establishment of strong governance framework and integration of ESG factors</li> <li>Controls risk and opportunity assessment, management and mitigation of priority risks, including risks related to strategic business initiatives including climate-change and other ESG-related matters</li> <li>Approves annual goals and objectives and reviews quarterly and annual business key performance indicators, including environmental and human capital metrics</li> </ul>
STRATEGIC DIRECTION	Executives / Management Team	Cross-functional leadership team, comprised of representatives from various departments across our Company	Develops and executes on overall business strategy, including creating initiatives to integrate ESG throughout our operations     Manages, prioritizes and integrates relevant business risks and opportunities into our strategic focus areas and monitors ESG and compliance performance     Focuses on building ESG concepts and initiatives at the management level for execution down into various functions within the organization
STRATEGIC INTEGRATION & IMPLEMENTATION	Management-Led ESG Committee	Comprised of representatives from various departments across our Company and overseen by members of our executive management team	<ul> <li>Develops strategy to address key ESG-related risks and opportunities and implements programs to drive towards our strategic goals</li> <li>Meets at least quarterly to ensure sustainability metrics and disclosures align with our strategic plan and are communicated to stakeholders</li> <li>Coordinates with Internal Audit under the oversight of the Audit Committee to conduct risk assessments related to certain key sustainability metrics and disclosures</li> </ul>
OPERATIONAL EXCELLENCE & EXECUTION	Employees	Approximately 2,575 employees	Executes and identifies ways to enhance our existing strategy throughout day-to-day operations     Routinely monitors our ESG performance and trends and implements best practices



#### **OUR BOARD** At-A-Glance

SDG ALIGNMENT





#### **Director Core Industry Experience**

The following summarizes

Board's current composition<sup>1</sup>:

certain aspects of the

<30 years

30-40 years

40+ years

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Dick Alario

Paul Coppinger



Terry Bonno

Karen David-Green



David Cherechinsky



Rodney Eads



Galen Cobb

Sonya Reed

Our Board acknowledges the importance of a diverse mix of directors with complementary qualifications, expertise and attributes to effectively fulfill its oversight responsibilities. Although we do not have a formal diversity policy in place for director nominations, the Board recognizes that diverse candidates with appropriate and relevant skills and experience contribute to the breadth of perspective in the boardroom. Candidates are considered based on their diversity of background, viewpoints, professional experience, education, gender, age and culture - including nationality, race or ethnic background. You can learn more about our Board governance in our 2025 Proxy Statement.

The members of the Board collectively possess the knowledge, skills and unique perspectives needed to successfully guide our Company toward continued sustainable growth. They possess broad-based business knowledge, outstanding achievement in their professional careers, a commitment to ethical values and executive leadership. They also meet the Company's articulated director qualifications, including independence, accountability, integrity, sound judgment in areas relevant to the Company's businesses and diversity of background. Overall, our directors have demonstrated experience and expertise in a number of different substantive areas relevant to the Company.

#### **Average Director Age**

years

#### **Average Director Tenure**

<sup>1 -</sup> The charts above are representative of DNOW's Board composition as of May 21, 2025, unless otherwise noted.



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#### **OUR BOARD** At-A-Glance

We are committed to and recognize the importance of good corporate governance and high ethical standards. Our Board believes that having a diverse mix of directors with complementary qualifications, expertise and attributes is essential to meeting its oversight responsibilities.

# Effective & Independent Board Oversight

- Independent Chairman of the Board serving as lead director
- Executive sessions provided for all Board and committee meetings
- All committee chairs and members are independent
- Declassified where all directors are elected annually

#### Skills and Competencies<sup>1</sup>



#### **Board Diversity**

- 7 Independent Directors
- Directors with ESG Experience
- Female Directors
- Racially Diverse
  Director

#### **Other Corporate Governance Highlights**

- ✓ Annual Say-on-Pay voting (95% approval in 2024)
- Stock ownership guidelines for officers including expansive clawback policy to recover executive compensation
- ◆ Board engagement with CEO over management succession planning
- ✓ Annual Board and committee evaluations using a third-party facilitator
- ✓ Majority voting to elect Board members
- In-depth strategic review with senior management analyzing risks and opportunities
- ✓ 5X stock ownership requirement of annual retainer for non-employee directors

1 - A full matrix of the Board's skills and competencies is available in DNOW's 2025 Proxy Statement.



### **OUR BOARD** At-A-Glance

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The Board of Directors appoints committees to help carry out its duties with the following current standing committees:



The Audit Committee oversees risks related to financial reporting, internal controls, technology and cybersecurity, ethics and compliance.1



**The Compensation Committee** oversees risks related to compensation policies, practices, incentive plans and talent retention.

The Environmental, Social, **Governance & Nominating Committee** oversees risks associated with governance structures, policies and processes and succession planning.

Management is charged with identifying material risks in a timely manner, implementing strategies that are responsive to the Company's risk profile and specific material risk exposure, evaluating and managing risk with respect to business decision-making, and promptly communicating relevant risk-related information to the Board or appropriate committee to enable them to conduct appropriate risk management oversight.

#### We have a separate Chairman and CEO, with a Chairman who:

- Provides leadership to the Board by chairing meetings, organizing directors and facilitating deliberations of the Board
- Provides significant input on strategic initiatives, including evaluating new diversification and growth opportunities
- · Acts as liaison between non-management directors and management
- · Calls and chairs executive sessions of non-management directors and independent directors
- · Consults with CEO to approve schedules, agendas and information for Board meetings

INDEPENDENT DIRECTORS	AUDIT	COMPENSATION	ESG&N
Richard Alario		✓	✓
Terry Bonno	<b>~</b>		<b>✓</b>
Galen Cobb	<b>✓</b>		
Paul Coppinger		✓	Chair
Karen David-Green	✓		
Rodney Eads	Chair		
Sonya Reed		Chair	
David Cherechinsky (Employee Director)			
Number of Meetings held in 2024	8	3	3

1 - All Audit Committee members meet the NYSE standard of having accounting or related financial management expertise and also meet the SEC's criteria of an Audit Committee Financial Expert.



#### **OUR BOARD** At-A-Glance

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U.N. Sustainable Development Goals In 2019, Company management formed an internal employee-based ESG Committee to oversee the creation, identification, measurement and disclosure of sustainability performance data most relevant to the Company's operations. This committee is comprised of representatives from various departments across the Company including members of the executive management team. Since the committee's inception, the Company has published annual reports which build upon our commitment toward increased transparency and a wider focus on creating a positive global impact and reaffirming our focus on sustainable growth.

With the oversight of the Environmental, Social, Governance & Nominating Committee of the Board of Directors, the ESG Committee ensures that the relevant sustainability metrics and disclosures align with the Company's strategic plan and that the results are communicated to stakeholders. This includes improving our data collection methodologies, expanding disclosures and looking at setting and achieving viable ESG target goals to further support our evolving ESG initiatives that align with the Sustainability Accounting Standards Board ("SASB") reporting standards, Task Force on Climate–Related Financial Disclosures ("TCFD") framework, and United Nations Sustainable Development Goals ("U.N. SDGs").

We engage with our shareholders frequently to answer questions, address concerns and solicit feedback. We are committed to maintaining shareholder engagement programs that are true dialogues and prepare and approach them to provide candid and accurate information on relevant issues such as our corporate strategy and position within the market. Our shareholder engagement team consists of representatives leading matters on behalf of the Company in areas of investor relations, health, safety and environment, ESG initiatives, executive compensation, sustainability and corporate governance functions. The perspectives of our shareholders are brought back to our team for discussion and potential implementation as well as to the Board to assist with our strategic decision making.

In 2024, we reached out to our top institutional investors — representing over 70% of total ownership of the Company — to discuss our updates on Board composition and ESG-related matters and to receive any feedback on those items as well as executive compensation, amongst other items. As a result of this outreach, we had direct discussions with three of our top shareholders representing approximately 18% of our stock ownership and gained positive feedback from those conversations. We also engage with our shareholders by conducting periodic roadshows, participating at investor conferences, responding to individual investor inquiries and taking questions during our quarterly earnings calls and at our annual shareholders meeting. As a result of the incremental disclosures incorporated in last year's proxy statement, we had a strong Say-on-Pay (95% in favor) vote.





# **RISK** Management

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U.N. Sustainable Development Goals The Board has ultimate authority and responsibility for overseeing DNOW's risk management arising out of its operations and business strategy. This includes overseeing the Company's enterprise-wide risk management framework, which establishes the Company's overall risk management strategy and enables senior management to understand, manage and report on the risks faced by the Company.

DNOW seeks to implement and maintain practices that are ethical and reasonable. We believe that ethical and humane employee, customer and vendor treatment are top priorities. Guided by our executive leadership team, we balance a drive for financial results with responsibility toward ethical professionalism. DNOW has adopted a Code of Conduct and associated policies which govern the behavior of its employees and its partners. The Code and associated policies cover relevant areas and issues, which employees face on a day-to-day basis to guide behaviors representing DNOW's expectations.

We provide every employee with a reliable and confidential **Governance Hotline** to report such issues as harassment, security violations, unfair labor practices, discrimination, threatening behavior, substance abuse, theft, fraud, compliance and regulatory violations or other workplace issues in a safe and convenient manner. This service is available 24/7 and employees are able to make reports anonymously, as the Company has a strict no-retaliation policy for reports made in good faith. The Company offers a third-party legal and ethics hotline and web intake options, tailored to comply with local laws and support language and country-specific requirements.

Our Board views management succession planning as a critical component of ensuring business continuity and performance. The Environmental, Social, Governance & Nominating Committee oversees our management succession planning, which includes input from executives to monitor and guide leadership development for our executive leadership team. The ability of the Company to attract, retain and develop high-performing employees and create

The ability of the Company to attract, retain and develop high-performing employees and create a workplace where they can innovate and thrive is an integral party of the Company's strategy to drive long-term value and mitigate risk.

a workplace where they can innovate and thrive is an integral party of the Company's strategy to drive long-term value and mitigate risk. The Environmental, Social, Governance & Nominating Committee regularly engages with senior leadership on succession planning, retention and turnover and workplace culture, as well as proposed succession candidates in different forums such as industry conferences, board dinners and meeting presentations.

We believe that strong corporate governance and effective management of enterprise risk and social supply chain are crucial for the long-term success of our business and shareholders.

Management regularly monitors and manages supply chain risks, while adhering to a business code of conduct for vendor selection.

Vendors must comply with local laws and ethical business practices, which we assess through audits, contracts and terms and conditions on purchase orders. We seek long-term relationships with partners based on mutual trust, respect and cooperation. We are progressing towards a more inclusive and transparent centralized vendor selection process to ensure fairness and impartiality, while avoiding conflicts of interest. Our evaluation criteria will include ethical labor practices, community engagement and sustainability initiatives; we strive to collaborate with like-minded partners who share our values.



**RISK** Management

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The effective management of risks and opportunities is vital to the success of the DNOW business model and our long-term value creation. DNOW recognizes the significant impact of ESG objectives on our core business strategy and implements a "top-down, risk-based" enterprise risk management ("ERM") program to identify, evaluate and monitor our relevant risks and opportunities. We start with our strategy and continue with the support for its implementation through periodic risk assessment and monitoring. Key elements of our program are listed below.

#### Identification of risks and opportunities and prioritization according to:



Financial Impact



Likelihood of Occurrence



**Magnitude of Consequences** 

Social Impact

Environmental

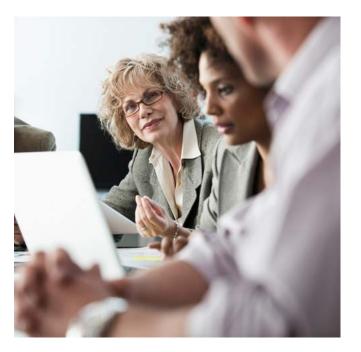
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- Continuous improvement and adjustment of our program to address actual
  and potential risks and opportunities in the short-, medium- and long-term
  according to various levels of severity and frequency
- Development of a response to each relevant risk, which outlines how risks will be mitigated, transferred or avoided, and subsequently reviewed and approved by executive management
- Board oversight of risk management activities that includes regular meetings with management to discuss strategic initiatives in addressing our priority risks
- Internal Audit department facilitation of DNOW leaders' assessment of risk management activities
- Communication to our Board and management that includes both corporatewide identification of both non-operational and operational risks as well as the effectiveness of our internal controls
- Considerations of financial, operational, environmental, social, legal, cybersecurity, supply chain and compliance-related factors and implications to business risks, as applicable





# **RISK** Management

Introduction

#### Climate-Related Risks & Opportunities

About DNOW

We recognize the inherent risks associated with climate change and the implications of the global shift toward a low-carbon economy, both for our Company and our customers. Our commitment is to tackle these risks and associated opportunities to effectively address this critical issue.

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TYPE OF RISK	CLIMATE-RELATED RISKS	POTENTIAL FINANCIAL IMPACTS	MITIGATION STRATEGIES/OPPORTUNITIES		
Transitional	Increasing consumer focus on lower emissions solutions, climate change, sustainability and energy transition matters	Decreased revenues due to reduced demand for products / services	<ul> <li>Continuously monitor laws and regulations, including those related to climate change and the energy transition that impact our customers' operations</li> <li>Regularly educate customers on the availability of lovemissions solutions</li> <li>Expand our product and service offerings, as well as a complementary suite of digital channels and solution into emerging energy evolution markets, such as renewable energy and decarbonization</li> </ul>		
Regulatory	Legal, regulatory, policy and liability actions associated with climate change	Increased liabilities and compliance and operating costs	<ul> <li>Actively monitor developments within the legal and regulatory environment (see Management of Legal &amp; Regulatory Environment on Page 21)</li> <li>Proactively pursue efforts to reduce our greenhouse gas ("GHG") emissions and other environmental impacts across our value chain and improve operating efficiency</li> <li>Seek new markets emerging from regulation or legislation applicable to our current customers around topics such as: emissions capture and reduction, air quality, fuels management, water management, chemicals management, ecological impact management, biodiversity and safety</li> </ul>		
Physical	Adverse weather events or natural disasters	Increased capital expenditures and operating and insurance costs; Interruption of operations and damage to assets	<ul> <li>Diversify suppliers and geographical areas</li> <li>Provide operational planning for facility interruptions and maintain adequate insurance protection for assets</li> <li>Ensure the establishment of robust emergency preparedness plans and procedures to effectively respond to unforeseen situations</li> </ul>		



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# **MANAGEMENT** of Legal & Regulatory Environment





We are subject to a variety of federal, state, local, foreign, and provincial environmental, health, and safety laws, regulations, and permitting requirements, including those governing the discharge of pollutants or hazardous substances into the air, soil, or water; the generation, handling, use, management, storage, and disposal of, or exposure to, hazardous substances and wastes; the responsibility to investigate, remediate, monitor, and clean up contamination; and occupational health and safety. Fines and penalties may be imposed for non-compliance with applicable environmental, health and safety requirements and the failure to have or to comply with the terms and conditions of required permits. Historically, the costs to comply with environmental and health and safety requirements have not been material to our financial position, results of operations or cash flows. We are not aware of any pending environmental compliance or remediation matters that, in the opinion of management, are reasonably likely to have a material effect on our business, financial position or results of operations or cash flows.

The shift towards a low-carbon economy is influencing our business through increased customer demand for renewable energy and cleaner energy sources. Additionally, changes in public policy, geopolitical tensions and the environmental, health and safety laws at the federal, state, local and foreign levels, both where we operate and where our customers operate, influence the products and solutions sought by our customers. These shifts create opportunities for DNOW to explore new markets and expand solutions to both current and potential customers. In a dynamic legal and regulatory environment, we navigate increased regulations and a heightened focus on emissions. While predicting the impact of legal changes (or their interpretation or enforcement) is challenging, we approach these business opportunities and risks in a highly disciplined manner.

Change in political controls, both domestic and internationally, could affect our business through the potential for reduced emissions targets and global climate change regulations on the oil and gas industry. Should environmental laws and regulations (or their interpretation or enforcement) become more stringent, our associated costs or the costs to our customers could increase.

Our Board, senior management and relevant departments stay informed of these evolving legal and regulatory landscapes. We address various inherent risks that may impact our business, including but not limited to, financial, market, political, climate, regulatory, compliance, operational, cybersecurity, safety and reputational, among others, through strategic planning. One of our primary goals is to maintain competitiveness in our industry and markets and meet our customers' needs, while safeguarding our strategic objectives.

We acknowledge market and reputational risks posed by environmental and social factors, specifically the impact of climate change. Recognizing the geopolitical climate and heightened focus on climate change and adverse effect on the oil and gas industry's reputation, we are adapting our business decisions to limit the environmental impact in the way we do business. As an energy industry distributor, our solutions aim to minimize environmental impact and control the emission of methane and CO<sub>2</sub> in our customers' operations. For further information on how our solutions help our customers reduce their carbon footprint, see Page 47.



# **BUSINESS ETHICS** & Payments Transparency

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U.N. Sustainable Development Goals We have implemented and oversee robust internal controls to monitor and track any issues related to potential issues of corruption and bribery in domestic and international markets, including, but not limited to:

- A Third-Party Representative Committee comprised of a cross-functional team of higher management, which reviews agent relationships and limited-scope opportunities to ensure a balanced approach in authorizing future business prospects;
- Annual DNOW Code of Conduct and Ethical Standards training courses featuring interactive scenario-based case studies
  that allow employees to better understand their obligations under the Company's Code of Conduct and acceptable responses
  to ethical challenges;
- · Mandatory annual workplace harassment and discrimination trainings for all DNOW employees;
- Anti-Corruption and Anti-Bribery ("ACAB") training and certification incorporating case studies to support DNOW policy in an effort to expose employees to ethical decision-making in various environments, eliminating risk and ensuring compliance with ACAB laws in all countries where DNOW operates;
- · Annual acknowledgment and acceptance of our ACAB policy by agents and logistics services providers; and
- Trade Compliance Due Diligence course for DNOW employees, managers and officers to identify red flags, boycott language and sanctioned or embargoed end users or destinations emphasizing the importance of reporting such due diligence risks to the proper internal Compliance representatives.

The Transparency International Corruption Perceptions 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 the years ended 2024, 2023, 2022 and 2021 approximately 0.02%, 0.04%, 0.23% and 0.15% of our revenue, respectively, was derived from products sold directly to countries that have the 20 lowest rankings according to the TICPI for the applicable years.



**About DNOW** 

**SUPPLY CHAIN** Stewardship

SDG ALIGNMENT









Through our dynamic supply chain management, we source top-tier products and services from partners who align with our commitment to integrity and ethically sustainable business practices. Our rigorous supplier selection and onboarding procedures, as well as our environmentally conscious distribution and fulfillment process, ensure adherence to our high standards and commitment to sourcing best-in-class products and services that fuel our customers' sustainability journeys.

#### Sustainable and Responsible Procurement

We aim to collaborate with suppliers who embrace our sustainability-driven values, extending the advantages of these best-in-class partner relationships to our customers. Our commitment starts with our supplier selection and onboarding process. Through our Triple Impact Supplier Management Program ("TISMP")<sup>1</sup>, we proactively manage key manufacturers in our supply chain to optimize the quality of products and services sourced, ensuring alignment with our values. Our TISMP encompasses our initiatives to manage social and environmental risks associated with suppliers. As part of this program, we conduct comprehensive assessments of key suppliers<sup>2</sup>, including evaluations of ESG practices within the supply chain.

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- 1 Applies specifically to PVF manufacturers.
- 2 Key suppliers have a long-term relationship and preferential business status with DNOW, along with good quality standings. They are classified on our approved manufacturers list ("AML") as either a Preferred or Approved supplier.
- 3 DNOW participates in select carbon neutral shipping programs through our parcel shipment carrier, whereby our parcel shipment carrier will measure our related emissions and purchase offsets from select environmental projects. Parcels are typically smaller and lighter than bulk freight shipments and have a maximum weight limit of 120 pounds per package.



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# **SUPPLY CHAIN** Stewardship

#### **Sustainable Distribution & Fulfillment**

We are committed to *Cultivating Sustainable Value* and responsible supply chain management. We prioritize an efficient supply chain to minimize our carbon footprint in delivering products to our distribution centers, branches and ultimately, our customers. With a global network of strategic locations near customer operations, we continue to modernize our fulfillment model through further expansions in response to changing market cycles. Our initiatives to drive efficiencies include:

- **Establishing** regional distribution Supercenters and orbiting branches to regionalize fulfillment and deepen access to our customers, while optimizing resource use
- Facilitating direct shipments from manufacturers to end customers, reducing redundant supply chains and fuel consumption
- Aggregating larger domestic shipments on a weekly or bi-weekly basis and exploring daily aggregation opportunities
- Implementing recycling / reuse programs to minimize packaging waste, including cardboard, plastic, metal and wood used in packaging
- · Recycling scrap metal and participating in paper and plastic recycling initiatives in relevant municipalities, whenever feasible
- Compacting waste through use of machinery, such as a "precrusher," to reduce environmental impact and hauling costs
- Participating in select parcel carrier carbon neutral shipping and reporting programs to monitor and offset our carbon emissions

#### **SPOTLIGHT**

#### ISO 14001:2015

DNOW holds certification to International Organization for Standardization ("ISO") 14001:2015 in seven locations. This international standard provides guidelines for designing and implementing an environmental management system. The certification demonstrates our commitment to managing our environmental responsibilities in a systematic manner and reflects our emphasis on adopting environmental best working practices.

A full list of our certifications, including ISO 14001:2015, can be found on our website.



# **SUPPLY CHAIN** Stewardship

Introduction

#### Our Triple Impact Supplier Management Program

#### **Assessment Process**

- **About DNOW**
- Evaluate and distribute questionnaire for ASL qualification
- Admit only market-share-leading companies with strong reputations for quality products and services, safety and environmental stewardship



#### Approved Suppliers List

- Evaluate approved suppliers continuously, including review of key quality, health, safety and environmental practices and relevant performance metrics
- Regularly stock prequalified products and offer services from ASL suppliers



#### Ongoing Supplier Monitoring

- Actively manage and monitor supplier performance and development
- Conduct on-site physical audits of supplier facilities
- Monitor and measure supplier quality continuously, including supplier performance reporting, laboratory tests and inspections/audits

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#### **Our IMPACT quality goals:**

**Increase** employee capabilities

Maintain accurate inventory

**Provide** quality products and services

Always deliver on-time

**Continually** improve

Total customer satisfaction

We partner with industry-leading suppliers employing cutting edge technologies to help reduce our customers' carbon footprint.

We source a significant portion of our carbon steel pipe from a manufacturer that uses electric arc furnaces to recycle scrap steel into high-performance sustainable steel pipe for our customers.



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# **SUPPLY CHAIN** Stewardship

#### **Supplier Code of Conduct**

It is crucial for us to engage with suppliers who align with our values and dedication to ethical practices. Our Supplier Code of Conduct aims at ensuring our business partners commit contractually to upholding the foundational aspects of the:

- · International Bill of Human Rights,
- International Labor Organization's Declaration on Fundamental Principles and Rights at Work,
- Organization for Economic Co-operation and Development's Guidelines for Multinational Enterprises,
- United Nations ("U.N.") Guiding Principles on Business and Human Rights, and
- Ten Principles of the U.N. Global Compact

Our Supplier Code of Conduct conveys our expectations on alignment with DNOW's sustainability-related values and policies, including:

- Anti-discrimination / harassment
- Health, safety and environment ("HSE")
- Anti-corruption
- Import and export laws

- Antitrust
- Disclosures / confidentiality
- Anti-forced and child labor and other labor practices
- Procedures for reporting violations

We are proud to work with thousands of best-in-class suppliers to stock quality, trade-compliant and responsibly traded products.





#### **DATA SECURITY**

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U.N. Sustainable Development Goals The primary goal of our data security program is to protect DNOW's data and systems by maintaining cybersecurity defenses that are best-in-class within our industry. We use guidelines, frameworks and privacy laws to guide us in consistently meeting legal and regulatory requirements. We are committed to safeguarding data, raising security awareness related to cybersecurity risks, adhering to applicable state and federal privacy regulations and applying sound data management practices. This commitment to data security starts at the top with oversight by the Board and the Audit Committee. Both the Board and Audit Committee receive at least quarterly reports from DNOW's IT leadership. These reports focus on information security, data quality, data privacy and industry and regulatory updates.

DNOW recognizes the increasing significance of cybersecurity threats in today's digital landscape and has implemented a cyber risk management program to identify, assess, manage, mitigate and respond to cybersecurity threats. This program is integrated within the Company's enterprise risk management program. Our approach is designed to safeguard sensitive information, protect critical assets and maintain the integrity of our operations.

- **Regular assessments** of cyber risks, taking into account the evolving threat landscape, technological advancements and changes in our business operations
- **Proactive identification** and mitigation of vulnerabilities in our information systems through regular scanning, testing and patch management
- Implementing and continuously monitoring security controls, including firewalls, intrusion detection systems, encryption and access controls, to safeguard against unauthorized access and data breaches. Our controls are based on the latest Center of Internet Security ("CIS") Critical Security Controls best practices for cybersecurity and the National Institute of Standards and Technology Cybersecurity Framework ("NIST CSF").
- Regular testing of our Cyber Incident Response Plan through tabletop exercises to ensure a
  swift, coordinated and effective response in the event of cyber incidents to minimize impact
  on operations. As part of our cyber incident response process, we also engage third-party
  experts as needed, such as external legal advisors and cybersecurity forensic firms.

# Our governance structure is designed to ensure effective oversight and management of cybersecurity risks:

- The Board of Directors is actively engaged in overseeing cybersecurity matters, receiving regular briefings and ensuring alignment between cybersecurity strategy and overall business strategy.
- A dedicated committee oversees cybersecurity governance, assessing policies, practices and risk mitigation strategies and ensuring alignment with industry best practices.
- Our executive leadership team actively participates in the development and execution of cybersecurity strategy, reinforcing the importance of cybersecurity at the highest levels of the organization.
- Tand Cybersecurity reports to the Chief Administrative and Information Officer ("CAIO"), who provides updates to the dedicated committee.



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U.N. Sustainable Development Goals We remain committed to complying with all relevant cybersecurity regulations and standards applicable to our industry. Our governance structure is designed to adapt to evolving regulatory requirements and industry best practices. While we believe our current measures are robust, we recognize the dynamic nature of cyber threats and continually refine our approach to remain vigilant and responsive.

This disclosure provides stakeholders with a comprehensive overview of the organization's cyber risk management, strategy and governance practices — demonstrating a commitment towards proactive cybersecurity measures and compliance. No unauthorized access to customer, vendor, supplier, joint venture, employee or our data occurred as a result of cybersecurity incidents against us that has had a material adverse effect on our business, operations or consolidated financial condition.

As a Company that generates a high volume of transactions reliant on networks and information systems, we face operational risks related to cybersecurity; for this reason, we invest in a multi-layered cybersecurity program. The evolution of cyber threats and attack vectors is occurring faster and with greater frequency than in the past. We closely monitor and track the general cyber threat landscape to proactively identify emerging risks.

At DNOW, protecting the integrity and confidentiality of our data — and our customers' data — is a top priority. In today's digital environment, cybersecurity is not just an IT issue; it's a business imperative. We are committed to maintaining robust data protection protocols, investing in secure technologies and ensuring that our teams are well-trained to uphold the trust our customers place in us every day.

- Kelly Munson, Chief Administration and Information Officer

24/7

monitoring and incident response provided by dedicated Managed Security Operations Center

ZERO
data security breaches



**Implemented advanced tools** to improve our ability to detect, analyze and respond to security threats



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U.N. Sustainable Development Goals Our cybersecurity infrastructure is further enhanced through relationships with vendors that provide state-of-the-art systems and support. All corporate devices in the DNOW network are monitored 24/7 by remote infrastructure management system agents that block and shut down unauthorized attempts to access data. Our IT team consistently monitors our systems through a combination of tools and technologies to help protect our shareholders' data. DNOW's employees are responsible for complying with our data security standards and participating in regular testing exercises (phishing simulations) to prove skill in identifying potential threats. If an employee fails an exercise, they are assigned additional mandatory training. We also provide ongoing education to teach employees to recognize and report suspicious activity. Our IT leaders report on current trends and our cybersecurity infrastructure to the Audit Committee of the Board of Directors semi-annually.

We rely on third-party service providers to execute certain business processes, maintain information systems and infrastructure and evaluate our defenses. We periodically conduct external information security assessments to stay informed of emerging information security risks.

Additionally, we maintain a supplier validation process that involves approval by our cybersecurity group for significant suppliers that will have access to our databases or technology. Our penetration testing continues to evolve to address potential new threats and has bolstered our ability to protect against vulnerabilities. Our data security and privacy practices are designed to support privacy rights and are based on industry standards.

In 2024, as in prior years, we did not experience a material compromise to any of our data systems and did not incur any material expenses resulting from information security breaches, related penalties or settlements. The Company is committed to disclosing and providing appropriate notices regarding any such data breach in compliance with relevant laws and regulations.



# SOCIAL IMPACT At DNOW, we believe that investing in local communities to create social and economic outcomes is at the heart of Social Impact.



# **OUR 2024** Social Highlights

Introduction

ZERO

employee fatalities and over 24% decrease in TRIR from 2023, making it our fifth<sup>1</sup> straight year of a Sub-1 TRIR

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243 service milestone awards

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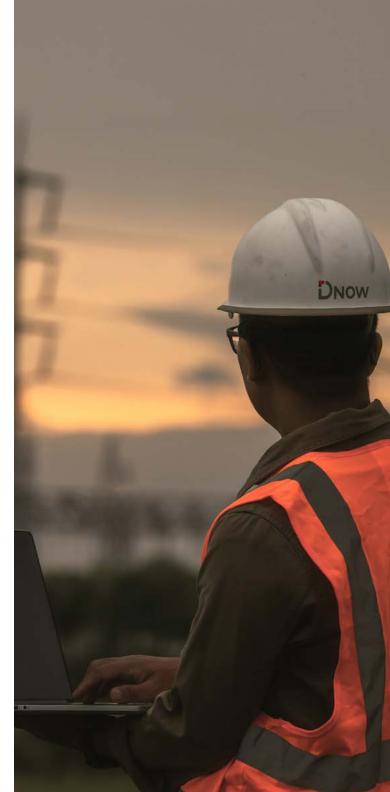
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>\$300k contributed to organizations our Company and employees are passionate about

1 - Correction to fifth consecutive year, previously misstated based on 2021 baseline year. First year for sub-1 TRIR globally was 2020.





# **WORKFORCE** Health & Safety

SDG
ALIGNMENT

3 6000 HEALTH
AND WELL-BEING

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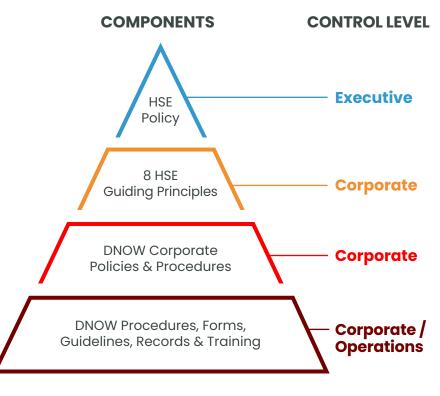
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U.N. Sustainable Development Goals Our safety culture is a cornerstone of how we cultivate sustainability for our shareholders. At DNOW, we integrate health, safety and environmental practices into our business model — from day-to-day operations to the integration of business acquisitions, as well as measuring and assessing results while continually improving processes. Our safety culture is instilled as a core value of our organization first and foremost at the leadership level, including engagement from executives, our Board and operational leaders. We take a proactive approach to safety and are continuously working to adapt our safety topics and priorities to the needs of specific business segments and regions. Our safety culture is driven through our HSE management system, which consists of our HSE Policy Statement, HSE Guiding Principles and our corporate and business-level policies and procedures.

- ► HSE Policy Statement a one-page, top-level document, which sets the tone for our organization and outlines our HSE expectations for all employees, vendors, customers, contractors, subcontractors and third parties. This statement establishes the heart of our HSE management system and undergoes review and approval by our General Counsel.
- ★ HSE Guiding Principles an essential framework for our HSE management system and safety culture, outlining our minimum corporate safety requirements, as well as how we intend to comply with client and regulatory expectations. Principles such as "Engagement in Safety Culture", "Management and Retention of Records" and "Prevention and Preparedness" exemplify our commitment.
- Corporate Policies and Procedures broad-based procedures, instructions and restrictions designed to mitigate potential incidents and risks. These policies and procedures offer flexibility to address concerns at the customer, regional, and/or global level and apply to all our business units.
- Business-Level Procedures, Forms, Guidelines, Records and Training – includes HSE management system controls, documents and procedures tailored for or by a business group or location. These are very specific in scope and are controlled and updated by the business group.





# **WORKFORCE** Health & Safety

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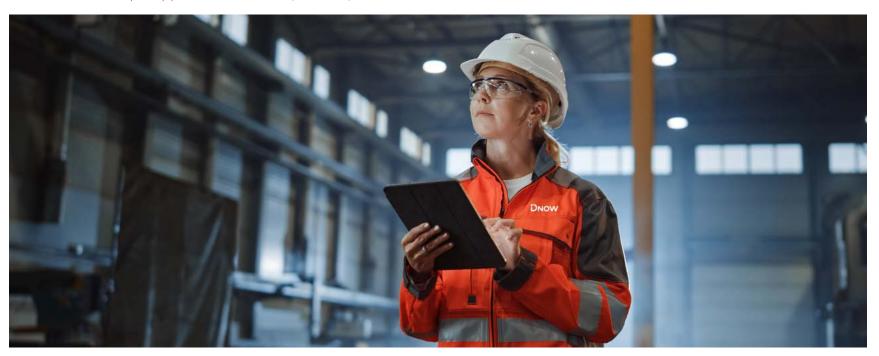
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# During this trailing four-year period:

- ZERO employee fatalities
- Over 34% decrease in TRIR from 2021
- TRIR rates compare favorably to the BLS industry averages<sup>1</sup>

		1		
SAFETY METRICS	2024	2023	2022	2021
Total Recordable Incident Rate ("TRIR") <sup>2</sup>	0.61	0.81	0.94	0.92
Total Vehicle Incident Rate ("TVIR")3	0.57	0.43	1.17	0.56
U.S. Bureau of Labor Statistics industry average TRIR rate <sup>4</sup>	2.0	2.0	2.1	2.1

- 1 At the time of this Report's publication, the 2024 rate was not yet available. As such, DNOW's 2024 TRIR was compared to the 2023 BLS rate.
- 2 TRIR, per 200,000 hours worked and calculated based on industry-accepted methodology used by the U.S. Bureau of Labor Statistics and OSHA requirements. Hours worked are estimated for salaried employees...
- 3 TVIR per 1,000,000 miles driven. Mileage for UK and Netherlands is not included.
- 4 BLS for Industrial Machinery and Equipment Merchant Wholesalers (NAICS 423830).





## **WORKFORCE** Health & Safety

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### **Our Safety Best Practices**

At the time of hire, all employees undergo comprehensive HSE training covering our HSE management system. Job- and site-specific HSE training are provided based on the employee's title, responsibilities and location. All U.S. DNOW branch-level locations conduct mandatory monthly safety meetings to fulfill customer training requirements and address current safety topics. Many U.S. and international facilities conduct more frequent safety meetings on a daily, weekly or otherwise necessary basis. Additional safety best practices include:

- Facilitating regular operational region meetings to increase HSE exposure
- Developing relationships with branch employees and throughout all levels in the organization
- Implementing preventative and corrective actions, where necessary, to increase accountability
- Conducting application-based, behavior-based safety observations to engage employees and address real-time safety concerns
- **Providing** computer-based, in-person and virtual HSE-related trainings to target improvements
- **Engaging** in direct communication with Executive Leadership Team for top-level buy-in to drive safety culture and expectations

To ensure standardized, appropriate and timely safety training across our organization, Corporate HSE engages an employee management system, which provides our employees with access to an extensive library of training topics and tracks completed training hours. Our HSE training catalog is globally accessible to all employees. The computer-based training courses also serve as corrective actions, assigned by managers, HSE and Human Resources to reinforce safety principles whenever necessary.

DNOW has experienced a substantial shift in safety culture over its 11 years; the focus on safety is pushed at all levels of the organization and has resulted in a safer work force, demonstrated by our incident rate trends. The prioritization of safety has been pushed through continuous education and communications, safety days hosted at locations throughout the U.S. and an HSE department that partners with operations to provide support and guidance based on continuous improvement and compliance.



### **HSE Guiding Principles**

In 2024, we partnered with highly regarded safety consultants to modernize and streamline our 17 HSE Guiding Principles to 8 HSE Guiding Principles. These 8 HSE Guiding Principles, also referred to as EMPHASIS, align DNOW's HSE values with DNOW's Ethos and Core Values, and emphasize critical components of DNOW's HSE Management System that support DNOW's strategy, safety prioritization and operational excellence.



### **Safety Days**

In 2024, DNOW's HSE Team hosted a "Safety Day" event at each U.S. Supercenter for more than 400 participants in total. These events celebrated and emphasized the significance of a positive safety culture that cultivates trust, loyalty and commitment. Vendors provided safety training, informational booths and lunch.



# **EMPLOYEE ENGAGEMENT** & Development

SDG
ALIGNMENT

4 QUALITY
EDUCATION

Introduction

We prioritize the growth and development of our employees, fostering opportunities for valued contributions and innovation. We understand that empowering and advancing our team not only drives a better quality of work and life for our employees but also enables us to *Cultivate Sustainable Value* for our customers, helping us execute on our commitment to be our industry's preferred supplier.

About DNOW

### Our Development Programs

Culture of Governance Technical Sales Development ("TSD") Program – a year-long program
where participants rotate through our organization to gain valuable
knowledge about the DNOW business model and develop skills that
enable them to provide the highest quality service while advancing
within DNOW. The program allows DNOW to identify each employee's
strengths and interests to match to the needs of the Company.

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 High Potential Development Program ("HiPo") – targeted training to strengthen specific skills and competencies for ongoing career growth and advancement

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• Leadership Program – three custom-designed leadership experiences focused on enhancing leadership capabilities and talents at various career points

About This Report Inside Sales Training and Accelerated Sales Training Programs

 multi-week, webinar-based training programs, which enable
 our sales team members to increase their virtual selling skills and
 learn how to apply cutting edge sales techniques to build stronger
 customer relationships

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 Operational Leadership Training – provides both current and prospective Operations and Branch Managers with the necessary operational knowledge and resources essential for achieving success and career progression

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 Peer-to-Peer Mentorship Program – promotes engagement with peers to foster global connections, expand internal networks, advance career development, acquire new skills and gain broader perspectives through cross-functional collaboration  Corporate Excellence Rotational Program – a six-month program for recent graduates to broaden their knowledge of various business areas, while grasping an overview of DNOW's business model, processes and overall strategy

- Sales and Operations Rotational Program focused on attracting high-potential recent graduates, providing them with hands-on experience through focused rotations to gain comprehensive insights into DNOW's operations and strategy within a year
- Manager Training Program provides essential leadership skills, best practices and resources for soon-to-be, current and longtenured people managers

### **DNOW IN ACTION**

### **Manager Training Program**

In 2024, we launched a manager training program to support all DNOW manager positions, from new to more experienced leaders. Participants gain valuable insights to lead effectively, foster team engagement and drive success. DNOW also continued a partnership with a key customer on a collaborative training program designed to enhance team engagement and strengthen relationships. This initiative not only provides valuable training for both parties but also fosters deeper connections, alignment and shared learning.



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### **Training & Development**

- Formal annual performance reviews to encourage feedback and foster growth
- Learning Management System including a library of e-learning content, courses, resources, webinars and instructor-led training, as well as training transcripts for personal and professional development
- **Comprehensive onboarding program** aimed at providing a foundation for new employees to acquire the skills and knowledge to become effective contributors to our organization
- **Professional development tools** through in-person training, webinars and on-demand training designed to meet group-specific needs
- Manager training courses focused on building efficient and effective teams
- Leadership townhall sessions for our team members to obtain updates from leaders and engage in open dialogue
- Training and development programs to recognize performance and grow our talent

At DNOW, our commitment to *Cultivating Sustainable Value* guides how we work. Since our last Sustainability Report, we've continued to review key governance policies — such as our Code of Business Conduct and Ethical Standards — to provide guidance around employee engagement and development. We promote a culture where our stakeholders — including our people, customers, suppliers, other business partners, shareholders and local communities around the world — feel safe speaking up.

We prioritize dignity, mutual respect and fairness in every interaction. Our anti-discrimination and anti-harassment policies set clear expectations and are reinforced through board oversight, ongoing training and open communication. These standards help ensure good corporate governance and high ethical standards.

We continuously evolve our benefits plans to remain competitive and to meet the expectations of our workforce. Benefits include:

- Medical and dental benefits
- Well-being programs
- Company-provided life insurance benefits
- Disability coverage
- Paid parental leave
- Mental health resources
- 401(k) retirement savings program with generous match
- Health and safety fairs

### **2024 Training Highlights**

>5,860

Code of Conduct, anti-corruption & anti-bribery course completions

>2,269

anti-harassment & discrimination course completions



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U.N. Sustainable Development Goals We also recognize that our people are central to our long-term success. DNOW is committed to cultivating a workplace culture that prioritizes safety, respect, collaboration and innovation — fundamentals that empower our people to perform at their best. We invest in our workforce with the intent to foster an inclusive environment where individuals are supported, recognized and encouraged to grow.

Our employee engagement program is designed to align development with our long-term success model. These efforts include structured goal setting, feedback to make constructive changes, succession planning and ongoing learning opportunities. We maintain a market-aligned compensation framework that supports fair, competitive and equitable pay practices across the Company.

We continue to evolve our talent strategies by building strong partnerships with universities and enhancing our recruiting outreach to attract diverse, high-potential candidates. Talent development processes are regularly reviewed with the Board to ensure transparency and alignment with our organizational values. Our compensation model is structured to promote equity and accountability, while discouraging incentives that could lead to unnecessary or inappropriate risk-taking.

- I want to extend my sincerest gratitude to the women and men of DNOW who work tirelessly to distinguish us in the market. Thank you for everything you do to support our suppliers and delight our customers.
  - David Cherechinsky, President and CEO



### **Recognizing Employees**

We deeply value the legacy created by employees who have devoted considerable time to our organization. Through our Milestone Service Awards, we honor and recognize employees on each five-year service anniversary, celebrating their dedication, commitment and contributions.



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**Milestone Service Awards** awarded in 2024



Introduction

**About DNOW** 

**CULTURE** of Inclusion

SDG ALIGNMENT





At DNOW, our people are the foundation of our success. We are committed to cultivating an inclusive workplace where every team member is empowered. This commitment is embedded in our identity as a Company, shaping our culture and enhancing the experience we deliver to our customers, communities and stakeholders.

We prioritize the growth and development of our employees, fostering opportunities for valued contributions and innovation. We understand that empowering and advancing our team not only drives a better quality of work and life for our employees but also enables us to *Cultivate Sustainable Value* for our customers, helping us execute on our commitment to be our industry's preferred supplier. We understand that the collective sum of our employees' individual differences, life experiences, knowledge, self-expression, capabilities and talent amplifies our DNOW brand, enables us to drive innovation and enriches our culture. Our culture commits to advancing an inclusive environment where diversity is appreciated and encouraged, and all employees have a sense of belonging and open communication channels throughout our organization. We believe it is crucial to maintain workplace equity and fairness where our differences are recognized as strengths.

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SPOTLIGHT

The Five Stages of DEI Maturity<sup>1</sup>



Aware









Within the Five Stages of DEI Maturity, DNOW is well into the tactical phase, where integrating DEI efforts into our business to create a more inclusive experience is a top priority. Our ongoing efforts include a focus on DEI education and awareness, the launch and development of additional ERGs and the addition of Inclusion and Safety Moments to team meetings. As we continue to make progress on our journey, we strive to nurture a culture of inclusion where our people are as innovative, productive and diverse as our business portfolio.

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1 - Source: Ella F. Washington, Harvard Business Review Magazine, The Five Stages of DEI Maturity, The Five Stages of DEI Maturity (hbr.org).



### **CULTURE** of Inclusion

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U.N. Sustainable Development Goals In 2024, inclusion remains vital to the Company. Our commitment starts with our goal of attracting, developing and retaining a workforce that is diverse in background, knowledge, skills and experience. We are committed to providing equal employment opportunities with regards to recruiting, compensation, performance and promotion decisions without discriminating on the basis of gender, sexual orientation, age, family status, ethnic origin, nationality, disability, religious belief or any other legally protected characteristics.

We actively support and celebrate cultural events throughout the year, such as Black History Month, Sami National Day, International Women's Day, Asian Pacific American Heritage Month, National Indigenous History Month in Canada, Pride Month, International Day of the World's Indigenous People and National Day for Truth & Reconciliation, among many others. We are focused on creating an inclusive and high-performance culture. In addition, DNOW resource groups foster inclusion and build awareness among all employees, which helps with recruiting and retaining a diverse workforce. With approximately 2,575 employees worldwide, we are committed to fostering and embracing a diverse community in which employees share a mutual understanding and respect for one other.

The diversity of the Company's employees is a tremendous asset. Their strong leadership, team building, problem solving and broad insights into customer needs are demonstrated by our overall success. Our talent acquisition team facilitates interview skills training to ensure consistency in candidate assessments and to mitigate biases during the hiring process.

- Diversity is interwoven within the DNOW culture how we operate and collaborate as a Company to support and strengthen our business performance.
- Inclusion is a journey, not a destination. Our intention is to make a lasting and sustainable positive impact, and we aim to be thoughtful, practical and balanced in our approach.
- **We are all in this together.** Everyone is invited to contribute to an inclusive and collaborative culture.
- Because we know that creating an environment of safety for our team members starts with each leader setting the tone, our leaders receive education on how to foster an inclusive workplace.
- **We support employee resource groups ("ERGs")**, which help foster inclusion among all teammates, build awareness and recruit and retain a diverse workforce.

### **Celebrating DNOW Inclusion in 2024**

To promote education and awareness, we celebrated the following:

- · MLK Day / Black History Month
- · International Women's Day
- Asian Pacific Islander Heritage Month
- PRIDE Month

- · Hispanic Heritage Month
- National Day of Truth & Reconciliation and Orange Shirt Day (Canada)
- · Veterans Day



### **CULTURE** of Inclusion

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Our ERGs are foundational for promoting inclusivity at DNOW. These internal partnerships align to our Company's values and principles to strengthen our culture and support the communities in which we live and serve.

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> DNOW RAD ("Retain - Attract - Develop")



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Multicultural ERG ("VOICE")

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Pride in Action ("PiA")



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> Truth & Reconciliation Council ("T&R")



> Women of NOW ("WON")





### **CULTURE** of Inclusion

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These charts illustrate the gender and ethnic / racial diversity of our U.S. workforce as of the years ended December 31, 2024, 2023 and 2022.

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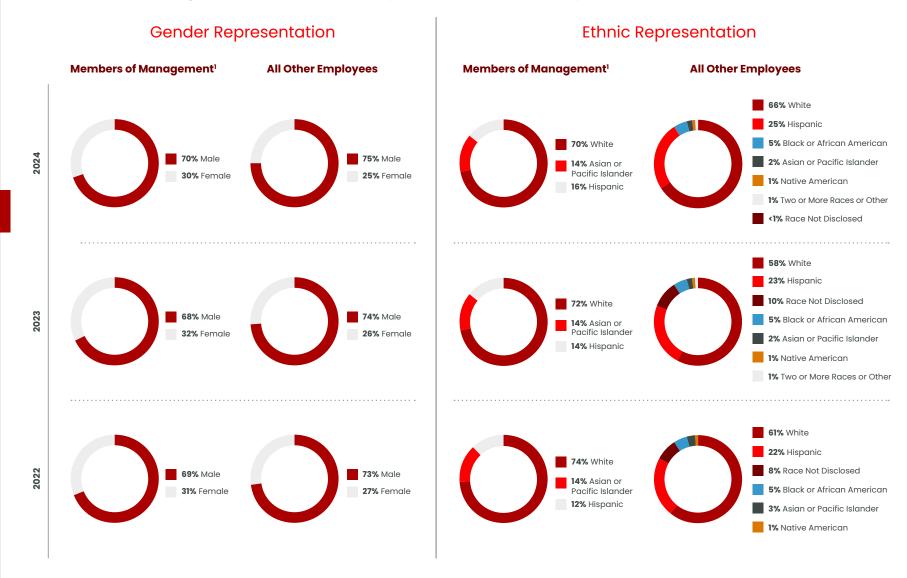
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<sup>1 -</sup> Management includes employees that are two levels down from the CEO in the DNOW organizational hierarchy and above. All percentages rounded to whole numbers.



### **HUMAN CAPITAL** Management

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We are committed to creating a Company where everyone is included and respected, and where we support each other in reaching our full potential. We take pride in the fact that many of our employees, ranging from field employees to executive management, have significant tenure with the Company. We do not have unionized employees within our domestic employee base; however, many of our international locations are subject to union contracts. At December 31, 2024, we had approximately 2,575 employees, of which approximately 180 were temporary employees. We offer market-competitive benefits for employees and opportunities for growth and advancement. We place a strong emphasis on employee growth and development and provide opportunities for valued contribution and innovation. Our ethos determines how we act and interact; what we value; what we tolerate; how we treat one another, our customers and communities, and the drive to continue to surpass expectations.

Approximately

2,575

employees by
December 31, 2024

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### **BRINGING LIGHT** to the Community

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U.N. Sustainable Development Goals DNOW's success is linked with the prosperity of the communities we serve. Our worldwide DNOW Lights program promotes corporate social responsibility and brings together employees to make a difference through strategic philanthropy, demonstrating our dedication to being a bright light and positive impact within our local communities.

Our team regularly supports many different organizations that share our desire to make positive change in the world. We donate our time and talent, as well as financial contributions, to cultivate strong connections with each other and to the communities we serve. The following pages offer a few highlights of DNOW Lights successes in 2024.



2,184
volunteer hours for 2024

\$306,708



# **BRINGING LIGHT** to the Community

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### **DNOW Lights Annual Charity Golf Tournament**

In December 2024, DNOW planned and hosted its 9th annual DNOW Lights Charity Golf Tournament, benefiting the Boys & Girls Clubs of Greater Houston and the Sunshine Kids Foundation. Both of these organizations are instrumental in improving the lives of children in the greater Houston area, and this important event raised a total of \$170,999 for these worthy organizations. Thanks to our sponsors and DNOW Lights volunteers for making this event a huge success!



### Feed the Hunger Annual Packathon

On February 22, 2024, our DNOW Lights volunteers teamed up with Feed the Hunger for the annual Packathon in Katy, Texas! This organization has a goal to pack 1 million nutritious meals that will feed children and families in need, locally, nationally and internationally. In one evening DNOW Lights was able to pack 504 boxes, equivalent to 120,960 meals!



### **Camp Hope Cleanup Event**

March 4, 2024, marked the beginning of our collaboration with Camp Hope, a vital interim housing program for veterans situated in Houston, Texas. Dedicated to offering a secure environment for those grappling with trauma and post-traumatic stress, Camp Hope serves as a beacon of healing. Our team eagerly pitched in and participated in various activities, including serving dinner, tending the garden and organizing the campgrounds!



### **DNOW Lights Annual Charity Cornhole Tournament**

DNOW Lights hosted its 2nd Annual Charity Cornhole Tournament benefitting redM on May 3, 2024. RedM believes that the key to advancing the movement against human trafficking is to empower society with information, action opportunities and stories that inspire change and compassion. Our tournament doubled in size this year, hosting a total of 34 teams. Thank you to all of the players, sponsors and volunteers that made this event a great success!



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### **Keep Odessa Beautiful**

On May 23, 2024, a group of DNOW Lights volunteers from our Odessa, Texas, Supercenter proudly represented DNOW in our bright colors for the Keep Odessa Beautiful project. Volunteers worked hard picking up trash along Billy Hext Road, beautifying their community and promoting cleanliness!



### **Books Between Kids**

On June 8, 2024, a group of DNOW Lights volunteers spent their morning at Books Between Kids, a Houston-based nonprofit organization dedicated to providing books to children in need. Their mission is to build home libraries and foster a love of reading among Houston's at-risk children. The organization collects gently used children's books through community book drives and donations. These books are then sorted and distributed to children from low-income families at schools and community centers throughout the Houston area!



### Boys & Girls Clubs of the MonDak

This past July 8-11, the DNOW Lights team in Sidney, Montana, joined forces with the Boys & Girls Clubs of the MonDak to help serve lunch and organized fun activities for the kids. Our volunteers were thrilled to make sure these children had an afternoon they won't forget!



### **Pancreatic Cancer Canada Run for Survival**

In October, the DNOW Lights team in Edmonton proudly took part in the exhilarating Run for Survival, a powerful event dedicated to raising awareness and funds for pancreatic cancer research and treatment. Thanks to the team's dedication and support, participants successfully raised an impressive \$7,429.46 for this important cause!

# **ENVIRONMENTAL** Our efforts to drive long-term value through sustainability include a commitment to help protect the planet and mitigate environmental risk. We strive to reduce the environmental impact of our operations, understand our footprint across our value chain and engage our stakeholders in sustainable practices.



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# **OUR 2024 Environmental Highlights**



decrease in Scope 1 & 2 greenhouse gas ("GHG") emissions intensity from 2021 (34.64% exact)



93%

carbon-neutral parcel shipments for five consecutive years through our supplier partnership<sup>1</sup>



**Expanded the ZerO2™ product family** with the new E750 unit, which enables oil & gas and RNG operators to reduce up to

MT CO<sub>2</sub>e annually<sup>2</sup>

### Highlights of our efforts and accomplishments include:

- Encouraging environmentally friendly workplace practices by supporting recycling and separation of waste throughout our facilities
- Engaging in strategic partnerships with energy industry professionals to stay on top of upcoming opportunities in the communities in which we operate
- Combating plastic waste by installing water refill stations in numerous locations and reducing single-use plastic consumption

1 - Specific to U.S. only; prior to 2024 acquisitions, nearly 100% carbon-neutral shipments for four consecutive years. 2 - Reduction possible through the continual use of one E750 oxygen elimination unit. Represents estimated emissions reduction design capacity as adapted from one E300 unit and calculated by a third-party environmental consultant.





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U.N. Sustainable Development Goals Our goal is to assume a vital position and seamlessly integrate within our customers' value chain while prioritizing our focus on environmental responsibility. We are actively working on our energy management, conservation initiatives, responsible water usage and recycling whenever applicable to reduce our operational footprint. This commitment is firmly established in our Environmental Policy Statement.

We prioritize addressing our customers' unique energy evolution demands and risks while maximizing value in emerging markets. Our customers face increasing demands to minimize their environmental impact and rely on us for tailored products and process solutions that harmonize with their environmental initiatives and sustainability goals. This includes offering products and services that aid in curtailing environmental footprint, mitigating GHG emissions and fostering sustainable waste and water management practices.

### **DNOW IN ACTION**

### EcoVapor: Enabling a Pathway to Net-Zero Emissions

EcoVapor, a DNOW Company, is dedicated to helping vital industries improve their environmental and financial sustainability with innovative technology. EcoVapor solutions help eliminate routine flaring, minimize emissions and purify natural gas streams to maximize the productivity of oil and gas facilities, midstream and saltwater disposal operations, biogas and landfill gas operations, and more.

Serving the geologic oil & gas sector and the rapidly growing renewable natural gas ("RNG") and biogas industries, EcoVapor delivers flexible, high-performance systems tailored to meet evolving field demands. The Company offers modular units covering a range of capacities that continuously provide environmental benefits over the life of a well or facility.



**DNOW** is committed to

of the environment.

being a responsible steward



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### **Cultivating Sustainable Value**

We are dedicated to Cultivating Sustainable Value for our customers. DNOW's team prioritizes understanding our customers' challenges so our team can adequately evaluate DNOW's proprietary solutions, while offering technical acumen and supply chain expertise. We are continually expanding our product and service offerings and leveraging our deep expertise, superior customer service and complementary suite of digital channels and solutions to strengthen the energy value chain. Our solutions aim to diminish environmental impacts and effectively manage the movement of gases and fluids. We offer sustainably produced products, thereby limiting the overall carbon footprint of their offerings (e.g., use of wind power, recycled water, wood pellets, etc.). Additionally, we excel in assembling and fabricating process, production and measurement equipment, contributing to the measurement, detection, prevention and minimization of leaks and emissions.

#### **DNOW SOLUTIONS TO REDUCE ENVIRONMENTAL IMPACT**

### Oxygen Removal Systems (ZerO2™) Enables low-pressure tank

flash gas to be captured and sold, as opposed to flared, lowering operators' Scope 1 emissions

### **Hydrogren Sulfide Removal** Systems (Sulfur Sentinel™)

Removes hydrogen sulfide from gas stream, allowing gas capture and lowering operators' Scope 1 emissions



### **Vapor Management Systems** (Tank Commander™)

Captures tank vapor and eliminates tank venting emissions the most significant source of wellsite emissions

#### **Emissions Assessment** (Emissions Scout™)

Monitors and records tank battery conditions and emissions data to identify gas recovery opportunities

#### **Instrument Air Skids**

Uses instrument air instead of wellhead gas to reduce VOCs and GHG emissions



#### **Pump and Compressor Energy Audits**

Increases energy efficiency and reduces emissions



#### **Vapor Recovery Units**

Captures volatile organic compounds and reduces GHG emissions



#### Sealless Charge Pumps on **Lease Automatic Custody** Transfer ("LACT") Units

Reduces possible leak points and spills of environmentally impactful products



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#### **DNOW SOLUTIONS TO REDUCE ENVIRONMENTAL IMPACT**



#### **Mechanical Seals**

Critical components in rotating equipment, preventing fluid leakage and minimizing VOC emissions



#### **Containment Systems**

Reduces possible leaks and captures contaminants



#### Solar Chemical and Glycol Pumps

Uses solar power instead of electricity or wellhead gas



#### **Gas Recovery Pumps**

Recaptures wellhead gas and VOCs



Low-E Rated Valves, Zero-Emissions Process Pumps, High-Performance Spiral Wound Gaskets

Fugitive emissions mitigation and reduction



#### **API 5L Steel Pipe**

Produced from a high percentage of recycled steel scrap, utilizing efficient EAF technology



### **Forged Steel and Bolts**

Produced from recycled steel sources



#### Glass Reinforced Epoxy Piping Systems

Require less energy to manufacture than steel pipe



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### **DNOW IN ACTION**

## EcoVapor: Converting Tank Emissions to High-Quality Pipeline Gas

For one West Texas E&P company, the integration of the ZerO2<sup>TM</sup> system and metering infrastructure significantly improved project economics and eliminated approximately 19,130 MT  $\rm CO_2$ e emissions at the company's sites, equivalent to 4,123 gasoline-powered vehicles per year <sup>1</sup>.

In 2024, the value of recovered tank vapor surpassed the operator's total conventional natural gas sales, while simultaneously reducing emissions by eliminating routine flaring at production sites. The promise of increased profits has proven to be a powerful incentive for operators to utilize EcoVapor solutions that simultaneously minimize emissions and maximize productivity.

# Delivering Solutions to Reduce Methane Intensity

Pneumatic controllers and actuators are one of the largest sources of methane emissions in oil and gas production, transmission and storage applications. We are helping our customers decarbonize by reducing or eliminating routine flaring, as well as eliminating methane used to power gas pneumatic devices by replacing them with industrial-grade compressed air systems. DNOW is working with multiple operators to meet their goals of reducing overall methane intensity.

### DNOW Fiber Glass Systems: The Greener Choice

Our TS&M Fiberglass Glass Reinforced Epoxy ("GRE") piping systems offer a number of advantages to our customers, including providing a low-cost alternative and environmental advantages related to the manufacturing process compared to carbon steel pipe. We are continuously educating our customers on the applications and benefits of fiberglass products, including the potential benefit of aiding in the reduction of their Scope 3 carbon footprints. Some benefits include:

- 31% less energy to produce
- 65% energy savings throughout a 20-year life cycle
- Emissions reduction related to travel and shipping due to its lightweight nature
- CO<sub>2</sub> emissions reduction by up to 77% while shipping pipe via semi-trucks
- Carbon sequestration effect, as carbon stored in GRE piping systems prevents the same carbon from being emitted into the atmosphere as CO<sub>2</sub>
- CO<sub>2</sub> emissions reduction by 49,000 tons per year by changing current container ship piping systems to fiberglass
- Pumping energy reduction by having a smoother inner pipe surface



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### **DigitalNOW® Initiatives**

We are continuously expanding our innovative digital products suite to deliver greater value for our customers. Through our DigitalNOW® platform, customers can access cutting-edge technology in eCommerce, data management and supply chain optimization. These tools enable them to solve complex operational and product sourcing while maximizing their return on assets and sustainability initiatives.

# Expanding DigitalNOW® Initiatives to Drive Sustainable Water Reuse and Recycle Efficiencies

Sable Automation is an online software platform from Trojan, a DNOW Company, which automates and monitors oil & gas and water transfer systems in real-time. This industrial automation solution enhances a variety of key environmental applications, including produced water filtering, movement, storage and disposal.



### **DNOW IN ACTION**

### Sable: Water Treatment Automation

For the largest U.S. egg producer, implementation of a Sable water treatment automation system reduced the company's overall chemical usage and labor costs, improved uptime and enabled consistent compliance with EPA and USDA requirements.

This SCADA system utilizes real-time monitoring through flow meters, level sensors and remote alerts to automate chemical injection based on flow rate and water quality. Data-driven insights allow this customer to forecast future water and chemical usage.





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U.N. Sustainable Development Goals DNOW is committed to being a responsible steward of the environment and working to minimize our impact on the environment through energy management, conservation initiatives, responsible water conservation, recycling and waste minimization efforts. DNOW strives for continuous improvement in health, safety and environmental practices to enhance our Company's business performance, satisfy customer requirements and create positive change globally as well as in our local communities, while acting in a manner consistent with all applicable laws and regulations.

DNOW helps customers minimize their environmental impact through the efficient and sustainable distribution of products and services that contain and control the movement of gases and fluids with tools that prevent and minimize the impact to the environment. We supply products, services and solutions that help deliver affordable and clean energy in a safe, responsible manner worldwide.





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### **Solutions to Manage Water Use**

DNOW offers a variety of products designed for sustainable water management, including water transfer, disposal and injection packages. These products enable environmentally responsible produced water disposal in permitted areas. Our products and solutions assist production and midstream customers in efficiently using fresh and produced water, including reuse during well stimulation, water cleaning, transfer, disposal and reuse in the field, which reduces fresh water consumption.

#### **DNOW SOLUTIONS TO MANAGE WATER USE**



Efficiently separates produced water from oil and gas streams for future use or disposal in an environmentally responsible



### **Water Transfer**

Tranfers stored produced water for processing, reuse or disposal in an environmentally responsible manner



### Salt Water Disposal (SWD)

Disposes of produced water underground where it originated or via permitted reservoir



### **Rental Pumps**

manner

Allows the movement and transfer of water for a variety of needs



#### **Filtration Vessels**

Filters particulates in fresh or produced water for disposal, treatment or reuse



### **Process Pumps**

Used in a variety of services to clean, reuse, transfer or inject liquids





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### **Solutions for Energy Evolution**

We have a proven track record of serving customers across the energy value chain and are well-positioned to support them as they invest in projects driving the energy evolution. These projects encompass carbon capture, utilization and storage ("CCUS"), low-carbon or hydrogen and renewable fuels applications. The CCUS market is experiencing significant growth, with many of our current and potential customers involved in projects advancing the phases of carbon capture, separation, compression and liquefaction, transportation, storage and utilization. As our customers' projects advance through the funding cycle and new CCUS innovators emerge, DNOW is positioned to provide value through our current product lines, including PVF, electrical, personal protective equipment, pump packages, rotating equipment and fabricated process and production equipment. By leveraging our robust network of suppliers and global locations, we are poised to expand our offerings to effectively serve the renewable energy market. Our current portfolio includes products supplied to global renewable end-markets such as biofuels, wind, solar and geothermal energy. These products include electrical, personal protective equipment, lubricants, PVF, pump packages and rotating equipment.

DNOW's sourcing and procurement team undertakes identifying and managing risks and opportunities associated with our environmental supply chain. We require that vendors provide only products that comply with applicable laws, including those related to environmental protection, and we will not knowingly purchase products made in violation of established environmental requirements.

### **DNOW IN ACTION**

### **DNOW Solutions Help Advance Major CCUS Customer Projects**

DNOW provides support to several carbon CCUS customers, aiding in the transportation and removal of CO<sub>2</sub> from the atmosphere. We supply products such as high-grade steel pipe, low-emissions valves, fittings, flanges, pumps, instrumentation, electrical supplies and air compressor packages for a variety of CO<sub>2</sub> applications.

These DNOW products are being used to support the control and transmission of  $CO_2$  from both point source and direct air capture programs, delivering  $CO_2$  for enhanced oil recovery ("EOR") utilization as well as permanent geologic sequestration. In 2024, DNOW supplied PVF, construction materials and process piping to a major U.S.-based direct air capture project. Additionally, DNOW was successful in providing materials to a leading midstream operator, developing a  $CO_2$  pipeline project in the Northwest intending to deliver  $CO_2$  to permanent storage.





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U.N. Sustainable Development Goals **GHG Emissions** 

Our skilled teams regularly perform environmental inspections at our sites to verify compliance with environmental laws, regulations and permits. These programs identify and communicate best practices, risks and improvement opportunities across all sites. We ensure ongoing compliance by conducting periodic audits of our facilities, confirming adherence to environmental requirements and DNOW's environmental policies.

DNOW's management team is instrumental in identifying and addressing climate-related risks and opportunities, ensuring our sustainability strategy is embedded across all facets of our operations. This collaborative effort — guided by the Environmental, Social, Governance & Nominating Committee — drives the implementation of initiatives that effectively respond to climate-related challenges throughout the Company.

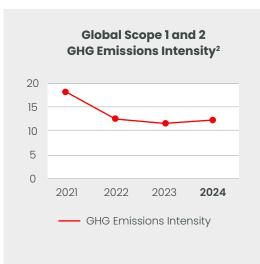
As a distributor, we perform minimal manufacturing operations and our energy inputs are primarily related to electricity for lighting, office and warehouse equipment, natural gas for heating and fuels for Company sales and delivery vehicles. We are continuously evaluating opportunities to make our operations more efficient while working to optimize the use of these resources in order to reduce emissions. All our energy consumption data, Scope 1 and Scope 2 emissions are reported according to the Greenhouse Gas Protocol. "Scope 1" emissions are defined as direct GHG emissions from sources that are owned or controlled by a company. Indirect emissions from consumption of purchased electricity, heat or steam are referred to as "Scope 2," and all other indirect emissions constitute "Scope 3." Indirect GHG emissions are a consequence of the operations of a company but occur at sources owned or controlled by another company. Both Scope 1 and Scope 2 emissions are reported in metric tons of carbon dioxide equivalent ("MT CO<sub>2</sub>e")

	2024	2023	2022	2021
GLOBAL GHG EMISSIONS IN MT CO <sub>2</sub> E	'			
Scope I emissions (equipment & vehicle fuel + natural gas)	22,107	19,582	19,243	22,307
Scope 2 emissions (electricity consumed)	6,928	7,629	7,896	8,247
Total Scope 1 and 2 GHG emissions	29,036 <sup>1</sup>	27,211	27,139	30,554
Total Scope 1 and 2 GHG emissions intensity	12.2	11.7	12.7	18.7

Our overall Scope 1 and Scope 2 GHG emissions intensity represents a 35% decrease from 2021 intensity. Emissions intensity has decreased sequentially from 2022 due to a number of operational improvements and optimizations to process workflows, in a year where we have grown revenues without substantial addition of emission generators.

1 - Due to rounding, amounts above may not sum to the totals presented.

2 - Total GHG emissions per \$1 million of total revenues.





### **ENVIRONMENTAL** Performance

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### **Emissions Reduction Services & Fuels Management**

DNOW's fuel consumption mostly consists of fuel consumed by vehicles, trucks and other on-road equipment used in our distribution and service operations. We collect data based on fuel type and vehicle type. CO<sub>2</sub>e is calculated from emissions factors based on fuel type and country.

### **Energy Management in Retail & Distribution**

DNOW's energy consumption data is derived from electric and gas utility bills at each location. Most locations source their own electric providers, which have their own generation sources. The majority of DNOW's facilities worldwide, including warehouses and distribution centers, monitor electricity and natural gas usage. Because the natural gas consumed by our operations is combusted onsite to heat the buildings, we are including the calculated emissions as Scope 1.1

	2024	2023	2022	2021
FUEL CONSUMPTION <sup>2</sup>				
Total fuel consumed by equipment and vehicles ("GJ")	265,333	224,011	216,873	248,228
Total GHG emissions from equipment and vehicles ("MT CO <sub>2</sub> e")	18,579	15,682	15,402	16,624
Percentage of fuel used in on-road equipment and vehicles	99.8%	99.9%	99.8%	99.8%
Percentage renewable fuel	0%	0%	0%	0%
ENERGY CONSUMPTION <sup>2</sup> ("MT CO <sub>2</sub> E")				
Electricity consumed	6,928	7,629	7,896	8,247
Natural gas consumed	3,528	3,900	3,841	5,683
Total energy consumed	10,456	11,529	11,737	13,930
Percentage grid electricity <sup>3</sup>	46%	44%	45%	38%

<sup>1 -</sup> CO<sub>2</sub>e emission factors based on country and fuel type source. Sources include International Energy Agency ("IEA"), The Climate Registry, the U.S. Environmental Protection Agency ("EPA") Emissions & Generation Resource Integrated Database ("eGRID") and Environment and Climate Change Canada.

<sup>2 -</sup> Since our business operates within a highly cyclical market, our activity fluctuates based on market and customer demand for our solutions. These fluctuations may increase the use of energy in our operations and should be considered when analyzing our data over a several year period.

<sup>3 -</sup> Calculated as purchased grid electricity consumption in GJ divided by total energy consumption in GJ, which includes natural gas consumption.



### **ABOUT** This Report

Introduction

The information included in this Report is subject to DNOW's policies and requirements surrounding the disclosure of financial and non-financial data. The financial information included in this Report was sourced from our Form 10-K filed with the SEC on February 18, 2025. All non-financial data included in this Report was not subject to a third-party audit verification process.

About DNOW

### **Basis of Presentation for Emissions**

Culture of Governance DNOW has prepared our greenhouse gas ("GHG") emissions calculations for the year ended December 31, 2024, in accordance with the World Resources Institute and World Business Council for Sustainable Development's Greenhouse Gas Protocol standards and guidance (collectively, "the GHG Protocol"):

- Scope 1 emissions have been prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition)
- Scope 2 emissions have been prepared in accordance with the GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard

We present our emissions under the operational control approach, accounting for emissions from operations over which we have the full authority to introduce and implement our operating policies.

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### **Use of Estimates and Estimation Uncertainties**

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The presentation of non-financial data within this Report requires management to make estimates and assumptions that affect data reported within this Report. DNOW bases our estimates and methodologies on historical experience and trends, available information and various other assumptions that we believe to be reasonable. Emissions data presented is subject to measurement and uncertainties resulting from limitations inherent in the nature and methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary. DNOW, nor their affiliates or representatives, make no representation or warranty (express or implied) with respect to the information contained in this Report (including, without limitation, information obtained from third parties) and each of DNOW and their respective affiliates and representatives expressly disclaim any and all liability based on or relating to the information contained in, or errors or omissions from this Report, based on or relating to the reader of this Report, or any other written or oral communications transmitted to the readers of this Report.

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### FORWARD-LOOKING Statements

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U.N. Sustainable Development Goals Certain information contained in this Sustainability Report may constitute forward-looking statements within the meaning of applicable securities laws, including, but not limited to, statements regarding our plans to: move forward with identified climate change opportunities, foster programs regarding diversity and inclusion and plans to seek opportunities to further integrate sustainability factors into investment decisions. 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 DNOW 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 Form 10-K for the year-ended December 31, 2024, (under the headings "Risk Factors" and "Information Regarding Forward Looking Statements" and elsewhere) and our subsequent reports, which are available through the SEC's EDGAR system at <a href="https://www.sec.gov">www.sec.gov</a>, and on our website at <a href="https://www.dnow.com">www.dnow.com</a>. DNOW assumes no obligation to update or otherwise revise these forward-looking statements, whether as a result of new information, future events or otherwise.



# DNOW BN 5526 **ANNEX** This annex expands transparency through key quantitative data compiled in accordance with the SASB and TCFD frameworks, along with additional details on our workforce, revenues, sales, stakeholders, locations and certification. Report data covers all global operations unless otherwise noted. In developing our Report, we have compiled metrics organized by key ESG themes incorporated within our tables and throughout our organization. DNOW member Companies best classify into the Sustainability Accounting Standards Board classifications for Oil & Gas Services and Specialty Retailers & Distributors. Our reporting reflects that classification. All data included in the following SASB and TCFD tables reflects calendar year 2024.



Introduction

The Sustainability Accounting Standards Board ("SASB") framework aims to provide a standard for companies to disclose financially-material and decision-useful ESG information to investors and other stakeholders. The index below maps our performance under each of the suggested disclosure topics for the following two industries:

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Multiline and Specialty Retailers & Distributors (Code CG-MR)

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> According to SASB's Sustainable Industry Classification System ("SICS®"), these two industry standards most accurately reflect our business operations. Other topics disclosed throughout this Report beyond the scope of these standards are not reflected in this index.

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**SASB CODE** 

**SASB ACCOUNTING METRIC UNIT OF MEASURE** 

2024 **RESPONSE** 

2023 **RESPONSE** 

2022 **RESPONSE** 

2021 **RESPONSE** 

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### **GREENHOUSE GAS EMISSIONS**

		Gigajoules (GJ)	265,333	224,011	216,873	248,228
	Total fuel consumed	Metric tons carbon dioxide equivalent (MT CO <sub>2</sub> e)	18,579	15,682	15,402	16,624
EM-SV-110a.1	Percentage renewable	Percentage (%)	0%	0%	0%	0%
	Percentage used in on-road equipment and vehicles	Percentage (%)	99.8%	99.9%	99.8%	99.8%
	Percentage used in off-road equipment	Percentage (%)	0.02%	0.01%	0.2%	0.2%
EM-SV-110a.2	Discussion of strategy or plans to address air emissions-related risks, opportunities and impacts	N/A	Page 55	See 2023 Report	See 2022 Report	See 2021 Report

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SASB CODE	SASB ACCOUNTING METRIC	UNIT OF MEASURE	2024 RESPONSE	2023 RESPONSE	2022 RESPONSE	2021 RESPONSE
ENERGY MAN	NAGEMENT					
		Gigajoules (GJ)	58,669	59,868	60,470	69,358
	Total electricity consumed	Metric tons carbon dioxide equivalent (MT CO <sub>2</sub> e)	6,928	7,629	7,896	8,247
00 145 100 1		Gigajoules (GJ)	68,962	76,194	74,891	112,104
CG-MR-130a.1	Total natural gas consumed	Metric tons carbon dioxide equivalent (MT CO <sub>2</sub> e)	3,528	3,900	3,841	5,683
	Total energy consumed	Gigajoules (GJ)	127,631	136,062	135,361	181,462
	Percentage energy consumed that is grid electricity	Percentage (%)	46%	44%	45%	38%
EMPLOYEE H	EALTH & SAFETY					
	Total recordable incident rate (TRIR)	Rate	0.61	0.81	0.94	0.92
	Fatality rate	Rate	0	0	0	0
FN4 604 600 1	Near miss frequency rate (NMFR)	Rate	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed
EM-SV-320a.1	Total vehicle incident rate (TVIR)	Rate	0.57	0.43	1.17	0.56
	Average hours of health, safety and emergency response training for (a) full-time employees, (b) contract employees and (c) short-service employees	Hours	Not Available	Not Available	Not Available	Not Available
EM-SV-320a.2	Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle	N/A	Page 32	See 2023 Report	See 2022 Report	See 2021 Report

<sup>1 -</sup> Calculated as purchased grid electricity consumption divided by total energy consumption, which includes natural gas consumption.



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SASB CODE	SASB ACCOUNTING METRIC	UNIT OF MEASURE	2024 RESPONSE	2023 RESPONSE	2022 RESPONSE	2021 RESPONSE
LABOR PRAC	TICES					
CG-MR-310a.3	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Dollars (\$)	\$15,000	See 2023 Report	See 2022 Report	See 2021 Report
EMPLOYEE EN	NGAGEMENT, DIVERSITY & INCLUSION					
CG-MR-330a.1	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	Percentage (%)	Page 41	See 2023 Report	See 2022 Report	See 2021 Report
CG-MR-330a.2	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Dollars (\$)	\$0	See 2023 Report	See 2022 Report	See 2021 Report
DATA SECUR	RITY		-			
CG-MR-230a.1	Description of approach to identifying and addressing data security risks	N/A	Pages 27–29	See 2023 Report	See 2022 Report	See 2021 Report
	Number of data breaches	Number	0	0	0	0
CG-MR-230a.2	Percentage involving personally identifiable information	Percentage (%)	0%	0%	0%	0%
	Number of customers affected	Number	0	0	0	0
BUSINESS ET	HICS					
EM-SV-510a.1	Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Percentage (%) of Total Revenues	0.02%	0.04%	0.23%	0.15%
EM-SV-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	N/A	Page 22	See 2023 Report	See 2022 Report	See 2021 Report



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SASB CODE	SASB ACCOUNTING METRIC	UNIT OF MEASURE	2024 RESPONSE	2023 RESPONSE	2022 RESPONSE	2021 RESPONSE
CRITICAL INC	CIDENT RISK MANAGEMENT					
EM-SV-540a.1	Description of management systems used to identify and mitigate catastrophic and tail-end risks	N/A	Page 19	See 2023 Report	See 2022 Report	See 2021 Report
PRODUCT DE	SIGN & LIFESTYLE MANAGEMENT		,			
CG-MR-410a.1	Revenue from products third-party certified to environmental and/or social sustainability standards	Dollars (\$)	Not Available	Not Available	Not Available	Not Available
CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	N/A	Page 24	See 2023 Report	See 2022 Report	See 2021 Report
MANAGEMEI	NT OF THE LEGAL & REGULATORY ENVIRON	MENT	,			
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	N/A	Page 21	See 2023 Report	See 2022 Report	See 2021 Report
ACTIVITY ME	TRICS		,			
	Number of retail locations	Number	153	155	170	180
CG-MR-000.A	Number of regional fulfillment centers	Number	9	10	9	8
	Total area of retail space	Square meters (m²)	198,764	247,613	267,629	254,958
CG-MR-000.B	Total area of regional fulfillment centers	Square meters (m²)	93,962	95,169	91,552	87,836



### **TCFD** Index

Introduction

We are committed to increasing transparency and alignment of our reporting with the recommendations established by the Task Force on Climate-Related Financial Disclosures ("TCFD"). The TCFD developed voluntary, consistent climate-related financial risk disclosures for use in providing information to stakeholders. Below is a summary of these disclosures in this Report.

**About DNOW** 

TCFD RECOMMENDATION SUPPORTING RECOMMENDED DISCLOSURE LOCATION OF DISCLOSURE

Culture of

Governance

Disclose the organization's governance around climate-related risks and opportunities.

**STRATEGY** 

GOVERNANCE

a) Describe the Board's oversight of climate-related risks and opportunities.

b) Describe management's role in assessing and

managing climate-related risks and opportunities.

Corporate Governance Oversight, Pages 12–13

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Forward-Looking Statements Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material.

- a) Describe the climate-related risks and opportunities the organization has identified over the short-, mediumand long-term.
- b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.
- c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Page 21

Management of Legal & Regulatory Environment,

Risk Management, Pages 18-20

At this time, DNOW has not conducted a 2°C or lower scenario analysis. We are, however, committed to continuing to enhance our understanding of climate-related risks and opportunities and the ways in which they impact our business, strategy and financial planning, and will assess this initiative in the future.

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### **TCFD** Index

information is material.

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TCFD RECOMMENDATION	SUPPORTING RECOMMENDED DISCLOSURE	LOCATION OF DISCLOSURE

RISK MANAGEMENT		
Disclose how the organization identifies, assesses and manages climate-related risks.	a) Describe the Board's oversight of climate-related risks and opportunities. b) Describe the organization's processes for managing climate-related risks. c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	Risk Management, Page 20
METRICS & TARGETS		
Disclose the metrics and targets used to assess and manage relevant	<ul> <li>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</li> <li>b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.</li> </ul>	SASB Index, Page 60
climate-related risks and opportunities where such	c) Describe the targets used by the organization to	We have not yet set climate-specific targets, as we're focused on establishing our GHG emissions

baseline and enhancing our approach to ESG

the feasibility and relevance of setting climate-

data collection. We will continue to evaluate

specific targets in the future.

performance against targets.

c) Describe the targets used by the organization to

manage climate-related risks and opportunities and



# U.N. SUSTAINABLE DEVELOPMENT GOALS ("SDGs")

Introduction

The Sustainable Development Goals ("SDGs") are a series of interlinked goals adopted by U.N. member states in 2015. These goals focus on creating a fairer, more just world with more sustainable economic and environmental practices by 2030. The goals are ambitious and will only succeed through the combined efforts of governments, businesses and civil society.



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Provide equitable access of health services for all and end preventable deaths.



#### Industry, Innovation and Infrastructure

Aims to build resilient infrastructure, promote sustainable industrialization and foster innovation.



#### **Quality Education**

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



### **Responsible Consumption and Production**

Encourages more sustainable consumption and production patterns through various measures.



### **Gender Equality**

Achieve gender equality and empower all women and girls.



#### **Climate Change**

Take urgent action to combat climate change and its impacts.



### Affordable and Clean Energy

Affordable, reliable, sustainable and modern energy for all by 2030.



### Peace, Justice and Strong Institutions

Dedicated to the promotion of peaceful and inclusive societies for sustainable development, the provision of access to justice for all and building effective, accountable institutions at all levels.



#### **Decent Work and Economic Growth**

Promote sustained, inclusive and sustainable economic growth — full and productive employment and decent work for all.



### **Partnerships for the Goals**

Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.



# U.N. SDG Alignment

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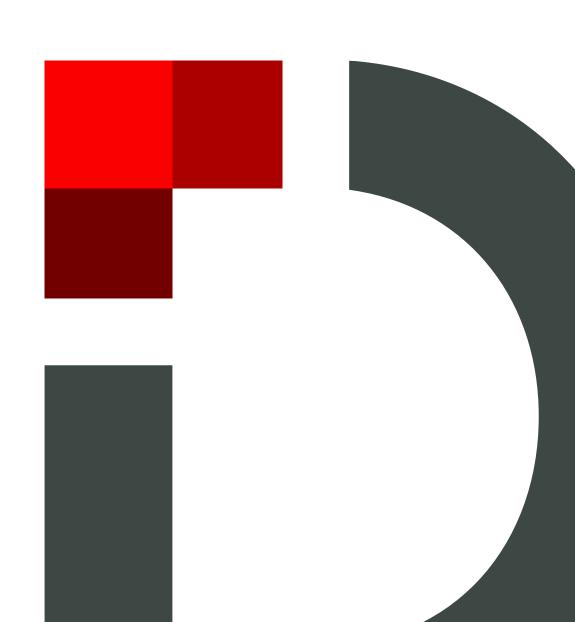
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U.N. SDG	DNOW GOAL PROGRESS AND KEY PERFORMANCE INDICATORS	SECTION, PAGE #
Emphasizing health and safety at work and in the community through support of or robust management systems that prioritize safety at the center of our actions     Ongoing safety performance evaluations, mandatory safety straining for employee regular safety meetings		Workforce Health & Safety, Page 32
GRALITY	Focusing on employee growth through diverse training and development programs tailored to enhance skills and foster personal advancement	Employee Engagement & Development, Page 35
5 GRADITE 8 DECENT HORSE CAN  TOTAL TOTAL TOTAL CAN  TO	Our Board prioritizes diversity through director nominations, aiming for a varied representation of backgrounds and experiences  Embedding DEI initiatives across recruitment, talent development and succession planning, supported by ongoing DEI education that fosters awareness and education across all Company locations through our Employee Resource Groups	Corporate Governance Oversight, Page 12 Culture of Inclusion, Page 38
NITORISMALL AND CLIAN THERE!  9 MODELINE SANCE  9 MODELINE SANCE  13 CLIANTI  CONCERNITION  AND PRODUCTION	Focus on high value-add solutions that advance our customers' environmental goals     Continuous monitoring and managing of our sustainability performance, including ongoing initiatives to modernize our fulfillment model and reduce our overall carbon footprint     Actively minimizing packaging waste through recycling programs and participation in carbon neutral shipping programs     Ensuring our products are sourced, manufactured and distributed in an ethical and sustainable manner through our commitment to supply chain stewardship	Our Sustainability Strategy, Page 9
6 PEACE AUSTRON AND STRONG INSTITUTIONS	Board oversight of sustainable growth plans and management of risks related to climate change and other ESG matters     Robust internal policies and procedures to uphold high ethical standards and integrity, with employees undergoing regular ethics training	Corporate Governance Oversight, Page 12 Business Ethics & Payments Transparency, Page 22 Management of Legal & Regulatory Environment, Page 21
7 PATTARBOURS FOR THE GRAS	Alignment with U.N. SDGs most relevant to our sustainability strategy and continuous identification of opportunities where our improvement can contribute to the advancement of sustainable progress	Our Sustainability Strategy, Page 9





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